

# 2021 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021



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



Prepared through the joint efforts of INPRS's team members.  
Available online at [www.in.gov/inprs](http://www.in.gov/inprs)

# 2021 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021

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

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

## FUNDS MANAGED BY INPRS

## ABBREVIATIONS USED

### Defined Benefit

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

### Defined Contribution

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

### Other Postemployment Benefit

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

### Custodial

16. Local Public Safety Pension Relief Fund

### DB Fund

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

### DC Fund

- PERF DC  
PERF MC DC  
TRF DC  
TRF MC DC  
LE DC

### OPEB Fund

- SDBF  
RMBA

### Custodial Fund

- LPSPR

### Contact Information

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Toll-free (844) GO - INPRS | [www.inprs.in.gov](http://www.inprs.in.gov) | [questions@inprs.in.gov](mailto:questions@inprs.in.gov)



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# 2021 **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2021

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### **Vision**

Engaged members able to realize their retirement dreams.

### **Mission**

As fiduciaries, educate stakeholders, collect necessary contributions, and prudently manage member assets to deliver promised defined benefit and defined contribution benefits and services.

**507,000+**

Members

**1,250+**

Participating employers

**\$45.8 Billion**

Total fund market value

**89.0% Funded**

Excluding TRF Pre-'96



# About INPRS

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

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

- One trustee with experience in economics, finance, or investments;
- One trustee with experience in executive management or benefits administration;
- One trustee who is an active or retired member of the '77 Fund;
- Two trustees who are TRF members with at least 10 years of creditable service;
- One trustee who is a PERF Member with at least 10 years of creditable service;
- Director of the State Budget Agency, or designee;
- Auditor of State, or nominee;
- Treasurer of State, or nominee.

## Indiana Public Pension Timeline (Calendar Year)

1915	Locally funded teachers retirement fund established.
1921	State funded Teachers' Retirement Fund created; a "pay-as-you-go", multiple-employer pension system.
1945	Public Employees' Retirement Fund created; a multiple-employer retirement system with a defined benefit component (DB).
1953	JRS was created with its own board.
1955	Annuity Savings Accounts (ASA's) created to supplement PERF DB and TRF DB plans resulting in the nation's first pension changes to adopt a hybrid design.
1972	EG&C created.
1977	'77 Fund created for local police officers and firefighters hired after April, 30 1977.

1980	LPSPR created to support police and firefighter pension obligations of Indiana's cities and towns for plans under the "Old Funds".
1983	The 1977 and 1985 Judges' Benefits Fund System (now Judges' Retirement System) were created and administered by the PERF board and the 1953 JRS plan was eliminated and members were transferred to the 1977 Judges' Benefits Fund System.
1989	Legislators' Retirement System created. Participants in the DB plan limited to members serving as of April 30, 1989; otherwise, the plan is Defined Contribution only.
1990	PARF created. Members must also be members of PERF.
1995	Closed TRF Pre-'96 to new entrants and created TRF '96. Also created the Pension Stabilization Fund (PSF) to partially fund TRF Pre-'96.
1996	Amendment to the Indiana Constitution approved allowing funds to invest in equities.
2011	Indiana General Assembly created the Board of Trustees of INPRS to administer public employee retirement plans.
2013	ASA Only (now PERF MC DC) plan offered to state employees who joined after March 1, 2013. Default option remains as PERF Hybrid.
2016	PERF MC DC offered to employees of political subdivisions who join after January 2, 2016. Default option remained as PERF Hybrid.
2017	State Employees' Death Benefit Fund, Public Safety Officer's Death Benefit Fund, and the "in the line of duty" death benefit from the Local Public Safety Pension Relief Fund assets merged into SDBF.
2018	ASA's previously reported within the DB Hybrid funds of PERF, TRF Pre-'96 and TRF '96, are segregated and administered as DC plans.
2018	Supplemental Reserve Accounts (SRA's) established for PERF DB, TRF Pre-'96 DB, TRF '96 DB, EG&C, and LE DB to pay postretirement benefit increases after June 30, 2018.
2019	TRF MC DC offered to new members of TRF.
2019	RMBA was transferred to INPRS for administration.



# INPRS BELIEVES

**People are the foundation of our success. It takes people with different backgrounds, ideas, and strengths to be successful.**

## ▶ Our people are...

- ▶ **Models of Integrity** - hold themselves accountable to the highest standards of ethical and professional behavior.
- ▶ **Team Players** – encourage and support others for the success of the team breaking down silos and connecting with our shared vision.
- ▶ **Candid** - believe in direct, respectful, and honest communication.
- ▶ **Continuous Learners** – eager to improve while having an open-mind to feedback and new ideas.
- ▶ **Diligent** – well-researched, risk aware, and transparent.

## ▶ Success is built upon...

- ▶ **Trust** - empowering our people to successfully fulfill their duties while providing them with training, support, and mentorship.
- ▶ **Constructive Conflict** - encouraging debate around ideas to arrive at the best solution.
- ▶ **Commitment** – dedicated to decisions and action plans.
- ▶ **Accountability** - setting clear expectations for people, roles, and teams and holding ourselves and each other accountable for results.

**Balance in life is important. We strive to have a flexible and supportive environment while not sacrificing service to our members.**



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December 16, 2021

Dear Board Members:

On behalf of all management and staff, we are pleased to submit the Comprehensive Annual Financial Report of the Indiana Public Retirement System (INPRS) for the year ended June 30, 2021. We are responsible for the accuracy of the content and the completeness and fairness of the presentation, including disclosures. A narrative overview and analysis to accompany the basic financial statements is presented as Management's Discussion and Analysis (MD&A); which can be found immediately following the Independent Auditor's Report in the Financial Section. This Letter of Transmittal is designed to complement the MD&A.

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

### **Adapting and Thriving**

Fiscal Year 2021 was marked by a historic pandemic resulting in our organization learning new ways in which to work and collaborate. Throughout this period INPRS staff has continued to accomplish the mission of providing exceptional customer service to our members and other stakeholders. Investments made in technology and the organizational culture have allowed us to thrive during these challenging times.

INPRS is proud to look back at the accomplishments and initiatives that helped us deliver benefits and distributions and provide high quality service at a low cost to members and employers. For the 9th consecutive year, INPRS adapted to unique challenges to deliver improved service to our 507,957 members and 1,288 employers, while also decreasing cost. We delivered benefits and distributions of \$3.4 billion and collected \$3.2 billion in contributions.

### **New Undertakings**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted on March 27, 2020, included several provisions to allow individuals that met certain requirements receive a source of cash to get through the pandemic. INPRS quickly modified its processes and systems to assist participants in FY 2020 and 2021 to withdraw monies without penalty and additional income tax. CARES related distributions totaling \$44.2 million were issued at participants' requests. The ability to request distributions terminated as of December 30, 2020.

INPRS successfully transitioned members from paper checks to a Stored Value Card or Direct Deposit payment options. This effort, spanning multiple phases from 2016 to 2021, transitioned 9,419 check payments to the electronic option. The goal of this program was to phase out as many paper checks issued for member benefits as possible by leveraging the groundwork set in 2015 legislation allowing the implementation of a Stored Value Card payment option. This cross-agency initiative leaves approximately 0.28% (or 457) of our total benefit payments sent out via check per month and saves INPRS up to \$4,865 per month in postage over our 2018 numbers.

The board approved a new target rate of return and asset target allocations to maximize INPRS's chances of continued success. The net pension liabilities as of June 30, 2021 were calculated using the new 6.25% discount rate and other assumptions approved by the board on May 7, 2021. The previous rate of return was 6.75%.

## Helping Members Realize Their Retirement Dreams

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

In support of our Vision Statement, the Mission Statement reflects a concise explanation of INPRS's reason for existence. This statement describes our purpose and overall intention in our role as a fiduciary. Our top priority is to keep our promise of a secure pension benefit at the time of retirement – “we are trusted to pay.”

The spread of COVID-19 resulted in a significant market downturn in the early days of the pandemic. Anticipating the concern this would have among active and retired members, INPRS launched an ongoing crisis communication response. This effort increased the frequency of communication, providing essential facts regarding the health of the pension system and INPRS's response to serving members in a new fashion. The communication results included improved member perception of the relevance communication received, with a survey rating that exceeded other peer pension systems, as measured by the CEM Benchmarking Engagement Consortium.

## Funding of the Defined Benefit Program

INPRS's primary goal continues to be ensuring a financially sound retirement system. We establish a predictable schedule of contribution rates, which works with investment portfolio performance to advance us along the path of long-term sustainability. In FY 2020, we completed an actuarial experience study to update our assumptions about the future workforce, benefits, and contributions.

The aggregate funded status of the pre-funded defined benefit plans decreased from 90.6 percent in FY 2020 to 89.0 percent in FY 2021. The funded status of Teacher Pre-'96 pay-as-you-go plan improved from 26.5 percent in FY 2020 to 31.7 percent in FY 2021 resulting in \$9.8 billion in unfunded liabilities. The Pre-'96 projected peak appropriations level is in FY 2026, and the projected 100% funded status is in 2034. A snapshot of the Defined Benefit Plans' funding status is presented in the MD&A.

## Investment Overview

INPRS's consolidated defined benefit assets returned 25.5 percent net of fees and held assets with a fair value of \$38.6 billion as of June 30, 2021. U.S. monetary and fiscal stimulus, as well as a gradual reopening of the global economy, led to historic investment performance in many asset categories. The investment portfolio is diversified by asset class, investment approach, and individual investments within each global asset class to reduce overall portfolio risk and volatility. In addition, INPRS administered defined contribution assets of \$6.9 billion.

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

## Major Initiatives

We have a fiduciary duty to be principled and effective within our operations, and we believe that an environment of continuous improvement is key to long-term value creation. Major initiatives with significant current and future impacts are summarized below.

### Culture

Instituted and communicated the organizational Values Statement and advanced a broad cultural framework throughout the organization – work continues with engagement studies and leadership training. Improved strategies in our recruiting and onboarding processes and staff recognition.

### Call Center Strategy

Implemented a Call Center Retention Program focusing on Call Center recruiting, training, employee satisfaction, and retention.

### Onboarding Education

Refined the new member onboarding education processes with tools and information resulting in members making well-informed, intentional decisions regarding retirement plan selection.

### Improved Data Assets

Analyzed key processes and identified opportunities to implement technology to reduce manual intervention, increase speed and accuracy of processing, decrease service time, reduce risk and personalize service to our customers; implemented tools to better evaluate the condition of data.

INPRS IT implemented several solutions that expanded our ability to monitor the activities within our systems to improve responsiveness to business needs and provided better visibility into the security across our environments.

## Accurate Information of MyChoice Accounts

Embarked on a comprehensive project to research the PERF MyChoice accounts thoroughly, correct any issues found, identify the root causes of any existing and potential errors, and identify the risks involved with the errors.

## Strategic Plan

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

## Legislative Changes

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

## Economic Conditions

The first half of the fiscal year was met with a record infusion of stimulus and other emergency measures as Federal Reserve officials and lawmakers stepped in to provide support due to the COVID-19 pandemic. Along with rollbacks in virus-related restrictions, the economy rebounded at a record rate leading to a sharp increase in the stock market and robust projections to corporate earnings. The unemployment rate, which rose to double digits at the onset of the pandemic, declined sharply as employees were called back to work.

The economic condition of INPRS is driven by investment results and contributions from members, employers, and nonemployer contributing entities. Our Chief Investment Officer, in partnership with Verus Consulting, has evaluated the economic conditions of INPRS's investments, the details of which can be found in the Investment Section. Total defined benefit contributions for fiscal year 2021 have exceeded the actuarially determined contribution. A historical look at this activity is outlined in the Schedule of Contributions in the Required Supplementary Information.

## Management's Responsibility for Financial Reporting

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

## Awards and Acknowledgments

For the 9<sup>th</sup> consecutive year, INPRS received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA), the highest recognition in governmental accounting and financial reporting. Also for the 9<sup>th</sup> consecutive year, INPRS received a Public Pension Standards Award for Funding and Administration from the Public Pension Coordinating Council.

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

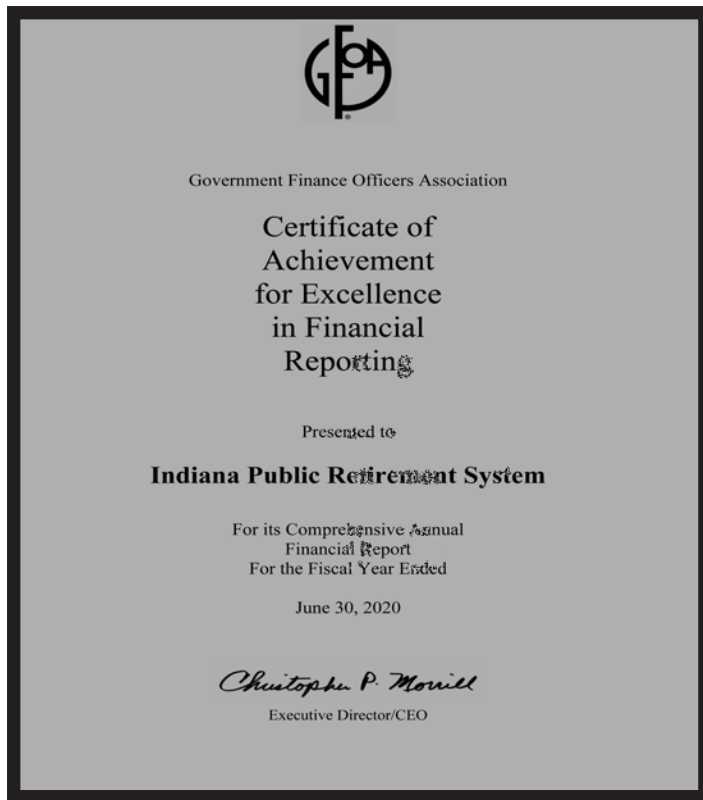
Sincerely,



Steve Russo  
Executive Director



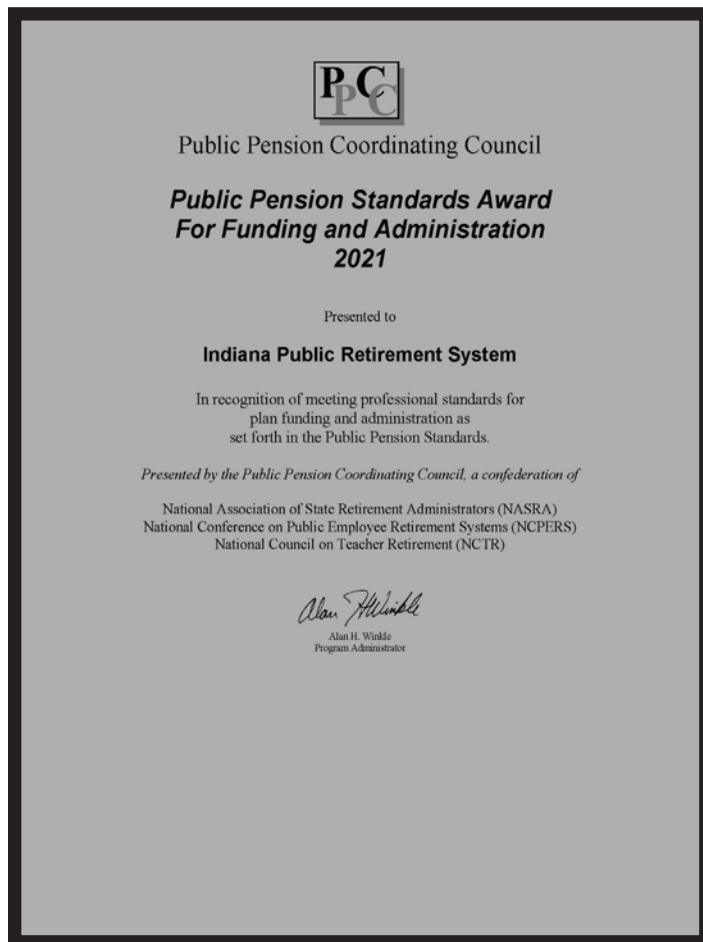
Robert Corne  
Chief Financial Officer



**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to INPRS for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the 9th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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



**PUBLIC PENSION STANDARDS AWARD**

The Public Pension Coordinating Council awarded the Public Pension Standards Award for Funding and Administration to INPRS for the fiscal year ended June 30, 2021. This is the 10th consecutive year that INPRS has achieved this prestigious award. In order to be awarded a Public Pension Standards Award, a public pension program must meet professional standards for plan design and administration as set forth in the Public Pension Standards. A Public Pension Standards Award is valid for a period of one year.

# Governance and Administrative Organization

## Executive Branch

Eric Holcomb  
Governor



Suzanne Crouch  
Lt. Governor



## Board of Trustees



Brian Abbott  
TRF Member  
Nomination/  
Appointment:  
Speaker of House/  
Governor  
Term Expiration:  
6/30/2022



David Frick  
Executive Management  
and Benefits  
Administration  
Nomination/  
Appointment:  
Governor  
Term Expiration:  
6/30/2021



Tera Klutz  
Auditor of State  
Nomination/Appointment:  
Self-nominated/Governor  
Term Expiration:  
6/30/2023



Justin McAdam  
OMB General Counsel  
& Policy Director  
Nomination/  
Appointment:  
Director of State Budget  
Agency/Governor  
Term Expiration:  
6/30/2023



Kelly Mitchell  
Treasurer of State  
Nomination/  
Appointment:  
Self-nominated/  
Governor  
Term Expiration:  
6/30/2023



Mike Pinkham  
1977 Fund Member  
Nomination/Appointment:  
Speaker of House/  
Governor  
Term Expiration:  
6/30/2024



Connie Plankenhorn  
TRF Member  
Nomination/  
Appointment:  
Senate Pro Tempore/  
Governor  
Term Expiration:  
6/30/2022



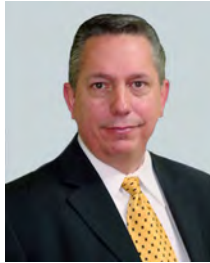
Vivienne Ross  
PERF Member  
Nomination/  
Appointment:  
Senate Pro Tempore/  
Governor  
Term Expiration:  
6/30/2024



Bret Swanson  
Economics, Finance,  
Investments  
Nomination/Appointment:  
Governor  
Term Expiration:  
6/30/2021

## Governance and Administrative Organization, continued

### Executive Team



Steve Russo  
Executive Director



Steven Barley  
Chief  
Operations  
Officer and  
Deputy Director



Scott Davis  
Chief Investment  
Officer



Tony Green  
Chief Legal and  
Compliance Officer



Donna Grotz  
Chief Finance and  
Administration  
Officer<sup>1</sup>



Keith Hall  
Chief Audit and Risk  
Officer



Cheryl Harding  
Director of Strategic  
Initiatives



Mike Hineine  
Chief Information  
and Technology  
Officer



Jeffrey Hutson  
Chief  
Communication  
Officer

### Professional Consultants <sup>2</sup>

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

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

Cavanaugh Macdonald Consulting, LLC  
3802 Raynor Parkway, Suite 202  
Bellevue, NE 68123

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

Verus  
800 Fifth Avenue, Suite 3900  
Seattle, WA 98104

<sup>1</sup> Donna Grotz retired June 30, 2021. Robert Come was hired August 9, 2021 as Chief Financial Officer.

<sup>2</sup> Information regarding investment professionals that have provided services to INPRS can be found in the Schedules of Investment Management Fees and Investment Professionals in the Investment Section.



# 2021 **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2021

## Financial Section

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**\$8.9 Billion**

Increase in net position over the previous fiscal year

**\$3.4 Billion**

Benefits and distributions paid to members

**\$50 Million**

Additional funds appropriated to five funds to support 1% COLA payments effective January 2022

**\$600 Million**

Additional funds appropriated to TRF Pre-'96





## Independent Auditor's Report

RSM US LLP

Board of Trustees  
Indiana Public Retirement System

### Report on the Financial Statements

We have audited the accompanying Statement of Fiduciary Net Position of the Indiana Public Retirement System (System), a component unit of the State of Indiana, as of June 30, 2021, and the related Statement of Changes in its Fiduciary Net Position for the year then ended, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Indiana Public Retirement System as of June 30, 2021, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Prior-Year Comparative Information:*

We have previously audited the System's 2020 financial statements, and we expressed an unmodified opinion in our report dated December 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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## Independent Auditor's Report, continued

*Required Supplementary Information:*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 20 through 23 and the schedules of changes in net pension liability and net pension liability, schedule of contributions, schedule of investment returns, annual money-weighted rate of return, net of investment expense and the related schedule of notes to required supplementary information on pages 67 through 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information:*

Our audit for the year ended June 30, 2021 was conducted for the purpose of forming an opinion on the System's basic financial statements. The other supplementary information consisting of Supporting Schedules in the financial section, and the accompanying introductory, investment, actuarial, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information for the year ended June 30, 2021 (pages 88 through 90) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supporting schedules in the financial section have been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2021 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supporting schedules in the financial section, are fairly stated in all material respects, in relation to the basic financial statements as a whole as of and for the year ended June 30, 2021.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the System's basic financial statements as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated December 10, 2020, which contained an unmodified opinion on those basic financial statements. The accompanying supplementary information which consists of supporting schedules in the financial section, for the year ended June 30, 2020 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statements. The supporting schedules in the financial section have been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2020.

The introductory, investment, actuarial, and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*RSM US LLP*

Indianapolis, Indiana  
December 16, 2021

# Management's Discussion and Analysis

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## Introduction

Management's Discussion and Analysis (MD&A) provides details of INPRS's financial performance during the fiscal year ended June 30, 2021. The MD&A is intended to serve as an introduction to INPRS's financial statements that we present in conjunction with the Letter of Transmittal included in the Introductory Section. Reviewing these statements, along with the accompanying notes, as well as the Investment, Actuarial, and Statistical sections, provide for a comprehensive understanding of INPRS's financial position.

The Statement of Fiduciary Net Position is a point-in-time snapshot of the net assets available to pay for future benefits owed as of the statement date. The Statement of Changes in Fiduciary Net Position presents the additions and deductions for the fiscal year. Major sources of additions are contributions and investment income. Major sources of deductions are benefit disbursements, distributions of contributions and interest, pension relief distributions, and administrative expenses.

Notes to the Financial Statements provide additional analysis that is essential for a complete understanding of the information provided in the financial statements. The notes describe the history and purpose of the plans, current information about accounting and investment policies, actuarial methods and assumptions, as well as subsequent events that may impact INPRS's financial position.

The Required Supplementary Information includes schedules about the changes in the net pension liability, employer contributions, actuarial assumptions used to calculate the actuarially determined contributions, historical trends, along with other information used in evaluating the financial condition of INPRS.

INPRS administers 16 funds consisting of eight defined benefit and five defined contribution retirement funds, two other postemployment benefit funds, and one custodial fund (refer to Note 1 for further details). PERF DC and PERF MC DC are consolidated on the financial statements for reporting purposes and shown as PERF DC. TRF DC and TRF MC DC are consolidated on the financial statements for reporting purposes and shown as TRF DC.

## Management Discussion

### Financial Highlights

The Fiduciary Net Position of INPRS held in trust to pay pension benefits and refund of contributions was \$45.8 billion as of June 30, 2021. The amount reflects an increase of \$8.9 billion from the prior year. This change is primarily the result of investment earnings due to near record market highs during fiscal 2021 and INPRS receiving additional state funding for TRF Pre-'96 and COLA increases.

- INPRS's Net Investment Income for the years ended June 30, 2021, and June 30, 2020, was \$9.1 billion and \$1.0 billion, respectively. The increase in Net Investment Income compared to the prior year is due to a higher rate of return on investments as a result of near record market highs. The money-weighted rate of return for INPRS assets, net of investment expense, was 24.8 percent for the year ended June 30, 2021, and 2.8 percent for the year ended June 30, 2020.
- Contributions from employers, members, and appropriations were \$3.2 billion for the year ended June 30, 2021, compared to \$2.6 billion for the fiscal year ended June 30, 2020. The \$0.6 billion increase was predominantly due to TRF Pre-'96 DB receiving \$600 million in additional state funding and a total of \$50 million received to fund a 1% cost of living allowance (COLA) effective January 2022.
- Net position for the Supplemental Reserve Accounts at June 30, 2021, totaled \$249.3 million. These reserves will begin to be utilized to pay postretirement benefit increases for PERF DB, TRF Pre-'96 DB, TRF '96 DB, EG&C, and LE DB effective January 2022.
- Benefits, administrative expenses, and refunds of contributions and interest totaled \$3.4 billion for the year ended June 30, 2021, compared to \$3.2 billion for the year ended June 30, 2020. The \$0.2 billion increase was due to an increase in benefit payments in the defined benefit funds and distributions of contributions and interest in the defined contribution funds. Benefits paid included a distribution of \$56 million as a 13th check to certain benefit recipients of PERF DB, TRF Pre-'96 DB, TRF '96 DB, and EG&C.

# Management's Discussion and Analysis, continued

## CONDENSED SUMMARY OF TOTAL FIDUCIARY NET POSITION RESTRICTED

(dollars in millions)	Defined Benefit		Defined Contribution		OPEB and Custodial		Total		Increase/(Decrease)	
	2021	2020	2021	2020	2021	2020	2021	2020	Amount	Percent
<b>Assets</b>										
Investments	\$ 47,873	\$ 40,307	\$ 6,885	\$ 5,847	\$ 408	\$ 401	\$ 55,166	\$ 46,555	\$ 8,611	18.5 %
Other Assets	22	24	2	3	64	76	88	103	(15)	(14.6)
<b>Total Assets</b>	<b>47,895</b>	<b>40,331</b>	<b>6,887</b>	<b>5,850</b>	<b>472</b>	<b>477</b>	<b>55,254</b>	<b>46,658</b>	<b>8,596</b>	<b>18.4</b>
<b>Liabilities</b>										
Investments	9,312	9,649	21	18	—	—	9,333	9,667	(334)	(3.5)
Other Liabilities	122	120	7	6	2	2	131	128	3	2.3
<b>Total Liabilities</b>	<b>9,434</b>	<b>9,769</b>	<b>28</b>	<b>24</b>	<b>2</b>	<b>2</b>	<b>9,464</b>	<b>9,795</b>	<b>(331)</b>	<b>(3.4)</b>
<b>Net Position</b>	<b>\$ 38,461</b>	<b>\$ 30,562</b>	<b>\$ 6,859</b>	<b>\$ 5,826</b>	<b>\$ 470</b>	<b>\$ 475</b>	<b>\$ 45,790</b>	<b>\$ 36,863</b>	<b>\$ 8,927</b>	<b>24.2 %</b>

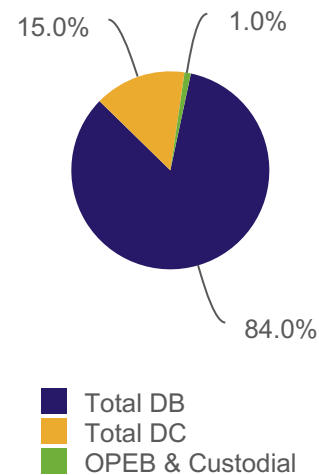
## CONDENSED SUMMARY OF CHANGES IN TOTAL FIDUCIARY NET POSITION RESTRICTED

(dollars in millions)	Defined Benefit		Defined Contribution		OPEB and Custodial		Total		Increase/(Decrease)	
	2021	2020	2021	2020	2021	2020	2021	2020	Amount	Percent
<b>Additions</b>										
Contributions	\$ 2,690	\$ 2,014	\$ 326	\$ 315	\$ 230	\$ 229	\$ 3,246	\$ 2,558	\$ 688	26.9 %
Net Investment Income	7,800	785	1,295	197	1	24	9,096	1,006	8,090	804.2
Other Additions	14	12	—	—	—	436	14	448	(434)	(96.9)
<b>Total Additions</b>	<b>10,504</b>	<b>2,811</b>	<b>1,621</b>	<b>512</b>	<b>231</b>	<b>689</b>	<b>12,356</b>	<b>4,012</b>	<b>8,344</b>	<b>208.0</b>
<b>Deductions</b>										
Benefits and Refunds	2,561	2,495	577	420	235	246	3,373	3,161	212	6.7
Other Deductions	44	44	11	11	1	1	56	56	—	—
<b>Total Deductions</b>	<b>2,605</b>	<b>2,539</b>	<b>588</b>	<b>431</b>	<b>236</b>	<b>247</b>	<b>3,429</b>	<b>3,217</b>	<b>212</b>	<b>6.6</b>
<b>Net Increase/(Decrease)</b>	<b>7,899</b>	<b>272</b>	<b>1,033</b>	<b>81</b>	<b>(5)</b>	<b>442</b>	<b>8,927</b>	<b>795</b>	<b>8,132</b>	<b>1,022.9</b>
Balance, Beginning of Year	30,562	30,290	5,826	5,745	475	33	36,863	36,068	795	2.2
<b>Balance, End of Year</b>	<b>\$ 38,461</b>	<b>\$ 30,562</b>	<b>\$ 6,859</b>	<b>\$ 5,826</b>	<b>\$ 470</b>	<b>\$ 475</b>	<b>\$ 45,790</b>	<b>\$ 36,863</b>	<b>\$ 8,927</b>	<b>24.2 %</b>

## FIDUCIARY NET POSITION RESTRICTED - SUMMARY BY FUND

(dollars in millions)	As of June 30		Increase/ (Decrease)	
	2021	2020	Amount	Percent
PERF DB	\$ 16,247	\$ 13,261	\$ 2,986	22.5 %
TRF Pre-'96 DB	5,075	3,661	1,414	38.6
TRF '96 DB	7,987	6,325	1,662	26.3
77 Fund	8,190	6,543	1,647	25.2
JRS	688	554	134	24.2
EG&C	184	146	38	26.0
PARF	86	68	18	26.5
LE DB	4	3	1	33.3
<b>Total DB</b>	<b>38,461</b>	<b>30,562</b>	<b>7,899</b>	<b>25.8</b>
PERF DC	3,462	2,977	485	16.3
TRF DC	3,355	2,813	542	19.3
LE DC	42	36	6	16.7
<b>Total DC</b>	<b>6,859</b>	<b>5,826</b>	<b>1,033</b>	<b>17.7</b>
SDBF	14	16	(2)	(12.5)
RMBA	450	449	1	0.2
LPSPR	6	10	(4)	(40.0)
<b>Total Fiduciary Net Position</b>	<b>\$ 45,790</b>	<b>\$ 36,863</b>	<b>\$ 8,927</b>	<b>24.2 %</b>

## Total Net Position by Plan Type



# Management's Discussion and Analysis, continued

## Investment Highlights

### Defined Benefits

The consolidated defined benefit assets returned 25.5 percent (time-weighted) net of all fees over the past fiscal year, outperforming the 6.75 percent target rate of return, and ended with a fair value of \$38.6 billion. Supported by monetary and fiscal stimulus, and a steady reopening of the economy, all asset classes ended the year with positive returns, led by strong performance from commodities and public equity. The consolidated defined benefit portfolio outperformed its passive benchmark by 0.8 percent, as a majority of asset classes outperformed their respective benchmarks.

