

ARTICLE 2. INDIANA STATE TEACHERS' RETIREMENT FUND

Rule 1. Definitions

550 IAC 2-1-1 Applicability

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2; IC 5-10.4

Sec. 1. The definitions in this rule apply throughout this article. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-1; filed Oct 5, 1992, 5:00 p.m.: 16 IR 703; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA*)

550 IAC 2-1-1.2 "Annuity savings account" or "ASA" defined

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-2-3

Sec. 1.2. "Annuity savings account" or "ASA" means an individual account consisting of member contributions and the interest credits on those contributions in the guaranteed fund or the gain or loss in market value on those contributions in the alternate investment program. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-1.2; adopted Dec 16, 2009: 20100106-IR-550090990ONA*)

550 IAC 2-1-2 "Board" defined

Authority: IC 5-10.4-3-6

Affected: IC 5-10.4-3

Sec. 2. "Board" means the board of trustees of the Indiana state teachers' retirement fund. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-2; filed Oct 5, 1992, 5:00 p.m.: 16 IR 703; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA*)

550 IAC 2-1-2.2 "Classroom disability" defined

Authority: IC 5-10.4-3-6

Affected: IC 5-10.4-5-1

Sec. 2.2. "Classroom disability" refers to a medically confirmed inability to continue classroom teaching due to a mental or physical condition that is not necessarily of sufficient severity to meet Social Security disability guidelines. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-2.2; adopted Mar 27, 2007: 20070404-IR-550070200ONA*)

550 IAC 2-1-2.4 "Covered position" or "covered employment" defined

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-2-1; IC 5-10.2-3-6; IC 5-10.4-4-1

Sec. 2.4. "Covered position" or "covered employment" means a position or employment covered by either the Indiana state teachers' retirement fund or the public employees' retirement fund. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-2.4; adopted Mar 27, 2007: 20070404-IR-550070200ONA*)

550 IAC 2-1-2.8 "Earns" defined

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-8

Sec. 2.8. "Earns" means:

- (1) income;
- (2) salary;
- (3) money;

- (4) wages; or
- (5) fees;

accrued for the performance of services whether or not the remuneration has been paid. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-2.8; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

550 IAC 2-1-3 "Employer" or "employing unit" defined

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3; IC 5-10.4-4-1; IC 5-10.4-4-11; IC 20-24-1-4

Sec. 3. "Employer" or "employing unit" refers to public school districts, including charter schools as defined by IC 20-24-1-4, the state of Indiana, Ball State University, Indiana State University, University of Southern Indiana, and Vincennes University. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-3; filed Oct 5, 1992, 5:00 p.m.: 16 IR 703; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

550 IAC 2-1-4 "Employer contribution or share" defined

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-2-6; IC 5-10.4-4-4

Sec. 4. "Employer contribution or share" refers to contributions, exclusive of the annuity savings account, made to the Indiana state teachers' retirement fund by employers to provide funding for the defined benefit portion of the member's pension benefit. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-4; filed Oct 5, 1992, 5:00 p.m.: 16 IR 703; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

550 IAC 2-1-4.6 "Executive director duties and authority" defined

Authority: IC 5-10.4-3-6

Affected: IC 5-10.4-3-5

Sec. 4.6. The director shall have authority to:

- (1) act on applications for benefits;
- (2) enter into agreements and sign contracts on behalf of the fund pursuant to and in accordance with procurement policies established by the board;
- (3) develop, institute, and enforce fund personnel and administrative policies;
- (4) perform duties as is necessary to effectuate the statutory purposes of the fund; and
- (5) perform duties as may be assigned by the board.

(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-4.6; adopted Nov 19, 2008: 20081126-IR-550080887ONA)

550 IAC 2-1-5 "In service", "active service", or "serve" defined

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-1; IC 5-10.2-3-7.5; IC 5-10.4-4-2

Sec. 5. (a) "In service" or "active service" refers to active teaching or employment in any of the positions covered in IC 5-10.4-4-1, or approved leave from active service where a member is entitled to service credit while still under contract, employed, or while receiving state disability benefits.

(b) For purposes of the determination of service credit under IC 5-10.4-4-2, "in service", "active service", or "serve" means physically performing covered employment duties in any one (1) day or fraction thereof. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-5; filed Oct 5, 1992, 5:00 p.m.: 16 IR 703; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Dec 16, 2009: 20100106-IR-550090990ONA)*

550 IAC 2-1-5.4 "Interest credits" defined

Authority: IC 5-10.4-3-6
Affected: IC 5-10.2-3-6

Sec. 5.4. "Interest credits" means the amount of money that is attributed to amounts invested in the guaranteed program pursuant to the interest credit rate set by the board. For purposes of IC 5-10.2-3-6, the term also includes earnings in the alternative investment programs. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-5.4; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Dec 16, 2009: 20100106-IR-550090990ONA*)

550 IAC 2-1-6 "License" defined

Authority: IC 5-10.4-3-6
Affected: IC 5-10.2-3-1; IC 5-10.4-4-1

Sec. 6. "License" means a teaching license issued by the Indiana state board of education or the Indiana professional licensing agency. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-6; filed Oct 5, 1992, 5:00 p.m.: 16 IR 703; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA; adopted Dec 16, 2009: 20100106-IR-550090990ONA*)

550 IAC 2-1-6.4 "PERF" defined

Authority: IC 5-10.4-3-6
Affected: IC 5-10.2; IC 5-10.4

Sec. 6.4. "PERF" refers to the Indiana public employees' retirement fund. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-6.4; adopted Mar 27, 2007: 20070404-IR-550070200ONA*)

550 IAC 2-1-7 "Qualified dependent" defined

Authority: IC 5-10.4-3-6
Affected: IC 5-10.2-3-7.5

Sec. 7. "Qualified dependent" refers to a dependent of a member who had the required years of credit prior to the member's death in service or while eligible to receive but prior to applying for retirement or disability benefits and is either under eighteen (18) years of age at the time of the member's death or is determined to have, at the time of the member's death, a disability that meets Social Security guidelines and was present prior to the dependent's eighteenth birthday. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-7; filed Oct 5, 1992, 5:00 p.m.: 16 IR 703; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA*)

550 IAC 2-1-8 "Qualified spouse" defined

Authority: IC 5-10.4-3-6
Affected: IC 5-10.2-3-7.5

Sec. 8. "Qualified spouse" refers to a current spouse who was married to a member for at least two (2) years at the time of the member's death in service or while eligible to receive retirement or disability retirement but before applying for those benefits. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-8; filed Oct 5, 1992, 5:00 p.m.: 16 IR 703; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA*)

550 IAC 2-1-8.5 "Record keeper" defined

Authority: IC 5-10.4-3-6
Affected: IC 5-10.2-4

Sec. 8.5. "Record keeper" means a third party service provider that provides bookkeeping services for TRF members' individual ASA investment trading transactions and individual accounts, including daily valuations of accounts. (*Board of Trustees of the*

Indiana State Teachers' Retirement Fund; 550 IAC 2-1-8.5; adopted Dec 16, 2009: 20100106-IR-550090990ONA)

550 IAC 2-1-9 "Regular disability" defined (Repealed)

Sec. 9. (Repealed by Board of Trustees of the Indiana State Teachers' Retirement Fund; adopted Mar 27, 2007: 20070404-IR-550070200ONA)

550 IAC 2-1-10 "Regularly employed" defined

Authority: IC 5-10.4-3-6

Affected: IC 5-10.4-4-1

Sec. 10. "Regularly employed" refers to employment with covered employers, as a person described in IC 5-10.4-4-1. (Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-10; filed Oct 5, 1992, 5:00 p.m.: 16 IR 704; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)

550 IAC 2-1-11 "Sabbatical" or "professional leave" defined

Authority: IC 5-10.4-3-6

Affected: IC 5-10.4-4-7; IC 20-28-10-1; IC 20-28-10-2; IC 20-28-10-3

Sec. 11. "Sabbatical" or "professional leave" refers to a leave of absence for additional education or professional experience which will directly enhance the member's performance of covered employment. (Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-11; filed Oct 5, 1992, 5:00 p.m.: 16 IR 704; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA)

550 IAC 2-1-11.5 "Separate accounts" defined

Authority: IC 5-10.4-3-6

Affected: IC 5-10.4-7-10

Sec. 11.5. Separate accounts within the 1996 account shall only be required in the event the board adopts individual employer contribution rates for each school corporation. (Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-11.5; adopted Nov 19, 2008: 20081126-IR-550080887ONA)

550 IAC 2-1-12 "Supplemental contract" defined

Authority: IC 5-10.4-3-6

Affected: IC 5-10.4-4-1; IC 5-10.4-4-2

Sec. 12. "Supplemental contract" refers to a teaching contract for evening or summer school employment in the public schools in a position which has been officially approved and certified by the Indiana state board of education. (Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-12; filed Oct 5, 1992, 5:00 p.m.: 16 IR 704; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA)

550 IAC 2-1-12.5 "Benefit accrual date" defined

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2; IC 5-10.4-5-8

Sec. 12.5. (a) For members who choose not to delay their retirement date after ceasing employment, the benefit accrual date is the date in which a member ceases service.