The following table provides a comparison of time-weighted rates of return for the defined benefit assets for the year ended June 30, 2021, and June 30, 2020, with corresponding benchmarks for each asset class.

Global Asset Class	Target Allocation	1-Year Actual Return			1-Year Benchmark Return and Variance			
		2021	2020	Increase / (Decrease)	2021	Out/(Under) Performance	2020	Out/(Under) Performance
Public Equity	22.0	42.5 %	2.7 %	39.8 %	40.9 %	1.6 %	1.2 %	1.5 %
Private Markets	14.0	47.9	2.3	45.6	75.2	(27.3)	(17.2)	19.5
Fixed Income - Ex Inflation-Linked	20.0	3.4	9.6	(6.2)	0.6	2.8	8.9	0.7
Fixed Income - Inflation-Linked	7.0	6.3	14.6	(8.3)	5.5	0.8	16.8	(2.2)
Commodities	8.0	55.0	(26.8)	81.8	43.7	11.3	(25.0)	(1.8)
Real Estate	7.0	16.8	2.6	14.2	24.9	(8.1)	(9.7)	12.3
Absolute Return	10.0	12.2	0.4	11.8	18.9	(6.7)	(1.2)	1.6
Risk Parity	12.0	23.7	3.2	20.5	23.3	0.4	3.7	(0.5)
Cash	N/A	(5.7)	9.9	(15.6)	21.7	(27.4)	4.3	5.6
<b>Total Consolidated Defined Benefit Assets</b>		<b>25.5 %</b>	<b>2.6 %</b>	<b>22.9 %</b>	<b>24.7 %</b>	<b>0.8 %</b>	<b>2.1 %</b>	<b>0.5 %</b>

As of June 30, 2021, INPRS estimates 29 percent of the Consolidated Defined Benefit Assets could be liquidated in one week, 68 percent of the assets could be liquidated within one month, and 79 percent of the assets could be liquidated within six months without a significant market impact.

### Defined Contribution

The consolidated defined contribution assets ended with a fair value of \$6.9 billion, an increase of \$1.1 billion from the prior fiscal year. All twelve target date funds had a positive net return ranging from 10.6 percent to 36.1 percent, with all returns also exceeding their custom benchmarks due to active management. The more aggressive the target date fund (i.e., longer vintage dates), the larger the returns given the appreciation in global equities during the COVID-19 pandemic recovery. For the core menu, five of the seven standalone investment options exceeded their respective benchmarks.

### Actuarial Highlights

In accordance with GASB Statement No. 67, the fair value of assets is used for financial reporting purposes; however, the actuarial value of assets will continue to be used for funding purposes as presented in the Actuarial Section. The Fair Value Funded Status improved for all funds due to strong investment returns, offset by changes in assumptions described below. Liability experience had several offsetting factors which varied by fund. Liabilities increased in all funds except LE DB mainly due to changes in assumptions, discussed below. All funds except JRS and PARF contributed at least their Actuarially Determined Contribution (ADC). JRS and PARF set contribution amounts every other year in accordance with the biennial budget cycle. ADCs are determined as a percent of payroll, but biennial budget appropriations must be made in advance in specific amounts. JRS and PARF did not meet their ADC due to faster-than-expected payroll growth over the biennium, which increased their ADCs beyond the estimates made at the start of the biennium. See the Required Supplementary Information of the Financial Section for more information.

INPRS completed an asset-liability study in February 2021. INPRS's staff, Verus, and Cavanaugh Macdonald Consulting analyzed economic assumptions and potential asset allocation mixes. Asset allocation and assumption changes were recommended to the board and adopted in May 2021 for the June 30, 2021 actuarial valuations. Actuarial assumption changes included decreasing the inflation assumption from 2.25% to 2.00%, decreasing the discount rate from 6.75% to 6.25%, decreasing assumed wage inflation from 2.75% to 2.65%, decreasing the assumed member contribution balance growth rate from 3.50% to 3.30%, decreasing the '77 Fund COLA assumption from 2.10% to 1.95%, and decreasing the JRS COLA assumption from 2.75% to 2.65%.

## Management's Discussion and Analysis, continued

The INPRS Funding Policy sets the employer contribution rates for PERF DB, TRF '96 DB, '77 Fund, and EG&C. The employer contribution rate is set to be at least the ADC, but per the funding policy, is not allowed to decrease until a fund reaches 105 percent funded. As a result, employers in these funds systemically contribute more than the ADC. TRF Pre-'96 DB, JRS, PARF, and LE DB are funded through appropriations. Due to the biennial budget cycle, these appropriations do not always match their corresponding ADC exactly.

An analysis of the funding progress, contributions, and a summary of actuarial assumptions and methods are outlined in Note 8 and in the Required Supplementary Information of the Financial Section. For additional actuarial-related information on a funding basis, refer to the Actuarial Section.

The following table provides a comparison of the defined benefit funding progress for each plan as of June 30, 2021, and June 30, 2020.

(dollars in millions)

Pre-Funded DB Pension Funds	Fair Value Funded Status		Net Pension Liability/ (Asset)	Contributions as a Percent of ADC
	2021	2020		
PERF DB	92.5 %	81.4 %	\$ 1,315.8	138.6 %
TRF '96 DB	106.2	98.8	(469.8)	127.5
77 Fund	107.8	96.4	(591.0)	147.0
JRS	107.1	93.5	(45.8)	84.4
EG&C	101.9	89.3	(3.5)	242.2
PARF	73.4	63.4	31.2	87.3
LE DB	115.9	93.5	(0.5)	109.7
<b>Pay-As-You-Go DB Pension Fund</b>				
TRF Pre-'96 DB	35.4 %	26.2 %	\$ 9,263.4	100.0 %

### Request For Information

This financial report is designed to provide the Board of Trustees, our membership, employers, rating agencies, and investment managers with a general overview of INPRS's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to:

Indiana Public Retirement System  
 Finance Department  
 One North Capitol, Suite 001  
 Indianapolis, IN 46204

# Statement of Fiduciary Net Position

As of June 30, 2021 (with Comparative Totals as of June 30, 2020) <sup>1</sup>

(dollars in thousands)

	Pension Trust Funds <sup>2</sup>								
	Defined Benefit (DB)								
	PERF DB	TRF Pre-'96 DB	TRF '96 DB	77 Fund	JRS	EG&C	PARF	LE DB	Total DB
<b>Assets</b>									
Cash	\$ 1,594	\$ 6	\$ 201	\$ 722	\$ —	\$ —	\$ —	\$ —	\$ 2,523
Receivables:									
Contributions and Miscellaneous	3,935	2,915	1,304	834	3,603	—	7	—	12,598
Investments	125,722	40,001	61,910	63,395	5,297	1,429	664	27	298,445
Foreign Exchange Contracts	2,880,259	916,406	1,418,335	1,452,364	121,350	32,725	15,226	624	6,837,289
Interest and Dividends	33,625	10,698	16,558	16,955	1,417	382	178	7	79,820
Due From Other Funds	1,933	—	—	—	—	—	—	—	1,933
<b>Total Receivables</b>	<b>3,045,474</b>	<b>970,020</b>	<b>1,498,107</b>	<b>1,533,548</b>	<b>131,667</b>	<b>34,536</b>	<b>16,075</b>	<b>658</b>	<b>7,230,085</b>
Investments:									
Repurchase Agreements	143,392	45,622	70,610	72,305	6,041	1,629	758	31	340,388
Short-Term	1,007,396	320,521	496,076	507,978	42,443	11,446	5,325	218	2,391,403
Fixed Income	4,943,620	1,572,902	2,434,404	2,492,811	208,284	56,169	26,133	1,071	11,735,394
Equities	3,452,678	1,098,531	1,700,214	1,741,006	145,468	39,229	18,252	748	8,196,126
Alternative	7,452,541	2,371,159	3,669,880	3,757,928	313,989	84,674	39,396	1,614	17,691,181
Derivatives	43,785	13,931	21,561	22,078	1,845	497	231	9	103,937
Pooled Synthetic GIC's at Contract Value	—	—	—	—	—	—	—	—	—
Securities Lending Collateral	83,910	26,698	41,320	42,312	3,535	953	444	18	199,190
<b>Total Investments</b>	<b>17,127,322</b>	<b>5,449,364</b>	<b>8,434,065</b>	<b>8,636,418</b>	<b>721,605</b>	<b>194,597</b>	<b>90,539</b>	<b>3,709</b>	<b>40,657,619</b>
Other Assets	321	—	—	—	—	—	—	—	321
Gross Capital Assets	21,445	—	—	—	—	—	—	—	21,445
Less: Accumulated Depreciation and Amortization	(16,972)	—	—	—	—	—	—	—	(16,972)
Net Capital Assets	4,473	—	—	—	—	—	—	—	4,473
<b>Total Assets</b>	<b>20,179,184</b>	<b>6,419,390</b>	<b>9,932,373</b>	<b>10,170,688</b>	<b>853,272</b>	<b>229,133</b>	<b>106,614</b>	<b>4,367</b>	<b>47,895,021</b>
<b>Liabilities</b>									
Administrative Payable	8,454	759	61	84	4	15	3	2	9,382
Retirement Benefits Payable	874	95,385	12,849	2,635	—	229	—	—	111,972
Investments Payable	784,064	249,464	386,100	395,363	33,034	8,908	4,145	170	1,861,248
Foreign Exchange Contracts Payable	2,859,273	909,728	1,408,000	1,441,781	120,466	32,487	15,114	619	6,787,468
Securities Lending Obligations	83,910	26,698	41,320	42,312	3,535	953	444	18	199,190
Obligations Under Reverse Repurchase Agreement	195,299	62,138	96,172	98,479	8,229	2,219	1,032	42	463,610
Due to Other Funds	—	467	376	245	11	8	7	1	1,115
Due to Other Governments	—	—	—	—	—	—	—	—	—
<b>Total Liabilities</b>	<b>3,931,874</b>	<b>1,344,639</b>	<b>1,944,878</b>	<b>1,980,899</b>	<b>165,279</b>	<b>44,819</b>	<b>20,745</b>	<b>852</b>	<b>9,433,985</b>
<b>Total Fiduciary Net Position Restricted</b>	<b>\$ 16,247,310</b>	<b>\$ 5,074,751</b>	<b>\$ 7,987,495</b>	<b>\$ 8,189,789</b>	<b>\$ 687,993</b>	<b>\$ 184,314</b>	<b>\$ 85,869</b>	<b>\$ 3,515</b>	<b>\$ 38,461,036</b>

<sup>1</sup> The accompanying notes are an integral part of the financial statements.

<sup>2</sup> Pension Trust Fund assets are restricted solely for qualifying member benefits.



# Statement of Fiduciary Net Position, continued

As of June 30, 2021 (with Comparative Totals as of June 30, 2020) <sup>1</sup>

(dollars in thousands)

	Pension Trust Funds <sup>2</sup>				OPEB DB	OPEB DC	Custodial	INPRS Totals	
	Defined Contribution (DC)				Fund <sup>3</sup>	Fund <sup>3</sup>	Fund	2021	2020
	PERF DC	TRF DC	LE DC	Total DC	SDBF	RMBA	LPSPR		
<b>Assets</b>									
Cash	\$ 770	\$ 131	\$ 16	\$ 917	\$ 17	\$ 2,245	\$ —	\$ 5,702	\$ 4,067
Receivables:									
Contributions and Miscellaneous	1,130	853	249	2,232	175	58,728	3,191	76,924	91,491
Investments	5,481	5,313	66	10,860	—	—	—	309,305	855,977
Foreign Exchange Contracts	3,869	3,751	46	7,666	—	—	—	6,844,955	7,192,779
Interest and Dividends	9,292	9,008	111	18,411	—	—	1	98,232	87,034
Due From Other Funds	—	—	—	—	—	—	—	1,933	3,547
Total Receivables	19,772	18,925	472	39,169	175	58,728	3,192	7,331,349	8,230,828
Investments:									
Repurchase Agreements	—	—	—	—	—	—	—	340,388	7,080
Short-Term	90,879	88,104	1,090	180,073	788	—	4,260	2,576,524	1,514,647
Fixed Income	205,268	199,001	2,462	406,731	13,828	388,863	—	12,544,816	11,357,277
Equities	1,987,571	1,926,884	23,844	3,938,299	—	—	—	12,134,425	9,685,426
Alternative	—	—	—	—	—	—	—	17,691,181	13,229,433
Derivatives	—	—	—	—	—	—	—	103,937	14,065
Pooled Synthetic GIC's at Contract Value	1,172,147	1,136,358	14,062	2,322,567	—	—	—	2,322,567	2,452,016
Securities Lending Collateral	—	—	—	—	—	—	—	199,190	158,656
Total Investments	3,455,865	3,350,347	41,458	6,847,670	14,616	388,863	4,260	47,913,028	38,418,600
Other Assets	—	—	—	—	—	—	—	321	229
Gross Capital Assets	—	—	—	—	—	—	—	21,445	21,259
Less: Accumulated Depreciation and Amortization	—	—	—	—	—	—	—	(16,972)	(16,659)
Net Capital Assets	—	—	—	—	—	—	—	4,473	4,600
<b>Total Assets</b>	<b>3,476,407</b>	<b>3,369,403</b>	<b>41,946</b>	<b>6,887,756</b>	<b>14,808</b>	<b>449,836</b>	<b>7,452</b>	<b>55,254,873</b>	<b>46,658,324</b>
<b>Liabilities</b>									
Administrative Payable	1,457	2,940	—	4,397	—	32	—	13,811	10,247
Retirement Benefits Payable	1,301	679	19	1,999	675	—	—	114,646	113,055
Investments Payable	6,801	6,594	82	13,477	1	12	—	1,874,738	1,911,220
Foreign Exchange Contracts Payable	3,864	3,746	46	7,656	—	—	—	6,795,124	7,209,598
Securities Lending Obligations	—	—	—	—	—	—	—	199,190	158,656
Obligations Under Reverse Repurchase Agreement	—	—	—	—	—	—	—	463,610	387,498
Due to Other Funds	588	172	1	761	5	33	19	1,933	3,547
Due to Other Governments	—	—	—	—	—	—	1,529	1,529	1,529
<b>Total Liabilities</b>	<b>14,011</b>	<b>14,131</b>	<b>148</b>	<b>28,290</b>	<b>681</b>	<b>77</b>	<b>1,548</b>	<b>9,464,581</b>	<b>9,795,350</b>
<b>Total Fiduciary Net Position Restricted</b>	<b>\$ 3,462,396</b>	<b>\$ 3,355,272</b>	<b>\$ 41,798</b>	<b>\$ 6,859,466</b>	<b>\$ 14,127</b>	<b>\$ 449,759</b>	<b>\$ 5,904</b>	<b>\$ 45,790,292</b>	<b>\$ 36,862,974</b>

<sup>1</sup> The accompanying notes are an integral part of the financial statements.

<sup>2</sup> Pension Trust Fund assets are restricted solely for qualifying member benefits.

<sup>3</sup> Other postemployment benefit trust fund.

# Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2021 (with Comparative Totals as of June 30, 2020) <sup>1</sup>

(dollars in thousands)

	Pension Trust Funds <sup>2</sup>								Total DB
	Defined Benefit (DB)								
	PERF DB	TRF Pre-'96 DB	TRF '96 DB	77 Fund	JRS	EG&C	PARF	LE DB	
<b>Additions</b>									
Contributions:									
Employer	\$ 627,315	\$ 2,254	\$ 202,489	\$ 166,436	\$ 18,621	\$ 7,083	\$ 4,402	\$ 208	\$ 1,028,808
Nonemployer Contributing Entity	—	1,598,375	—	—	—	—	—	30	1,598,405
Member	131	23	464	55,703	4,041	1,333	1,459	—	63,154
<b>Total Contributions</b>	<b>627,446</b>	<b>1,600,652</b>	<b>202,953</b>	<b>222,139</b>	<b>22,662</b>	<b>8,416</b>	<b>5,861</b>	<b>238</b>	<b>2,690,367</b>
Investment Income:									
Net Appreciation Fair Value of Investments	3,254,939	975,604	1,581,259	1,628,545	137,092	36,542	17,110	714	7,631,805
Other Net Investment Income	920	275	449	462	39	11	5	—	2,161
Net Interest and Dividends Income	180,900	53,615	88,016	90,566	7,618	2,032	949	40	423,736
Securities Lending Income	878	260	426	439	37	10	5	—	2,055
<b>Total Investment Income</b>	<b>3,437,637</b>	<b>1,029,754</b>	<b>1,670,150</b>	<b>1,720,012</b>	<b>144,786</b>	<b>38,595</b>	<b>18,069</b>	<b>754</b>	<b>8,059,757</b>
Less Direct Investment Expenses:									
Investment Management Fees	(105,916)	(31,326)	(51,541)	(53,032)	(4,463)	(1,190)	(556)	(23)	(248,047)
Securities Lending Fees	(182)	(54)	(88)	(91)	(8)	(2)	(1)	—	(426)
General Investment Expenses	(5,990)	(1,613)	(2,067)	(1,221)	(88)	(33)	(20)	(2)	(11,034)
<b>Total Direct Investment Expenses</b>	<b>(112,088)</b>	<b>(32,993)</b>	<b>(53,696)</b>	<b>(54,344)</b>	<b>(4,559)</b>	<b>(1,225)</b>	<b>(577)</b>	<b>(25)</b>	<b>(259,507)</b>
<b>Net Investment Income</b>	<b>3,325,549</b>	<b>996,761</b>	<b>1,616,454</b>	<b>1,665,668</b>	<b>140,227</b>	<b>37,370</b>	<b>17,492</b>	<b>729</b>	<b>7,800,250</b>
Other Additions:									
Member Reassignment Income	5,126	2,617	5,566	—	—	—	—	—	13,309
Special Item - Transfer from SOI	—	—	—	—	—	—	—	—	—
Miscellaneous Income	122	—	—	19	—	—	—	—	141
<b>Total Other Additions</b>	<b>5,248</b>	<b>2,617</b>	<b>5,566</b>	<b>19</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>13,450</b>
<b>Total Additions</b>	<b>3,958,243</b>	<b>2,600,030</b>	<b>1,824,973</b>	<b>1,887,826</b>	<b>162,889</b>	<b>45,786</b>	<b>23,353</b>	<b>967</b>	<b>10,504,067</b>
<b>Deductions</b>									
Pension, Disability and Survivor Benefits	946,107	1,178,740	155,348	234,484	28,813	7,627	5,148	341	2,556,608
Special Death Benefits	—	—	—	1,080	—	—	—	—	1,080
Retiree Health Benefits	—	—	—	—	—	—	—	—	—
Retiree Health Forfeitures	—	—	—	—	—	—	—	—	—
Distributions of Contributions and Interest	—	—	—	3,339	103	109	141	—	3,692
Pension Relief Distributions	—	—	—	—	—	—	—	—	—
Administrative Expenses	18,003	5,039	4,966	1,934	101	94	71	35	30,243
Member Reassignment Expenses	8,183	2,651	2,475	—	—	—	—	—	13,309
Miscellaneous Expenses	—	—	—	—	—	—	—	—	—
<b>Total Deductions</b>	<b>972,293</b>	<b>1,186,430</b>	<b>162,789</b>	<b>240,837</b>	<b>29,017</b>	<b>7,830</b>	<b>5,360</b>	<b>376</b>	<b>2,604,932</b>
<b>Net Increase / (Decrease)</b>	<b>2,985,950</b>	<b>1,413,600</b>	<b>1,662,184</b>	<b>1,646,989</b>	<b>133,872</b>	<b>37,956</b>	<b>17,993</b>	<b>591</b>	<b>7,899,135</b>
Beginning Fiduciary Net Position Restricted	13,261,360	3,661,151	6,325,311	6,542,800	554,121	146,358	67,876	2,924	30,561,901
<b>Ending Fiduciary Net Position Restricted</b>	<b>\$ 16,247,310</b>	<b>\$ 5,074,751</b>	<b>\$ 7,987,495</b>	<b>\$ 8,189,789</b>	<b>\$ 687,993</b>	<b>\$ 184,314</b>	<b>\$ 85,869</b>	<b>\$ 3,515</b>	<b>\$ 38,461,036</b>

<sup>1</sup> The accompanying notes are an integral part of the financial statements.

<sup>2</sup> Pension Trust Fund assets are restricted solely for qualifying member benefits.

# Statement of Changes in Fiduciary Net Position, continued

For the Year Ended June 30, 2021 (with Comparative Totals as of June 30, 2020) <sup>1</sup>

(dollars in thousands)

	Pension Trust Funds <sup>2</sup>				OPEB DB	OPEB DC	Custodial	INPRS Totals	
	Defined Contribution (DC)				Fund <sup>3</sup>	Fund <sup>3</sup>	Fund	2021	2020
	PERF DC	TRF DC	LE DC	Total DC	SDBF	RMBA	LSPSR		
<b>Additions</b>									
Contributions:									
Employer	\$ —	\$ —	\$ 1,507	\$ 1,507	\$ —	\$ 28,136	\$ —	\$ 1,058,451	\$ 1,010,981
Nonemployer Contributing Entity	—	—	—	—	393	—	201,476	1,800,274	1,172,724
Member	189,245	134,314	456	324,015	—	—	—	387,169	374,075
<b>Total Contributions</b>	<b>189,245</b>	<b>134,314</b>	<b>1,963</b>	<b>325,522</b>	<b>393</b>	<b>28,136</b>	<b>201,476</b>	<b>3,245,894</b>	<b>2,557,780</b>
Investment Income:									
Net Appreciation Fair Value of Investments	560,181	660,253	8,868	1,229,302	19	724	—	8,861,850	885,261
Other Net Investment Income	97	92	2	191	—	—	—	2,352	3,536
Net Interest and Dividends Income	35,105	41,261	588	76,954	—	2	36	500,728	339,202
Securities Lending Income	—	—	—	—	—	—	—	2,055	2,164
<b>Total Investment Income</b>	<b>595,383</b>	<b>701,606</b>	<b>9,458</b>	<b>1,306,447</b>	<b>19</b>	<b>726</b>	<b>36</b>	<b>9,366,985</b>	<b>1,230,163</b>
Less Direct Investment Expenses:									
Investment Management Fees	(4,433)	(4,229)	(53)	(8,715)	(3)	(41)	—	(256,806)	(209,673)
Securities Lending Fees	—	—	—	—	—	—	—	(426)	(494)
General Investment Expenses	(1,425)	(1,138)	(13)	(2,576)	(6)	(36)	(22)	(13,674)	(14,160)
<b>Total Direct Investment Expenses</b>	<b>(5,858)</b>	<b>(5,367)</b>	<b>(66)</b>	<b>(11,291)</b>	<b>(9)</b>	<b>(77)</b>	<b>(22)</b>	<b>(270,906)</b>	<b>(224,327)</b>
<b>Net Investment Income</b>	<b>589,525</b>	<b>696,239</b>	<b>9,392</b>	<b>1,295,156</b>	<b>10</b>	<b>649</b>	<b>14</b>	<b>9,096,079</b>	<b>1,005,836</b>
Other Additions:									
Member Reassignment Income	—	—	—	—	—	—	—	13,309	11,651
Special Item - Transfer from SOI	—	—	—	—	—	—	—	—	435,947
Miscellaneous Income	4	11	17	32	—	17	—	190	371
<b>Total Other Additions</b>	<b>4</b>	<b>11</b>	<b>17</b>	<b>32</b>	<b>—</b>	<b>17</b>	<b>—</b>	<b>13,499</b>	<b>447,969</b>
<b>Total Additions</b>	<b>778,774</b>	<b>830,564</b>	<b>11,372</b>	<b>1,620,710</b>	<b>403</b>	<b>28,802</b>	<b>201,490</b>	<b>12,355,472</b>	<b>4,011,585</b>
<b>Deductions</b>									
Pension, Disability and Survivor Benefits	—	—	—	—	—	—	—	2,556,608	2,490,812
Special Death Benefits	—	—	—	—	1,950	—	—	3,030	1,919
Retiree Health Benefits	—	—	—	—	—	16,658	—	16,658	17,306
Retiree Health Forfeitures	—	—	—	—	—	10,722	—	10,722	18,969
Distributions of Contributions and Interest	286,367	285,134	5,216	576,717	—	—	—	580,409	423,885
Pension Relief Distributions	—	—	—	—	—	—	205,821	205,821	209,167
Administrative Expenses	7,420	3,125	7	10,552	31	577	124	41,527	43,018
Member Reassignment Expenses	—	—	—	—	—	—	—	13,309	11,651
Miscellaneous Expenses	45	24	—	69	—	—	1	70	237
<b>Total Deductions</b>	<b>293,832</b>	<b>288,283</b>	<b>5,223</b>	<b>587,338</b>	<b>1,981</b>	<b>27,957</b>	<b>205,946</b>	<b>3,428,154</b>	<b>3,216,964</b>
<b>Net Increase / (Decrease)</b>	<b>484,942</b>	<b>542,281</b>	<b>6,149</b>	<b>1,033,372</b>	<b>(1,578)</b>	<b>845</b>	<b>(4,456)</b>	<b>8,927,318</b>	<b>794,621</b>
Beginning Fiduciary Net Position Restricted	2,977,454	2,812,991	35,649	5,826,094	15,705	448,914	10,360	36,862,974	36,068,353
<b>Ending Fiduciary Net Position Restricted</b>	<b>\$ 3,462,396</b>	<b>\$ 3,355,272</b>	<b>\$ 41,798</b>	<b>\$ 6,859,466</b>	<b>\$ 14,127</b>	<b>\$ 449,759</b>	<b>\$ 5,904</b>	<b>\$ 45,790,292</b>	<b>\$ 36,862,974</b>

<sup>1</sup>The accompanying notes are an integral part of the financial statements.

<sup>2</sup> Pension Trust Fund assets are restricted solely for qualifying member benefits.

<sup>3</sup> Other postemployment benefit trust fund.

# Notes to the Financial Statements

## Note 1. Descriptions of System and Funds

### Reporting Entity

INPRS is an independent body corporate and politic, a component unit, and is not a department or agency of the State of Indiana. INPRS exercises essential government functions as established by Indiana Public Law 23-2011, and is a pension trust fund for the State of Indiana for financial statement reporting purposes.

INPRS administers 16 funds consisting of eight DB funds and five DC funds, two OPEB funds, and one custodial fund. PERF DC and PERF MC DC are consolidated on the financial statements for reporting purposes and shown as PERF DC. TRF DC and TRF MC DC are consolidated on the financial statements for reporting purposes and shown as TRF DC. These fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

In accordance with Indiana Code (IC) 5-10.5, INPRS is governed by a nine-member Board of Trustees. The Board approves an annual budget for general administrative and direct investment expenses. Expenses are paid from investment earnings and if necessary, plan assets. The Board is composed of:

- One trustee with experience in economics, finance, or investments;
- One trustee with experience in executive management or benefits administration;
- One trustee who is an active or retired member of the '77 Fund;
- Two trustees who are TRF members with at least 10 years of creditable service;
- One trustee who is a PERF member with at least 10 years of creditable service;
- Director of the State Budget Agency, or designee;
- Auditor of State, or nominee;
- Treasurer of State, or nominee.

### Demographic Information of Funds

DB member data shown below is based on census data as of June 30, 2020, and used in the actuarial valuations for June 30, 2021. DC member account data is as of June 30, 2021, based on information from the recordkeeper. Members of PERF DC and TRF DC are included in the PERF DB, TRF Pre-'96 DB and TRF '96 DB member count.