(b) For all other members, the benefit accrual date is their retirement date chosen pursuant to IC 5-10.2-4-1.3 and in accordance with IC 5-10.2-4-1(d)(3). (Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-12.5; adopted Nov 19, 2008: 20081126-IR-550080887ONA)

550 IAC 2-1-12.8 "Sick leave" defined

Authority: IC 5-10.4-3-6
Affected: IC 5-10.4-4-7

Sec. 12.8. For purposes of IC 5-10.4-4-7, "sick leave" means a leave of absence taken by the member due to the member's illness or injury or other condition for which the member has a right to accrue, be paid, or take leave pursuant to the sick leave policy of the member's employer or as part of the member's teacher contract. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-12.8; adopted Dec 16, 2009: 20100106-IR-550090990ONA)*

550 IAC 2-1-13 "Teacher" defined

Authority: IC 5-10.4-3-6
Affected: IC 5-10.2-4-3; IC 5-10.4-4-1

Sec. 13. "Teacher" refers to teachers, principals, superintendents, those enumerated in IC 5-10.4-4-1 as members of the Fund, or supervisory personnel who are licensed by the Indiana state board of education or the Indiana professional licensing agency and regularly employed by covered employers. The term does not include:

- (1) dormitory staff;
- (2) grounds or facility management personnel;
- (3) secretarial staff;
- (4) occupational therapists;
- (5) physical therapists;
- (6) counselors; or
- (7) other similar positions;

whereby the employee is not licensed by the state board of education or the Indiana professional licensing agency as a teacher. The board shall have the final determination on whether a position is within the meaning of the term. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-13; filed Oct 5, 1992, 5:00 p.m.: 16 IR 704; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Dec 16, 2009: 20100106-IR-550090990ONA)*

550 IAC 2-1-13.4 "TRF" defined

Authority: IC 5-10.4-3-6
Affected: IC 5-10.2; IC 5-10.4

Sec. 13.4. "TRF" refers to the Indiana state teachers' retirement fund. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-13.4; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

550 IAC 2-1-14 "Uniform contract" defined

Authority: IC 5-10.4-3-6
Affected: IC 5-10.4-4-1

Sec. 14. "Uniform contract" refers to a teaching contract for a single year in a position which has been officially approved and certified by the Indiana state board of education or the Indiana professional licensing agency. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-14; filed Oct 5, 1992, 5:00 p.m.: 16 IR 704; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA; adopted Dec 16, 2009: 20100106-IR-550090990ONA)*

550 IAC 2-1-15 "Withdrawal" defined

Authority: IC 5-10.4-3-6
Affected: IC 5-10.2-3-6

Sec. 15. "Withdrawal" means the disbursement to a member of the assets held in the member's annuity savings account at any time prior to retirement. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-1-15; filed Oct 5, 1992, 5:00 p.m.: 16 IR 704; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

Rule 2. Administrative Matters

550 IAC 2-2-1 Withholding of benefit payment

Authority: IC 5-10.4-3-6
Affected: IC 5-10.2-4

Sec. 1. Benefit payments may be withheld under any of the following circumstances:

- (1) Order of the board.
- (2) To offset the overpayment of benefits to a member or beneficiary until the overpayment is repaid to the fund.
- (3) Pending investigation after three (3) consecutive monthly benefit checks have been returned by the United States Postal Service as undeliverable.
- (4) After notification of a member's death.
- (5) Pursuant to court order.

(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-2-1; filed Oct 5, 1992, 5:00 p.m.: 16 IR 704; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)

550 IAC 2-2-2 Bank accounts

Authority: IC 5-10.4-3-6
Affected: IC 5-10.2-2-14; IC 5-10.4-5-14

Sec. 2. Neither the member nor the member's authorized agent may instruct the fund to directly deposit benefit payments to a trust or a bank account that does not permit the member or the member's authorized agent access to the funds so held. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-2-2; filed Oct 5, 1992, 5:00 p.m.: 16 IR 704; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

550 IAC 2-2-2.2 Direct deposit

Authority: IC 5-10.2-2-1; IC 5-10.4-3-8
Affected: IC 5-10.2-4-1.2

Sec. 2.2. (a) It is the policy of TRF that direct deposit is the preferred method for monthly benefit distributions to members and beneficiaries. Except as provided below, monthly benefit distributions shall be made by direct deposit.

(b) A member or beneficiary who does not wish to have direct deposit may request a waiver of the requirement on a form approved by TRF.

(c) The reason for requesting the waiver must be designated on the form. TRF shall grant a member or beneficiary's waiver for any of the reasons enumerated in IC 5-10.2-4-1.2(c).

(d) TRF may grant a waiver when it is determined that the facts of a particular case warrant the waiver of the requirement of direct deposit.

(e) A member or beneficiary who is in pay status as of July 1, 2009, and is receiving monthly benefits in a manner other than direct deposit shall not have the monthly benefit stopped for receiving monthly benefits in a manner other than direct deposit. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-2-2.2; adopted Dec 16, 2009: 20100106-IR-550090990ONA)*

550 IAC 2-2-2.5 Administrative review and appeals of staff action

Authority: IC 5-10.4-3-6; IC 5-10.4-3-8
Affected: IC 4-21.5-3-5; IC 4-21.5-3-28; IC 5-10.4-2-1

Sec. 2.5. (a) The purpose of this rule is to establish procedures to process petitioner appeals of TRF staff action, determinations, or decisions hereinafter referred to as "staff action" in accordance with and pursuant to the Indiana Orders and Procedures Act (Act), IC 4-21.5-3.

(b) Pursuant to IC 4-21.5-3-28, the executive director (ED) as the board's delegee *[sic]* shall conduct a final authority proceeding to issue a final order.

(c) The administrative review process will be as follows:

(1) When responding to a member's requests for an appeal of staff action, the following procedure shall be used. The staff action shall be reviewed by a supervisor of the TRF personnel who took the questioned action, and the supervisor shall investigate whether such action was correct and whether a suitable alternative solution is available.

(2) If the staff action is determined to be correct, and if no suitable alternative solution is available, the appeal shall be forwarded to the TRF general counsel for review and response. TRF shall prepare a response and attach a summary of the member's right to administrative review and forward it to the stakeholder by certified U.S. mail. This response shall be TRF's initial determination.

(3) Pursuant to IC 4-21.5-3-5, the petitioner will have fifteen (15) days from receipt of TRF's initial determination to appeal in writing.

(4) A copy of the appeal shall be sent to the administrative law judge (ALJ).

(5) The ALJ may set a prehearing conference to discuss issues of discovery and motions for summary judgment and to determine a briefing schedule.

(6) If an evidentiary hearing is required, TRF shall provide space to conduct the hearing and engage a court reporter to make a record of the hearing.

(7) Once the ALJ has entered a disposition of the case, the ED will affirm, modify, or dissolve the ALJ's order. The ED may remand the matter, with or without instructions, to the ALJ for further proceedings.

(8) A party not in default under the Act must file with the ED an objection which identifies the basis of the objection with reasonable particularity within fifteen (15) days after the order is served on the member in order to preserve an objection for judicial review.

(9) Even without an objection under subdivision (8), the ED may serve written notice of its intent to review any issue related to the order and such notice shall be served on all parties. The notice must identify the issues that the ED intends to review.

(10) In the absence of an objection or notice under subdivision (8) or (9), the ED shall affirm the ALJ's order.

(11) The petitioner shall be notified by certified U.S. mail of the final order.

(12) The petitioner has thirty (30) days from receipt of the final order to petition a court of jurisdiction for judicial review.

(13) If no petition for judicial review is filed within the thirty (30) day time period, the file is closed.

(14) This rule shall be interpreted to conform to the Act and shall be implemented pursuant to and in accordance with the Act.