DB Fund	Number of DB Employers	Number of DB Members as of June 30, 2020				Total
		Active	Annuityants	Inactive Vested	Inactive Non-Vested With Balance	
PERF DB	1,226	125,386	94,851	33,931	—	254,168
TRF Pre-'96 DB	335	8,375	53,537	1,964	—	63,876
TRF '96 DB	383	59,866	8,287	6,827	—	74,980
77 Fund	175	14,378	6,080	300	1,381	22,139
JRS	1	465	394	24	34	917
EG&C	1	439	252	5	134	830
PARF	1	198	185	104	141	628
LE DB	1	7	77	6	—	90

DC Fund	Number of DC Employers	Number of DC Member Accounts as of June 30, 2021		
		Active	Inactive	Total
PERF DC	1,227	127,517	95,956	223,473
PERF MC DC	36	4,323	2,860	7,183
TRF DC	383	68,137	28,212	96,349
TRF MC DC	196	1,295	174	1,469
LE DC	1	150	81	231

## Description of Defined Benefit Funds

### Public Employees' Defined Benefit Account (PERF DB)

PERF DB is a cost-sharing, multiple-employer DB fund providing retirement, disability and survivor benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships and other governmental units) that elect to participate in the retirement fund. Administration of the fund is generally in accordance with IC 5-10.2, 5-10.3, 5-10.5, 35 IAC 1.2 and other Indiana pension law. PERF DB is a component of the Public Employees' Hybrid plan (PERF Hybrid).

PERF Hybrid consists of two components: PERF DB, the monthly employer-funded defined benefit component, along with the Public Employees' Hybrid Members Defined Contribution Account (PERF DC), a member-funded account. First time new employees hired by the State or a participating political subdivision who offers a choice, have a one-time election to join either the PERF Hybrid plan or PERF MC DC. Refer to the Description of Defined Contribution Funds for discussion of both the PERF DC and PERF MC DC plans. A new hire that is an existing member of PERF Hybrid and was not given the option for the PERF MC DC plan is given the option to elect PERF MC DC or remain in PERF Hybrid.

Members who have service in both PERF DB and either TRF Pre-'96 DB or TRF '96 DB, have the option of choosing from which of these funds they would like to retire.

### Eligibility for Pension Benefit Payment

#### Full Retirement Benefit

- Age 65 with at least 10 years of creditable service (eight years for certain elected officials).
- Age 60 with at least 15 years of creditable service.
- Age 55 if age and creditable service total at least 85 ("Rule of 85").
- Age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position.
- Age 70 with 20 years of creditable service and still active in the PERF-covered position.

#### Early Retirement Benefit

Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59).

#### Disability Benefit

An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$180 per month).

#### Survivor Benefit

If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death.

If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

#### Contribution

Contributions are determined by the Board based on an actuarial valuation. Employers contribute 11.2 percent of covered payroll, with 0.44 percent funding a supplemental reserve account for postretirement benefit increases. Contributions from employers with PERF MC DC plan members who offered PERF Hybrid prior to July 1, 2016 fund PERF DB's unfunded liability at 8.0 percent of covered payroll for the State and 7.2 percent for political subdivisions as of June 30, 2021. No member contributions are required.

#### Benefit Formula & Postretirement Benefit Adjustment

Lifetime Annual Benefit = Years of Creditable Service x Average Highest Five-Year Annual Salary x 1.1 percent (minimum of \$180 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the Board. For the year ended June 30, 2021, postretirement benefits of \$31.2 million were issued to members as a 13<sup>th</sup> check.

### Description of Defined Benefit Funds (continued)

#### Teachers' Pre-1996 Defined Benefit Account (TRF Pre-'96 DB)

TRF Pre-'96 DB is a pay-as-you-go, cost-sharing, multiple-employer DB fund providing retirement, disability and survivor benefits for teachers, administrators and certain INPRS personnel hired before July 1, 1996. Membership in TRF Pre-'96 DB is closed to new entrants. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14 and other Indiana pension law. TRF Pre-'96 DB is a component of the Teachers' Hybrid Plan (TRF Hybrid).

TRF Hybrid Plan consists of two components: TRF Pre-'96 DB, the monthly employer-funded defined benefit component, along with TRF DC, a member-funded account. Refer to the Description of Defined Contribution Funds for discussion of the TRF DC plan.

#### Eligibility for Pension Benefit Payment

##### Full Retirement Benefit

- Age 65 with at least 10 years of creditable service.
- Age 60 with at least 15 years of creditable service.
- Age 55 if age and creditable service total at least 85 ("Rule of 85").
- Age 55 with 20 years of creditable service and active as an elected official in the TRF-covered position.
- Age 70 with 20 years of creditable service and still active in the TRF-covered position.

##### Early Retirement Benefit

Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59).

##### Disability Benefit

An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$185 per month). Under certain conditions, active TRF members may qualify for a classroom disability benefit of at least \$125 per month.

##### Survivor Benefit

If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death.

If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

##### Contribution

According to statute, the TRF Pre-'96 DB fund is funded primarily by appropriations from the state general fund and lottery proceeds. The Actuarially Determined Contribution (ADC) for TRF Pre-'96 DB was \$1,600.6 million. This includes a base appropriation of \$946.6 million and \$30.0 million of lottery proceeds to fund the supplemental reserve account for postretirement benefits and \$2.3 million of employer contributions from grant monies. In addition, HEA 1001-2021 granted a special appropriation of \$600.0 million in fiscal year 2021. No member contributions are required.

##### Benefit Formula & Postretirement Benefit Adjustment

Lifetime Annual Benefit = Years of Creditable Service x Average Highest Five-Year Annual Salary x 1.1 percent (minimum of \$185 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the Board. For the year ended June 30, 2021, postretirement benefits of \$21.9 million were issued to members as a 13th check.

## Description of Defined Benefit Funds (continued)

### Teachers' 1996 Defined Benefit Account (TRF '96 DB)

TRF '96 DB is a cost-sharing, multiple-employer DB fund providing retirement, disability and survivor benefits. Membership in TRF '96 DB is required for all legally qualified and regularly employed licensed teachers who serve in the public schools of Indiana, teachers employed by the State at state institutions and certain INPRS personnel. Faculty members and professional employees at Ball State University and Vincennes University have the option of selecting membership in the fund or an alternate university plan not administered by INPRS. Membership in TRF '96 DB is optional for teachers employed by charter schools, employees and officials of the Indiana State Board of Education who were Indiana licensed teachers before their employment with the Board, and teachers employed by special management teams as defined under IC 20-31. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14 and other Indiana pension law. TRF '96 DB is a component of the Teachers' Hybrid Plan (TRF Hybrid).

TRF Hybrid Plan consists of two components: TRF '96 DB, the monthly employer-funded defined benefit component, along with TRF DC, a member-funded account. Refer to the Description of Defined Contribution Funds for discussion of the TRF DC plan.

### Eligibility for Pension Benefit Payment

#### Full Retirement Benefit

- Age 65 with at least 10 years of creditable service.
- Age 60 with at least 15 years of creditable service.
- Age 55 if age and creditable service total at least 85 ("Rule of 85").
- Age 55 with 20 years of creditable service and active as an elected official in the TRF-covered position.
- Age 70 with 20 years of creditable service and still active in the TRF-covered position.

#### Early Retirement Benefit

Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59).

#### Disability Benefit

An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$185 per month). Under certain conditions, active TRF members may qualify for a classroom disability benefit of at least \$125 per month.

#### Survivor Benefit

If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death.

If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100% Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

#### Contribution

Contributions are determined by the Board based on an actuarial valuation. Employers contribute 5.5 percent of covered payroll, with 0.14 percent funding a supplemental reserve account for future postretirement benefit increases. No member contributions are required.

#### Benefit Formula & Postretirement Benefit Adjustment

Lifetime Annual Benefit = Years of Creditable Service x Average Highest Five-Year Annual Salary x 1.1 percent (minimum of \$185 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the Board. For the year ended June 30, 2021, postretirement benefits of \$2.8 million were issued to members as a 13th check.

### Description of Defined Benefit Funds (continued)

#### 1977 Police Officers' and Firefighters' Retirement Fund ('77 Fund)

The '77 Fund is a cost-sharing, multiple-employer DB fund for members hired (or rehired) after April 30, 1977. The fund provides retirement, disability and survivor benefits to full-time sworn officers of a police force of an Indiana city or eligible town, along with full-time firefighters employed by an Indiana city, town, township or county. Administration of the fund is generally in accordance with IC 36-8, 35 IAC 2, and other Indiana pension law.

#### Eligibility for Pension Benefit Payment

##### Full Retirement Benefit

Age 52 with 20 years of creditable service.

##### Early Retirement Benefit

Age 50 and 20 years of creditable service (reduce full benefit by 7 percent for each year less than age 52).

##### Deferred Retirement Option Plan (DROP)

In accordance with IC 36-8-8.5, members eligible to retire with an unreduced benefit may elect to earn a DROP benefit while continuing to work. Members execute an irrevocable election to retire on a DROP retirement date and remain in active service while contributing to the fund until that date. The DROP retirement date must be no less than 12 months and not more than 36 months after their DROP entry date, and cannot be after the date the member reaches mandatory retirement age. The DROP and future retirement monthly benefit are calculated as of the member's DROP entry date. At retirement, members must choose among the available options for distribution of the accumulated benefit under the DROP. As of June 30, 2021, the amount held by the fund under the DROP is \$98.5 million.

##### Nonvested Termination

The sum total of the member's contributions plus interest at a rate set by the Board.

##### Disability Benefit

An active member may qualify for a benefit with the amount based on the class of impairment and other factors, as recommended by the local pension board with final determination by the Board.

##### Survivor Benefit

The eligible survivor of a member who dies in the line of duty receives 100 percent of member's benefit (the minimum benefit is calculated as if the member had at least 20 years of service and age 52). Otherwise, eligible survivors of members who die other than in the line of duty receive 70 percent of the member's benefit.

While receiving a benefit, a spouse or a wholly dependent parent (for their lifetimes) or dependent (until at least age 18) receives up to 70 percent of the member's benefit. Heirs or estate may be entitled to receive \$12,000.

##### Contribution

Contributions are determined by the Board based on an actuarial valuation. Employers contribute 17.5 percent of the salary of a first-class officer or firefighter. Members are required to contribute six percent of the salary of a first-class officer or firefighter for the term of the member's employment up to 32 years. Employers may pay all or part of the member contribution for the member.

##### Benefit Formula & Postretirement Benefit Adjustment

Annual Benefit = 52 percent of first-class officer salary for 20 years of service. The percentage is increased by one percent for each six months of active service accumulated after 20 years of service to a maximum of 32 years, or 76 percent.

Postretirement benefit increases is a percentage determined by statute equal to the change in the Consumer Price Index but not in excess of a three percent increase. For the year ended June 30, 2021, an adjustment of 2.1 percent occurred and was administered by the Board.



### Description of Defined Benefit Funds (continued)

#### Judges' Retirement System (JRS)

JRS is a single-employer (State of Indiana) DB fund providing retirement, disability and survivor benefits to members. Membership consists of individuals who served, are serving, or shall serve as a regular judge, magistrate, or justice of the (1) Supreme Court of the State of Indiana, (2) Court of Appeals, (3) Indiana Tax Court, (4) Circuit Court of a Judicial Circuit, or (5) county courts including: Superior, Criminal, Probate, Juvenile, Municipal and County. Administration of the fund is generally in accordance with IC 33-38 and other Indiana pension law.

#### Eligibility for Pension Benefit Payment

##### Full Retirement Benefit

- Age 65 with at least eight years of creditable service.
- Age 55 if age and creditable service total at least 85 ("Rule of 85").

##### Early Retirement Benefit

Age 62 and at least eight years of creditable service (full benefit reduced by 0.1 percent for each month less than age 65).

##### Nonvested Termination

The sum total of the member's contributions plus interest at a rate set by the Board.

##### Disability Benefit

A qualified member with 22+ years of creditable service receives an unreduced benefit. Members with less than 22 years of creditable service receive the full benefit reduced by one percent for each year under 22 years of creditable service (benefit to be no lower than 50 percent).

##### Survivor Benefit

While in active service with 8+ years of service, or while receiving a benefit, a spouse or dependent child(ren) (for their lifetime) receive the greater of \$12,000 annually or 50 percent of benefit entitled at the date of death.

##### Contribution

Employer contributions are determined by the Board based on an actuarial valuation and are received from the state general fund and certain court and docket fees. Employer contributions totaled \$18.6 million, with appropriations of \$11.5 million and \$7.1 million in docket and court fees. The Actuarially Determined Contribution (ADC) was \$22.1 million.

Members are required to contribute six percent of the member's salary for a maximum period of 22 years of creditable service. Employers may pay all or part of the member contribution for the member.

##### Benefit Formula & Postretirement Benefit Adjustment

Annual Benefit = Individual Salary, or Salary of Office at Retirement x Percentage for Years of Service: 24 percent at eight years of service; increased by three percent per year for years nine through 11; 50 percent at year 12; increased by one percent per year for years 13 through 22 with a maximum of 60 percent.

Postretirement benefit increases for JRS members (not survivors or disabled members) are equal to the change in the salary of the office at retirement. For the year ended June 30, 2021, a postretirement benefit adjustment of 3.3 percent occurred and was administered by the Board.

# Notes to the Financial Statements, continued

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## Description of Defined Benefit Funds (continued)

### Excise, Gaming and Conservation Officers' Retirement Fund (EG&C)

EG&C is a single-employer (State of Indiana) DB fund providing retirement, disability and survivor benefits to certain employees of: (1) the Indiana Department of Natural Resources, (2) the Indiana Alcohol and Tobacco Commission and (3) any Indiana State excise police officer, Indiana State conservation enforcement officer, gaming agent, or any gaming control officer who is engaged exclusively in the performance of law enforcement duties. Administration of the fund is generally in accordance with IC 5-10-5.5, 35 IAC 4, and other Indiana pension law.

#### Eligibility for Pension Benefit Payment

##### Full Retirement Benefit

- Age 65 if members were employed by age 50 with 15 years of creditable service. Retirement is mandatory.
- Age 65 if employed after age 50 with 10 years of service. Mandatory retirement occurs on the first day of the month after age 65 or 15 years of creditable service.
- Age 55 if age and creditable service total at least 85 ("Rule of 85").
- Age 50 with 25 years of service.

##### Early Retirement Benefit

Age 45 and 15 years of creditable service (reduce full benefit by 0.25 percent for each month less than age 60).

##### Deferred Retirement Option Plan (DROP)

In accordance with IC 5-10-5.5-22, members eligible to retire with an unreduced benefit may elect to earn a DROP benefit while continuing to work. Members execute an irrevocable election to retire on a DROP retirement date and remain in active service while contributing to the fund until that date. The DROP retirement date must be no less than 12 months and not more than 36 months after their DROP entry date, and cannot be after the member reaches mandatory retirement age. The DROP and future retirement monthly benefit are calculated as of the members' DROP entry date. At retirement, members must choose among the available options for distribution of the accumulated benefit under the DROP. As of June 30, 2021, the amount held by the fund under the DROP is \$0.6 million.

##### Nonvested Termination

The sum total of the member's contributions plus interest at a rate set by the Board.

##### Disability Benefit

If disability occurs in the line of duty, the benefit is the member's salary times the degree of impairment without a reduction for early commencement. If not in the line of duty, the member's salary used to calculate the benefit is reduced 50 percent. A minimum benefit may apply.

##### Survivor Benefit

The eligible survivor of an active member who dies in the line of duty receives 100 percent of the member's benefit. Survivors of active members who die not in the line of duty or inactive members with more than 15 years of service who die receive 50 percent of the member's benefit. The minimum benefit is calculated as if the member had at least 25 years of service and age 50. For inactive members with less than 15 years of creditable service, the benefit consists of contributions plus interest.

While receiving a benefit, a spouse or parent (for their lifetime), or dependent(s) (until age 18) receives 50 percent of the member's benefit. If the spouse is more than five years younger than the member, the benefit is actuarially adjusted.

##### Contribution

Contributions are determined by the Board based on an actuarial valuation. Employers contribute 20.75 percent, with 0.61 percent from July 2020 to December 2020 and 0.85 percent from January 2021 to June 2021 funding a supplemental reserve account for postretirement benefits administered by the Board. Members are required to contribute four percent of annual salary. Employers may pay all or part of the member contribution for the member.

##### Benefit Formula & Postretirement Benefit Adjustment

Annual Benefit = 25 percent x Average Annual Salary. Average annual salary = average annual salary of the five highest years in the 10 years immediately preceding an officer's retirement date. Percentage is increased by 1.66 percent for each completed year of creditable service after 10 years. Total percentage may not exceed 75 percent.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the Board. For the year ended June 30, 2021, postretirement benefits of \$99 thousand were issued to members as a 13th check.

### Description of Defined Benefit Funds (continued)

#### Prosecuting Attorneys' Retirement Fund (PARF)

PARF is a single-employer (State of Indiana) DB fund that provides retirement, disability and survivor benefits to prosecuting attorneys. Members serve as a: (1) prosecuting attorney or chief deputy prosecuting attorney, (2) deputy prosecuting attorney, (3) executive director, or (4) assistant executive director of the Indiana Prosecuting Attorneys Council. Administration of the fund is generally in accordance with IC 33-39-7 and other Indiana pension law.

PARF members are also members of the PERF Hybrid Plan. According to statute, benefits payable from PARF are reduced by any benefits payable from the PERF DB Fund.

#### Eligibility for Pension Benefit Payment

##### Full Retirement Benefit

- Age 65 with at least eight years of creditable service.
- Age 55 if age and creditable service total at least 85 ("Rule of 85").

##### Early Retirement Benefit

Age 62 and eight years of creditable service (reduce full benefit by 0.25 percent for each month less than age 65).

##### Nonvested Termination

The sum total of the member's contributions plus interest at a rate set by the Board.

##### Disability Benefit

A qualified member with 22+ years of creditable service receives full benefit. Less than 22 years of creditable service receives the full benefit reduced by one percent for each year under 22. Benefit to be no lower than 50 percent.

##### Survivor Benefit

While in active service, a spouse or dependent child(ren) receives the greater of \$12,000 annually or 50 percent of benefit for the later of age 62 or age the day before death.

While receiving a benefit, a spouse (for their lifetime), or dependent child(ren) (until age 18 unless disabled) receives the greater of \$12,000 annually or 50 percent of the member's benefit.

##### Contribution

Employer contributions are determined by the Board based on an actuarial valuation and appropriations are received from the state's General Fund and totaled \$4.4 million. The Actuarially Determined Contribution (ADC) was \$5.0 million.

Members are required to contribute six percent of the state-paid portion of salary for a maximum period of 22 years of creditable service. In addition, members are required to contribute three percent as participants of the PERF DC plan. Employers may pay all or part of the member contributions for the member.

##### Benefit Formula & Postretirement Benefit Adjustment

Annual Benefit = Highest 12 consecutive months of salary (state-paid portion only) before separation from service x Percentage for Years of Service: 24 percent at eight years of service; increased by three percent per year for years nine through 11; 50 percent at year 12; increased by one percent per year for years 13 through 22 with a maximum of 60 percent, and reduced for any PERF DB benefit.

No postretirement benefit adjustment is provided.

### Description of Defined Benefit Funds (continued)

#### Legislators' Defined Benefit Fund (LE DB)

LE DB is a single-employer (State of Indiana) DB fund providing retirement, disability and survivor benefits to members of the General Assembly who were serving on April 30, 1989, and filed an election under IC 2-3.5-3-1(b). The fund is closed to new entrants. Administration of the fund is generally in accordance with IC 2-3.5 and other Indiana pension law.

#### Eligibility for Pension Benefit Payment

##### Full Retirement Benefit

- Age 65 with at least 10 years of creditable service.
- Age 60 with at least 15 years of creditable service.
- Age 55 if age and creditable service total at least 85 ("Rule of 85").

##### Early Retirement Benefit

Age 55 and 10 years of creditable service (reduce full benefit by 0.1 percent per month between ages 60 and 65, and by 5/12 percent per month between ages 55 and 60). Early retirement benefits are applicable when the member is no longer serving in the General Assembly and is not receiving, nor entitled to receive, compensation from the state for work in any capacity.

##### Disability Benefit

Any active member that qualifies for social security disability with at least five years of creditable service may receive an unreduced benefit for the duration of their disability.

##### Survivor Benefit

While in active service, a spouse or dependent child(ren) receives 50 percent of the benefit for the later of age 55 or age the day before the member's death.

While receiving a benefit, a spouse (for their lifetime), or dependent(s) (until age 18 unless disabled) receives 50 percent of the member's benefit.

##### Contribution

Employer contributions are actuarially determined and derive from the state's General Fund, a portion of which will be allocated to fund a supplemental reserve account for postretirement benefits administered by the Board. Appropriations were \$0.2 million. The Actuarially Determined Contribution (ADC) was \$0.2 million.

##### Benefit Formula & Postretirement Benefit Adjustment

Annual Benefit = The lesser of \$40 x 12 months x years of service before November 8, 1989, or the highest consecutive three year average annual salary.

Postretirement adjustments are granted by the Indiana General Assembly on an ad hoc basis pursuant to IC 5-10.2-12-4, IC 2-3.5-4-13 and administered by the Board. No postretirement adjustment occurred in the year ended June 30, 2021.

### Description of Defined Contribution Funds

#### Public Employees' Defined Contribution Account (PERF DC)

PERF DC is a multiple-employer DC fund providing retirement benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships and other governmental units) that elected to participate in the retirement fund. Administration of the account is generally in accordance with IC 5-10.2, IC 5-10.3, 35 IAC 1.2 and other Indiana pension law.

PERF DC fund provides supplemental defined contribution benefits under the PERF Hybrid plan. Refer to the Description of Defined Benefit Funds for discussion of the PERF Hybrid plan.

First time new employees hired by the State of Indiana or a political subdivision that offers a choice have a one-time election to join either PERF Hybrid or PERF MC DC. A state rehire that is an existing member of PERF Hybrid plan and was not given the option for PERF MC DC is given the option to elect PERF MC DC or remain in PERF Hybrid.

#### Contribution

Member contributions under PERF DC are set by statute and the Board at three percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary post-tax member contributions up to 10 percent of their compensation can be made solely by the member.

#### Retirement & Termination Benefit

Members are entitled to the sum total of vested contributions plus earnings 30 days after separation from employment (retirement, termination, disability or death). As of January 1, 2021, members at least 59 1/2 years of age and service eligible for normal retirement may take in-service distribution of their DC account. Additionally, members who are age and service eligible for normal retirement may take a withdrawal after separation without the 30 day wait period. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan or a monthly annuity. PERF DC members are 100 percent vested in their account balance.

#### Disability Benefit

Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of contributions plus earnings. The amount can be paid in a full or partial withdrawal as a lump sum, direct rollover to another eligible retirement plan or a monthly annuity.

#### Survivor Benefit

Beneficiary is entitled to the sum total of contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity. The amount a beneficiary is entitled to if a member dies after having selected an annuity or having withdrawn from the account depends upon the annuity option selected by the member and the amount of benefits the member received.

### Description of Defined Contribution Funds (continued)

#### My Choice: Retirement Savings Plan for Public Employees (PERF MC DC)

PERF MC DC is a multiple-employer DC fund providing retirement benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships and other governmental units) that elected to participate in the retirement fund. Effective April 1, 2021, a political subdivision served by a volunteer fire department may make contributions to PERF MC DC plan for the members of the volunteer fire department in an amount determined by the governing body of the political subdivision. PERF MC DC is a primary defined contribution benefit plan for members making this election. Administration of the account is generally in accordance with other Indiana pension law.

First time new employees hired by the State of Indiana or a political subdivision who offer a choice, have a one-time election to join either PERF Hybrid or PERF MC DC. A state hire that is an existing member of PERF Hybrid plan and was not given the option for PERF MC DC is given the option to elect PERF MC DC or remain in PERF Hybrid.

#### Contribution

The PERF MC DC plan may be funded with a variable employer contribution. As of June 30, 2021, the employer contribution is 3.2 percent for state employees and up to 4.0 percent for political subdivision members. Political subdivisions may match 50 percent of a member's voluntary contributions.

Member contributions under the PERF MC DC are set by statute and the Board at three percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary member contributions up to 10 percent can be made solely by the member.

#### Retirement & Termination Benefit

Members are entitled to the sum total of vested contributions plus earnings 30 days after separation from employment (retirement, termination, disability, or death). As of January 1, 2021, members at least 62 years of age with five qualifying years of service may take an in-service distribution of their DC account. Additionally, members that are normal retirement age may take a withdrawal after separation without the 30 day wait period. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity. PERF MC DC members are 100 percent vested in their member contributions. PERF MC DC members vest in employer contributions in increments of 20 percent for each full year of service until 100 percent is reached at 5 years.

#### Disability Benefit

Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity.

#### Survivor Benefit

Beneficiary is entitled to the sum total of vested contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity. The amount a beneficiary is entitled to if a member dies after having selected an annuity or having withdrawn from the account depends upon the annuity option selected by the member and the amount of benefits the member received.

### Description of Defined Contribution Funds (continued)

#### Teachers' Defined Contribution Account (TRF DC)

TRF DC is a multiple-employer DC fund providing supplemental retirement benefits to TRF Pre-'96 DB and TRF '96 DB members. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14 and other Indiana pension law. TRF DC is the defined contribution component of the Teachers' Hybrid Plan. Refer to the Description of Defined Benefit Funds for discussion of both Teachers' Defined Benefit plans.

#### Contribution

Contributions are determined by statute and the Board at three percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

#### Retirement & Termination Benefit

Members are 100 percent vested in their account balance plus earnings and may take a distribution 30 days after separation from employment (retirement, termination, disability, or death). As of January 1, 2021, members at least 59 1/2 years of age and service eligible for a normal retirement may take an in-service distribution of their DC account. Additionally, members who are age and service eligible for normal retirement may take a withdrawal after separation without the 30 day wait period. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity.

#### Disability Benefit

Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity.

#### Survivor Benefit

Beneficiary is entitled to the sum total of vested contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity. The amount a beneficiary is entitled to if a member dies after having selected an annuity or having withdrawn from the account depends upon the annuity option selected by the member and the amount of benefits the member received.

### Description of Defined Contribution Funds (continued)

#### My Choice: Retirement Savings Plan for Teachers (TRF MC DC)

TRF MC DC is a multiple-employer DC fund providing retirement benefits to eligible school corporation employees. New employees hired by a school corporation after June 30, 2019 have a one-time election to join either TRF Hybrid or TRF MC DC.

#### Contribution

TRF MC DC plan is funded with employer contributions and member contributions. The employer contributions must equal the contribution rate for TRF Hybrid DB. The amount deposited into the employer contribution subaccount for the member is the normal cost of participation. The employer contribution can be no less than three percent. For fiscal year 2021 the rate was 5.3 percent.

Member contributions are determined by statute and the Board at three percent of covered payroll. The employer is required to make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

#### Retirement & Termination Benefit

Members are entitled to the sum total of vested contributions plus earnings 30 days after separation from employment (retirement, termination, disability or death). As of January 1, 2021, members at least 62 years of age with five qualifying years of service may take an in-service distribution of their DC account. Additionally, members that are normal retirement age may take a withdrawal after separation without the 30 day wait period. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan or a monthly annuity. TRF MC DC members are 100 percent vested in their member contributions. TRF MC DC members vest in employer contributions in increments of 20 percent for each full year of service until 100 percent is reached at 5 years. The variable employer rate contribution amount that is not vested remains in the account until the member either vests or forfeits the balance. The balance is forfeited by death, member withdrawal or a required minimum distribution occurs.

#### Disability Benefit

Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity.

#### Survivor Benefit

Beneficiary is entitled to the sum total of vested contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity. The amount a beneficiary is entitled to if a member dies after having selected an annuity or having withdrawn from the account depends upon the annuity option selected by the member and the amount of benefits the member received.



### Description of Defined Contribution Funds (continued)

#### Legislators' Defined Contribution Fund (LE DC)

LE DC is a single-employer (State of Indiana) DC fund that provides retirement benefits to members of the General Assembly. Administration of the fund is generally in accordance with IC 2-3.5 and other Indiana pension law.

#### Contribution

Contributions are determined by statute and the Board, and confirmed by the State Budget Agency. The employer contribution rate is 14.2 percent of covered payroll. This rate may not exceed the sum contribution rates for State of Indiana employer and member PERF Hybrid plans. The member contribution is five percent of member's salary. The employer may choose to make contributions on behalf of the member.

#### Retirement & Termination Benefit

Members are entitled to the sum total of vested contributions plus earnings. Effective January 1, 2021, a member at least 59 1/2 years of age may take an in-service distribution of their account. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, monthly annuity, or installment options.

#### Survivor Benefit

Beneficiary is entitled to the sum total of contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity.

## Description of Other Postemployment Benefit Fund (OPEB)

### Special Death Benefit Fund (SDBF)

SDBF is an OPEB DB fund and is generally administered in accordance with IC 5-10-10, IC 5-10-11, IC 35-33-8 and IC 36-8-8. The fund is a multiple-employer, cost-sharing plan with approximately 44,000 members. Funds are restricted for the purpose of providing surviving spouses, children, or parents a benefit of \$100,000 for state employees and \$225,000 for public safety officers or other eligible officers who die in the line of duty.

Funding is derived from bail bond fees, payments under IC 5-10-10-4.5 and investment income earned. The measurement of potential liability and the related disclosures required for other postemployment benefit plans have been excluded, as they would not be material to the INPRS system.

### Retirement Medical Benefits Account Plan (RMBA)

RMBA is a single-employer (State of Indiana) OPEB DC plan administered in accordance with IC 5-10-8.5. RMBA allows for certain medical care expense premiums to be reimbursed from individual accounts established for retired participants under IC 5-10-8.5-9. RMBA became effective for participants who retired on or after July 1, 2007.