(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-2-2.5; adopted Dec 16, 2009: 20100106-IR-550090990ONA)

550 IAC 2-2-3 Benefit payments pending appeal

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4; IC 5-10.4-5-9; IC 34-13-1-6

Sec. 3. (a) A member who elects to exercise the right to appeal an adverse decision issued by TRF may receive benefit payments less the disputed amount while the matter is pending. Should the matter be resolved in the member's favor, future benefits will be adjusted accordingly and a lump-sum payment for past benefits due shall be issued within sixty (60) days. If, however, the necessary information has not been provided or was delayed, the sixty (60) day period will be extended accordingly.

(b) Whenever, by final decree or judgment, a sum of money is adjudged to be due to a person, the judgment shall draw an annual rate of interest as described in IC 34-13-1-6. The fund shall not pay prejudgment interest. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-2-3; filed Oct 5, 1992, 5:00 p.m.: 16 IR 704; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Dec 16, 2009: 20100106-IR-550090990ONA)*

550 IAC 2-2-4 Estimate of future benefits

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4; IC 5-10.4-5-9

Sec. 4. (a) The fund shall provide written estimates of future retirement benefits to a member upon request by the member in a manner prescribed by the board.

(b) The calculation is only an estimate, and a final calculation will be rendered upon a vested member's retirement from service or death, whichever is earlier.

(c) Estimates are provided as a courtesy, and the fund accepts no liability in the event of error. *(Board of Trustees of the*

Indiana State Teachers' Retirement Fund; 550 IAC 2-2-4; filed Oct 5, 1992, 5:00 p.m.: 16 IR 705; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)

550 IAC 2-2-5 Investment plans and reemployment (Repealed)

Sec. 5. (Repealed by Board of Trustees of the Indiana State Teachers' Retirement Fund; adopted Dec 16, 2009: 20100106-IR-550090990ONA)

550 IAC 2-2-6 Interest credited to annuity savings and rollover accounts

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-2-4; IC 5-10.2-3-10; IC 5-10.4-4-13

Sec. 6. (a) Contributions to the annuity savings account received by the fund that have not been allocated by the member will be credited to the guaranteed fund.

(b) Contributions to a rollover account established under IC 5-10.2-3-10 that have not been allocated by the member shall be credited to the money market fund. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-2-6; filed Oct 5, 1992, 5:00 p.m.: 16 IR 705; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

550 IAC 2-2-6.1 ASA valuation

Authority: IC 5-10.2-2-1; IC 5-10.2-2-3; IC 5-10.4-3-6; IC 5-10.4-3-8

Affected: IC 5-10.2-2-3

Sec. 6.1. (a) A member may direct an allocation in the amount credited to the member among the guaranteed program and any available alternative accounts subject to the following conditions:

(1) TRF shall allow a member to make a change or selection at least once a quarter.

(2) TRF shall implement the member's selection beginning the first day of the next calendar quarter that begins at least thirty (30) days after the selection is received by TRF. This date is the effective date of the member's selection.

(3) A member may select any combination of the guaranteed program or any of the available alternative accounts in ten percent (10%) increments.

(4) A member's selection remains in effect until a new selection is made.

(5) On the effective date of a member's selection, TRF shall reallocate the member's existing balance or balances in accordance with the member's direction, based on:

(A) for an alternative investment program balance, the market value on the effective date; and

(B) for any guaranteed program balance, the account balance on the effective date.

(b) Notwithstanding subsection (a), once TRF engages the services of a record keeper, and said record keeper is authorized to perform daily valuation services and other such services as required and necessary to effectuate this subsection, a member may direct an allocation in the amount credited to the member among the guaranteed program and any available alternative accounts subject to the following conditions:

(1) TRF shall allow a member to make a change or selection at least once a day.

(2) TRF shall implement the member's selection beginning the next calendar day after the selection is received by TRF's record keeper. This date is the effective date of the member's selection.

(3) A member may select any combination of the guaranteed program or any of the available alternative accounts in one percent (1%) increments.

(4) A member's selection remains in effect until a new selection is made.

(5) On the effective date of a member's selection, TRF's record keeper shall reallocate the member's existing balance or balances in accordance with the member's direction, based on:

(A) for an alternative investment program balance, the market value on the effective date; and

(B) for any guaranteed program balance, the account balance on the effective date.

(c) When a member who participates in the alternative or guaranteed investment programs transfers the amount credited to the member from one (1) alternative investment program to another alternative investment program or to the guaranteed program,

the amount credited to the member shall be valued at the market value of the member's investment, as of the day before the effective date of the member's selection. When a member who participates in an alternative investment program retires, becomes disabled, dies, or suspends membership and withdraws from the fund, the amount credited to the member shall be the market value of the member's investment as of the day before the member applies for distribution or annuitization at retirement, disability, date of death, or suspension and withdrawal, plus contributions received after that date. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-2-6.1; adopted Dec 16, 2009: 20100106-IR-550090990ONA)*

550 IAC 2-2-7 Definition of compensation

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-3; IC 5-10.4-5-6

Sec. 7. (a) Subject to subsection (b), "basic salary" or "annual compensation" means all compensation that is included as gross income as reported on the member's W-2 for covered service by a covered employer, plus the amounts stated in IC 5-10.2-4-3 that are not paid directly to the member.

(b) Compensation of not more than two thousand dollars (\$2,000) pursuant to and in accordance with IC 5-10.2-4-3(e) may be used in the total annual compensation from which the average of the annual compensation is determined.

(c) A member's basic salary or annual compensation must be certified by an official of the employing unit who has knowledge of and access to the records. A member may not certify his or her basic salary or annual compensation. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-2-7; filed Oct 5, 1992, 5:00 p.m.: 16 IR 705; filed Jul 26, 2000, 2:48 p.m.: 23 IR 3089; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; filed Apr 8, 2004, 3:23 p.m.: 27 IR 2496; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Nov 19, 2008: 20081126-IR-550080887ONA; adopted Dec 16, 2009: 20100106-IR-550090990ONA)*

550 IAC 2-2-8 Jury duty

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-3

Sec. 8. Payments to members arising out of jury duty may be included as compensation. The payments shall be handled in either of the following ways:

(1) The employing unit may pay the teacher the difference between the jury duty pay and the teacher's basic salary.

(2) The teacher may turn over jury duty pay to the employing unit, and the employing unit will then pay the teacher the full basic salary.

(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-2-8; filed Oct 5, 1992, 5:00 p.m.: 16 IR 705; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)

550 IAC 2-2-9 Worker's compensation and sick leave

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-3

Sec. 9. (a) Unless otherwise provided in law and subject to subsections (b) through (d), creditable service shall be earned by a member injured during the scope of his or her employment and paid benefits under the Workmen's Compensation Act or the State Personnel Act; however, no service credit shall be given for a period of time during which TRF or PERF disability benefits were paid.

(b) The combination of worker's compensation and sick leave payments made by the employing unit may not exceed the member's basic salary.

(c) The member must pay to the fund the statutory contributions out of the amounts received pursuant to worker's compensation.

(d) The employing unit must provide written verification of the facts surrounding the payment of worker's compensation benefits and the amount of the member's basic salary. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-2-9; filed Oct 5, 1992, 5:00 p.m.: 16 IR 706; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

550 IAC 2-2-10 Overpayment of benefits

Authority: IC 5-10.4-3-6
 Affected: IC 5-10.4-3-8

Sec. 10. If a member, survivor, or beneficiary receives an overpayment of retirement benefits due to an administrative error, failure to inform the fund of reemployment, or any other reason, the member, survivor, or beneficiary has an obligation to repay the erroneous payments to the fund. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-2-10; filed Oct 5, 1992, 5:00 p.m.: 16 IR 706; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

Rule 3. Suspension of Membership

550 IAC 2-3-1 Suspension of membership; withdrawal of contributions

Authority: IC 5-10.4-3-6
 Affected: IC 5-10.2-3-5; IC 5-10.2-3-6; IC 5-10.4-4-13

Sec. 1. No withdrawal of the member's contributions shall be made when the member is currently under a contract to serve in a covered position, while in active service, or on an approved leave of absence from such a position. A withdrawal may proceed only after the member's employing unit has verified that the member is no longer employed and advised the fund of the termination date. School verification is not required whenever more than one (1) year lapses from the date of the member's departure from covered employment. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-3-1; filed Oct 5, 1992, 5:00 p.m.: 16 IR 706; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

550 IAC 2-3-2 Membership following the withdrawal of contributions

Authority: IC 5-10.4-3-6
 Affected: IC 5-10.2-3-6.5; IC 5-10.4-4-13

Sec. 2. (a) Except as provided under IC 5-10.2-3-6.5, a member is not entitled to receive benefits after membership is suspended and the amount held in the annuity savings account withdrawn unless the member returns to covered employment in Indiana and remains employed for at least one-half (1/2) year.

(b) Should the fund become aware that a member has reemployed in a covered position within thirty (30) days after having requested the withdrawal and if no withdrawal distribution has been made, the fund will not make the withdrawal distribution. The member shall notify the fund immediately upon accepting such employment. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-3-2; filed Oct 5, 1992, 5:00 p.m.: 16 IR 706; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Dec 16, 2009: 20100106-IR-550090990ONA)*

550 IAC 2-3-3 Reinstatement of creditable service after suspension of membership

Authority: IC 5-10.4-3-6
 Affected: IC 5-10.2-3-5; IC 5-10.2-3-6; IC 5-10.4-4-13

Sec. 3. A member who returns to active service after suspension of membership shall receive credit for prior service when the member is reemployed in a covered position for at least one-half (1/2) year. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-3-3; filed Oct 5, 1992, 5:00 p.m.: 16 IR 706; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Dec 16, 2009: 20100106-IR-550090990ONA)*

550 IAC 2-3-4 Repayment after withdrawal

Authority: IC 5-10.4-3-6
 Affected: IC 5-10.2-3-5; IC 5-10.4-4-13

Sec. 4. A member who has withdrawn the assets held in an annuity savings account shall not be permitted to repay the assets in order to establish eligibility for a benefit. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-3-4; filed*

Oct 5, 1992, 5:00 p.m.: 16 IR 706; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)

550 IAC 2-3-5 Automatic distribution of ASA assets

Authority: IC 5-10.4-3-6; IC 5-10.4-3-8

Affected: IC 5-10.2-3-5; IC 5-10.2-3-6

Sec. 5. (a) Whenever a member is suspended pursuant to IC 5-10.2-3-5(c), the fund shall conduct an investigation to locate the member.

(b) Reasonable costs of locating the member may be charged against the member's ASA.

(c) Pursuant to IC 5-10.2-3-6(d), whenever a valid address can be determined for the member, the fund shall automatically make a lump-sum distribution to the member from the member's ASA not to exceed one thousand dollars (\$1,000).

(d) Contemporaneously with the distribution, the fund shall serve notice to the member explaining the reason for the distribution.

(e) Pursuant to IC 5-10.2-3-6(b), if the member is not located and does not claim his monies within five (5) years after suspension, the monies shall be credited to the fund and the fund shall retain the monies until the member or the member's beneficiary claims them with no further interest credits or earnings after the monies are credited to the fund. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-3-5; adopted Dec 16, 2009: 20100106-IR-550090990ONA*)

550 IAC 2-3-6 Unclaimed ASA assets within dormant accounts

Authority IC 5-10.2-2-1; IC 5-10.4-3-6; IC 5-10.4-3-8

Affected: IC 5-10.2-2-3; IC 5-10.2-2-4

Sec. 6. (a) Whenever a vested member's account has received no contributions for a period of twenty (20) years and it has been determined by TRF that the member is otherwise age and service eligible to receive a benefit, the fund may conduct an investigation to locate the member.

(b) Reasonable costs of locating the member or the member's beneficiary may be charged against the member's ASA.

(c) If the member or the member's beneficiary is not located after an investigation to locate the member, the monies in the member's ASA shall be credited to the fund and the fund shall retain the monies until the member or the member's beneficiary claims the monies with no further interest credits or earnings after the monies are credited to the fund. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-3-6; adopted Dec 16, 2009: 20100106-IR-550090990ONA*)

Rule 4. Membership

550 IAC 2-4-1 Membership in the fund

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-2; IC 5-10.4-4-1; IC 5-10.4-4-11; IC 20-24-1-4

Sec. 1. (a) Membership in the fund shall be compulsory for all teachers licensed by the Indiana state board of education or its successor who are regularly employed pursuant to a uniform or supplemental teaching contract to perform educational or administrative services in the public schools of the state of Indiana. Licensed substitute teachers who have at least an associate's degree and who have taught at least one hundred twenty (120) days in any one (1) school year or at least sixty (60) days in any two (2) school years are also required to become members of the fund. Required contributions must be paid to the fund for each covered teacher.

(b) Membership in the fund is compulsory for employees of the fund, and all licensed teachers regularly employed in state educational institutions supported solely by the state who devote their entire time to teaching or in state benevolent, charitable, or correctional institutions. Required contributions must be paid to the fund.

(c) Membership is optional for regularly contracted faculty and professional staff at Ball State University, Indiana State University, University of Southern Indiana, and Vincennes University who are designated as eligible by the board. The universities shall petition the board before new teachers are given the opportunity to join the fund. Both employer and employee contributions must be paid to the fund.

(d) Membership in the fund is optional for employees and officials of a governing body and the Indiana state board of education who were licensed as teachers by the Indiana state board of education or the Indiana professional licensing agency prior to their election or appointment. Required contributions must be made to the fund.

(e) Membership in the fund is optional for teachers employed by charter schools as defined by IC 20-24-1-4. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-4-1; filed Oct 5, 1992, 5:00 p.m.: 16 IR 706; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Nov 19, 2008: 20081126-IR-550080887ONA; adopted Dec 16, 2009: 20100106-IR-550090990ONA)*

550 IAC 2-4-1.4 Teacher aides and higher education graduate assistants (Repealed)

Sec. 1.4. *(Repealed by Board of Trustees of the Indiana State Teachers' Retirement Fund; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-4-2 Service in a dual position

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-2; IC 5-10.4-3-8; IC 5-10.4-4-11

Sec. 2. Whenever an individual is employed by the same employer in a position which requires the performance of covered and noncovered service, contributions shall be paid from the portion of the annual compensation attributable to the covered service. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-4-2; filed Oct 5, 1992, 5:00 p.m.: 16 IR 707; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-4-3 Part-time and substitute teachers (Repealed)

Sec. 3. *(Repealed by Board of Trustees of the Indiana State Teachers' Retirement Fund; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

550 IAC 2-4-4 Teacher aides and higher education graduate assistants

Authority: IC 5-10.4-3-6

Affected: IC 5-10.4-4-2

Sec. 4. Teacher aides and higher education graduate assistants are not eligible for membership in the fund. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-4-4; filed Oct 5, 1992, 5:00 p.m.: 16 IR 707; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-4-5 Member designation of beneficiaries

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-10; IC 5-10.4-4-10

Sec. 5. (a) A new member shall designate, by name, primary and secondary beneficiaries to receive the assets present in the annuity savings account on the occasion of the member's death prior to retirement, less any disability benefits paid.

(b) A member who establishes a rollover account pursuant to IC 5-10.2-3-10 may designate a beneficiary or beneficiaries separate from those designated on the member's annuity savings account under the requirements as stated herein.

(c) A member may name more than one (1) individual as primary or secondary beneficiaries of the member's annuity savings account or rollover account. Upon the member's death, the assets held in the account shall be divided equally among the surviving primary beneficiaries or, if none, among the surviving secondary beneficiaries. Alternative beneficiary designations, such as per stirpes or by representation, will not be accepted or recognized by the fund.

(d) A member may name a trust, the member's estate, or other legal entity as the beneficiary of the member's annuity savings account or rollover account.

(e) A member may change his or her beneficiary designation in a manner and form approved by the board. Only beneficiary designations received by the fund or in the case when it was postmarked on or before the date of death shall be valid. The designated

beneficiary's right to a benefit vests on the date of death of the member. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-4-5; filed Oct 5, 1992, 5:00 p.m.: 16 IR 707; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA*)

Rule 5. Service Credit and Contributions

550 IAC 2-5-1 One day of service credit

Authority: IC 5-10.4-3-6

Affected: IC 5-10.4-4-2; IC 5-10.4-4-7

Sec. 1. (a) For purposes of IC 5-10.4-4-2, a member is entitled to one (1) day of service credit when the member engages in covered service for a standard work day or any fraction thereof.