Retired participants include:

- a. A participant who has applied to receive a normal, unreduced or disability retirement benefit.
- b. A participant who has completed at least ten years of service as an elected or appointed officer on their last day of service.

Individual account balances are comprised of annual contributions and earnings on investments after deduction of costs to manage the plan. Annual contributions range between \$500 and \$1,400, based on the participant's age while in service. Individual account balances are reset after a break in service of more than 30 days.

IC 5-10-8.5-16 provides a one-time credit for an additional contribution to a participant's account, if, by June 30, 2017, the participant was eligible for an unreduced pension benefit and had completed at least 15 years of service or had completed 10 years of service as an elected or appointed officer. The one-time additional contribution is credited to a participant's account after the participant's last day of service. Participants lose their right to this one-time contribution if there is a break in service for more than 30 days between July 1, 2007 and June 30, 2017.

Contributions for self-funded agencies, and employees not funded by the state budget, are funded with an annual charge per employee determined each year. The annual charge for FY 2021 was \$1,026, which is due by June 30. The remaining funding is through appropriation of cigarette taxes (IC 6-7-1-28.1(7)) received throughout the year.

The Plan administrator reimburses premiums for medical, dental, vision, and long-term care for retired participants and their spouses and dependent children. The reimbursements are deducted from the participant's individual account balance and end when the participant's individual account balance is exhausted. If a retired participant dies without a surviving spouse or dependent children, unused amounts are forfeited. Forfeitures are used to reduce the contributions required from the employer.

As of June 30, 2021, \$58.7 million is due as a contribution receivable, of which \$14.7 million was received in July 2021 and \$44.0 million is an employer owed contribution due to the plan to fulfill its obligation towards additional contributions per IC 5-10-8.5-16.

As of June 30, 2021, participation in the plan was as follows:

Active	28,912
Retired or beneficiaries	7,871
Total	36,783

### Description of Custodial Fund

#### Local Public Safety Pension Relief Fund (LPSPR)

LPSPR is a custodial fund and is generally administered in accordance with IC 5-10.3 and IC 36-8. Funds are restricted for the purpose of providing financial relief to pension funds maintained by units of local government for their police officers' and firefighters' retirement plan benefits.

Funding is derived from contributions from the State of Indiana from a portion of cigarette and alcohol taxes, a portion of the state's lottery proceeds, investment income earned and appropriations from the General Assembly.

Distributions are made from LPSPR to units of local government in two equal installments before July 1 and before October 2 of each year. The distribution is determined by an estimate of the total amount of pension, disability, and survivor benefits that will be paid in the current calendar year by the local government units from the 1925 Police Pension Fund, the 1937 Firefighters' Pension Fund and the 1953 Police Pension Fund (before the establishment of the '77 Fund).

Local government units may deposit funds with INPRS and funds are maintained in separate accounts for each local governmental unit that made an election in 2001. As of June 30, 2021, the amount deposited with INPRS is \$1.5 million. These amounts are invested and are available for withdrawal at their request.

## Note 2. Summary of Significant Accounting Policies

### Basis of Presentation

The accompanying financial statements are fiduciary account assets held in a trustee capacity on behalf of its members. In the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position, PERF DC and PERF MC DC are combined into PERF DC for the purposes of presentation. In the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position, TRF DC and TRF MC DC are combined into TRF DC for the purposes of presentation. INPRS's financial statements are not intended to present the financial position or results of operations for the State of Indiana or any other retirement and benefit plans administered by the State.

### Basis of Accounting

#### Accrual Basis

INPRS maintains records and prepares financial statements using the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as applied to governmental units.

#### Provision for Taxes

All defined benefit funds administered by INPRS are qualified under section 401(a) of the internal revenue code and are exempt from federal income taxes. Therefore, no provision for income taxes has been included in the financial statements.

#### Use of Estimates

In preparing the financial statements in conformity with GAAP, INPRS management makes estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent assets and liabilities, as well as the reported amounts of revenue and expenses at the date of the financial statements. Actual results could differ from those estimates and assumptions.

#### Contributions

Employer and member contributions are recognized when due, according to statutory requirements, in accordance with the terms of each plan. Nonemployer contributions are recognized when funds are received from the State of Indiana. Service purchase revenues are recognized in full when employers elect to participate in a fund or enlarge participation. As of June 30, 2021, \$1.2 million is outstanding for employer service purchase contracts. The payment terms of the contracts vary between lump sum payment and 40 years.

#### Net Investment Income

Net appreciation (depreciation) is determined by calculating the change in the fair value of investments between the beginning of the year and the end of the year, less purchases of investments at cost, plus sales of investments at fair value. Other investment income is recognized when earned. Dividend income is recognized on the ex-dividend date. Investment expenses consist of external expenses directly related to INPRS's investment operations, as well as the internal administrative expenses associated with INPRS's investment program.

#### Other Additions

Member reassignments are recorded when a member is retiring with service credit in multiple funds. Applicable member and employer balances are transferred between funds as allowed by the statute. The transfer allows all benefits to be paid from the fund designated by the member.

#### Deductions & Expenses

Benefit payments, including refunds and distributions of employee contributions, are recognized when due and payable in accordance with the benefit terms. Internal administrative expenses are recognized when due and payable. Retiree health benefits reimbursements are issued to qualified retirees to cover qualifying health insurance and medical cost. INPRS also acts as a custodian to receive and distribute funds on a biannual basis to specific pension plans of local government entities.

Year-end expense accruals include compensated absences which are calculated for earned but unused vacation, compensatory and personal time of full-time INPRS employees.

Forfeitures are shown as deductions when the retiree and any covered dependents are deceased or an active member terminates before meeting eligibility requirements.

## Notes to the Financial Statements, continued

### Net Investment Assets

Investments are recorded on a trade-date basis and reported at fair value. Fair value is defined as the amount that can reasonably be expected to be received for an investment in a current sale between a willing buyer and a willing seller. Certain INPRS investment assets, in particular, Global Real Assets, Global Private Equity, and Opportunistic Investments, use estimates in reporting fair value in the financial statements. These estimates are subject to uncertainty in the near term, which could result in changes in the values reported for those assets in the Statement of Fiduciary Net Position. See Note 3 for detailed information on the investment policy, valuation and methods used to measure the fair value of investments.

### Pool Accounting

All DB assets are pooled for the purpose of investments. Each DB fund holds units of the total investment pool. Units of participation are bought and sold as each plan contributes and withdraws cash or assets from the investment pool. The investment pool earnings are allocated to each fund with a change in the unit of participation price. The price is determined by dividing the net asset value of the investment pool by the total number of Master Trust Units held by funds. The price of one unit of the DB pool on June 30, 2021 was \$43.1839. The unit holdings of DB funds are shown below:

<u>DB Fund Name</u>	<u>Units</u>
PERF DB	369,132,368
TRF Pre-'96 DB	117,446,051
TRF '96 DB	181,773,108
77 Fund	186,134,227
JRS	15,552,215
EG&C	4,194,015
PARF	1,951,307
LE DB	79,954
<b>Total</b>	<b><u>876,263,245</u></b>

All DC assets are pooled for the purpose of investments. The DC pool consists of the asset class options offered to the DC members. Each DC fund holds units of each asset class option.

### Capital Assets

The cost of Building and Related Improvements, Equipment, and Software in excess of \$100 thousand is capitalized when the asset is put into service. Improvements that increase the useful life of the property are capitalized. Capital Assets are depreciated using the straight-line method. Land is not subject to depreciation. Depreciation expense of \$313 thousand is included in Administrative Expenses. A summary of Capital Assets is shown below:

(dollars in thousands)

<u>Capital Assets</u>	<u>June 30, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2021</u>
Land	\$ 856	\$ —	\$ —	\$ 856
<b>Depreciable Capital Assets (Useful Life):</b>				
Software (5 years)	15,989	—	—	15,989
Building and Related Improvements (20 years)	4,414	186	—	4,600
<b>Total Depreciable Capital Assets</b>	<b>20,403</b>	<b>186</b>	<b>—</b>	<b>20,589</b>
Less: Accumulated Depreciation/Amortization				
Software	(15,887)	(70)	—	(15,957)
Building and Related Improvements	(772)	(243)	—	(1,015)
<b>Total Accumulated Depreciation/Amortization</b>	<b>(16,659)</b>	<b>(313)</b>	<b>—</b>	<b>(16,972)</b>
<b>Total Net Depreciable Capital Assets</b>	<b>3,744</b>	<b>(127)</b>	<b>—</b>	<b>3,617</b>
<b>Total Net Capital Assets</b>	<b>\$ 4,600</b>	<b>\$ (127)</b>	<b>\$ —</b>	<b>\$ 4,473</b>

# Notes to the Financial Statements, continued

## Reserves

The reserves required by Indiana Code are shown below for June 30, 2021:

- Member Reserves - The sum of member contributions and the investment earnings for the four DB funds listed below are set aside in a separate member's account. A member may withdraw the amounts before being vested.
- Supplemental Reserve Accounts - Amount set aside to pay future postretirement benefits.

(dollars in thousands)

Defined Benefit Pension Trust Fund	Member Reserves	Defined Benefit Pension Trust Fund	Supplemental Reserve Account
77 Fund	\$ 886,016	PERF DB	\$ 93,542
JRS	41,003	TRF Pre-'96 DB	134,752
EG&C	13,729	TRF '96 DB	20,092
PARF	27,001	EG&C	912
		LE DB	31

## Due To/Due From

Due To and Due From balances result from member reassignments and other miscellaneous income and expenses recorded to the applicable accounts. A surcharge based on the Long-Term Assumed Investment Rate of Return is collected from the respective fund each month that the balance is not repaid the following month.

## Due to Other Governments

Represents funds payable to local police and fire departments that are maintained in separate accounts. Interest is payable monthly to the local units based on current money market rates. Local government units may make deposits or withdraw all or part of the balance to pay contributions or pension benefits.

## Accounting Pronouncements Effective for the Year

Management has determined that GASB Statement No. 90 (Majority Equity Interest) and GASB Statement No. 93 (Replacement of Interbank Offered Rates) have no effect to the financial statements as presented. GASB Statement No. 84 (Fiduciary Activities) was previously implemented.

## Note 3. Investment Policy, Valuation and Performance

### Investment Oversight and Policy

Oversight of INPRS assets is the fiduciary responsibility of the Board. As stated in IC 5-10.3-5-3(a) and IC 5-10.4-3-10(a) "The Board shall invest its assets with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims." Accordingly, the Board must sufficiently diversify the portfolio to minimize the risk of large losses unless, under the circumstances, it is clearly prudent not to do so. Primary risk measures are volatility in the plan's assets, funded status and contribution rates.

Indiana law permits the Board to establish investment guidelines, limits on all types of investments, and take other actions necessary to fulfill its duty as a fiduciary for all assets under its control. On June 30, 2021, cash and investments were held by banks or trust companies under custodial agreements with INPRS. The Investment Policy Statement, adopted by the Board, includes target asset allocation and allowable ranges that are expected to meet rates of return over a period while minimizing risk.

### Defined Benefit Assets

The following Defined Benefits global asset classes, target allocations and target ranges were approved by the Board based on a formal asset-liability study and shall remain in place until revised by the Board. An asset-liability study is conducted every five years. Further information regarding the Investment Policy Statement can be found in the Investment Section.

To maximize the probability of achieving the target rate of return over a 30-year time horizon, INPRS's Board of Trustees approved a new asset allocation on May 7, 2021 that included the increased use of leverage. The explicit leverage enables the Plan to obtain additional investment exposure, which results in an asset allocation that exceeds 100 percent of invested assets. Beginning in fiscal year 2022, the plan's target allocation for total exposure is 115 percent. Further details of INPRS's leverage policy are available in the Investment Policy Statement.

Global Asset Class:	Current Target Allocation	Current Target Range	New Target Allocation	New Target Range
Public Equity	22.0 %	19.5 to 24.5 %	20.0 %	17.0 to 23.0 %
Private Markets	14.0	10.0 to 18.0	15.0	10.0 to 20.0
Fixed Income - Ex Inflation-Linked	20.0	17.0 to 23.0	20.0	17.0 to 23.0
Fixed Income - Inflation-Linked	7.0	4.0 to 10.0	15.0	12.0 to 18.0
Commodities	8.0	6.0 to 10.0	10.0	7.0 to 13.0
Real Estate	7.0	3.5 to 10.5	10.0	5.0 to 15.0
Absolute Return	10.0	6.0 to 14.0	5.0	0.0 to 10.0
Risk Parity	12.0	7.0 to 17.0	20.0	15.0 to 25.0
Leverage Offset	N/A		(15)	

### Defined Contribution Assets

The Defined Contribution plans are structured to provide members with a choice of diverse investment options that offer a range of risk and return characteristics appropriate for members. Members can self-direct their investment options or leave their contributions invested in a default target date retirement fund. The offered investment options undergo periodic reviews by the Board. Detailed information of the funds is provided in the Investment Section.

### Other Funds Assets

The Special Death Benefit Fund (SDBF) and the Retirement Medical Benefits Account Plan (RMBA) are 100 percent invested in intermediate term fixed income investments in a commingled fund. The Local Public Safety Pension Relief Fund (LPSPR) is invested 100 percent in high-quality, short-term money market instruments.

### Methods Used to Value Investments

Public Equity investments are comprised of domestic and international stocks as well as commingled equity instruments. Equity securities traded on a national or international exchange are valued at the official closing price or last reported sales price of the instrument. International equities are then adjusted to reflect the exchange rate as of June 30, 2021 of the underlying currency. Commingled equities are not traded on a national security exchange and are valued at the net asset value of the units held at June 30, 2021, based on the fair value of the underlying securities.

Private Market investments are valued using current estimates of fair value obtained from the general partner or investment manager. Holdings are generally valued by a general partner or investment manager on a quarterly or semi-annual basis. Investments in private

## Notes to the Financial Statements, continued

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markets are generally considered illiquid long-term investments. Due to the inherent uncertainty that exists in the valuation of alternative investments, the realized value upon sale of an asset may differ significantly from the fair value.

Fixed Income securities are comprised of U.S. Government, U.S. government-sponsored agencies, publicly traded debt and commingled debt instruments. Securities traded on national and international exchanges are valued based on published market prices and quotations. Securities that are not traded on a national security exchange are valued using a matrix pricing approach. Commingled securities are valued at the net asset value of the units held as of June 30, 2021 based on the fair value of the securities.

Commodities, including derivative instruments, are reported at fair value and involve, to varying degrees, elements of market risk to the extent of future market movements in excess of amounts recognized in the Financial Statements. Derivative instruments are considered investments and not hedges for accounting purposes. The fair value of all derivative financial instruments is reported in the Statement of Fiduciary Net Position. The change in the fair value is recorded in the Statement of Changes in Fiduciary Net Position as Net Investment Income (Loss). Gains and losses arising from this activity are recognized in the Statement of Changes in Fiduciary Net Position as incurred.

Real Estate, Absolute Return and Risk Parity investments are valued by the manager or independent appraiser based on reported net asset values, cash flow analysis, purchases and sales of similar investments, new financings, economic conditions, other practices used within the industry, or other information provided by the underlying investment advisors. Due to the inherent uncertainty in privately held securities, the fair value may differ from the values that would have been used if a ready market for such securities existed, and the differences can be material.

INPRS relies on third party resources to verify the methodology and calculation used for investment valuation and performance metric reported by the custodian.

### Fair Value Measurement

GASB Statement No. 72, requires investments measured at fair value to be categorized under a fair value hierarchy. The categorization of INPRS's investments within the hierarchy is based on the valuation transparency of the instrument and should not be perceived as the risk of the particular investment. The three-tier hierarchy is summarized as follows:

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 - Quoted prices in active markets; quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable.

Level 3 - Valuations reflect practices where significant inputs are unobservable.

The table on the next page presents the fair value hierarchy of the INPRS investment portfolio as of June 30, 2021.

U.S. Treasury Obligations generally include investments in money market securities that are reported at either fair value or at cost plus accrued interest, which approximates market or fair value.

U.S. Government, U.S. corporate obligations, Equity and Derivative securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt and Derivative securities classified in Level 2 are valued using either a bid evaluation or a matrix based pricing technique. Bid evaluations are typically based on market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Index linked debt securities are valued by multiplying the external market price by the applicable day's index ratio. Level 2 debt securities have non-proprietary information that is readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Equity and equity derivatives classified in Level 2 are securities whose values are derived daily from associated traded securities.

Investments classified as Level 3 are valued using best available sources such as property appraisals, discounted cash flow models and public market comparisons of similar assets where applicable. The values are supplied by advisors or general partners who hold those or similar assets in investment vehicles they oversee. These pricing sources may or may not be indicative of realizable exit values attainable for the assets.

The remaining investments not categorized under the fair value hierarchy are measured at the Net Asset Value (NAV). The NAV for these investments is provided by the investment manager and may be sold at an amount different than NAV. To manage risk relating to Absolute Return investments, assets are placed in limited liability vehicles to protect INPRS from losing more than its invested capital.

The following table summarizes INPRS's investment assets and liabilities measured at fair value as of June 30, 2021, presented in the fair value hierarchy. Also shown are investments at amortized cost, and NAV to allow reconciliation to the Total Pooled Investments in the Statement of Fiduciary Net Position.



## Notes to the Financial Statements, continued

(dollars in thousands)	Investment Type	June 30, 2021	Fair Value Measurements Using		
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>					
Short-Term Investments					
	BNY - Mellon Cash Reserves	\$ 75,494	\$ —	\$ 75,494	\$ —
	Corporate Bonds	9,117	—	9,117	—
	U.S. Treasury Obligations	279,594	279,594	—	—
	Non - U.S. Governments	3,248	—	3,248	—
	<b>Total Short-Term Investments</b>	<b>367,453</b>	<b>279,594</b>	<b>87,859</b>	<b>—</b>
Fixed Income Investments					
	U.S. Governments	5,886,451	5,886,197	254	—
	Non - U.S. Governments	3,581,738	637	3,512,406	68,695
	U.S. Agencies	116,893	—	116,893	—
	Corporate Bonds	1,201,436	—	873,768	327,668
	Asset - Backed Securities	257,196	—	257,196	—
	<b>Total Fixed Income Investments</b>	<b>11,043,714</b>	<b>5,886,834</b>	<b>4,760,517</b>	<b>396,363</b>
Equity Investments					
	Domestic Equities	5,796,092	5,792,302	3,790	—
	International Equities	3,764,722	3,759,571	2,591	2,560
	<b>Total Equity Investments</b>	<b>9,560,814</b>	<b>9,551,873</b>	<b>6,381</b>	<b>2,560</b>
	<b>Total Investments by Fair Value Level</b>	<b>\$ 20,971,981</b>	<b>\$ 15,718,301</b>	<b>\$ 4,854,757</b>	<b>\$ 398,923</b>
<b>Investments Measured at the Net Asset Value (NAV)</b>					
	Commingled Short-Term Funds	235,089			
	Commingled Fixed Income Funds	1,501,103			
	Commingled Equity Funds	2,573,610			
	Private Markets	6,041,424			
	Absolute Return	3,567,656			
	Real Estate	2,347,684			
	Risk Parity	5,734,417			
	<b>Total Investments Measured at the Net Asset Value (NAV)</b>	<b>22,000,983</b>			
<b>Investment Derivatives</b>					
	Total Futures	85,382	\$ 85,382	\$ —	\$ —
	Total Options	4,850	—	4,850	—
	Total Swaps	13,705	—	13,705	—
	<b>Total Investment Derivatives</b>	<b>103,937</b>	<b>\$ 85,382</b>	<b>\$ 18,555</b>	<b>\$ —</b>
<b>Investments Not Subject to Fair Value Leveling</b>					
	Cash at Brokers	\$ 835,794			
	Repurchase Agreements	340,388			
	Short-Term Investments	1,138,188			
	Pooled Synthetic GIC's at Contract Value	2,322,567			
	Securities Lending Collateral	199,190			
	<b>Total Investments Not Subject to Fair Value Leveling</b>	<b>4,836,127</b>			
	<b>Total Investments</b>	<b>\$ 47,913,028</b>			

<sup>1</sup> Amounts disclosed above differ from the Asset Allocation Summary shown in the Investment Section. The investment type combines assets according to the security type assigned to each investment by the Custodian. The Asset Allocation Summary groups assets according to the investment objective of each investment manager.

<sup>2</sup> Short Term Investments include highly liquid assets, both pooled and non-pooled that are an integral part of the pension investments.

## Notes to the Financial Statements, continued

The valuation method for investments measured at the NAV per share or equivalent, at June 30, 2021, is presented as follows:

(dollars in thousands)	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Commingled Short-Term Funds	\$ 235,089	\$ —	Daily	1 day
Commingled Fixed Income Funds	1,501,103	—	Daily	1 day
Commingled Equity Funds	2,573,610	—	Daily	1 day
Private Markets	6,041,424	3,422,691	Not Eligible	N/A
Absolute Return	3,567,656	169,707	Monthly, Quarterly, Semi-Annually	30-120 days
Real Estate Funds	2,347,684	592,032	Quarterly	30-90 days
Risk Parity	5,734,417	—	Daily, Weekly, Monthly	3-5 days
<b>Total</b>	<b>\$ 22,000,983</b>	<b>\$ 4,184,430</b>		

### Commingled Short-Term, Fixed Income, and Equity Funds

There are four short-term funds, 16 fixed income funds and three equity funds, which are considered to be commingled in nature. These investments are valued at the net asset value of the units held at June 30, 2021, based upon the fair value of the underlying securities.

#### Private Markets

There are 283 funds that invest across a range of strategies, geographies, and industries within private equity and private credit. The underlying portfolio investments cannot be redeemed with each fund, but rather the fund will make distributions of capital as the fund liquidates the underlying portfolio investments over the typical 10 year term in the case of private equity, and the typical 7 year term in the case of private credit.

#### Absolute Return

The portfolio consists of 30 fund holdings that cover a broad spectrum of investment strategies and investment horizons which result in distinct fund redemption terms to prevent asset-liability mismatches. These funds attempt to generate returns in excess of the plan's target actuarial rate of return over a full market cycle with minimal beta to the plan's primary long-only market exposures (equities, credit, rates, and commodities). Fund redemption periods range from weeks (alternative beta) to years (drawdown vehicles), but as a whole, on a weighted-average basis, the portfolio maintains a liquidity profile of less than one year. The valuation process for the majority of absolute return funds are done monthly.

#### Real Estate Funds

There are 46 funds invested primarily in U.S. commercial real estate, of which 37 funds are classified as illiquid, or approximately 40 percent of the value of the real estate fund investments. These funds have underlying portfolio investments that cannot be redeemed with the funds, but rather these funds will make distributions of capital as the funds liquidate their underlying portfolio investments over the average 10 year life of the funds. There are nine real estate funds that have been classified as liquid due to the open-ended structure of the fund. Open-ended funds generally offer periodic distributions of net cash flow, which can be reinvested, as well as quarterly redemption windows.

#### Risk Parity

This portfolio, which consists of three funds is constructed to accrue various asset class risk premiums, including equity, without long-term reliance on any single asset class. The structure of these investments provides a reasonable level of liquidity and investments may be redeemed in accordance to the terms set forth by each investment management agreement. Investments are considered to be liquid, market-priced instruments, and 100 percent of the NAV is independently calculated by the fund administrators. Fair values are reported as NAV per share.

It is probable that illiquid investments will be sold at an amount different from the NAV of the ownership interest in partners' capital. Therefore, the fair values of the investments in this type have been estimated using recent observable transaction information for similar investments and non-binding bids received from potential buyers of the investments (one quarter in arrears plus current quarter cash flows).

## Notes to the Financial Statements, continued

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### Investment Performance

The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts invested.

For the year ended June 30, 2021, the annual money-weighted rates of return for DB investments are as follows:

<u>Defined Benefit Pension Trust Funds</u>	<u>Annual-Money Weighted Rate of Return</u>
PERF DB	25.46 %
TRF Pre-'96 DB	25.67
TRF '96 DB	25.46
77 Fund	25.47
JRS	25.46
EG&C	25.48
PARF	25.49
LE DB	25.46

Time-weighted rates of return for DB asset classes and DC investment options are detailed in the Investment Section.

## Notes to the Financial Statements, continued

### Note 4. Deposit and Investment Risk Disclosure

#### Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, INPRS's deposits may not be returned. Deposits are exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are uncollateralized or collateralized with securities held by the pledging financial institution. At June 30, 2021, \$841 million of cash deposits were uninsured and uncollateralized and therefore exposed to credit risk. The following table shows cash deposits and short-term investments as of June 30, 2021.

(dollars in thousands)

Cash Deposits	Total
Demand Deposit Account – Bank Balances (Insured by FDIC up to \$250 thousand per financial institution)	\$ 5,702
Held with Custodian Bank (Uncollateralized)	835,794
Short-Term Investment Funds held at Bank (Collateralized)	1,448,771
<b>Total</b>	<b><u>\$ 2,290,267</u></b>

#### Custodial Credit Risk for Investments

Custodial credit risk for investments is a risk if the securities are uninsured, are not registered in the name of INPRS, and are held by either the counterparty or the counterparty's trust department or agent, but not in the name of INPRS. INPRS's custody agreement with the custodian requires the custodian to segregate the securities on the custodian's books and records from the custodian's property. In addition, investment managers are not allowed, under any circumstances, to take possession, custody, title, or ownership of any managed assets.

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates adversely affect the fair value of the investments. The Investment Policy Statement recognizes interest rate risk as a market risk factor. While INPRS does not have a formal stated policy regarding interest rate risk, it is monitored regularly at the Plan level, and within the fixed income asset classes as part of achieving the long-term actuarial rate of return. Duration is a measure of interest rate risk. The longer a fixed-income investment is to maturity, the more susceptible the value of the fixed-income investment is to market interest rate changes. Short-Term Investments excludes cash with custodian of approximately \$835.8 million. Securities with no available duration include term loans, commingled funds, private placements, commit to purchase SWAPS, and new positions where availability of modeling characteristics are pending.

As of June 30, 2021, the duration of the fixed income portfolio is as follows:

(dollars in thousands)

Debt Security Type	Fair Value	% of All Debt Security	Portfolio Weighted Average Effective Duration (Years)
<b>Short-Term Investments</b>			
Short-Term Investment Fund	\$ 1,448,771	10.1 %	0.41
U.S. Treasury Obligations	279,594	2.0	0.17
Non-U.S. Government	10,762	0.1	0.52
Corporate Bonds Less than 1 Year	1,603	—	0.13
<b>Total Short-Term Investments</b>	<b>1,740,730</b>	<b>12.2</b>	
<b>Fixed Income Investments</b>			
U.S. Governments	5,886,197	41.2	14.89
U.S. Agencies	134,471	0.9	8.82
Non-U.S. Government	3,042,517	21.3	7.58
Corporate Bonds	1,498,844	10.5	8.08
Asset-Backed Securities	315,561	2.2	2.59
Duration Not Available	1,667,226	11.7	N/A
<b>Total Fixed Income Investments</b>	<b>12,544,816</b>	<b>87.8</b>	
<b>Total Debt Securities</b>	<b><u>\$ 14,285,546</u></b>	<b><u>100.0 %</u></b>	

## Notes to the Financial Statements, continued

### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a plan's investment in a single issuer. As of June 30, 2021, INPRS does not have investments in any single issuer that represent 5 percent or more of the Fiduciary Net Position other than U.S. Government securities which are not subject to the GASB 40 disclosure requirements. To limit business and liquidity risk arising due to the allocation of a large percentage of assets to a single investment manager, the Board has placed an upper limit on the concentration of assets placed with an investment manager as follows:

- No investment manager shall manage more than 15 percent of the System's assets in actively managed portfolios.
- No investment manager shall manage more than 20 percent of the System's assets in passively managed portfolios.
- No investment manager shall manage more than 25 percent of the assets in a combination of actively and passively managed portfolios.

### Credit Quality Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with the Investment Policy Statement, when building the most diversified investment portfolio, emphasis is given to risk allocation, not capital allocation. As a result, INPRS regularly monitors success in achieving the targeted risk diversification that is inherent in the approved asset allocation. Credit ratings, obtained from several industry rating services for Fixed Income Securities and Short-Term Investments are shown in the table below. The most conservative rating of Standard and Poor's, Moody's, and Fitch are utilized in the schedule below. Short-Term Investments excludes cash with custodian of approximately \$835.8 million. Unrated investments primarily consist of money market sweep vehicles, private placement, term loans and asset-backed securities, commercial mortgages, CMO/REMIC's, and commingled debt funds.

(dollars in thousands)

Credit Rating	Short-Term Investments	Fixed Income Securities	Total	% of All Debt Securities
AAA	\$ —	\$ 470,349	\$ 470,349	3.3 %
U.S. Government Guaranteed	—	6,020,473	6,020,473	42.1
AA	279,594	1,211,988	1,491,582	10.5
A	—	467,693	467,693	3.3
BBB	1,603	1,059,376	1,060,979	7.4
BB	—	589,882	589,882	4.1
B	—	431,305	431,305	3.0
Below B	—	331,505	331,505	2.3
Unrated	1,459,533	1,962,245	3,421,778	24.0
<b>Total</b>	<b>\$ 1,740,730</b>	<b>\$ 12,544,816</b>	<b>\$ 14,285,546</b>	<b>100.0 %</b>

## Notes to the Financial Statements, continued

### Custodial Credit Risk for Securities Lending

The Board has authorized the custodian to enter into a securities lending program agreement under which securities held by the custodian on behalf of INPRS may be loaned. The purpose of such a program is to provide additional revenue. The policy requires the following:

- Securities that are loaned in exchange for cash or securities collateral must be at least 102 percent of the market value of domestic securities on loan and 105 percent of the market value of international securities on loan, with a simultaneous agreement to return the collateral for the same securities in the future. In no event shall the acceptable collateral be less than the total market value of loaned securities. Securities shall not be loaned in excess of 40 percent of the market value.
- The custodian and/or securities lending sub-agent is required to provide agreed upon indemnification to INPRS from and against any losses, damages, costs, and expenses which arise from a borrower defaulting on a loan or filing for bankruptcy.
- A maximum of 25 percent of the cash collateral may be invested with a single counterparty.
- All collateral investments have a maturity of the next business day.