(b) Creditable service does not include sick leave, vacation leave, or personal leave unless service credit for such leave is granted pursuant to IC 5-10.4-4-7. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-5-1; filed Oct 5, 1992, 5:00 p.m.: 16 IR 707; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA; adopted Dec 16, 2009: 20100106-IR-550090990ONA*)

550 IAC 2-5-2 Omitted contributions

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-2; IC 5-10.4-4-11; IC 5-10.4-7-3; IC 5-10.4-7-4

Sec. 2. (a) In any case where the employing unit has failed to report and forward the requisite contributions, service credit will not be granted until the member and/or the employer remits the full amount due.

(b) If a member's annual compensation is retroactively increased through court judgment or order, settlement of a claim, or some other means, contributions shall be deducted at the time the member receives the money even though it is attributable to other years. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-5-2; filed Oct 5, 1992, 5:00 p.m.: 16 IR 707; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA*)

550 IAC 2-5-3 Unused vacation, personal, and sick days (Repealed)

Sec. 3. (*Repealed by Board of Trustees of the Indiana State Teachers' Retirement Fund; adopted Dec 16, 2009: 20100106-IR-550090990ONA*)

550 IAC 2-5-4 Make-up days

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-1; IC 5-10.2-4-3; IC 5-10.4-4-2

Sec. 4. When make-up days are required at the conclusion of the school year due to school closings for snow, power failures, or other unforeseeable circumstances, the last official work day will be the make-up day and not the last day actually paid. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-5-4; filed Oct 5, 1992, 5:00 p.m.: 16 IR 708; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA*)

550 IAC 2-5-5 Credit for military service

Authority: IC 5-10.4-3-6

Affected: IC 5-10.4-4-8

Sec. 5. (a) For purposes of IC 5-10.4-4-8, there is no time frame within which a member who returned to an approved four (4) year teacher training program within the time specified by law must complete the program.

(b) An approved teacher training program is defined as any training for which educational credits are accepted and used to meet the requirements of the department of education to be regularly employed and legally qualified as a teacher.

(c) A member seeking military service credit must provide documentary evidence demonstrating that the statutory requirements

have been satisfied.

(d) Qualifying military service credit will be added to a member's account in full years or any fraction thereof. A member may not receive more than one (1) year of service credit for one (1) year of military service. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-5-5; filed Oct 5, 1992, 5:00 p.m.: 16 IR 708; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Dec 16, 2009: 20100106-IR-550090990ONA*)

550 IAC 2-5-6 Leave of absence due to pregnancy

Authority: IC 5-10.4-3-6

Affected: IC 20-28-10-5; IC 5-10.4-4-7

Sec. 6. (a) An active member shall be given credit for leaves of absence due to pregnancy only when leave is requested pursuant to the requirements found in IC 20-28-10-5. Credit is limited to one-seventh (1/7) of the total years of service claimed for retirement purposes.

(b) If the member is compensated while on leave, the statutory contributions must be maintained.

(c) A member seeking credit for leave of absence due to pregnancy must provide documentary evidence demonstrating that the statutory requirements have been satisfied.

(d) Unless otherwise required by law, no request for credit for leaves of absence due to pregnancy shall be accepted by the Fund and no leave shall be credited to a member's account after the first day of the month in which retirement benefit payments are scheduled to begin. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-5-6; filed Oct 5, 1992, 5:00 p.m.: 16 IR 708; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Jul 8, 2009: 20090715-IR-550090499FRA*)

550 IAC 2-5-7 Leave of absence due to sickness or disability

Authority: IC 5-10.4-3-6

Affected: IC 5-10.4-4-7; IC 20-28

Sec. 7. (a) If the member is compensated while on sickness or disability leave, the statutory contributions must be maintained.

(b) Except as provided by subsection (c), a member seeking credit for leave of absence due to sickness or disability must apply for such credit in a manner approved by TRF that contains written verification by an official of the member's employer that during the time that the leave was taken the leave was approved and taken pursuant to the sick leave policies and procedures of the employer.

(c) A member seeking credit for leave of absence due to sickness or disability who cannot obtain an employer verification described in subsection (b) due to a lack of employer records must provide documentary evidence demonstrating that the statutory requirements have been satisfied. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-5-7; filed Oct 5, 1992, 5:00 p.m.: 16 IR 708; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA; adopted Dec 16, 2009: 20100106-IR-550090990ONA*)

550 IAC 2-5-8 Sabbatical or professional improvement leave

Authority: IC 5-10.4-3-6

Affected: IC 20-28-10-1; IC 20-28-10-2; IC 20-28-10-3; IC 5-10.4-4-7

Sec. 8. (a) Credit for sabbatical or professional improvement leave of absence shall be awarded to the extent that the member has been reemployed in a covered position in Indiana for a period equal to that of the leave credit sought. Whenever the member's reemployment is for a period less than that of the leave, credit shall be awarded only for the length of the reemployment period. Credit will not be granted in increments of less than one-half (1/2) of a year.

(b) If the member is being paid by the member's employing unit while on leave, contributions to the fund must be maintained.

(c) The member need not return to the same school corporation in order to receive credit.

(d) A member seeking credit for sabbatical or professional improvement leave of absence must provide documentary evidence demonstrating that the statutory requirements have been satisfied. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-5-8; filed Oct 5, 1992, 5:00 p.m.: 16 IR 708; errata filed Jan 8, 1993, 9:00 a.m.: 16 IR 1403; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA*)

550 IAC 2-5-9 Internal Revenue Code Section 401(a) (Repealed)

Sec. 9. *(Repealed by Board of Trustees of the Indiana State Teachers' Retirement Fund; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-5-10 Out-of-state service prior to July 1, 1981

Authority: IC 5-10.4-3-6

Affected: IC 5-10.4-4-4

Sec. 10. A member who terminated covered Indiana employment prior to July 1, 1981, performed creditable service outside of the state of Indiana, and subsequently returned to teaching in Indiana, may use prior Indiana service to satisfy the requirement that the member have ten (10) years of Indiana service before credit may be claimed. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-5-10; filed Oct 5, 1992, 5:00 p.m.: 16 IR 709; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-5-10.4 Purchase of service credit

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-1.2; IC 5-10.2-4-10; IC 5-10.4-4

Sec. 10.4. (a) A member who is otherwise qualified to purchase service credit must do so while the member is in active service whereby the member is under contract or in an employment relationship to earn one (1) year of service credit during the year in which the application to purchase service credit is made. A retiring member who makes application for the purchase of service credit contemporaneously with the member's application for retirement following one (1) full year of service is deemed to have met this requirement.

(b) Except as provided in subsection (c), no additional purchase of service credit can be made once a member's application for retirement has been processed and a retirement benefit is scheduled to be distributed.

(c) A qualified member may only purchase service credit in increments of one-twelfth (1/12) of a year.

(d) A member seeking to purchase service credit must provide documentary evidence that the statutory requirements and the requirements stated herein have been satisfied. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-5-10.4; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-5-11 Purchase of out-of-state service (Repealed)

Sec. 11. *(Repealed by Board of Trustees of the Indiana State Teachers' Retirement Fund; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

550 IAC 2-5-12 Payment of contributions (Repealed)

Sec. 12. *(Repealed by Board of Trustees of the Indiana State Teachers' Retirement Fund; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-5-13 Purchase of service credit; direct rollover or financial agreement

Authority: IC 5-10.4-3-6; IC 5-10.4-3-8

Affected: IC 5-10.2-3-1.2; IC 5-10.4-4

Sec. 13. (a) Eligible TRF members may purchase service under IC 5-10.2-3-1.2, IC 5-10.4-4-4, IC 5-10.4-4-5, IC 5-10.4-4-6, and IC 5-10.4-4-8.

(b) The eligible fund member may purchase such service subject to the following:

(1) Service may be purchased in one (1) month increments. The minimum service purchase is one (1) year for a member who elects to purchase service through a finance agreement.

(2) Installment payments are subject to the terms of the finance agreement.

(3) Any service purchase may be made via a direct cash payment, a direct rollover under IC 5-10.4-4-12, or a combination of both.

(4) Any direct rollover may not exceed the actual cost of such service as established by the fund.

(5) Payment may be made in a lump sum or in annual installments for a period not to exceed five (5) years. Any installment shall bear interest at the actuarial interest rate effective on the date of the first installment. Any payments are subject to applicable Internal Revenue Service limits, and the fund may limit any payments in a manner necessary to comply with these limits.

(c) In the event of a payment default under the terms of the finance agreement, a partial service credit amount will be determined by TRF. The partial service credit amount will be based on the payments made as of the date of payment default and the actuarial cost of the service. The minimum amount of partial service credit will be one (1) month. Partial service will be credited in monthly increments. The member has a thirty (30) day grace period from the date of the payment default to restore the missed payment. The member is not eligible to make service purchase payments more than thirty (30) days after the date of the payment default.

(d) The interest rate will be set at the prime rate reported in the most recent edition of the Wall Street Journal at the time the financial agreement is executed, plus two (2) percentage points. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-5-13; adopted Dec 16, 2009: 20100106-IR-550090990ONA*)

Rule 6. Death in Service Benefits

550 IAC 2-6-1 Death in service; survivor benefit options

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-7.5; IC 5-10.2-3-8; IC 5-10.4-5-12

Sec. 1. (a) Provided no other beneficiary has been designated to receive the annuity savings account, a qualified spouse or dependent of a member who died while in active service may secure payment of survivor benefits in either of the following forms:

(1) A lump sum withdrawal of the annuity savings account plus a monthly benefit.

(2) A monthly benefit which includes actuarial distributions from the annuity savings account.

(b) Whenever the member is survived by a spouse to whom the member was not married for at least two (2) years, the spouse will not receive a monthly benefit but may be entitled to all or a portion of the annuity savings account if designated as a beneficiary thereof.

(c) Whenever the member is survived by a qualified spouse, dependents will not receive a monthly benefit but may be entitled to all or a portion of the annuity savings account when designated as beneficiaries. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-6-1; filed Oct 5, 1992, 5:00 p.m.: 16 IR 709; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA*)

550 IAC 2-6-2 Death in service; classroom disability benefits

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-7.5; IC 5-10.2-3-8; IC 5-10.4-5

Sec. 2. Whenever a member dies after or while receiving classroom disability benefits and before applying for retirement or disability retirement, the amount held in the annuity savings account shall be reduced by the sum of benefits paid. The remainder, if any, shall be paid to a designated beneficiary or the member's estate. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-6-2; filed Oct 5, 1992, 5:00 p.m.: 16 IR 709; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA*)

550 IAC 2-6-3 Death in service; nonqualified beneficiary (Repealed)

Sec. 3. (*Repealed by Board of Trustees of the Indiana State Teachers' Retirement Fund; adopted Mar 27, 2007: 20070404-IR-550070200ONA*)

550 IAC 2-6-3.5 Death in service; compliance with the Heroes Earning Assistance and Relief Tax Act of 2008 (HEART)

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-2-1; IC 5-10.2-1.5

Sec. 3.5. (a) Effective with respect to deaths occurring on or after January 1, 2007, while a member is performing qualified military service (as defined in Chapter 43 of Title 38, United State *[sic]* Code), to the extent required by Section 401(a)(37) of the Internal Revenue Code, survivors of a member in the retirement system are entitled to any additional benefits that the system would provide if the member had resumed employment and then died, such as accelerated vesting or survivor benefits that are contingent on the member's death while employed.

(b) Effective with respect to deaths or disabilities occurring on or after January 1, 2007, while a member is performing qualified military service (as defined in Chapter 43 of Title 38, United State *[sic]* Code), to the extent permitted by Section 414(u)(8) of the Internal Revenue Code, for benefit accrual purposes, the member will be treated as having returned to employment on the day before the death or disability and then terminated on the date of death or disability. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

(c) Beginning January 1, 2009, to the extent required by Sections 3401(h) and 414(u)(2) of the Internal Revenue Code, an individual receiving differential wage payments (while the individual is performing qualified military service (as defined in Chapter 43 of Title 38, United State *[sic]* Code)) from an employer shall be treated as employed by that employer and the differential wage payment shall be treated as earned compensation. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-6-3.5; adopted Dec 16, 2009: 20100106-IR-550090990ONA*)

550 IAC 2-6-4 Death in service; surviving dependents

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-7.5; IC 5-10.2-3-8; IC 5-10.4-5-12

Sec. 4. (a) Whenever a member dies while in active service and is not survived by a qualified spouse but is survived by one (1) qualified dependent, the dependent is entitled to the monthly benefits determined under the statutory criteria.

(b) Whenever a member dies while in active service and is not survived by a qualified spouse but is survived by more than one (1) qualified dependent, the qualified dependents are entitled to an equal share of the monthly benefits determined under statutory criteria. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-6-4; filed Oct 5, 1992, 5:00 p.m.: 16 IR 710; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Nov 19, 2008: 20081126-IR-550080887ONA*)

550 IAC 2-6-5 Death in service; dependent with a disability

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-7.5; IC 5-10.2-3-8; IC 5-10.4-5-12

Sec. 5. (a) Whenever a member who dies in service is not survived by a qualified spouse but is survived by a dependent with a qualifying disability, benefits will be paid after the dependent or the dependent's guardian has provided proof that:

(1) the person was the natural or adopted child of the member and was the dependent of the member at the time of the member's death;

(2) the dependent is totally and permanently disabled under the Social Security guidelines; and

(3) when the dependent is over eighteen (18) years of age, that the disability onset date preceded the dependent's eighteenth birthday.

(b) Proof of continuing disability must be provided on an annual basis. When the dependent has been receiving benefits from the Social Security Administration, a waiver of confidentiality may be signed by the dependent or the dependent's guardian permitting the fund to automatically confirm the dependent's disability status.

(c) When the dependent is not eligible for Social Security benefits, the disability assessment shall be made by a fund approved physician who has a demonstrated understanding of the requisite guidelines.

(d) Persons confined in a mental institution need not be reexamined regularly, but the board may rely upon statements from the administrator of the institution. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-6-5; filed Oct 5,*

1992, 5:00 p.m.: 16 IR 710; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA)

550 IAC 2-6-6 Dependency test

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-7.5; IC 5-10.2-3-8; IC 5-10.4-5-12

Sec. 6. An individual will be considered dependent for the purpose of this article when claimed by the member for tax purposes under the Internal Revenue Service Code, provides for the primary support of the individual, or pays support pursuant to a dissolution decree or other support agreement. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-6-6; filed Oct 5, 1992, 5:00 p.m.: 16 IR 710; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

550 IAC 2-6-7 Purchase of credit by surviving qualified spouse or dependent

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-7.5; IC 5-10.2-3-8

Sec. 7. A surviving qualified spouse or dependent eligible to receive benefits under IC 5-10.2-3-7.5 or IC 5-10.2-3-8 may purchase or claim service credit which could have been purchased or claimed by the decedent. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-6-7; filed Oct 5, 1992, 5:00 p.m.: 16 IR 710; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-6-8 Death withdrawal

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-2-3; IC 5-10.2-3-7.5

Sec. 8. A check representing the lump sum payment of benefits owed as the result of the death of a member shall include interest paid pursuant to valuations as provided by IC 5-10.2-2-3. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-6-8; filed Oct 5, 1992, 5:00 p.m.: 16 IR 710; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

550 IAC 2-6-8.4 Survivor benefits after reemployment (Repealed)

Sec. 8.4. *(Repealed by Board of Trustees of the Indiana State Teachers' Retirement Fund; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-6-9 Death in service; proof required

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-7.5; IC 5-10.2-3-8; IC 5-10.4-5-12

Sec. 9. (a) In every case where a member is survived by a qualified spouse, the spouse must present the following:

- (1) Proof of member's and spouse's age.
- (2) Proof of the validity and duration of the marriage.
- (3) Proof of the member's death by means of a death certificate or other official verification.
- (4) The member's and spouse's Social Security number.

(b) In every case where a member is survived by a qualified dependent, the dependent or the dependent's guardian must present the following:

- (1) Proof of member's and dependent's age.
- (2) Proof of relationship by means of a birth certificate, adoption record, or court decree obtained under IC 34-4-3 *[IC 34-4 was repealed by P.L.1-1998, SECTION 221, effective July 1, 1998.]*
- (3) Proof of the member's death by means of a death certificate or other official verification.

(4) The member's and dependent's Social Security number.

(5) An affidavit stating that no other dependents are known to exist.

(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-6-9; filed Oct 5, 1992, 5:00 p.m.: 16 IR 711; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA)

Rule 7. Retirement

550 IAC 2-7-1 Application for retirement

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-1; IC 5-10.4-5-8

Sec. 1. (a) Application for retirement will not be processed unless properly completed by the member.