As of June 30, 2021, there was no security lending credit risk exposure as the collateral pledged of \$605 million exceeded the fair value of securities on loan, as shown below. All reinvested cash collateral investments consist of repurchase agreements which are not rated by any of the rating agencies.

(dollars in thousands)

Security Type	Fair Value of Securities on Loan
U.S. Government	\$ 170,891
Corporate Bonds	22,332
International Bonds	12,081
Domestic Equities	271,397
International Equities	107,369
<b>Total</b>	<b>\$ 584,070</b>

### Credit Risk for Repurchase Agreements

A repurchase agreement is an agreement in which cash is transferred to a broker-dealer or financial institution in return for transfer of security to the custodian and promise to repay cash plus interest. These repurchase agreements are assets whereby security collateral is held by the custodian. An obligation under a reverse repurchase agreement is the same as a repurchase agreement, but from the perspective of the buyer rather than a seller. Obligations under reverse repurchase agreements are liabilities whereby security collateral is held at the broker-dealer or financial institution's custodian.

INPRS's Investment Policy Statement allows prudent use of securities lending, repurchase, and reverse repurchase agreements.

Repurchase agreements that may create explicit leverage in the portfolio are prohibited; however, repurchase transactions (including tri-party repurchase transactions) collateralized with U.S. Government securities are permitted. Repurchase transactions are required to be collateralized at 102 percent at time of purchase and marked to market on each business day.

Investments under Repurchase Agreements (exclusive of Securities Lending) as of June 30, 2021 are as follows. At June 30, 2021, there was no reverse repurchase risk as the cash collateral value posted was less than the fair value of the liability held.

(dollars in thousands)

Repurchase Agreements by Collateral Type	Cash Collateral Received	Fair Value	Obligations Under Reverse Repurchase Agreements by Collateral Type	Cash Collateral Posted	Fair Value
U.S. Treasury	\$ 340,388	\$ 340,388	U.S. Treasury	\$ 463,610	\$ 473,553

## Notes to the Financial Statements, continued

### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. INPRS has defined a foreign exchange risk management policy to effectively manage the Fund's performance volatility associated with foreign currency risk.

Foreign investments included in the Fiduciary Net Position as of June 30, 2021 are below. Short-term, fixed income, and equity investments include income accruals. Other investments include foreign holdings of other investments, derivatives, and receivables/payables. The percentage shown in the table is with respect to DB pooled investments. Totals less than \$5 million are included in Other.

Currency	Investments Held in Foreign Currency						% of Total
	Short-Term	Fixed Income	Equity	Other Investments	Total		
Australian Dollar	\$ 271	\$ 73,999	\$ 74,040	\$ (75,458)	\$ 72,852	0.2 %	
Brazil Real	124	47,724	33,127	46,215	127,190	0.3	
Canadian Dollar	1,020	106,654	99,746	(118,934)	88,486	0.2	
Chilean Peso	6	10,487	3,183	8,611	22,287	—	
Chinese R Yuan Hk	—	—	—	50,564	50,564	0.1	
Chinese Yuan Renminbi	1,646	(37)	91,804	42,937	136,350	0.3	
Colombian Peso	719	40,488	—	(13,910)	27,297	0.1	
Czech Koruna	(36)	29,480	1,711	17,925	49,080	0.1	
Danish Krone	1,832	12,900	49,076	(13,270)	50,538	0.1	
Egyptian Pound	10,761	—	—	169	10,930	—	
Euro Currency Unit	16,110	867,982	715,704	(837,623)	762,173	1.7	
Hong Kong Dollar	416	42	276,788	631	277,877	0.6	
Hungarian Forint	146	24,032	—	20,670	44,848	0.1	
Indian Rupee	17	(82)	74,997	1,690	76,622	0.2	
Indonesian Rupiah	424	74,675	2,272	2,034	79,405	0.2	
Japanese Yen	4,695	194,991	578,449	(197,250)	580,885	1.3	
Malaysian Ringgit	129	46,724	4,474	20,960	72,287	0.2	
Mexican Peso	(639)	51,729	13,238	31,986	96,314	0.2	
New Taiwan Dollar	10	—	115,119	(391)	114,738	0.3	
Norwegian Krone	186	423	4,125	1,462	6,196	—	
Peruvian Sol	445	37,586	—	(20,552)	17,479	—	
Philippines Peso	—	373	1	(3,157)	(2,783)	—	
Polish Zloty	608	47,570	4,770	24,096	77,044	0.2	
Pound Sterling	789	597,061	234,456	(592,739)	239,567	0.5	
Romanian Leu	—	10,878	—	15,420	26,298	0.1	
Russian Ruble (New)	1,198	69,483	45,230	12,158	128,069	0.3	
Saudi Arabia Riyal	3	—	17,543	(50)	17,496	—	
Singapore Dollar	200	2,786	19,728	(3,228)	19,486	—	
South African Rand	221	121,081	32,295	(43,724)	109,873	0.2	
South Korean Won	907	298	192,527	1,487	195,219	0.4	
Swedish Krona	665	79,258	83,731	(75,318)	88,336	0.2	
Swiss Franc	6,480	—	233,000	(1,193)	238,287	0.5	
Thailand Baht	82	61,049	4,327	12,220	77,678	0.2	
Turkish Lira	—	12,344	6,330	(7,652)	11,022	—	
Other	2,424	26,570	6,771	(14,900)	20,865	—	
<b>Held in Foreign Currency</b>	<b>\$ 51,859</b>	<b>\$ 2,648,548</b>	<b>\$ 3,018,562</b>	<b>\$ (1,708,114)</b>	<b>\$ 4,010,855</b>	<b>8.8 %</b>	

## Notes to the Financial Statements, continued

### Note 5. Derivative Instruments - Activity and Risk

#### Derivative Instruments - Activity

A derivative is a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (similar to a security) or set of assets (similar to an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes and stocks. The following derivative instruments are included in Investments:

#### Futures

A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date.

#### Options

Options are agreements that give the owner of the option the right, but not the obligation, to buy (in the case of a call) or to sell (in the case of a put) a specific amount of an asset for an agreed price on or before the specified expiration date.

#### Swaps

Swaps are derivative instruments in which one party exchanges a stream of fixed cash flows for floating cash flows. A notional amount of principal is required to compute the actual cash amounts and is determined at contract inception.

The following table summarizes the derivative instruments outstanding as of June 30, 2021:

(dollars in thousands)

Investment Derivatives	Change in Fair Value	Fair Value	Notional
<b>Futures:</b>			
Index Futures - Long	\$ (430)	\$ (430)	\$ 69,180
Index Futures - Short	—	—	—
Commodity Futures - Long	83,623	83,623	3,233,775
Fixed Income Futures - Long	4,152	4,152	709,444
Fixed Income Futures - Short	(1,956)	(1,956)	(307,174)
Currency Futures - Long	(6)	(6)	6,853
<b>Total Futures</b>	<b>85,383</b>	<b>85,383</b>	<b>3,712,078</b>
<b>Options:</b>			
Currency Spot Options Bought	(39)	523	43,989
Currency Spot Options Written	(150)	(599)	(43,344)
Interest Rate Options Bought	(306)	462	64,900
Interest Rate Options Written	(11)	(908)	(90,200)
Credit Default Index Swaptions Written	146	(83)	(181,300)
Market Index - Options and Hybrids	425	4,927	2,402
<b>Total Options</b>	<b>65</b>	<b>4,322</b>	<b>(203,553)</b>
<b>Swaps:</b>			
Variance Swaps	—	—	56
Interest Rate Swaps - Pay Fixed Receive Variable	7,423	11,281	510,063
Interest Rate Swaps - Pay Variable Receive Fixed	(3,094)	(5,098)	472,492
Inflation Swaps - Pay Fixed Receive Variable	(22)	266	4,600
Zero Coupon Swaps - Pay Fixed Receive Variable	316	1,269	195,933
Zero Coupon Swaps - Pay Variable Receive Fixed	(2,462)	(2,516)	394,631
Total Return Swaps	(14)	(14)	1,621
Credit Default Swaps Single Name - Buy Protection	(161)	183	23,140
Credit Default Swaps Single Name - Sell Protection	1,720	632	140,685
Credit Default Swaps Index - Buy Protection	92	(843)	24,313
Credit Default Swaps Index - Sell Protection	1,094	9,072	380,083
<b>Total Swaps</b>	<b>4,892</b>	<b>14,232</b>	<b>2,147,617</b>
<b>Total Derivatives</b>	<b>\$ 90,340</b>	<b>\$ 103,937</b>	<b>\$ 5,656,142</b>



## Notes to the Financial Statements, continued

The table below summarizes the swap maturity profile of derivative instruments as of June 30, 2021:

(dollars in thousands)

Swap Type	Swap Maturity Profile					
	< 1 yr	1-5 yrs	5-10 yrs	10-20 yrs	20+ yrs	Total
Interest Rate Swaps - Pay Fixed Receive Variable	\$ 18	\$ 479	\$ 1,124	\$ 6,690	\$ 2,970	\$ 11,281
Interest Rate Swaps - Pay Variable Receive Fixed	—	(2,506)	(511)	(68)	(2,013)	(5,098)
Inflation Swaps - Pay Fixed Receive Variable	—	—	—	266	—	266
Zero Coupon Swaps - Pay Fixed Receive Variable	572	362	(2)	—	337	1,269
Zero Coupon Swaps - Pay Variable Receive Fixed	(926)	(1,570)	(134)	114	—	(2,516)
Credit Default Swaps Single Name - Buy Protection	(97)	280	—	—	—	183
Credit Default Swaps Single Name - Sell Protection	105	815	(288)	—	—	632
Total Return Swaps	(14)	—	—	—	—	(14)
Credit Default Swaps Index - Buy Protection	(139)	(704)	—	—	—	(843)
Credit Default Swaps Index - Sell Protection	(41)	8,622	466	—	25	9,072
<b>Total Swap Fair Value</b>	<b>\$ (522)</b>	<b>\$ 5,778</b>	<b>\$ 655</b>	<b>\$ 7,002</b>	<b>\$ 1,319</b>	<b>\$ 14,232</b>

### Derivative Instruments - Risk Management:

INPRS's Investment Policy Statement allows derivatives transactions by investment managers who possess recognized expertise in derivative overlay strategies to offset, or hedge, unintended market exposures in underlying funds that remain in a lock-up period. Direct purchases of physical commodities are prohibited; however, swaps and instruments that constitute a security or authorized derivatives are permitted.

INPRS effectively manages credit risk relating to derivative instruments by following the guidelines below:

- To avoid counterparty risk, derivative transactions are executed through the use of listed options and futures traded on registered exchanges, whenever possible. Non-exchange traded options, forwards, or swaps are executed only if the counterparty is rated "A" or better by at least one of the Nationally Recognized Statistical Rating Organizations ("NRSROs").
- Exchange-traded commodity futures, options, and other instruments are traded on any exchange regulated by the Commodities Futures Trading Commission ("CFTC") of the United States and/or the Financial Services Authority ("FSA") of the United Kingdom.
- For non-exchange traded derivatives, counterparty creditworthiness is at a minimum of "A3" as defined by Moody's Investor Service, "A-" by Standard & Poor's, and/or "A-" by Fitch. Unrated counterparties are not selected unless such counterparty is a wholly-owned affiliate of a parent organization that guarantees payment and meets the above counterparty creditworthiness standards.
- Derivative instruments are standardized and exchange-traded (e.g., futures) and/or privately-negotiated and over-the-counter (e.g., swap agreements). Underlying risk exposures may be to cash commodities and/or commodity derivatives. Risk exposures for exchange-traded instruments shall lie with exchange clearinghouses and with approved counterparties for non-exchange traded transactions.
- The market value of commodities collateral is maintained at 100 percent or greater of the net option-adjusted notional value of any commodities overlay exposure at the consummation of any new commodities overlay position. If the collateral market value falls below the net option-adjusted value of the overlay, the investment manager(s) adjust their portfolio at the earliest feasible opportunity to bring the collateral value up to the notional value of the overlay.

## Notes to the Financial Statements, continued

### Derivative Instruments - Counterparty Credit Risk

Counterparty credit risk exists on all open over-the-counter positions. INPRS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, posting collateral exposure, and monitoring procedures, in addition to adherence to the standard International Swaps and Derivatives Association and Credit Support Annex agreements.

As of June 30, 2021, the aggregate fair value of investment derivatives in an unrealized gain position subject to counterparty credit risk was approximately \$19.9 million, of which \$16.7 million was uncollateralized.

The table below summarizes the counterparty positions as of June 30, 2021:

(dollars in thousands)

Swaps Counterparty	S&P Rating	Fair Value			Collateral	
		Receivable Unrealized Gain	Payable (Unrealized Loss)	Total Fair Value	Posted	Received
Bank of America	A-	\$ 2,081	\$ (1,666)	\$ 189	\$ 200	\$ (1,580)
Banque Nationale De Paris	A+	65	(53)	146	620	(3,750)
Barclays	BBB	416	(213)	(101)	955	(705)
Chicago Mercantile Exchange	AA-	1,889	(6,422)	(4,244)	677	—
Citigroup	BBB+	457	(290)	(137)	70	(3,540)
Deutsche Bank	BBB+	—	(149)	(78)	120	(120)
Goldman Sachs	BBB+	388	(183)	97	1,178	(2,420)
HSBC Securities Inc.	A-	14	—	—	1,900	(1,820)
Intercontinental Exchange Inc.	BBB+	3,778	(1,870)	7,296	1,093	—
JPMorgan Chase Bank	A-	14	(53)	(24)	160	(580)
London Clearing House	A	10,534	(3,929)	9,363	—	—
Morgan Stanley	BBB+	250	(165)	1,725	3,048	(2,050)
<b>Total</b>		<b>\$ 19,886</b>	<b>\$ (14,993)</b>	<b>\$ 14,232</b>	<b>\$ 10,021</b>	<b>\$ (16,565)</b>

### Derivative Instruments - Foreign Currency Risk

Foreign currency forward contracts and futures contracts are exposed to foreign currency risk. At June 30, 2021, INPRS's investments included a foreign currency contract receivable balance of \$6.8 billion and an offsetting foreign currency contract payable of \$6.8 billion. In addition, the net loss for the year ended June 30, 2021, due to foreign currency transactions was \$238.1 million.

### Derivative Instruments - Synthetic Guaranteed Investment Contracts (GICs)

The Defined Contribution Stable Value Fund consists of fully benefit-responsive synthetic guaranteed investment contracts (GICs). The Stable Value Fund is an investment option that seeks to provide safety of principal and a stable credited rate of interest, while generating competitive returns over time compared to other comparable investments. As of June 30, 2021, the Stable Value Fund portfolio of well-diversified high-quality investment grade fixed income securities had a fair value of \$2.1 billion, which was \$270.1 million less than the fair value protected by the wrap contract.

## Notes to the Financial Statements, continued

### Derivative Instruments - Interest Risk

INPRS has exposure to interest rate risk due to investments in interest rate swaps, inflation swaps and forward mortgage-backed securities (TBAs). Reference Note 4 Interest Rate Risk for further analysis.

Derivative Instruments as of June 30, 2021, subject to interest rate risk are summarized below:

(dollars in thousands)

Reference Currency	Pays	Receives	Fair Value	Notional
<b>Interest Rate Swap - Pay Fixed Receive Variable</b>				
U.S. Dollar	0.50% to 2.00%	3M USD LIBOR BBA	\$ 9,044	\$ 132,110
South Korean Won	1.25% to 1.50%	3M KRW KWDC COD	344	79,367
Polish Zloty	0.25% to 1.75%	6M PLN WIBOR	(113)	62,210
Euro Currency Unit	-0.50% to 0.25%	6M EURIBOR REUTERS	1,356	61,856
Hungarian Forint	1.50% to 2.70%	6M HUB BUBOR REUTERS	127	43,193
Chilean Peso	2.55%	CLP CLICP BLOOMBERG	166	28,377
Czech Koruna	1.50% to 1.75%	6M CZK PRIBOR PRBO	167	27,927
Mexican Peso	5.60% to 6.86%	28D MXN TIIE BANXICO	287	20,945
Israeli Shekel	1.25%	3M ILS TELBOR REFERENCE BANKS	4	14,171
Chinese Yuan Renminbi	2.75% to 2.90%	7D CHINA FIXING REPO RATES	11	13,361
Brazil Real	8.50%	1D BRL CDI	(77)	12,914
Malaysian Ringgit	2.25% to 3.00%	3M MYR-KLIBOR-BNM	33	9,476
Singapore Dollar	1.75%	6M SGD SOR REUTERS	(38)	2,083
Japanese Yen	0.30%	6M JPY LIBOR BBA	(30)	2,072
Thailand Baht	1.25%	6M THB THBFIX REUTERS	—	1
			<b>\$ 11,281</b>	<b>\$ 510,063</b>
<b>Interest Rate Swap - Pay Variable Receive Fixed</b>				
Chinese Yuan Renminbi	7D CHINA FIXING REPO RATES	2.50% to 2.90%	\$ (223)	\$ 131,028
Thailand Baht	6M THB THBFIX REUTERS	0.75% to 1.00%	(308)	67,971
Canadian Dollar	CAD-BA-CDOR 3M	1.00% to 1.29%	(943)	58,379
Mexican Peso	28D MXN TIIE BANXICO	4.84% to 6.30%	(461)	52,212
U.S. Dollar	3M USD LIBOR BBA	0.64% to 1.66%	(2,169)	42,030
Euro Currency Unit	6M EURIBOR REUTERS	-0.05%	(34)	27,145
Brazil Real	1D BRL CDI	3.36% to 7.37%	18	21,130
Indian Rupee	INR FBIL MIBOR OIS COM	5.50%	(82)	19,605
South African Rand	3M ZAR JIBAR SAFEX	5.60% to 6.86%	(205)	17,520
Chilean Peso	CLP CLICP BLOOMBERG	1.59% to 4.20%	(465)	11,984
Polish Zloty	6M PLN WIBOR	0.75% to 1.46%	(222)	11,140
South Korean Won	3M KRW KWDC COD	1.75%	(46)	8,744
Hong Kong Dollar	HKD HIBOR BLOOMBERG 3M	1.50%	42	3,604
			<b>\$ (5,098)</b>	<b>\$ 472,492</b>

### Note 6. Other Risk Management

INPRS is exposed to the following risks:

- Damage to INPRS property.
- Personal injury or property damage liabilities.
- Errors, omissions and employee theft.
- Employee death benefits.
- Certain employee health benefits, unemployment and worker's compensation costs for INPRS employees.
- Breach of fiduciary responsibility.
- Lawsuits.
- Unanticipated events.
- Cybersecurity and breach of IT systems.

INPRS purchases commercial insurance for property, general liability, employee crime, employee health, and fiduciary responsibility. INPRS follows industry best practice to mitigate the risk of breaches to cybersecurity and IT systems. INPRS pays into the unemployment insurance fund as legally required. Settlements have not exceeded the insurance coverage for any of the past three years. INPRS records expenses for losses, if any, as the liabilities are incurred or replacement items are purchased.

### Note 7. Legislative Changes

The following legislative changes were signed into law which have a financial impact in the current and future years. These changes have been included in the actuarial valuations, where applicable, as of June 30, 2021.

#### House Enrolled Act (HEA) 1001

HEA 1001 is the biennial budget for the State of Indiana. The budget determined the amount of appropriations INPRS will receive in fiscal years 2022 and 2023 and modified INPRS assigned duties. This included regular employer and nonemployer contributing entity contributions, a special \$600 million contribution for TRF Pre-'96 DB, and \$50 million into the PERF DB, TRF Pre-'96 DB, TRF '96 DB, EG&C, and LEDB Supplemental Reserve Accounts for a 1% COLA which will begin on January 1, 2022. The bill provided funding for the local pension plan report analysis.

#### House Enrolled Act (HEA) 1169

Provides that INPRS shall (1) report to the Indiana Office of Technology any cybersecurity incident without unreasonable delay and not later than two business days after discovery of the cybersecurity incident, and (2) provide the name and contact information of any individual who will act as the primary reporter of a cybersecurity incident yearly before September 1, 2021, and before September 1 of every year thereafter.

#### Senate Enrolled Act (SEA) 94

Provides the following changes:

- The Governors and Surviving Spouses Pension became a part of the PERF DB effective July 1, 2021.
- Changes the definition of "retired participant" in RMBA account statute.
- Eliminates the requirement that INPRS shall make an actuarial valuation of the RMBA plan and replaces it with a requirement to report assets and liabilities of the plan and to recommend employer contribution amount to fund RMBA benefits.
- Clarifies that contributions into RMBA may exceed, not just equal, contributions required by statute to fund benefits.
- If an individual becomes a participant in the public employees' defined contribution plan with respect to the individual's service as a volunteer firefighter, the individual does not earn creditable service in PERF DB or in PERF MC DC for service with a volunteer fire department.
- Interest shall be credited to the account of each participant in the Prosecuting Attorneys' Retirement Fund at least annually.
- For JRS members, service lost by separating from service and withdrawing contributions can now be bought back by repaying those contributions at an interest rate set by the INPRS board. For '77 Fund members, this buyback was clarified to include interest at a rate set by the INPRS board.
- Creates a general rule that if an overpayment occurs and there are ongoing monthly payments, the board may not require a member, survivor, or beneficiary to pay more than 25% of their ongoing monthly benefit toward the overpayment.
- If an overpayment began before July 1, 2015 and was caused by no fault of the member, survivor, or beneficiary, the board may only require a member, survivor, or beneficiary to pay the amount of the overpayment of benefits received during the six years before the date INPRS discovers the overpayment and attempts to provide notice of the overpayment.

#### Senate Enrolled Act (SEA) 232

Adds any variant of severe acute respiratory syndrome (SARS), including coronavirus disease (COVID-19), to the list of diseases considered an exposure risk disease for purposes of emergency and public safety employee death and disability presumed in the line of duty.

#### Senate Enrolled Act (SEA) 396

Provides the following changes:

- Modifies the definition of salary for a first class patrolman or first class firefighter.
- '77 Fund employers that increase longevity pay in one year must maintain that increased amount for the next year.
- Requires '77 Fund employers to provide reports and records as requested by the INPRS board, and permits INPRS to issue late fees if the reports or records are late.
- Requires employers to submit the salary of a first class patrolman or firefighter annually and upon request by the INPRS board.

## Notes to the Financial Statements, continued

### Note 8. Net Pension Liability and Actuarial Information – Defined Benefit Plans

The components of the Net Pension Liability of each defined benefit retirement plan as of June 30, 2021:

(dollars in thousands)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)	Fiduciary Net Position as a Percent of Total Pension Liability (Asset) (b) / (a)
<b>Pre-Funded Defined Benefit Pension Trust Funds</b>				
PERF DB	\$ 17,563,157	\$ 16,247,310	\$ 1,315,847	92.5 %
TRF '96 DB	7,517,702	7,987,495	(469,793)	106.2
77 Fund	7,598,774	8,189,789	(591,015)	107.8
JRS	642,172	687,993	(45,821)	107.1
EG&C	180,848	184,314	(3,466)	101.9
PARF	117,023	85,869	31,154	73.4
LE DB	3,034	3,515	(481)	115.9
<b>Total Pre-Funded DB</b>	<b>\$ 33,622,710</b>	<b>\$ 33,386,285</b>	<b>\$ 236,425</b>	<b>99.3</b>
<b>Pay-As-You-Go Defined Benefit Pension Trust Fund</b>				
TRF Pre-'96 DB	\$ 14,338,188	\$ 5,074,751	\$ 9,263,437	35.4 %
<b>Total DB</b>	<b>\$ 47,960,898</b>	<b>\$ 38,461,036</b>	<b>\$ 9,499,862</b>	<b>80.2 %</b>

Total Pension Liability is determined by the actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service, etc.) and assumptions about the probability of occurrence of events in the future (e.g., mortality, disabilities, retirements, employment terminations, etc.). Actuarially determined amounts are subject to review and modifications, as actual results are compared with past expectations and new estimates are developed. INPRS completed an asset-liability study in February 2021. Assumption changes were recommended to the board and adopted in May 2021 for the June 30, 2021 actuarial valuations. No changes in methods were recommended or adopted. See the Schedule of Notes to Required Supplementary Information for additional information.

The Schedule of Contributions in the Required Supplementary Information presents trend information about the amounts contributed to the plan by employers and a nonemployer contributing entity in comparison to the Actuarially Determined Contribution (ADC). The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost for each year and the amortization of any unfunded actuarial accrued liability.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

## Notes to the Financial Statements, continued

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Description	PERF DB	TRF Pre-'96 DB	TRF '96 DB	77 Fund	JRS	EG&C	PARF	LE DB
Asset Valuation Date	June 30, 2021							
Liability Valuation Date	June 30, 2020 - Member census data as of June 30, 2020 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2020 and June 30, 2021. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2020 to the June 30, 2021 measurement date.							
Actuarial Cost Method (Accounting)	Entry Age Normal (Level Percent of Payroll)							
Actuarial Assumptions:								
Experience Study Date	Period of five years ended June 30, 2019							
Investment Rate of Return (Accounting)	6.25%, includes inflation and net of investment expenses							
Cost of Living Increases (COLA), see Notes 1 and 7	Beginning Jan. 1, 2024 - 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%		1.95%	2.65%	Beginning Jan. 1, 2024 - 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%		N/A	Beginning Jan. 1, 2024 - 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%
Future Salary Increases, including Inflation	2.65% - 8.65%	2.65% - 11.90%		2.65%		2.65% - 4.90%	2.65%	N/A
Inflation	2.00%							
Mortality - Healthy Employees and Retirees	Base Table	PubG-2010	PubT-2010	PubS-2010	PubG-2010	PubS-2010	PubG-2010	PubG-2010
	M/F Set Forward	+3/+1	+1/+1	+3/+0	-1/-1	+3/+0	-1/-1	-1/-1
Mortality - Disableds	Base Table	PubG-2010						
	Load	140%	140%	100%	140%	100%	140%	140%
Mortality - Beneficiaries	Base Table	PubCS-2010						
	M/F Set Forward	+0/+2						
Mortality - Improvement - All Tables	Generational Improvement Scale	MP-2019						

## Notes to the Financial Statements, continued

The long-term return expectation for the INPRS defined benefit retirement plans has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.25% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change.

Global Asset Class	Long-Term Expected Real Rate of Return (Geometric Basis)	Target Asset Allocation
Public Equity	3.6 %	20.0 %
Private Markets	7.3	15.0
Fixed Income - Ex Inflation-Linked	1.5	20.0
Fixed Income - Inflation-Linked	(0.3)	15.0
Commodities	0.8	10.0
Real Estate	4.2	10.0
Absolute Return	2.5	5.0
Risk Parity	4.4	20.0
Leverage Offset	(1.4)	(15.0)

The Total Pension Liability (TPL) for each defined benefit pension plan was calculated using the long-term expected rate of return of 6.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from members, would at the minimum be made at the actuarially determined required rates, computed in accordance with the current funding policy adopted by the Board, and contributions required by the State of Indiana (the nonemployer contributing entity) would be made as stipulated by Indiana statute. Projected inflows from investment earnings were calculated using the 6.25 percent long-term assumed investment rate of return. Based on those assumptions, each defined benefit pension plan's Fiduciary Net Position were projected to be available to make all projected future benefit payments of current plan members, therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the TPL for each plan.

Net Pension Liability (NPL) is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the NPL of the defined benefit pension plans calculated using the discount rate of 6.25 percent, as well as what each plan's NPL would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

(dollars in thousands)

	Discount Rate		
	1% Decrease 5.25%	Current 6.25%	1% Increase 7.25%
<b>Pre-Funded Defined Benefit Pension Trust Funds</b>			
PERF DB	\$ 3,441,519	\$ 1,315,847	\$ (457,243)
TRF '96 DB	868,861	(469,793)	(1,549,428)
77 Fund	609,123	(591,015)	(1,559,855)
JRS	30,237	(45,821)	(109,675)
EG&C	21,617	(3,466)	(24,092)
PARF	45,969	31,154	18,960
LE DB	(284)	(481)	(657)
<b>Pay-As-You-Go Defined Benefit Pension Trust Fund</b>			
TRF Pre-'96 DB	\$ 10,557,668	\$ 9,263,437	\$ 8,131,722



### Note 9. Subsequent Events

#### Impact on the Financial Statements

Before the issuance of the financial statements, there were no known events or transactions that were material in nature that would have affected the financial results as of June 30, 2021. All events and transactions have been recognized or disclosed in the financial statements and notes as it pertains to the period ending June 30, 2021.

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# Introduction to Required Supplementary Information

## Purpose of Supplementary Information

Required Supplementary Information and the Other Supplementary Schedules consist of statistical data and other information to provide greater transparency and to enhance the usefulness of the financial statements.