(b) The board may investigate any and all applications. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-7-1; filed Oct 5, 1992, 5:00 p.m.: 16 IR 711; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

550 IAC 2-7-2 Retirement effective date

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-1; IC 5-10.2-4-8; IC 5-10.4-5-8

Sec. 2. (a) A member's retirement shall become effective on the latest of the first day of:

(1) the month following the last day of compensated service;

(2) the month following the date that age, service credit, or disability requirements are met; or

(3) any future month requested by the member in writing.

(b) For the purpose of IC 5-10.2-4-8, the separation requirement counting period begins with the member's retirement benefit accrual date.

(c) For the purpose of IC 5-10.2-4-8, the separation requirement period is measured between the date of reemployment and the member's benefit accrual date. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-7-2; filed Oct 5, 1992, 5:00 p.m.: 16 IR 711; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-7-3 Proof required to commence monthly benefits

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-4; IC 5-10.2-4-7; IC 5-10.4-5-11; IC 34-28-1

Sec. 3. (a) No retirement benefits shall be paid to a member until the member provides proof of date of birth in any one (1) of the following forms:

(1) A birth certificate or registration from the public health department or other governmental entity.

(2) A court decree obtained under IC 34-28-1 and certified by the clerk of the court.

(3) Other evidence relating to the member's date of birth may be submitted, and the board shall fix a date based thereon.

(b) A member selecting a joint and survivor retirement option shall also provide evidence of the date of birth of the cosurvivor.

(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-7-3; filed Oct 5, 1992, 5:00 p.m.: 16 IR 711; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA)

550 IAC 2-7-4 Guaranteed plan

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-3-9; IC 5-10.2-4-2

Sec. 4. (a) When a member elects the five (5) year guaranteed retirement plan option and does not live to exhaust the full amount of the payments, the balance shall accrue to the designated beneficiary or the estate of the member.

(b) When a member dies prior to exhausting the balance held in the member's annuity savings account, the balance, after

deducting any payments from the account, including death settlements, will be distributed to the designated beneficiary or the member's estate. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-7-4; filed Oct 5, 1992, 5:00 p.m.: 16 IR 711; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA*)

550 IAC 2-7-4.5 Annuity savings account contributions received by TRF subsequent to processing of retirement benefit

Authority: IC 5-10.2-2-1; IC 5-10.2-2-1.5; IC 5-10.4-3-8
 Affected: IC 5-10.2-4-2

Sec. 4.5. (a) Notwithstanding a member's election to receive an annuity provided by the amounts credited to the member's annuity savings account at retirement, annuity savings account contributions posted to a member's account subsequent to the final date on which the member's benefit is processed may be distributed to the member in a lump-sum payment.

(b) A member electing to annuitize his annuity savings account in contemplation of retirement will have the entire amount in his annuity savings account moved into a fixed value account, set at the same rate as the guaranteed fund. Once the annuity savings account is moved into a fixed value account in contemplation of retirement, the election cannot be changed. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-7-4.5; adopted Dec 16, 2009: 20100106-IR-550090990ONA*)

550 IAC 2-7-5 Distributions to minors and incompetent persons

Authority: IC 5-10.4-3-6
 Affected: IC 5-10.2-3-7.5; IC 5-10.2-3-8; IC 5-10.2-4-7; IC 5-10.4-5-11; IC 5-10.4-5-12

Sec. 5. Distributions to or on behalf of minors and other incompetent beneficiaries are governed by Indiana guardianship law set forth in the Indiana Probate Code. However, payments may be made to minor beneficiaries pursuant to the Indiana Uniform Transfers to Minors Act. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-7-5; filed Oct 5, 1992, 5:00 p.m.: 16 IR 711; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA*)

550 IAC 2-7-5.5 Required minimum distribution procedure

Authority: IC 5-10.2-2-1; IC 5-10.2-2-1.5; IC 5-10.4-3-9
 Affected: IC 5-10.2-4-2; IC 5-10.2-4-7

Sec. 5.5. (a) Distribution of each member's entire interest must begin by April 1 of the calendar year following the later of:

- (1) the calendar year in which the member attains age seventy and one-half (70 1/2); or
- (2) the calendar year in which the member retires (the required beginning date).

(b) If a nonvested member or a retired member who deferred withdrawal of his or her ASA reaches the required beginning date without taking an ASA distribution, they will be subject to a mandatory lump-sum distribution of their account less any monies owed for taxes and/or penalties.

(c) If a vested member has not started receiving his or her monthly pension benefit by the required beginning date, the member's account will be automatically processed utilizing the five (5) year guarantee as described in IC 5-10.2-4-7(b) and annuitizing any available ASA monies.

(d) TRF will attempt to notify members of a potential required minimum distribution prior to the member's required beginning date if TRF is able to locate a current valid address for the member utilizing an existing locator service. If TRF is unable to locate a current valid address for a member who has not taken a distribution from their pension and/or ASA by the required beginning date, no such distribution shall be made until the member is located. Once a valid address is located, distributions will proceed as set forth in subsections (b) and (c), less any withholdings or penalties owed. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-7-5.5; adopted Dec 16, 2009: 20100106-IR-550090990ONA*)

550 IAC 2-7-5.7 Compliance with Code Section 401(a)(9) for required minimum distributions

Authority: IC 5-10.4-3-6
 Affected: IC 5-10.2-2-1.5

Sec. 5.7. The retirement system will pay all benefits in accordance with a good faith interpretation of the requirements of Section 401(a)(9) of the Internal Revenue Code and the regulations in effect under that section, as applicable to a governmental plan

within the meaning of Section 414(d) of the Internal Revenue Code. The retirement system is subject to the following provisions:

(1) Distribution of a member's benefit must begin by the required beginning date, which is the later of the April 1 following the calendar year in which the member attains age seventy and one-half (70 1/2) or April 1 of the year following the calendar year in which the member terminates.

(2) The member's entire interest must be distributed over the member's life or the lives of the member and a designated beneficiary, or over a period not extending beyond the life expectancy of the member or of the member and a designated beneficiary.

(3) If a member dies after the required distribution of benefits has begun, the remaining portion of the member's interest must be distributed at least as rapidly as under the method of distribution before the member's death.

(4) If a member dies before required distribution of the member's benefits has begun, the member's entire interest must be either:

(A) distributed (in accordance with federal regulations) over the life or life expectancy of the designated beneficiary, with the distributions beginning no later than December 31 of the calendar year following the calendar year of the member's death; or

(B) distributed within five (5) years of the member's death.

(5) The amount of an annuity paid to a member's beneficiary may not exceed the maximum determined under the incidental death benefit requirement of Section 401(a)(9)(G) of the Internal Revenue Code, and the minimum distribution incidental benefit rule under Treasury Regulation Section 1.401(a)(9)-6, Q&A-2.

(6) The death and disability benefits provided by the retirement system are limited by the incidental benefit rule set forth in Section 401(a)(9)(G) of the Internal Revenue Code and Treasury Regulation Section 1.401-1(b)(1)(i) or any successor regulation thereto. As a result, the total death or disability benefits payable may not exceed twenty-five percent (25%) of the cost for all of the members' benefits received from the retirement system.

(7) Notwithstanding the other provisions of this rule or the provisions of the Treasury Regulations, benefit options may continue so long as the option satisfies Section 401(a)(9) of the Internal Revenue Code based on a reasonable and good faith interpretation of that section.

(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-7-5.7; adopted Dec 16, 2009: 20100106-IR-550090990ONA)

550 IAC 2-7-6 Interest on lump sum (Repealed)

Sec. 6. (Repealed by Board of Trustees of the Indiana State Teachers' Retirement Fund; adopted Mar 27, 2007: 20070404-IR-550070200ONA)

550 IAC 2-7-7 Death while receiving benefit under five year guarantee option

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-2; IC 5-10.2-4-8.2

Sec. 7. (a) Except as provided in subsection (b), if a member who selected the five (5) year guarantee retirement option dies prior to the end of the five (5) year period, the remaining payments shall be paid to the designated beneficiary or the member's estate in a lump sum after being actuarially reduced for early payment.

(b) If a member makes an election under IC 5-10.2-4-8.2(b)(2) and selects the five (5) year guarantee retirement option, the designated beneficiary is entitled to the remaining payments as described in subsection (a), less the amount of retroactive retirement benefits paid to the member as a result of such selection, if any. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-7-7; filed Oct 5, 1992, 5:00 p.m.: 16 IR 712; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-7-8 Employer payments

Authority: IC 5-10.2-2-1; IC 5-10.4-3-8

Affected: IC 5-10.2-4-2; IC 5-10.4-7-8

Sec. 8. (a) As allowed in IC 4-10.4-7-7 *[sic]*, the TRF board of trustees herein sets the due date for contributions as seven (7)

days after a covered employer's payroll.

(b) Any payments not made on the due date automatically accrue interest at a rate equal to the prime rate reported in the Wall Street Journal on the first date of payment default, plus two (2) percentage points.

(c) Any employer who fails to submit required contributions and reports within thirty (30) days of the due date will be subject to a penalty as set forth in IC 5-10.4-7-8. If the thirtieth day following the due date falls on a Saturday, Sunday, or a legal holiday, the due date becomes the next working day. It shall be the responsibility of the local official to employ such method of delivery to insure that the report and payment will reach TRF at 150 West Market Street, Suite 150, Indianapolis, Indiana 46204, on or before the due date. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-7-8; adopted Dec 16, 2009: 20100106-IR-550090990ONA)*

550 IAC 2-7-9 Overpayments and underpayments

Authority: IC 5-10.2-2-1; IC 5-10.4-3-8

Affected: IC 5-10.2-2-11; IC 5-10.2-3-2

Sec. 9. (a) When there has been an overpayment of picked up member contributions, the principle *[sic]* amount of the overpayment will be credited to the employer. The principle *[sic]* amount of the overpayment will not be adjusted for earnings or interest.

(b) When there has been an overpayment of after-tax member contributions, the principle *[sic]* amount of the overpayment will be credited to the employer. The principle *[sic]* amount of the overpayment will not be adjusted for earnings or interest.

(c) When there has been an underpayment of picked up member contributions and after-tax member contributions, the principle *[sic]* amount of the underpayment will be billed to the employer. The principle *[sic]* amount of the underpayment will be adjusted by an assumed earnings or interest rate of three percent (3%).

(d) When there has been an overpayment of employer contributions, the principle *[sic]* amount of the overpayment will be credited to the employer. The principle *[sic]* amount of the overpayment will not be adjusted for earnings or interest.

(e) When there has been an underpayment of the employer contribution, the principle *[sic]* amount of the underpayment will be billed to the employer. The principle *[sic]* amount will be adjusted by an assumed earnings or interest rate of three percent (3%). *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-7-9; adopted Dec 16, 2009: 20100106-IR-550090990ONA)*

Rule 8. Reemployment

550 IAC 2-8-1 Termination of retirement benefits after reemployment (Repealed)

Sec. 1. *(Repealed by Board of Trustees of the Indiana State Teachers' Retirement Fund; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-8-2 Cost of living increases after reemployment (Repealed)

Sec. 2. *(Repealed by Board of Trustees of the Indiana State Teachers' Retirement Fund; adopted Mar 27, 2007: 20070404-IR-550070200ONA)*

550 IAC 2-8-3 Reemployment after the election of the Social Security equalizer option (Repealed)

Sec. 3. *(Repealed by Board of Trustees of the Indiana State Teachers' Retirement Fund; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-8-4 Reemployment supplemental benefit process

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-10

Sec. 4. (a) A TRF retired member who reemploys or maintains reemployment in a TRF covered position shall not accrue

additional TRF service credit or supplemental retirement benefits after July 1, 2007.

(b) A TRF reemployed retiree who applies for supplemental retirement benefits after June 30, 2007, is entitled to supplemental retirement benefits accrued prior to July 1, 2007, as described in IC 5-10.2-4-10 as such law was in effect as of June 30, 2007. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-8-4; adopted Dec 16, 2009: 20100106-IR-550090990ONA*)

Rule 9. Disability

550 IAC 2-9-1 Classroom disability benefits

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-1; IC 5-10.4-5-2

Sec. 1. (a) A member seeking benefits due to classroom disability may offer medical evaluations and assessments by physicians who have not been approved by the board. This evidence need not be viewed with the same weight as that generated by board selected physicians unless reviewed and affirmed by the same.

(b) A member may submit the name and credentials of a physician for board approval.

(c) A member's continuing eligibility for classroom disability benefits shall be reviewed on an annual basis.

(d) A member who remains disabled until eligible for retirement may retire under the requirements of IC 5-10.2-4-1. The retirement calculation will not include service credit for the years during which classroom disability benefits were received unless the member has at least twenty-seven (27) years of creditable service. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-9-1; filed Oct 5, 1992, 5:00 p.m.: 16 IR 712; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA*)

550 IAC 2-9-2 Disability retirement

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-6; IC 5-10.4-5-1

Sec. 2. (a) In order to receive disability retirement benefits, a member must have been employed under a uniform or supplemental contract or on a leave approved by the school board on the disability onset date as determined by the Social Security Administration.

(b) A member seeking or receiving disability retirement benefits may execute a waiver authorizing the Social Security Administration to annually release to the fund information regarding the member's eligibility to continue receiving Social Security disability insurance payments. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-9-2; filed Oct 5, 1992, 5:00 p.m.: 16 IR 712; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: 20070404-IR-550070200ONA*)

550 IAC 2-9-3 Disability without Social Security eligibility

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-6; IC 5-10.4-5-1

Sec. 3. (a) A member with five (5) or more years of creditable service who cannot qualify for Social Security disability benefits because of working insufficient quarters to qualify, may receive disability retirement benefits from the fund if a board appointed physician familiar with Social Security disability guidelines establishes the existence of a comparable disability and the board approves the disability retirement.

(b) The board shall order reexaminations in such cases on a regular basis and review the results in order to ensure that the disabling condition is ongoing. (*Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-9-3; filed Oct 5, 1992, 5:00 p.m.: 16 IR 713; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA*)

550 IAC 2-9-4 Disability determination pending

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-6; IC 5-10.4-5-1

Sec. 4. (a) A member who is eligible for early retirement and who has filed with the board a copy of an application for Social

Security disability benefits may apply for early retirement and retain the right to disability retirement benefits. When the Social Security Administration finds that the member is disabled and the onset date was on or before the last day of creditable service stated on the application, early retirement benefits will cease and disability retirement benefits will commence.

(b) Retroactive benefits, less any payments already made, must be calculated and paid from the month following the onset date of the disability. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-9-4; filed Oct 5, 1992, 5:00 p.m.: 16 IR 713; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-9-5 Disability benefits; benefit commencement

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-6

Sec. 5. A member who becomes disabled and has sufficient credit for retirement is entitled to disability retirement benefits only after the member has ceased making contributions and receiving credit for service. Benefits shall commence the month after the onset date of the disability or the month after the member's last day of compensable service, whichever is later. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-9-5; filed Oct 5, 1992, 5:00 p.m.: 16 IR 713; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA)*

550 IAC 2-9-6 Minimum disability retirement benefit

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-4-7; IC 5-10.4-5-1

Sec. 6. (a) The minimum monthly disability retirement benefit is one hundred eighty dollars (\$180) only if the member chooses the five (5) year retirement benefit guarantee and purchases an annuity with the amount credited in the member's annuity savings account.

(b) The minimum monthly disability retirement benefit shall be no less than the actuarial equivalent of one hundred eighty dollars (\$180) if the member chooses:

(1) to take the amount credited to the member's annuity savings account in a lump sum distribution;

(2) a retirement benefit option under IC 5-10.2-4-7; or

(3) a combination of a lump sum distribution of the annuity savings account and an option under IC 5-10.2-4-7.

(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-9-6; filed Oct 5, 1992, 5:00 p.m.: 16 IR 713; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Nov 19, 2008: 20081126-IR-550080887ONA)

550 IAC 2-9-6.4 Confidentiality of fund records

Authority: IC 5-10.4-3-6

Affected: IC 5-10.2-2-17

Sec. 6.4. Pursuant to IC 5-10.2-2-17, fund records of individual members and membership information are confidential, except for the name and years of service of a fund member. Notwithstanding the fund may in its sole discretion provide member record or membership information to members of the Indiana general assembly or their agents, or to:

(1) state agencies;

(2) independent bodies corporate and politic; and

(3) service providers who contract with the fund;

so long as such service providers, state agencies, and independent bodies corporate and politic are contractually bound by a confidentiality agreement approved by the fund and where in the fund's sole discretion the fund determines there is a necessity to provide such records to carry out the administrative functions of the fund. *(Board of Trustees of the Indiana State Teachers' Retirement Fund; 550 IAC 2-9-6.4; adopted Nov 19, 2008: 20081126-IR-550080887ONA; adopted Dec 16, 2009: 20100106-IR-550090990ONA)*

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