### RSI Schedules (Unaudited)

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Contributions
- Schedule of Investment Returns
- Schedule of Notes to Required Supplementary Information

### OSS Schedules

- Schedule of Administrative Expenses
- Schedule of Administrative Expenses - Vendors
- Schedule of Direct Investment Expenses

### Accompanying Notes to the RSI Schedules

The schedules currently reflect historical results for the years available within the last 10 years.

Schedules for Public Employees' Defined Benefit Account, Teachers' Pre-1996 Defined Benefit Account and Teachers' 1996 Defined Benefit Account were restated for fiscal years 2013-2017 to reflect the DB/DC split effective January 1, 2018.

The following details are intended to clarify results for selected categories in these schedules:

- **Benefit Payments** - includes pension, disability and survivor benefits, special death benefits, distributions of contributions and interest, and refund of employee contributions.
- **ASA Annuitizations** - include activity through December 31, 2017. Effective January 1, 2018, members can no longer annuitize their DC balances to increase their DB payments.
- **Net Member Reassignments** - includes net interfund transfers of employer contribution amounts.
- **Contributions** - include received and accrued contributions from employers, members, nonemployer contributing entity, and additional one-time contributions as reflected in the table below. In accordance with statute, TRF Pre-'96 DB nonemployer contributing entity contributions increase three percent annually.

(dollars in thousands) Fund	One-time Contributions			
	2021	2019	2016	2013
PERF DB	\$ 23,000	\$ —	\$ —	\$ —
TRF Pre-'96 DB	621,805	—	—	206,796
TRF '96 DB	5,000	150,000	—	—
JRS	—	—	—	90,187
EG&C	195	—	70	14,619
PARF	—	—	—	17,363

- **Administrative Expenses** - include contributions by INPRS to PERF DB and TRF '96 DB for its employees in their respective funds. Administrative expenses use a predetermined allocation methodology.
- **Covered Payroll** - Excludes payroll corresponding to the contribution accrual. Covered payroll shown on the Schedule of Contributions for the years 2012 and 2013 is estimated based on contributions received and the contribution rate. LE DB has no covered payroll. TRF Pre-'96 DB and LE DB are closed to new members and the population will continue to decline over time.
- **Actuarially Determined Contribution (ADC)** - Calculated using covered payroll at the applicable ADC rate. To determine the contribution deficiency/(excess), contributions in relation to ADC exclude service purchases and specific financed liabilities.

### Trends

In 2021, HEA 1001-2021 granted a 1% COLA for PERF DB, TRF Pre-'96 DB, TRF '96 DB, EG&C and LE DB beginning January 1, 2022, and no additional postretirement benefit increases for those funds through June 30, 2023. Additionally in 2021, an asset-liability study was completed resulting in updates to several economic assumptions. These assumption changes included changes in the inflation rate, discount rate, salary increase rates, and COLA assumptions for the '77 Fund and JRS. For further details, refer to the Actuarial Section.

## Required Supplementary Information

### Schedule of Changes in Net Pension Liability and Related Ratios

#### Public Employees' Defined Benefit Account<sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2021	2020	2019	2018	2017
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 16,281,754</b>	<b>\$ 16,576,060</b>	<b>\$ 16,091,373</b>	<b>\$ 16,335,253</b>	<b>\$ 15,752,055</b>
Service Cost	206,225	201,143	195,383	202,324	194,101
Interest Cost	1,080,920	1,101,241	1,069,184	1,088,503	1,051,217
Experience (Gains) / Losses	30,429	(54,832)	101,180	20,103	82,964
Assumption Changes	896,589	(616,830)	—	(731,601)	22,809
Plan Amendments	15,946	—	12,920	—	(22,766)
Benefit Payments <sup>1</sup>	(946,107)	(922,189)	(888,512)	(860,613)	(820,721)
ASA Annuitizations <sup>1</sup>	—	—	—	43,874	78,793
Net Member Reassignment <sup>1</sup>	(3,057)	(3,163)	(5,787)	(7,030)	(3,618)
Other	458	324	319	560	419
<b>Net Change in Total Pension Liability</b>	<b>1,281,403</b>	<b>(294,306)</b>	<b>484,687</b>	<b>(243,880)</b>	<b>583,198</b>
<b>Total Pension Liability - End of Year</b>	<b>\$ 17,563,157</b>	<b>\$ 16,281,754</b>	<b>\$ 16,576,060</b>	<b>\$ 16,091,373</b>	<b>\$ 16,335,253</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 13,261,360</b>	<b>\$ 13,270,996</b>	<b>\$ 12,694,328</b>	<b>\$ 11,873,709</b>	<b>\$ 11,213,610</b>
Employer Contributions <sup>1</sup>	627,315	599,100	581,873	571,374	558,891
Member Contributions <sup>1</sup>	131	127	296	708	590
Net Investment Income / (Loss)	3,325,549	335,139	906,388	1,093,094	870,592
Benefit Payments <sup>1</sup>	(946,107)	(922,189)	(888,512)	(860,613)	(820,721)
ASA Annuitizations <sup>1</sup>	—	—	—	43,874	78,793
Net Member Reassignment <sup>1</sup>	(3,057)	(3,163)	(5,787)	(7,030)	(3,618)
Administrative Expenses <sup>1</sup>	(18,003)	(18,887)	(18,472)	(20,844)	(24,483)
Other	122	237	882	56	55
<b>Net Change in Fiduciary Net Position</b>	<b>2,985,950</b>	<b>(9,636)</b>	<b>576,668</b>	<b>820,619</b>	<b>660,099</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 16,247,310</b>	<b>\$ 13,261,360</b>	<b>\$ 13,270,996</b>	<b>\$ 12,694,328</b>	<b>\$ 11,873,709</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 17,563,157	\$ 16,281,754	\$ 16,576,060	\$ 16,091,373	\$ 16,335,253
Fiduciary Net Position	16,247,310	13,261,360	13,270,996	12,694,328	11,873,709
<b>Net Pension Liability</b>	<b>\$ 1,315,847</b>	<b>\$ 3,020,394</b>	<b>\$ 3,305,064</b>	<b>\$ 3,397,045</b>	<b>\$ 4,461,544</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>92.5 %</b>	<b>81.4 %</b>	<b>80.1 %</b>	<b>78.9 %</b>	<b>72.7 %</b>
Covered Payroll <sup>1</sup>	\$ 5,482,242	\$ 5,380,843	\$ 5,205,243	\$ 5,083,131	\$ 4,997,555
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>24.0 %</b>	<b>56.1 %</b>	<b>63.5 %</b>	<b>66.8 %</b>	<b>89.3 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios, continued

#### Public Employees' Defined Benefit Account <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2016	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 15,263,395</b>	<b>\$ 13,880,722</b>	<b>\$ 13,349,578</b>	<b>\$ 13,034,791</b>
Service Cost	191,055	273,910	258,070	270,974
Interest Cost	1,018,993	936,404	895,454	875,616
Experience (Gains) / Losses	(4,870)	247,978	(15,161)	(104,471)
Assumption Changes	—	488,354	—	—
Plan Amendments	—	—	(42,985)	(167,486)
Benefit Payments <sup>1</sup>	(786,607)	(752,896)	(680,203)	(662,283)
ASA Annuizations <sup>1</sup>	75,036	196,788	119,094	107,520
Net Member Reassignment <sup>1</sup>	(5,441)	(8,155)	(3,125)	(5,083)
Other	494	290	—	—
<b>Net Change in Total Pension Liability</b>	<b>488,660</b>	<b>1,382,673</b>	<b>531,144</b>	<b>314,787</b>
<b>Total Pension Liability - End of Year</b>	<b>\$ 15,752,055</b>	<b>\$ 15,263,395</b>	<b>\$ 13,880,722</b>	<b>\$ 13,349,578</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 11,190,493</b>	<b>\$ 11,252,787</b>	<b>\$ 9,924,498</b>	<b>\$ 9,494,306</b>
Employer Contributions <sup>1</sup>	615,773	538,059	526,090	455,658
Member Contributions	443	—	—	—
Net Investment Income / (Loss)	147,106	(10,667)	1,393,814	563,530
Benefit Payments <sup>1</sup>	(786,607)	(752,896)	(680,203)	(662,283)
ASA Annuizations <sup>1</sup>	75,036	196,788	119,094	107,520
Net Member Reassignment <sup>1</sup>	(5,441)	(8,155)	(3,125)	(5,083)
Administrative Expenses <sup>1</sup>	(24,098)	(25,506)	(27,433)	(29,181)
Other	905	83	52	31
<b>Net Change in Fiduciary Net Position</b>	<b>23,117</b>	<b>(62,294)</b>	<b>1,328,289</b>	<b>430,192</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 11,213,610</b>	<b>\$ 11,190,493</b>	<b>\$ 11,252,787</b>	<b>\$ 9,924,498</b>
<b>Net Pension Liability</b>				
Total Pension Liability	\$ 15,752,055	\$ 15,263,395	\$ 13,880,722	\$ 13,349,578
Fiduciary Net Position	11,213,610	11,190,493	11,252,787	9,924,498
<b>Net Pension Liability</b>	<b>\$ 4,538,445</b>	<b>\$ 4,072,902</b>	<b>\$ 2,627,935</b>	<b>\$ 3,425,080</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>71.2 %</b>	<b>73.3 %</b>	<b>81.1 %</b>	<b>74.3 %</b>
Covered Payroll <sup>1</sup>	\$ 4,868,709	\$ 4,804,145	\$ 4,896,635	\$ 4,700,000
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>93.2 %</b>	<b>84.8 %</b>	<b>53.7 %</b>	<b>72.9 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios

#### Teachers' Pre-1996 Defined Benefit Account <sup>1</sup>

#### For the Years Ended, June 30

(dollars in thousands)

Changes in Net Pension Liability	2021	2020	2019	2018	2017
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 13,968,703</b>	<b>\$ 14,389,164</b>	<b>\$ 14,583,189</b>	<b>\$ 15,494,539</b>	<b>\$ 15,575,072</b>
Service Cost	31,513	33,750	37,234	44,603	43,204
Interest Cost	905,232	933,928	947,607	1,010,565	1,016,915
Experience (Gains) / Losses	6,414	(43,562)	(15,073)	(162,414)	22,416
Assumption Changes	582,474	(170,663)	—	(668,484)	(61,548)
Plan Amendments	22,605	—	(190)	—	4,213
Benefit Payments <sup>1</sup>	(1,178,740)	(1,174,419)	(1,165,134)	(1,153,374)	(1,135,662)
ASA Annuizations <sup>1</sup>	—	—	—	16,301	30,502
Net Member Reassignment <sup>1</sup>	(35)	484	1,494	1,428	—
Other	22	21	37	25	(573)
<b>Net Change in Total Pension Liability</b>	<b>369,485</b>	<b>(420,461)</b>	<b>(194,025)</b>	<b>(911,350)</b>	<b>(80,533)</b>
<b>Total Pension Liability - End of Year</b>	<b>\$ 14,338,188</b>	<b>\$ 13,968,703</b>	<b>\$ 14,389,164</b>	<b>\$ 14,583,189</b>	<b>\$ 15,494,539</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 3,661,151</b>	<b>\$ 3,759,145</b>	<b>\$ 3,711,347</b>	<b>\$ 3,575,400</b>	<b>\$ 3,522,401</b>
Employer Contributions <sup>1</sup>	2,254	2,356	3,505	4,168	4,525
Nonemployer Contributing Entity Contributions <sup>1</sup>	1,598,375	971,132	943,900	917,900	871,000
Member Contributions <sup>1</sup>	23	21	36	156	10
Net Investment Income / (Loss)	996,761	107,748	269,009	354,639	288,850
Benefit Payments <sup>1</sup>	(1,178,740)	(1,174,419)	(1,165,134)	(1,153,374)	(1,135,662)
ASA Annuizations <sup>1</sup>	—	—	—	16,301	30,502
Net Member Reassignment <sup>1</sup>	(34)	484	1,494	1,429	—
Administrative Expenses <sup>1</sup>	(5,039)	(5,341)	(5,329)	(5,385)	(6,226)
Other	—	25	317	113	—
<b>Net Change in Fiduciary Net Position</b>	<b>1,413,600</b>	<b>(97,994)</b>	<b>47,798</b>	<b>135,947</b>	<b>52,999</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 5,074,751</b>	<b>\$ 3,661,151</b>	<b>\$ 3,759,145</b>	<b>\$ 3,711,347</b>	<b>\$ 3,575,400</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 14,338,188	\$ 13,968,703	\$ 14,389,164	\$ 14,583,189	\$ 15,494,539
Fiduciary Net Position	5,074,751	3,661,151	3,759,145	3,711,347	3,575,400
<b>Net Pension Liability</b>	<b>\$ 9,263,437</b>	<b>\$ 10,307,552</b>	<b>\$ 10,630,019</b>	<b>\$ 10,871,842</b>	<b>\$ 11,919,139</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>35.4 %</b>	<b>26.2 %</b>	<b>26.1 %</b>	<b>25.4 %</b>	<b>23.1 %</b>
Covered Payroll <sup>1</sup>	\$ 625,812	\$ 693,965	\$ 753,355	\$ 824,770	\$ 912,685
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>1,480.2 %</b>	<b>1,485.3 %</b>	<b>1,411.0 %</b>	<b>1,318.2 %</b>	<b>1,305.9 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios, continued

#### Teachers' Pre-1996 Defined Benefit Account <sup>1</sup>

#### For the Years Ended, June 30

(dollars in thousands)

Changes in Net Pension Liability	2016	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 15,596,291</b>	<b>\$ 14,639,876</b>	<b>\$ 14,649,549</b>	<b>\$ 14,547,939</b>
Service Cost	46,787	57,751	68,860	81,343
Interest Cost	1,019,404	959,895	961,628	957,228
Experience (Gains) / Losses	(5,794)	(140,466)	(70,517)	(40,719)
Assumption Changes	—	1,033,157	—	—
Plan Amendments	—	—	(25,524)	—
Benefit Payments <sup>1</sup>	(1,118,122)	(1,100,434)	(1,034,563)	(988,335)
ASA Annuity Payments <sup>1</sup>	35,185	143,225	93,982	86,941
Net Member Reassignment <sup>1</sup>	—	3,266	(3,802)	—
Other	1,321	21	263	5,152
<b>Net Change in Total Pension Liability</b>	<b>(21,219)</b>	<b>956,415</b>	<b>(9,673)</b>	<b>101,610</b>
<b>Total Pension Liability - End of Year</b>	<b>\$ 15,575,072</b>	<b>\$ 15,596,291</b>	<b>\$ 14,639,876</b>	<b>\$ 14,649,549</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 3,678,455</b>	<b>\$ 3,786,527</b>	<b>\$ 3,401,153</b>	<b>\$ 3,084,834</b>
Employer Contributions <sup>1</sup>	5,048	5,811	6,325	9,484
Nonemployer Contributing Entity Contributions <sup>1</sup>	887,500	845,616	825,617	1,003,596
Member Contributions <sup>1</sup>	132	—	5	—
Net Investment Income / (Loss)	40,767	953	504,801	212,554
Benefit Payments <sup>1</sup>	(1,118,122)	(1,100,434)	(1,034,563)	(988,335)
ASA Annuity Payments <sup>1</sup>	35,185	143,225	93,982	86,941
Net Member Reassignment <sup>1</sup>	—	3,266	(3,802)	—
Administrative Expenses <sup>1</sup>	(6,564)	(6,530)	(7,010)	(7,926)
Other	—	21	19	5
<b>Net Change in Fiduciary Net Position</b>	<b>(156,054)</b>	<b>(108,072)</b>	<b>385,374</b>	<b>316,319</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 3,522,401</b>	<b>\$ 3,678,455</b>	<b>\$ 3,786,527</b>	<b>\$ 3,401,153</b>
<b>Net Pension Liability</b>				
Total Pension Liability	\$ 15,575,072	\$ 15,596,291	\$ 14,639,876	\$ 14,649,549
Fiduciary Net Position	3,522,401	3,678,455	3,786,527	3,401,153
<b>Net Pension Liability</b>	<b>\$ 12,052,671</b>	<b>\$ 11,917,836</b>	<b>\$ 10,853,349</b>	<b>\$ 11,248,396</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>22.6 %</b>	<b>23.6 %</b>	<b>25.9 %</b>	<b>23.2 %</b>
Covered Payroll <sup>1</sup>	\$ 989,093	\$ 1,074,827	\$ 1,262,828	\$ 1,383,428
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>1,218.6 %</b>	<b>1,108.8 %</b>	<b>859.4 %</b>	<b>813.1 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios

#### Teachers' 1996 Defined Benefit Account <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2021	2020	2019	2018	2017
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 6,403,252</b>	<b>\$ 5,980,426</b>	<b>\$ 5,563,264</b>	<b>\$ 5,536,094</b>	<b>\$ 5,174,317</b>
Service Cost	190,037	183,633	180,559	182,558	168,651
Interest Cost	439,929	411,329	383,384	382,298	357,392
Experience (Gains) / Losses	96,923	(31,433)	(21,588)	(142,275)	46,460
Assumption Changes	536,184	(114)	—	(285,442)	(115,506)
Plan Amendments	3,034	—	2,939	—	1,353
Benefit Payments <sup>1</sup>	(155,348)	(143,372)	(132,572)	(122,239)	(109,335)
ASA Annuityizations <sup>1</sup>	—	—	—	6,504	8,504
Net Member Reassignment <sup>1</sup>	3,092	2,679	4,293	5,601	4,258
Other	599	104	147	165	—
<b>Net Change in Total Pension Liability</b>	<b>1,114,450</b>	<b>422,826</b>	<b>417,162</b>	<b>27,170</b>	<b>361,777</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 7,517,702</b>	<b>\$ 6,403,252</b>	<b>\$ 5,980,426</b>	<b>\$ 5,563,264</b>	<b>\$ 5,536,094</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 6,325,311</b>	<b>\$ 6,124,086</b>	<b>\$ 5,452,352</b>	<b>\$ 4,873,897</b>	<b>\$ 4,393,797</b>
Employer Contributions <sup>1</sup>	202,489	188,789	393,172	235,819	227,207
Member Contributions <sup>1</sup>	464	104	127	130	58
Net Investment Income / (Loss)	1,616,454	158,072	411,147	457,708	354,927
Benefit Payments <sup>1</sup>	(155,348)	(143,372)	(132,572)	(122,239)	(109,335)
ASA Annuityizations <sup>1</sup>	—	—	—	6,504	8,504
Net Member Reassignment <sup>1</sup>	3,091	2,679	4,293	5,601	4,258
Administrative Expenses <sup>1</sup>	(4,966)	(5,090)	(5,038)	(5,208)	(5,553)
Other	—	43	605	140	34
<b>Net Change in Fiduciary Net Position</b>	<b>1,662,184</b>	<b>201,225</b>	<b>671,734</b>	<b>578,455</b>	<b>480,100</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 7,987,495</b>	<b>\$ 6,325,311</b>	<b>\$ 6,124,086</b>	<b>\$ 5,452,352</b>	<b>\$ 4,873,897</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 7,517,702	\$ 6,403,252	\$ 5,980,426	\$ 5,563,264	\$ 5,536,094
Fiduciary Net Position	7,987,495	6,325,311	6,124,086	5,452,352	4,873,897
<b>Net Pension Liability / (Asset)</b>	<b>\$ (469,793)</b>	<b>\$ 77,941</b>	<b>\$ (143,660)</b>	<b>\$ 110,912</b>	<b>\$ 662,197</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>106.2 %</b>	<b>98.8 %</b>	<b>102.4 %</b>	<b>98.0 %</b>	<b>88.0 %</b>
Covered Payroll <sup>1</sup>	\$ 3,634,649	\$ 3,465,728	\$ 3,257,918	\$ 3,129,070	\$ 3,020,463
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>(12.9)%</b>	<b>2.2 %</b>	<b>(4.4)%</b>	<b>3.5 %</b>	<b>21.9 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).



## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios, continued

#### Teachers' 1996 Defined Benefit Account <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2016	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 4,734,777</b>	<b>\$ 4,116,264</b>	<b>\$ 3,757,444</b>	<b>\$ 3,438,970</b>
Service Cost	167,836	170,892	155,314	147,337
Interest Cost	328,017	287,265	262,263	240,282
Experience (Gains) / Losses	29,876	(40,857)	504	(15,995)
Assumption Changes	—	263,991	—	—
Plan Amendments	—	—	(4,504)	—
Benefit Payments <sup>1</sup>	(99,507)	(90,267)	(77,253)	(68,793)
ASA Annuizations <sup>1</sup>	8,932	22,575	15,151	11,621
Net Member Reassignment <sup>1</sup>	4,370	4,890	6,922	—
Other	16	24	423	4,022
<b>Net Change in Total Pension Liability</b>	<b>439,540</b>	<b>618,513</b>	<b>358,820</b>	<b>318,474</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 5,174,317</b>	<b>\$ 4,734,777</b>	<b>\$ 4,116,264</b>	<b>\$ 3,757,444</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 4,208,198</b>	<b>\$ 4,068,713</b>	<b>\$ 3,442,972</b>	<b>\$ 3,118,810</b>
Employer Contributions <sup>1</sup>	215,626	205,763	194,751	180,714
Member Contributions	43	—	—	—
Net Investment Income / (Loss)	61,722	2,684	492,856	207,098
Benefit Payments <sup>1</sup>	(99,507)	(90,267)	(77,253)	(68,793)
ASA Annuizations <sup>1</sup>	8,932	22,575	15,151	11,621
Net Member Reassignment <sup>1</sup>	4,370	4,890	6,922	—
Administrative Expenses <sup>1</sup>	(5,603)	(6,184)	(6,707)	(6,482)
Other	16	24	21	4
<b>Net Change in Fiduciary Net Position</b>	<b>185,599</b>	<b>139,485</b>	<b>625,741</b>	<b>324,162</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 4,393,797</b>	<b>\$ 4,208,198</b>	<b>\$ 4,068,713</b>	<b>\$ 3,442,972</b>
<b>Net Pension Liability</b>				
Total Pension Liability	\$ 5,174,317	\$ 4,734,777	\$ 4,116,264	\$ 3,757,444
Fiduciary Net Position	4,393,797	4,208,198	4,068,713	3,442,972
<b>Net Pension Liability</b>	<b>\$ 780,520</b>	<b>\$ 526,579</b>	<b>\$ 47,551</b>	<b>\$ 314,472</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>84.9 %</b>	<b>88.9 %</b>	<b>98.8 %</b>	<b>91.6 %</b>
Covered Payroll <sup>1</sup>	\$ 2,881,397	\$ 2,742,187	\$ 2,598,115	\$ 2,442,496
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>27.1 %</b>	<b>19.2 %</b>	<b>1.8 %</b>	<b>12.9 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios

#### 1977 Police Officers' and Firefighters' Retirement Fund<sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2021	2020	2019	2018	2017
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 6,785,608</b>	<b>\$ 6,389,002</b>	<b>\$ 5,839,659</b>	<b>\$ 5,385,753</b>	<b>\$ 5,039,836</b>
Service Cost	188,344	162,497	150,289	136,640	134,489
Interest Cost	462,723	434,975	398,002	366,932	344,397
Experience (Gains) / Losses	33,618	11,694	31,019	123,069	33,409
Assumption Changes	366,065	2,278	—	—	(23,399)
Plan Amendments	—	—	157,278	—	1,323
Benefit Payments <sup>1</sup>	(238,903)	(215,751)	(189,951)	(172,908)	(148,865)
Net Member Reassignment <sup>1</sup>	—	—	—	—	—
Other	1,319	913	2,706	173	4,563
<b>Net Change in Total Pension Liability</b>	<b>813,166</b>	<b>396,606</b>	<b>549,343</b>	<b>453,906</b>	<b>345,917</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 7,598,774</b>	<b>\$ 6,785,608</b>	<b>\$ 6,389,002</b>	<b>\$ 5,839,659</b>	<b>\$ 5,385,753</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 6,542,800</b>	<b>\$ 6,379,786</b>	<b>\$ 5,927,570</b>	<b>\$ 5,401,179</b>	<b>\$ 4,950,999</b>
Employer Contributions <sup>1</sup>	166,436	162,302	155,051	147,094	150,857
Member Contributions <sup>1</sup>	55,703	54,175	52,811	48,839	51,521
Net Investment Income / (Loss)	1,665,668	164,228	436,229	504,991	398,196
Benefit Payments <sup>1</sup>	(238,903)	(215,751)	(189,951)	(172,908)	(148,865)
Net Member Reassignment <sup>1</sup>	—	—	—	—	—
Administrative Expenses <sup>1</sup>	(1,934)	(1,960)	(1,904)	(1,643)	(1,607)
Other	19	20	(20)	18	78
<b>Net Change in Fiduciary Net Position</b>	<b>1,646,989</b>	<b>163,014</b>	<b>452,216</b>	<b>526,391</b>	<b>450,180</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 8,189,789</b>	<b>\$ 6,542,800</b>	<b>\$ 6,379,786</b>	<b>\$ 5,927,570</b>	<b>\$ 5,401,179</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 7,598,774	\$ 6,785,608	\$ 6,389,002	\$ 5,839,659	\$ 5,385,753
Fiduciary Net Position	8,189,789	6,542,800	6,379,786	5,927,570	5,401,179
<b>Net Pension Liability / (Asset)</b>	<b>\$ (591,015)</b>	<b>\$ 242,808</b>	<b>\$ 9,216</b>	<b>\$ (87,911)</b>	<b>\$ (15,426)</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>107.8 %</b>	<b>96.4 %</b>	<b>99.9 %</b>	<b>101.5 %</b>	<b>100.3 %</b>
Covered Payroll <sup>1</sup>	\$ 951,301	\$ 940,496	\$ 866,299	\$ 842,179	\$ 809,382
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>(62.1)%</b>	<b>25.8 %</b>	<b>1.1 %</b>	<b>(10.4)%</b>	<b>(1.9)%</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios, continued

#### 1977 Police Officers' and Firefighters' Retirement Fund<sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2016	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 4,680,694</b>	<b>\$ 4,706,997</b>	<b>\$ 4,392,947</b>	<b>\$ 4,122,436</b>
Service Cost	129,369	138,204	133,074	130,912
Interest Cost	320,219	323,129	301,824	283,733
Experience (Gains) / Losses	41,723	(61,640)	(11,754)	(39,592)
Assumption Changes	—	(309,801)	—	(4,810)
Plan Amendments	—	—	—	—
Benefit Payments <sup>1</sup>	(132,746)	(116,490)	(109,094)	(99,803)
Net Member Reassignment <sup>1</sup>	(74)	—	—	71
Other	651	295	—	—
<b>Net Change in Total Pension Liability</b>	<b>359,142</b>	<b>(26,303)</b>	<b>314,050</b>	<b>270,511</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 5,039,836</b>	<b>\$ 4,680,694</b>	<b>\$ 4,706,997</b>	<b>\$ 4,392,947</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 4,828,415</b>	<b>\$ 4,757,978</b>	<b>\$ 4,116,861</b>	<b>\$ 3,817,013</b>
Employer Contributions <sup>1</sup>	151,674	146,697	140,119	137,111
Member Contributions <sup>1</sup>	44,918	43,523	41,791	40,786
Net Investment Income / (Loss)	60,320	(1,600)	570,058	223,510
Benefit Payments <sup>1</sup>	(132,746)	(116,490)	(109,094)	(99,803)
Net Member Reassignment <sup>1</sup>	(74)	—	—	71
Administrative Expenses <sup>1</sup>	(1,651)	(1,708)	(1,787)	(1,845)
Other	143	15	30	18
<b>Net Change in Fiduciary Net Position</b>	<b>122,584</b>	<b>70,437</b>	<b>641,117</b>	<b>299,848</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 4,950,999</b>	<b>\$ 4,828,415</b>	<b>\$ 4,757,978</b>	<b>\$ 4,116,861</b>
<b>Net Pension Liability</b>				
Total Pension Liability	\$ 5,039,836	\$ 4,680,694	\$ 4,706,997	\$ 4,392,947
Fiduciary Net Position	4,950,999	4,828,415	4,757,978	4,116,861
<b>Net Pension Liability / (Asset)</b>	<b>\$ 88,837</b>	<b>\$ (147,721)</b>	<b>\$ (50,981)</b>	<b>\$ 276,086</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>98.2 %</b>	<b>103.2 %</b>	<b>101.1 %</b>	<b>93.7 %</b>
Covered Payroll <sup>1</sup>	\$ 771,949	\$ 745,336	\$ 710,581	\$ 695,000
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>11.5 %</b>	<b>(19.8)%</b>	<b>(7.2)%</b>	<b>39.7 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios

#### Judges' Retirement System <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2021	2020	2019	2018	2017
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 592,510</b>	<b>\$ 586,499</b>	<b>\$ 547,694</b>	<b>\$ 523,735</b>	<b>\$ 501,126</b>
Service Cost	17,969	19,567	18,230	14,886	14,762
Interest Cost	40,244	40,006	37,346	35,567	34,083
Experience (Gains) / Losses	(6,219)	(1,968)	8,527	(3,090)	(3,107)
Assumption Changes	26,217	(24,814)	—	—	(1,213)
Plan Amendments	—	—	—	—	—
Benefit Payments <sup>1</sup>	(28,916)	(26,837)	(25,391)	(23,623)	(22,099)
Net Member Reassignment	—	—	—	—	—
Other	367	57	93	219	183
<b>Net Change in Total Pension Liability</b>	<b>49,662</b>	<b>6,011</b>	<b>38,805</b>	<b>23,959</b>	<b>22,609</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 642,172</b>	<b>\$ 592,510</b>	<b>\$ 586,499</b>	<b>\$ 547,694</b>	<b>\$ 523,735</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 554,121</b>	<b>\$ 545,331</b>	<b>\$ 513,952</b>	<b>\$ 475,055</b>	<b>\$ 441,790</b>
Employer Contributions	18,621	18,167	16,031	15,117	16,824
Member Contributions	4,041	3,549	3,476	3,418	3,468
Net Investment Income / (Loss)	140,227	14,020	37,371	44,104	35,196
Benefit Payments <sup>1</sup>	(28,916)	(26,837)	(25,391)	(23,623)	(22,099)
Net Member Reassignment	—	—	—	—	—
Administrative Expenses <sup>1</sup>	(101)	(109)	(108)	(119)	(124)
Other	—	—	—	—	—
<b>Net Change in Fiduciary Net Position</b>	<b>133,872</b>	<b>8,790</b>	<b>31,379</b>	<b>38,897</b>	<b>33,265</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 687,993</b>	<b>\$ 554,121</b>	<b>\$ 545,331</b>	<b>\$ 513,952</b>	<b>\$ 475,055</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 642,172	\$ 592,510	\$ 586,499	\$ 547,694	\$ 523,735
Fiduciary Net Position	687,993	554,121	545,331	513,952	475,055
<b>Net Pension Liability</b>	<b>\$ (45,821)</b>	<b>\$ 38,389</b>	<b>\$ 41,168</b>	<b>\$ 33,742</b>	<b>\$ 48,680</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>107.1 %</b>	<b>93.5 %</b>	<b>93.0 %</b>	<b>93.8 %</b>	<b>90.7 %</b>
Covered Payroll <sup>1</sup>	\$ 61,215	\$ 58,189	\$ 56,380	\$ 53,350	\$ 54,755
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>(74.9)%</b>	<b>66.0 %</b>	<b>73.0 %</b>	<b>63.2 %</b>	<b>88.9 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios, continued

#### Judges' Retirement System <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2016	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 468,945</b>	<b>\$ 464,855</b>	<b>\$ 453,110</b>	<b>\$ 437,854</b>
Service Cost	13,870	15,283	15,302	16,084
Interest Cost	31,888	31,754	30,992	30,047
Experience (Gains) / Losses	7,182	8,411	(16,026)	(13,603)
Assumption Changes	—	(31,926)	—	186
Plan Amendments	—	—	—	—
Benefit Payments <sup>1</sup>	(20,922)	(19,432)	(18,527)	(17,579)
Net Member Reassignment <sup>1</sup>	—	—	4	121
Other	163	—	—	—
<b>Net Change in Total Pension Liability</b>	<b>32,181</b>	<b>4,090</b>	<b>11,745</b>	<b>15,256</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 501,126</b>	<b>\$ 468,945</b>	<b>\$ 464,855</b>	<b>\$ 453,110</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 437,352</b>	<b>\$ 432,730</b>	<b>\$ 375,752</b>	<b>\$ 262,326</b>
Employer Contributions <sup>1</sup>	16,946	21,020	20,895	111,419
Member Contributions <sup>1</sup>	3,239	3,292	2,856	2,631
Net Investment Income / (Loss)	5,323	(102)	51,890	16,955
Benefit Payments <sup>1</sup>	(20,922)	(19,432)	(18,527)	(17,579)
Net Member Reassignment <sup>1</sup>	—	—	4	121
Administrative Expenses <sup>1</sup>	(148)	(165)	(146)	(126)
Other	—	9	6	5
<b>Net Change in Fiduciary Net Position</b>	<b>4,438</b>	<b>4,622</b>	<b>56,978</b>	<b>113,426</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 441,790</b>	<b>\$ 437,352</b>	<b>\$ 432,730</b>	<b>\$ 375,752</b>
<b>Net Pension Liability</b>				
Total Pension Liability	\$ 501,126	\$ 468,945	\$ 464,855	\$ 453,110
Fiduciary Net Position	441,790	437,352	432,730	375,752
<b>Net Pension Liability</b>	<b>\$ 59,336</b>	<b>\$ 31,593</b>	<b>\$ 32,125</b>	<b>\$ 77,358</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>88.2 %</b>	<b>93.3 %</b>	<b>93.1 %</b>	<b>82.9 %</b>
Covered Payroll <sup>1</sup>	\$ 51,382	\$ 48,582	\$ 46,041	\$ 47,595
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>115.5 %</b>	<b>65.0 %</b>	<b>69.8 %</b>	<b>162.5 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios

#### Excise, Gaming and Conservation Officers' Retirement Fund <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2021	2020	2019	2018	2017
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 163,978</b>	<b>\$ 152,207</b>	<b>\$ 140,056</b>	<b>\$ 142,603</b>	<b>\$ 138,965</b>
Service Cost	4,050	3,983	3,551	3,369	3,550
Interest Cost	11,081	10,294	9,448	9,619	9,389
Experience (Gains) / Losses	(1,099)	6,031	6,427	(587)	120
Assumption Changes	10,403	(1,984)	—	(8,015)	(2,578)
Plan Amendments	159	814	—	—	—
Benefit Payments <sup>1</sup>	(7,735)	(7,367)	(7,325)	(6,935)	(6,826)
Net Member Reassignment <sup>1</sup>	—	—	—	—	(26)
Other	11	—	50	2	9
<b>Net Change in Total Pension Liability</b>	<b>16,870</b>	<b>11,771</b>	<b>12,151</b>	<b>(2,547)</b>	<b>3,638</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 180,848</b>	<b>\$ 163,978</b>	<b>\$ 152,207</b>	<b>\$ 140,056</b>	<b>\$ 142,603</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 146,358</b>	<b>\$ 142,115</b>	<b>\$ 131,491</b>	<b>\$ 120,016</b>	<b>\$ 111,329</b>
Employer Contributions <sup>1</sup>	7,083	6,742	6,982	6,175	5,691
Member Contributions <sup>1</sup>	1,333	1,298	1,368	1,172	1,102
Net Investment Income / (Loss)	37,370	3,677	9,711	11,189	8,869
Benefit Payments <sup>1</sup>	(7,736)	(7,367)	(7,325)	(6,935)	(6,826)
Net Member Reassignment <sup>1</sup>	—	—	—	—	(26)
Administrative Expenses <sup>1</sup>	(94)	(107)	(112)	(136)	(123)
Other	—	—	—	10	—
<b>Net Change in Fiduciary Net Position</b>	<b>37,956</b>	<b>4,243</b>	<b>10,624</b>	<b>11,475</b>	<b>8,687</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 184,314</b>	<b>\$ 146,358</b>	<b>\$ 142,115</b>	<b>\$ 131,491</b>	<b>\$ 120,016</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 180,848	\$ 163,978	\$ 152,207	\$ 140,056	\$ 142,603
Fiduciary Net Position	184,314	146,358	142,115	131,491	120,016
<b>Net Pension Liability</b>	<b>\$ (3,466)</b>	<b>\$ 17,620</b>	<b>\$ 10,092</b>	<b>\$ 8,565</b>	<b>\$ 22,587</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>101.9 %</b>	<b>89.3 %</b>	<b>93.4 %</b>	<b>93.9 %</b>	<b>84.2 %</b>
Covered Payroll <sup>1</sup>	\$ 33,194	\$ 32,491	\$ 33,272	\$ 29,387	\$ 27,428
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>(10.4)%</b>	<b>54.2 %</b>	<b>30.3 %</b>	<b>29.1 %</b>	<b>82.4 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios, continued

#### Excise, Gaming and Conservation Officers' Retirement Fund <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2016	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 132,796</b>	<b>\$ 123,601</b>	<b>\$ 118,097</b>	<b>\$ 113,282</b>
Service Cost	3,011	3,905	3,841	3,811
Interest Cost	8,955	8,384	8,031	7,740
Experience (Gains) / Losses	470	845	(430)	(1,845)
Assumption Changes	—	2,669	—	(40)
Plan Amendments	—	—	—	—
Benefit Payments <sup>1</sup>	(6,245)	(6,608)	(5,938)	(4,836)
Net Member Reassignment <sup>1</sup>	(21)	—	—	(15)
Other	(1)	—	—	—
<b>Net Change in Total Pension Liability</b>	<b>6,169</b>	<b>9,195</b>	<b>5,504</b>	<b>4,815</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 138,965</b>	<b>\$ 132,796</b>	<b>\$ 123,601</b>	<b>\$ 118,097</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 110,038</b>	<b>\$ 110,657</b>	<b>\$ 97,019</b>	<b>\$ 76,543</b>
Employer Contributions <sup>1</sup>	5,367	5,215	5,359	19,740
Member Contributions <sup>1</sup>	1,016	1,004	1,019	1,006
Net Investment Income / (Loss)	1,313	(71)	13,339	4,702
Benefit Payments <sup>1</sup>	(6,245)	(6,608)	(5,938)	(4,836)
Net Member Reassignment <sup>1</sup>	(21)	—	—	(15)
Administrative Expenses <sup>1</sup>	(139)	(159)	(141)	(121)
Other	—	—	—	—
<b>Net Change in Fiduciary Net Position</b>	<b>1,291</b>	<b>(619)</b>	<b>13,638</b>	<b>20,476</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 111,329</b>	<b>\$ 110,038</b>	<b>\$ 110,657</b>	<b>\$ 97,019</b>
<b>Net Pension Liability</b>				
Total Pension Liability	\$ 138,965	\$ 132,796	\$ 123,601	\$ 118,097
Fiduciary Net Position	111,329	110,038	110,657	97,019
<b>Net Pension Liability</b>	<b>\$ 27,636</b>	<b>\$ 22,758</b>	<b>\$ 12,944</b>	<b>\$ 21,078</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>80.1 %</b>	<b>82.9 %</b>	<b>89.5 %</b>	<b>82.2 %</b>
Covered Payroll <sup>1</sup>	\$ 25,526	\$ 25,133	\$ 25,825	\$ 24,675
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>108.3 %</b>	<b>90.6 %</b>	<b>50.1 %</b>	<b>85.4 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios

#### Prosecuting Attorneys' Retirement Fund <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2021	2020	2019	2018	2017
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 107,049</b>	<b>\$ 110,081</b>	<b>\$ 103,284</b>	<b>\$ 96,655</b>	<b>\$ 85,033</b>
Service Cost	2,164	2,068	2,031	1,947	1,650
Interest Cost	7,193	7,402	6,959	6,521	5,714
Experience (Gains) / Losses	(298)	(2,515)	2,240	2,156	1,996
Assumption Changes	6,203	(5,012)	—	—	(216)
Plan Amendments	—	—	—	—	6,547
Benefit Payments <sup>1</sup>	(5,289)	(4,975)	(4,433)	(3,995)	(4,069)
Net Member Reassignment	—	—	—	—	—
Other	1	—	1	—	—
<b>Net Change in Total Pension Liability</b>	<b>9,974</b>	<b>(3,032)</b>	<b>6,798</b>	<b>6,629</b>	<b>11,622</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 117,023</b>	<b>\$ 107,049</b>	<b>\$ 110,082</b>	<b>\$ 103,284</b>	<b>\$ 96,655</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 67,876</b>	<b>\$ 65,523</b>	<b>\$ 61,019</b>	<b>\$ 55,575</b>	<b>\$ 52,792</b>
Employer Contributions <sup>1</sup>	4,402	4,232	3,216	3,014	1,486
Member Contributions <sup>1</sup>	1,459	1,440	1,307	1,294	1,357
Net Investment Income / (Loss)	17,492	1,730	4,489	5,218	4,167
Benefit Payments <sup>1</sup>	(5,289)	(4,975)	(4,433)	(3,995)	(4,069)
Net Member Reassignment	—	—	—	—	—
Administrative Expenses <sup>1</sup>	(71)	(74)	(75)	(87)	(158)
Other	—	—	—	—	—
<b>Net Change in Fiduciary Net Position</b>	<b>17,993</b>	<b>2,353</b>	<b>4,504</b>	<b>5,444</b>	<b>2,783</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 85,869</b>	<b>\$ 67,876</b>	<b>\$ 65,523</b>	<b>\$ 61,019</b>	<b>\$ 55,575</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 117,023	\$ 107,049	\$ 110,082	\$ 103,284	\$ 96,655
Fiduciary Net Position	85,869	67,876	65,523	61,019	55,575
<b>Net Pension Liability</b>	<b>\$ 31,154</b>	<b>\$ 39,173</b>	<b>\$ 44,559</b>	<b>\$ 42,265</b>	<b>\$ 41,080</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>73.4 %</b>	<b>63.4 %</b>	<b>59.5 %</b>	<b>59.1 %</b>	<b>57.5 %</b>
Covered Payroll <sup>1</sup>	\$ 24,323	\$ 23,989	\$ 21,791	\$ 21,578	\$ 22,635
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>128.1 %</b>	<b>163.3 %</b>	<b>204.5 %</b>	<b>195.9 %</b>	<b>181.5 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).



## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios, continued

#### Prosecuting Attorneys' Retirement Fund <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2016	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 77,861</b>	<b>\$ 65,336</b>	<b>\$ 61,940</b>	<b>\$ 56,080</b>
Service Cost	1,626	1,603	1,587	1,568
Interest Cost	5,239	4,409	4,207	3,816
Experience (Gains) / Losses	4,058	4,551	—	1,474
Assumption Changes	—	5,216	—	(109)
Plan Amendments	—	—	—	1,346
Benefit Payments <sup>1</sup>	(3,747)	(3,254)	(2,398)	(2,235)
Net Member Reassignment	—	—	—	—
Other	(4)	—	—	—
<b>Net Change in Total Pension Liability</b>	<b>7,172</b>	<b>12,525</b>	<b>3,396</b>	<b>5,860</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 85,033</b>	<b>\$ 77,861</b>	<b>\$ 65,336</b>	<b>\$ 61,940</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 53,424</b>	<b>\$ 54,507</b>	<b>\$ 47,920</b>	<b>\$ 27,689</b>
Employer Contributions <sup>1</sup>	1,440	1,063	1,174	19,443
Member Contributions <sup>1</sup>	1,279	1,269	1,334	1,271
Net Investment Income / (Loss)	589	(34)	6,581	1,897
Benefit Payments <sup>1</sup>	(3,747)	(3,254)	(2,398)	(2,235)
Net Member Reassignment	—	—	—	—
Administrative Expenses <sup>1</sup>	(193)	(127)	(108)	(145)
Other	—	—	4	—
<b>Net Change in Fiduciary Net Position</b>	<b>(632)</b>	<b>(1,083)</b>	<b>6,587</b>	<b>20,231</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 52,792</b>	<b>\$ 53,424</b>	<b>\$ 54,507</b>	<b>\$ 47,920</b>
<b>Net Pension Liability</b>				
Total Pension Liability	\$ 85,033	\$ 77,861	\$ 65,336	\$ 61,940
Fiduciary Net Position	52,792	53,424	54,507	47,920
<b>Net Pension Liability</b>	<b>\$ 32,241</b>	<b>\$ 24,437</b>	<b>\$ 10,829</b>	<b>\$ 14,020</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>62.1 %</b>	<b>68.6 %</b>	<b>83.4 %</b>	<b>77.4 %</b>
Covered Payroll <sup>1</sup>	\$ 21,372	\$ 21,145	\$ 20,608	\$ 18,805
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>150.9 %</b>	<b>115.6 %</b>	<b>52.5 %</b>	<b>74.6 %</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios

#### Legislators' Defined Benefit Fund <sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2021	2020	2019	2018	2017
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 3,126</b>	<b>\$ 3,362</b>	<b>\$ 3,484</b>	<b>\$ 3,804</b>	<b>\$ 4,015</b>
Service Cost	—	—	—	—	1
Interest Cost	200	214	223	245	258
Experience (Gains) / Losses	(49)	(14)	10	(85)	(113)
Assumption Changes	90	(87)	—	(121)	—
Plan Amendments	7	—	—	—	—
Benefit Payments <sup>1</sup>	(341)	(349)	(356)	(359)	(357)
Net Member Reassignment	—	—	—	—	—
Other	1	—	1	—	—
<b>Net Change in Total Pension Liability</b>	<b>(92)</b>	<b>(236)</b>	<b>(122)</b>	<b>(320)</b>	<b>(211)</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 3,034</b>	<b>\$ 3,126</b>	<b>\$ 3,362</b>	<b>\$ 3,484</b>	<b>\$ 3,804</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 2,924</b>	<b>\$ 3,026</b>	<b>\$ 2,942</b>	<b>\$ 2,865</b>	<b>\$ 2,919</b>
Employer Contributions <sup>1</sup>	208	208	269	237	135
Nonemployer Contributing Entity Contributions <sup>1</sup>	30	—	—	—	—
Member Contributions	—	—	—	—	—
Net Investment Income / (Loss)	729	77	209	263	221
Benefit Payments <sup>1</sup>	(341)	(349)	(356)	(359)	(357)
Net Member Reassignment	—	—	—	—	—
Administrative Expenses <sup>1</sup>	(35)	(38)	(38)	(64)	(53)
Other	—	—	—	—	—
<b>Net Change in Fiduciary Net Position</b>	<b>591</b>	<b>(102)</b>	<b>84</b>	<b>77</b>	<b>(54)</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 3,515</b>	<b>\$ 2,924</b>	<b>\$ 3,026</b>	<b>\$ 2,942</b>	<b>\$ 2,865</b>
<b>Net Pension Liability</b>					
Total Pension Liability	\$ 3,034	\$ 3,126	\$ 3,362	\$ 3,484	\$ 3,804
Fiduciary Net Position	3,515	2,924	3,026	2,942	2,865
<b>Net Pension Liability</b>	<b>\$ (481)</b>	<b>\$ 202</b>	<b>\$ 336</b>	<b>\$ 542</b>	<b>\$ 939</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>115.9 %</b>	<b>93.5 %</b>	<b>90.0 %</b>	<b>84.4 %</b>	<b>75.3 %</b>
Covered Payroll <sup>1</sup>	N/A	N/A	N/A	N/A	N/A
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Changes in Net Pension Liability and Related Ratios, continued

#### Legislators' Defined Benefit Fund<sup>1</sup>

#### For the Years Ended June 30

(dollars in thousands)

Changes in Net Pension Liability	2016	2015	2014	2013
<b>Total Pension Liability - Beginning of Year</b>	<b>\$ 4,325</b>	<b>\$ 4,166</b>	<b>\$ 4,285</b>	<b>\$ 4,497</b>
Service Cost	2	3	3	2
Interest Cost	280	269	277	291
Experience (Gains) / Losses	(233)	(68)	(36)	(140)
Assumption Changes	—	325	—	—
Plan Amendments	—	—	—	—
Benefit Payments <sup>1</sup>	(359)	(370)	(363)	(365)
Net Member Reassignment	—	—	—	—
Other	—	—	—	—
<b>Net Change in Total Pension Liability</b>	<b>(310)</b>	<b>159</b>	<b>(119)</b>	<b>(212)</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 4,015</b>	<b>\$ 4,325</b>	<b>\$ 4,166</b>	<b>\$ 4,285</b>
<b>Fiduciary Net Position - Beginning of Year</b>	<b>\$ 3,174</b>	<b>\$ 3,489</b>	<b>\$ 3,337</b>	<b>\$ 3,385</b>
Employer Contributions <sup>1</sup>	138	131	138	150
Nonemployer Contributing Entity Contributions <sup>1</sup>	—	—	—	—
Member Contributions	—	—	—	—
Net Investment Income / (Loss)	27	(5)	439	201
Benefit Payments <sup>1</sup>	(359)	(370)	(363)	(365)
Net Member Reassignment	—	—	—	—
Administrative Expenses <sup>1</sup>	(61)	(71)	(62)	(34)
Other	—	—	—	—
<b>Net Change in Fiduciary Net Position</b>	<b>(255)</b>	<b>(315)</b>	<b>152</b>	<b>(48)</b>
<b>Fiduciary Net Position - End of Year</b>	<b>\$ 2,919</b>	<b>\$ 3,174</b>	<b>\$ 3,489</b>	<b>\$ 3,337</b>
<b>Net Pension Liability</b>				
Total Pension Liability	\$ 4,015	\$ 4,325	\$ 4,166	\$ 4,285
Fiduciary Net Position	2,919	3,174	3,489	3,337
<b>Net Pension Liability</b>	<b>\$ 1,096</b>	<b>\$ 1,151</b>	<b>\$ 677</b>	<b>\$ 948</b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>72.7 %</b>	<b>73.4 %</b>	<b>83.7 %</b>	<b>77.9 %</b>
Covered Payroll	N/A	N/A	N/A	N/A
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

# Required Supplementary Information, continued

## Schedule of Contributions

(dollars in thousands)

For the Years Ended June 30	Actuarially Determined Contribution (ADC) <sup>1</sup>	Contributions in Relation to ADC <sup>1</sup>	Contribution Deficiency (Excess)	Contributions as a Percentage of ADC	Covered Payroll <sup>1</sup>	Contributions as a Percentage of Covered Payroll
<b>PERF DB</b>						
2021	\$ 452,333	\$ 626,780	\$ (174,447)	138.6%	\$ 5,482,242	11.4%
2020	482,316	598,903	(116,587)	124.2	5,380,843	11.1
2019	527,836	581,559	(53,723)	110.2	5,205,243	11.2
2018	502,206	571,099	(68,893)	113.7	5,083,131	11.2
2017	496,867	558,659	(61,792)	112.4	4,997,555	11.2
2016	492,000	547,684	(55,684)	111.3	4,868,709	11.2
2015	517,717	536,467	(18,750)	103.6	4,804,145	11.2
2014	528,562	519,576	8,986	98.3	4,896,635	10.6
2013	464,047	455,658	8,389	98.2	4,700,000	9.7
2012	449,388	397,843	51,545	88.5	4,550,000	8.7
<b>TRF Pre-'96 DB</b>						
2021	\$ 1,600,629	\$ 1,600,629	\$ —	100.0%	\$ 625,812	255.8%
2020	973,488	973,488	—	100.0	693,965	140.3
2019	947,405	947,405	—	100.0	753,355	125.8
2018	922,068	922,068	—	100.0	824,770	111.8
2017	875,525	875,525	—	100.0	912,685	95.9
2016	892,548	892,548	—	100.0	989,093	90.2
2015	851,427	851,427	—	100.0	1,074,827	79.2
2014	831,942	831,942	—	100.0	1,262,828	65.9
2013	1,013,080	1,013,080	—	100.0	1,383,428	73.2
2012	764,423	764,423	—	100.0	1,637,066	46.7
<b>TRF '96 DB</b>						
2021	\$ 158,763	\$ 202,353	\$ (43,590)	127.5%	\$ 3,634,649	5.6%
2020	162,035	188,789	(26,754)	116.5	3,465,728	5.4
2019	226,099	393,151	(167,052)	173.9	3,257,918	12.1
2018	210,586	235,675	(25,089)	111.9	3,129,070	7.5
2017	198,444	227,207	(28,763)	114.5	3,020,463	7.5
2016	180,375	215,626	(35,251)	119.5	2,881,397	7.5
2015	178,260	205,763	(27,503)	115.4	2,742,187	7.5
2014	177,711	194,751	(17,040)	109.6	2,598,115	7.5
2013	167,311	180,714	(13,403)	108.0	2,442,496	7.4
2012	154,800	181,067	(26,267)	117.0	2,400,000	7.5
<b>77 Fund</b>						
2021	\$ 113,015	\$ 166,094	\$ (53,079)	147.0%	\$ 951,301	17.5%
2020	91,134	162,056	(70,922)	177.8	940,496	17.2
2019	78,010	154,228	(76,218)	197.7	866,299	17.8
2018	74,491	147,074	(72,583)	197.4	842,179	17.5
2017	91,258	150,698	(59,440)	165.1	809,382	18.6
2016	113,438	151,299	(37,861)	133.4	771,949	19.6
2015	118,881	146,402	(27,521)	123.2	745,336	19.6
2014	103,425	140,119	(36,694)	135.5	710,581	19.7
2013	112,590	137,111	(24,521)	121.8	695,000	19.7
2012	132,549	135,605	(3,056)	102.3	690,000	19.7

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Contributions, continued

(dollars in thousands)

For the Years Ended June 30	Actuarially Determined Contribution (ADC) <sup>1</sup>	Contributions in Relation to ADC <sup>1</sup>	Contribution Deficiency (Excess)	Contributions as a Percentage of ADC	Covered Payroll <sup>1</sup>	Contributions as a Percentage of Covered Payroll
<b>JRS</b>						
2021	\$ 22,074	\$ 18,621	\$ 3,453	84.4 %	\$ 61,215	30.4 %
2020	19,406	18,166	1,240	93.6	58,189	31.2
2019	14,862	16,031	(1,169)	107.9	56,380	28.4
2018	14,853	15,117	(264)	101.8	53,350	28.3
2017	14,335	16,824	(2,489)	117.4	54,755	30.7
2016	17,485	16,946	539	96.9	51,382	33.0
2015	18,865	21,020	(2,155)	111.4	48,582	43.3
2014	27,648	20,895	6,753	75.6	46,041	45.4
2013	25,458	111,419	(85,961)	437.7	47,595	234.1
2012	19,664	18,896	768	96.1	45,138	41.9
<b>EG&amp;C</b>						
2021	\$ 2,924	\$ 7,083	\$ (4,159)	242.2 %	\$ 33,194	21.3 %
2020	3,647	6,742	(3,095)	184.9	32,491	20.8
2019	4,874	6,982	(2,108)	143.2	33,272	21.0
2018	4,393	6,175	(1,782)	140.6	29,387	21.0
2017	4,033	5,691	(1,658)	141.1	27,428	20.7
2016	4,078	5,297	(1,219)	129.9	25,526	20.8
2015	4,820	5,215	(395)	108.2	25,133	20.7
2014	5,341	5,359	(18)	100.3	25,825	20.8
2013	4,794	19,740	(14,946)	411.8	24,675	80.0
2012	4,556	5,054	(498)	110.9	24,300	20.8
<b>PARF</b>						
2021	\$ 5,042	\$ 4,402	\$ 640	87.3 %	\$ 24,323	18.1 %
2020	4,608	4,232	376	91.8	23,989	17.6
2019	3,543	3,216	327	90.8	21,791	14.8
2018	2,533	3,014	(481)	119.0	21,578	14.0
2017	2,148	1,486	662	69.2	22,635	6.6
2016	1,381	1,440	(59)	104.3	21,372	6.7
2015	1,419	1,063	356	74.9	21,145	5.0
2014	2,345	1,174	1,171	50.1	20,608	5.7
2013	2,542	19,443	(16,901)	764.9	18,805	103.4
2012	2,037	1,839	198	90.3	21,705	8.5
<b>LE DB</b>						
2021	\$ 217	\$ 238	\$ (21)	109.7 %	N/A	N/A
2020	216	208	8	96.3	N/A	N/A
2019	240	269	(29)	112.1	N/A	N/A
2018	237	237	—	100.0	N/A	N/A
2017	170	135	35	79.4	N/A	N/A
2016	138	138	—	100.0	N/A	N/A
2015	119	131	(12)	110.1	N/A	N/A
2014	138	138	—	100.0	N/A	N/A
2013	140	150	(10)	107.1	N/A	N/A
2012	113	112	1	99.1	N/A	N/A

<sup>1</sup>For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

## Required Supplementary Information, continued

### Schedule of Investment Returns <sup>1</sup>

#### Annual Money-Weighted Rate of Return, Net of Investment Expense

#### For the Years Ended, June 30

Defined Benefit Pension Trust Funds	2021	2020	2019	2018	2017	2016	2015	2014	2013
PERF DB	25.46 %	2.58 %	7.32 %	9.33 %	7.60 %	1.11 %	0.32 %	12.33 %	5.79 %
TRF Pre-'96 DB	25.67	2.76	7.61	9.46	8.14	1.01	0.57	12.71	5.11
TRF '96 DB	25.46	2.58	7.47	9.28	8.14	1.01	0.57	12.71	5.11
77 Fund	25.47	2.57	7.34	9.30	7.97	1.22	(0.07)	13.70	5.85
JRS	25.46	2.57	7.31	9.32	7.96	1.18	(0.06)	13.69	5.24
EG&C	25.48	2.57	7.40	9.30	7.97	1.17	(0.09)	13.69	5.48
PARF	25.49	2.60	7.30	9.31	7.94	1.10	(0.08)	13.70	4.84
LE DB	25.46	2.64	7.19	9.39	7.91	0.84	(0.13)	13.65	6.16
<b>Total INPRS <sup>2</sup></b>	<b>24.76</b>	<b>2.77</b>	<b>6.84</b>	<b>8.88</b>	<b>7.85</b>	<b>1.10</b>	<b>0.44</b>	<b>12.69</b>	<b>5.57</b>

<sup>1</sup> For further details, see Accompanying Notes to the RSI Schedules in the Introduction to Required Supplementary Information (Unaudited).

<sup>2</sup> Rate of return includes DC, OPEB and custodial funds.

# Required Supplementary Information, continued

## Schedule of Notes to Required Supplementary Information

### Plan Amendments

In 2021, HEA 1001-2021 granted a 1% COLA for PERF DB, TRF Pre-'96 DB, TRF '96 DB, EG&C, and LE DB effective January 1, 2022.

### Assumption Changes

In 2021, several assumption were updated. These assumption changes include a decrease in the investment rate of return, inflation assumption, wage inflation assumption, '77 Fund COLA assumption, and JRS COLA assumption. For further details, refer to the Actuarial Section.

### Methods and Assumptions Used in Calculating Actuarially Determined Contributions <sup>1</sup>

The following actuarial methods and assumptions were used to determine the ADC Rates for the Fiscal Year Ending June 30, 2021:

Description	PERF DB	TRF Pre-'96 DB	TRF '96 DB	77 Fund	JRS	EG&C	PARF	LE DB
Valuation Date:	June 30, 2019							
Assets	June 30, 2019							
Liabilities	June 30, 2018 - Member census data as of June 30, 2018 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2018 and June 30, 2019. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to the June 30, 2019 measurement date.							
Actuarial Cost Method (Funding)	Entry Age Normal (Level Percent of Payroll)							Traditional Unit Credit
Actuarial Amortization Method for Unfunded Liability	Level Dollar							
Actuarial Amortization Period for Unfunded Liability	20 years, closed	N/A <sup>2</sup>	30 years, open	20 years, closed				5 years, closed
Remaining Amortization Period in Years (Weighted) <sup>3</sup>	23	N/A <sup>2</sup>	30 years, open	20	14	23	20	2
Asset Valuation Method	Five-year smoothing of gains and losses on the fair value of assets subject to a 20% corridor							
Investment Rate of Return (Funding)	6.75%, includes inflation, and net of administrative and investment expenses							
Cost of Living Increases	2020-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40% Beginning Jan 1, 2034 - 0.50% Beginning Jan 1, 2039 - 0.60%		2.00%	2.50%	2020-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40% Beginning Jan 1, 2034 - 0.50% Beginning Jan 1, 2039 - 0.60%		N/A	2020-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40% Beginning Jan 1, 2034 - 0.50% Beginning Jan 1, 2039 - 0.60%
Future Salary Increases, including Inflation	2.50% - 4.25%	2.50% - 12.50%		2.50%			4.00%	2.25%
Inflation	2.25%							

<sup>1</sup> Differs from Note 8 schedule as this table is for funding purposes and Note 8 is for financial reporting purposes. Actuarially Determined Contributions in a given year are determined based on the actuarial valuation dated two fiscal years prior (i.e., rates effective 7-1-17 are based on the 6-30-16 valuation).

<sup>2</sup> TRF Pre-'96 is funded in accordance with IC 5-10.4 and does not use an amortization of the unfunded liability period to determine its contribution amounts.

<sup>3</sup> The remaining amortization period becomes 30 years, open when a plan reaches 100% funded status.

## Other Supplementary Schedules

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### Schedule of Administrative Expenses

#### For the Years Ended June 30

(dollars in thousands)

	<u>2021</u>	<u>2020</u>
<b>Personnel Services</b>		
Salaries and Wages	\$ 14,890	\$ 14,645
Employee Benefits	6,331	7,173
Temporary Services	840	957
<b>Total Personnel Services</b>	<b>22,061</b>	<b>22,775</b>
<b>Professional Services</b>		
Benefit Payment Processing Fees	2,123	2,076
Consulting Services	1,567	1,836
Actuarial Services	321	462
Legal Services	95	90
Recordkeeper Services	6,425	6,250
<b>Total Professional Services</b>	<b>10,531</b>	<b>10,714</b>
<b>Information Technology Services</b>		
Data Processing	1,828	2,271
Software and Licenses	2,276	2,222
Other Computer Services	2,910	2,722
<b>Total Information Technology Services</b>	<b>7,014</b>	<b>7,215</b>
<b>Communications</b>		
Postage	215	205
Telephone	452	448
Printing	145	225
E-communications	12	13
<b>Total Communications</b>	<b>824</b>	<b>891</b>
<b>Miscellaneous</b>		
Depreciation and Amortization	314	311
Building and Facility Expenses	530	612
Memberships and Training	68	111
Travel	—	110
Equipment Rental	42	53
Other Administrative Expenses	143	226
<b>Total Miscellaneous</b>	<b>1,097</b>	<b>1,423</b>
<b>Total Administrative Expenses</b>	<b>\$ 41,527</b>	<b>\$ 43,018</b>



## Other Supplementary Schedules, continued

### Schedule of Administrative Expenses - Vendors

#### For the Years Ended June 30

INPRS elected to display vendors with administrative expenses of \$30 thousand or greater.

(dollars in thousands)

Vendor	2021	2020	Nature of Services
Voya Institutional Plan Services LLC	\$ 8,665	\$ 8,442	Recordkeeper & Benefit Processing Services
iLab LLC	1,703	1,581	Quality Assurance
Mythics	1,440	1,388	Mythics Software Vendor and Support
Intervision Systems LLC	1,305	1,759	Servers - Offsite
CherryRoad Technologies Inc.	1,075	1,007	INPAS Pension System Support
Indiana Office of Technology	677	568	Desktop & Network Services, Software
RSM US LLP	465	455	Auditing Services
JLL Property Management	414	478	Property Management
Level 3 Communications LLC	403	395	Call Center Software and Phone Services
Key Benefit Administrators	344	339	RMBA Account Administrators
Cavanaugh Macdonald Consulting LLC	321	462	Actuarial Services
DAS	196	321	FileNet Managed Service Provider
Post Masters	192	189	Mail and Print Services
ServiceNow	170	170	IT Desktop Support Services
Carahsoft Technology Corporation	144	74	IT Software
Fineline Printing Group	136	199	Printing
Brown & Brown Of Indiana Inc.	109	103	Insurance
Indiana State Personnel Department	85	85	HR Shared Services
Pension Benefit Information LLC	82	53	Death Match Services
Loyalty Research Center	80	92	Research Services
Experian Reserved Response Inc.	75	75	Identity Theft Protection Services
Gartner Inc.	74	74	IT Project Research & Advisory Services
Looker Data Sciences Inc.	74	66	Data Analytics & Reporting Software
Automatic Data Processing Inc.	57	53	Payroll Processing Services
Dr. Omkar N. Markand, MD	54	76	Medical Consulting
Vertosoft LLC	47	33	Financial Reporting Software
CEM Benchmarking Inc.	45	50	Benchmarking Services
Dr. Lisa Helene Smith, MD	44	21	Medical Consulting
Ice Miller LLP	38	52	Legal Services
Optiv Security Inc.	34	27	Cybersecurity Services
Winklevoss Technologies LLC	33	33	Actuarial Software
Funston Advisory Services LLC	30	—	Governance and Risk Consultant
Reserve Account	30	15	Postage for in-house Mailing
Callan LLC	30	30	DC Consulting
Other	481	1,167	
<b>Total</b>	<b>19,152</b>	<b>19,932</b>	
Personnel Services	22,061	22,775	
Depreciation and Amortization	314	311	
<b>Total Administrative Expenses</b>	<b>\$ 41,527</b>	<b>\$ 43,018</b>	

## Other Supplementary Schedules, continued

### Schedule of Direct Investment Expenses

#### For the Years Ended June 30

(dollars in thousands)	2021	2020
<b>Investment Management Fees</b> <sup>1</sup>	<b>\$ 256,806</b>	<b>\$ 209,673</b>
<b>Securities Lending Fees</b>	<b>426</b>	<b>494</b>
<b>General Investment Expenses</b>		
Investment Consultants:		
Verus	735	717
TorreyCove	650	694
Aksia	400	443
Mercer	399	382
Ernst & Young	112	23
Other	330	327
<b>Total Investment Consultants</b>	<b>2,626</b>	<b>2,586</b>
<b>Investment Custodian (BNY Mellon)</b>	<b>1,369</b>	<b>1,380</b>
<b>Broker Commissions:</b>		
Newedge USA LLC	838	639
Goldman Sachs & Co.	774	692
Morgan Stanley & Co. Inc.	513	1,064
Capital Institutional Services Inc.	104	67
J P Morgan Securities Ltd.	95	215
Merrill Lynch International Equities	92	86
UBS Equities	77	42
Instinet Europe Ltd.	74	66
Instinet Clearing Services Inc.	69	128
Jefferies & Co. Inc.	69	67
Other Brokers	1,924	2,060
<b>Total Broker Commissions</b>	<b>4,629</b>	<b>5,126</b>
<b>Investment Staff Expenses</b>	<b>3,515</b>	<b>3,096</b>
<b>Investment Administrative Expenses:</b>		
Barra	451	447
Foster Garvey PC	402	631
Bloomberg	252	259
Dynamo Software Inc.	191	144
Kutak Rock LLP	97	46
Other	142	445
<b>Total Investment Administrative Expenses</b>	<b>1,535</b>	<b>1,972</b>
<b>Total General Investment Expenses</b>	<b>13,674</b>	<b>14,160</b>
<b>Total Direct Investment Expenses</b>	<b>\$ 270,906</b>	<b>\$ 224,327</b>

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

# 2021 **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2021

## Investment Section

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**\$38.6 Billion**

Fair value of defined benefit assets

**\$6.9 Billion**

Fair value of defined contribution assets

**25.5 Percent**

Annualized time-weighted rate of return on defined benefit investments



August 9, 2021

Board of Trustees  
Indiana Public Retirement System  
One North Capitol Avenue  
Indianapolis, IN 46204

Dear Trustees:

Verus is pleased to provide the Board of Trustees of the Indiana Public Retirement System (“INPRS”) with an overview of the market environment, an update on performance, and a summary of recent developments for the fiscal year ended June 30, 2021.

## Market Environment

“Two steps forward, one step back” may be the phrase which best describes the trajectory of the global economy over the fiscal year. The faster-than-expected distribution of highly effective vaccines within the developed world paved the way for gradual reopening of developed economies, but emerging economies with less access to quality vaccines were less prepared to deal with the litany of more-virulent mutations and had to respond with more draconian social distancing controls to mitigate increases in case growth.

Risk-on sentiment propelled financial markets forward, backstopped by continued support from global central banks, the light at the end of the tunnel provided by vaccines, and the inclination of markets to shrug off big surprises on earnings and economic data. Expectations for a strong rebound in economic growth and inflation over the intermediate-term sparked a rotation from the growth sectors that had performed well through the crisis toward more value-orientated sectors prospectively positioned to outperform in a period of rising interest rates. This reflation trade thrived from mid-August until mid-May but began to unravel late in the fiscal as concerns increased about the delta Covid-19 variant and a hawkish pivot from the Federal Reserve.

Looking ahead, investors are grappling with the staying power of high levels of inflation, the timeframe over which the Federal Reserve may begin to taper asset purchases, the outlook for fiscal stimulus, and the capability of companies to sustain high enough levels of earnings growth to justify elevated valuations.

### U.S. Equity

“Up and to the right” has been the story for U.S. equity prices over the fiscal year as investors largely looked through the shorter-term impact of pandemic-related shutdowns and bet that fiscal and monetary support would be able to build a bridge to a post-pandemic world. At the beginning of the fiscal year, the S&P 500 Index remained -8.4% beneath its previous high-water mark. By mid-August, the index had reached a fresh all-time high and would proceed to close at record high levels in 53 of the 218 remaining trading days in the fiscal year, delivering a 40.8% total return along the way. Both realized and implied volatility receded to levels more in line with longer-term historical averages.

## Report on Investment Activities, continued

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Corporate revenues began to recover during the year, and the higher operating leverage ratios which resulted from a litany of cost-saving initiatives implemented during the pandemic worked to supercharge earnings growth. Per FactSet, the estimated year-over-year earnings growth for the S&P 500 Index as of Q2 2021 is 64%. If that rate were to materialize, it would mark the highest year-over-year rate reported by the index since Q4 2009 (109%). Despite the massive increase in corporate earnings, increasing stock prices prevented a material re-rating of U.S. equity valuations, which remain at stretched levels relative to recent history. By fiscal year-end, the forward 12-month price-to-earnings ratio of the S&P 500 Index remained near 21x – well above both the five-year (18x) and ten-year (16x) averages. It is worth noting, however, that forward earnings estimates 12 months ago proved far too pessimistic, as analysts underestimated the strength of profit growth.

Regarding equity size and style, small-cap equities made back some lost ground (Russell 2000 Index +62.0%) relative to large-cap (Russell 1000 Index +43.1%), and the value factor (Russell 1000 Value Index +43.7%) narrowly outperformed the growth factor (Russell 1000 Growth Index +42.5). Much of the outperformance of the value factor was driven by the reflation trade, which favored sectors more heavily weighted in the value benchmarks, including financials, industrials, and materials.

### International Equity

Global equities largely tracked U.S. equities over the fiscal year, and the MSCI ACWI Index returned 39.3% in U.S. dollar terms, with weakness in the U.S. dollar providing a slight boost to returns experienced by unhedged U.S. investors. Emerging market equities delivered a total return of 40.9% in U.S. dollar terms, edging out U.S. equities (S&P 500 Index +40.8%) and outpacing international developed equities (MSCI EAFE +32.4%).

The superior performance of emerging market equities was driven by a rebound in the Latin American contingent broadly, and Brazil and Mexico specifically. In Mexico, stocks advanced 55.9%, as the Mexican peso appreciated 15.4% relative to the dollar. The recovery in crude oil prices from around \$41 to \$75 per barrel undoubtedly played a huge role in the resurgence, but that recovery also coincided with a material pickup in inflation which led many central banks within the index to begin tightening the reins regarding monetary policy. There exists some concern that given the general lack of access to quality vaccines in some emerging market countries, persistently high inflation rates could force monetary policymakers to prematurely tighten financial conditions.

In emerging Asia, Taiwanese (+70.5%) and Korean (+66.2%) equities delivered impressive returns, but Chinese equities returned just 27.4%, materially lagging the global opportunity set. Chinese equities began to sell off in late February, with the initial catalyst being a decision from the People's Bank of China to shift its focus away from ensuring accommodative financial conditions and toward limiting the risks of excessive leverage in certain segments of the economy. Losses accelerated in the second quarter of calendar year 2021 when regulators cracked down on some national champions in the IT industry. While it appears that both general liquidity conditions have begun to improve and the tech crackdown has showed signs of easing, these issues remain front and center for the broader emerging market equity universe.



## Report on Investment Activities, continued

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In developed markets, European stocks returned just 26.6% in local terms, but the strong run of the euro relative to the dollar boosted performance for unhedged U.S. investors in European equities to 35.1%. Inflation in Europe has picked up more slowly than in the U.S. or the emerging markets. This, combined with the Eurozone's relative inflexibility regarding fiscal policy, supports the case that the European Central Bank will have a longer runway for continuing to provide monetary accommodation without adversely affecting prices.

Japanese equities underperformed in both local (+28.4%) and U.S. dollar (+24.8%) terms. The Japanese yen was one of the few currencies which depreciated relative to the dollar over the last year, due in part to the significant increase in U.S. Treasury yields above Japanese government bond yields, which officials at the Bank of Japan have committed to keeping within a relatively narrow range (within 25 basis points of 0.0%).

### Fixed Income

The reflation narrative and debate over the persistence of higher inflation largely directed the global fixed income markets over the fiscal year. In the U.S., the 10-year Treasury yield rose from 0.66% to a post-pandemic peak of 1.74% by the end of the first quarter of calendar year 2021, before moderating to 1.47% by the end of the fiscal year. Breakeven inflation rates tracked Treasury yields in terms of direction – the ten-year breakeven inflation rate rose from 1.34% to an eight-year high of 2.56% in May before moderating slightly during the last few weeks of the fiscal year.

In terms of performance, global treasuries returned 1.2% in U.S. dollar terms, with U.S. Treasuries underperforming (-3.5%), and longer-duration Treasuries in the U.S. faring the worst (-10.6%). Large increases in breakeven inflation rates helped to buffer Treasury inflation-protected securities from the impact of increasing interest rates, and the Bloomberg Barclays TIPS Index returned 6.5%.

Credit spreads compressed to the lowest level since the Global Financial Crisis and default rates fell to below average levels, supporting outperformance of riskier credit. In the U.S., corporates within the Bloomberg Barclays Aggregate Index delivered a return of 3.3%, high-yield credit returned 15.4% as spreads dipped from 6.26% to 2.68%, and bank loans advanced 11.7%.

Hard-currency denominated emerging markets debt climbed 6.8%, while local-currency emerging market debt returned 6.6%. While emerging market debt spreads have remained at compressed levels, increases in benchmark interest rates pushed forward by central bankers within the complex sent total yields slightly higher, which weighed on performance. The anticipation of further hikes could put pressure on prices.

### Outlook

Risk-on sentiment has driven global financial markets over the fiscal year, with equity benchmarks hitting fresh all-time highs, bond yields rising, credit spreads tightening to their lowest level in over a decade, and the dollar weakening. Investors appear to have priced in an eventual full recovery from the global pandemic, and the expectation for continued support over the intermediate term from developed market central banks appears to have emboldened market participants to continue to take risk.



## Report on Investment Activities, continued

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More recently, concerns have built around the spread of the delta variant and its potential to limit the pace of global economic growth moving forward, as well as eventual asset purchase tapering from the Fed which looks less likely to allow inflation to run unchecked. As a result, the reflation trade has slowed down and investors have rotated out of shorter-duration energy stocks toward longer-duration tech stocks, and into bets on a flatter yield curve.

Corporate earnings have delivered to some extent on the promise implied by price action last year, but continued price increases this year have kept valuations at historically stretched levels. While it appears possible that risk assets could continue to rally into the next year, the road could well become bumpier from here, given the lack of value apparent across asset classes at present. We retain a cautiously optimistic view, but given the risks prefer a tight position relative to policy, given the uncertainty which continues to shroud the outlook.

### Plan Activity

During the 2021 fiscal year, Verus and INPRS' staff collaborated on several different initiatives. Together we completed a comprehensive project to evaluate the market for a partner to provide portfolio overlay, rebalancing, and passive risk parity implementation services. The new partner began managing the cash overlay early in the fiscal year, helping the fund manage portfolio risk, improve total fund returns by investing cash exposures, and more efficiently manage ongoing cash flows. The passive risk parity allocation is an ongoing project, and it is anticipated it will be implemented in the next fiscal year.

Verus assisted INPRS staff in two searches that resulted in new mandates. The first was an emerging markets debt search that resulted in a new allocation that is anticipated to improve risk-adjusted performance, as well as performance in down markets. The second was a commodity reevaluation that resulted in two new mandates that are expected to be funded early in the next fiscal year.

Verus also worked throughout the fiscal year with INPRS and their strategic partners on a comprehensive asset-liability study. This led to the adoption of a revised allocation that is currently being implemented. Additional ongoing work involved public market asset class reviews, annual fee benchmarking, and investment and operational due diligence on existing managers. As part of continuing education, Verus was pleased to provide an overview of portfolio leverage and its role within the portfolio.

Verus values our relationship with INPRS and we appreciate the privilege of working with the Board and staff in designing policies and supporting decisions aimed at meeting the Plan's investment objectives. We remain confident in the direction of the Portfolio given the System's demographics, fiscal strength, and well-designed investment strategy. We look forward to continuing our partnership as we navigate ever-changing capital markets.

Sincerely,



Jeffrey J. MacLean  
Chief Executive Officer

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Verus<sup>777</sup>

## Report on Investment Activities, continued

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*Past performance is no guarantee of future results. This document is provided for informational purposes only and is directed to institutional clients and eligible institutional counterparties only and is not intended for retail investors. Nothing herein constitutes investment, legal, accounting or tax investment vehicle or any trading strategy. This document may include or imply estimates, outlooks, projections and other "forward-looking statements." No assurance can be given that future results described or implied by any forward looking information will be achieved. Investing entails risks, including possible loss of principal. Verus – also known as Verus Advisory™.*





# Report from the Chief Investment Officer

## INPRS's Defined Benefit Investment Imperatives

Established in fiscal year 2012, three long-term imperatives that are vital to the continued health of the System's defined benefit plans have served as the guide for the investment team. Every strategic, tactical, and operational decision that is made must have the expectation of positively contributing to at least one of these imperatives.

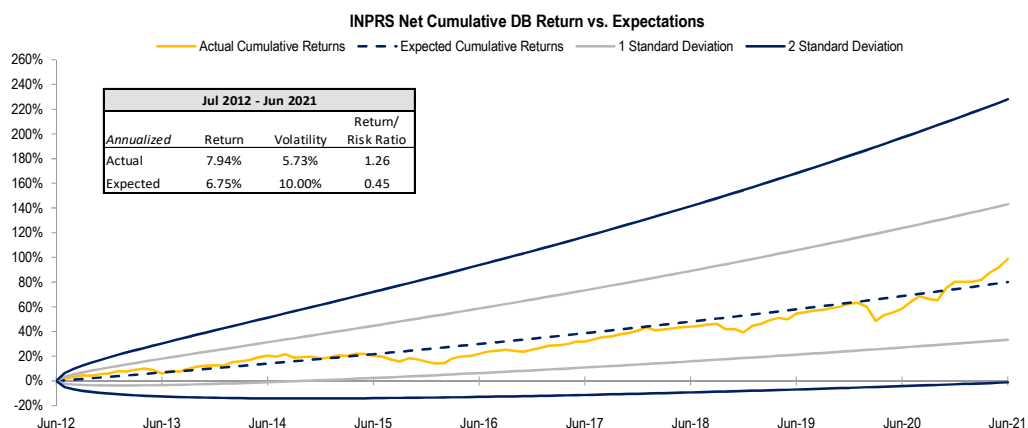
- 1) **Achieve the long-term rate of return assumption.** Effective fiscal year 2013, INPRS's Board set the long-term rate of return assumption at 6.75 percent, and again in fiscal year 2015, the Board reaffirmed 6.75 percent as the appropriate long-term assumption. In order for the System to maintain a healthy funded status, it is essential to achieve this rate of return over the long-term (defined as 10+ years in INPRS's Investment Policy Statement).
- 2) **Accomplish the first imperative as effectively and efficiently as possible.** While it is important to establish an asset allocation that is expected to meet the target rate of return over a long time horizon, as fiduciaries, it is also important to maintain focus on maximizing the return per unit of risk, limiting return volatility, and maximizing cost efficiency.
- 3) **Maintain enough liquidity to make retirement payments on time.** As the System matures, retirement payments will be a greater cash outflow each year. As a result, it is critical to maintain an appropriate level of liquidity to ensure payments are made on time and without causing undue stress to the investment portfolio.

## The Fiscal Year in Review (Defined Benefit Portfolio)<sup>1</sup>

Buoyed by monetary and fiscal stimulus as well as a gradual reopening of the global economy, the portfolio's returns were positive across all asset classes. As a result, the consolidated defined benefit assets returned 25.5 percent net of all fees over the fiscal year and ended with a fair value of \$38.6 billion. This return significantly outperformed the 6.75 percent target rate of return and exceeded the policy target index by 0.8 percent.

Based on extensive research of the various asset classes and their performance in different economic environments through time, it was determined starting in 2012 that a new risk-balanced framework better fit our first two imperatives. Developed from that research, the following chart illustrates the projected range of outcomes for INPRS's asset allocation around the 6.75 percent return target (blue dotted line). This visual is meant to track the cumulative performance of the actual portfolio (yellow solid line) versus those expectations along the way. Given the tremendous returns over the past year, the portfolio has now outperformed the return target since adopting the new asset allocation strategy in 2012.

### INPRS Defined Benefit Net of Fee Cumulative Return



The table on the following page shows INPRS's annualized net-of-fees returns over the same time period. Since inception of the revised strategy, the portfolio has generated an annual return of 7.3 percent above the return of cash and outperformed the average historical spread for the asset allocation over cash by 2.8 percent annually<sup>2</sup>.

<sup>1</sup> Rates of return specific to INPRS's portfolio are based on calculations made by INPRS's custodian, Bank of New York Mellon, and are presented using a time-weighted rate of return methodology based upon fair value.

<sup>2</sup> Cash return based on FTSE 3mo Treasury (Source: INPRS's custodian, Bank of New York Mellon).

# Report from the Chief Investment Officer, continued

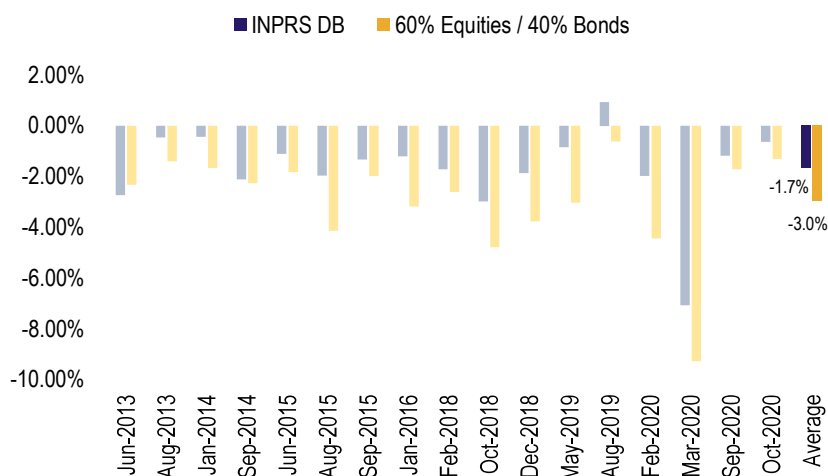
## INPRS Defined Benefit Annual Returns (Net of Fees)

	FY2021	Since 7/2012
<b>PERFORMANCE (NET OF FEES)</b>		
<b>INPRS DB Total Return</b>	<b>25.47%</b>	<b>7.94%</b>
Target Rate of Return	6.75%	6.75%
<b>Cash Return (FTSE 3-Month Treasury)</b>	<b>0.08%</b>	<b>0.66%</b>
Projection for Cash Return	2.25%	2.25%
<b>INPRS DB Return in Excess of Cash</b>	<b>25.39%</b>	<b>7.28%</b>
Target Rate of Return in Excess of Cash	4.50%	4.50%

The prior table highlights the recent challenges from the historically low interest rate environment versus what the portfolio was projected to earn over this time frame. However, the returns from the asset allocation and manager selection decisions have been more than enough to make-up the difference and help the plan achieve the 6.75% return target. The target rate of return was established based on a much longer time horizon though. As such, the asset allocation that was constructed to meet the return objective will ultimately be measured over decades rather than a few years.

With this long-term focus in mind, it is important that we constantly monitor the portfolio over various market environments and evaluate whether it performed as we expected. One of the primary reasons for diversifying the portfolio was to be less impacted by the performance of equities. In the chart below, we evaluate this by looking at various historical months that global equities had a loss of 2 percent or worse since July 2012. As shown, INPRS's defined benefit portfolio continues to hold-up well on a relative basis during nearly all of these occurrences and, consistent with our expectations, has a materially lower loss on average than a portfolio with 60 percent equities and 40 percent bonds.

### Defined Benefit Performance During Equity Drawdowns >2% Since July 2012



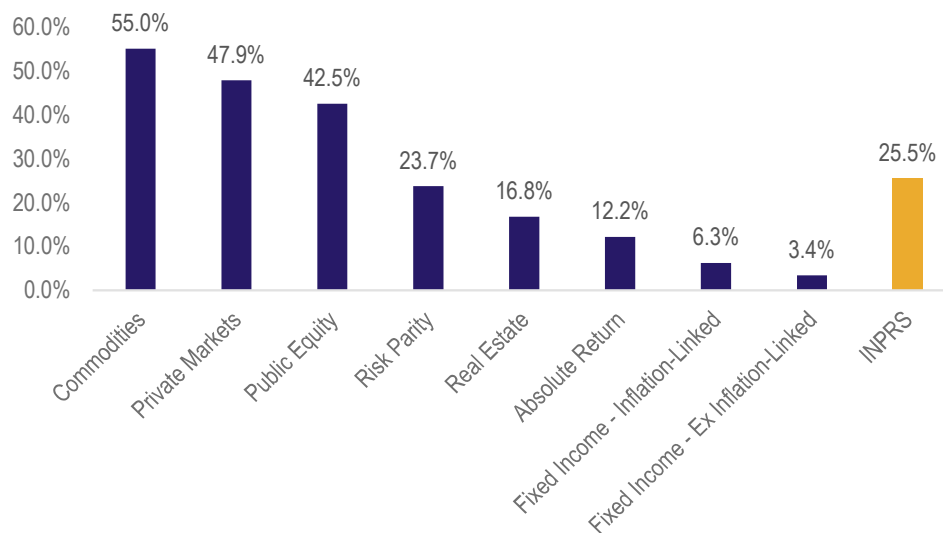
### Performance Attribution

In order to understand the key drivers of the asset allocation's performance over the course of the year, it is important to analyze how reality transpired relative to what the market had been pricing-in for the various asset classes to start the fiscal year. The COVID pandemic and resulting shutdowns of global economies led to a quick collapse in incomes, spending, and asset prices in the spring of 2020. As a result, policy makers rushed to try to support all three factors. Central banks drove interest rates back to historic lows and bought assets at unprecedented levels; while, fiscal policy tried to put money directly in the hands of strained households and businesses. Despite these efforts, a number of questions about the economy and markets remained in June 2020 as investors were uncertain about how long the virus would persist and what continued effect it might have. As a result, the market discounted historically low interest rates, depressed growth, and a lack of inflation for the foreseeable future.

## Report from the Chief Investment Officer, continued

This favorable pricing and a gradual re-opening of the global economy over the next twelve months set the stage for a continued recovery in asset prices. In fact, all asset classes in INPRS's portfolio had positive returns over the course of the year, as can be seen in the chart below. The commodities asset class rebounded immensely in fiscal year 2021, following a performance of -26.8 percent the previous fiscal year. With inflation exceeding market expectations over the course of the year, commodities were the leading asset class in terms of performance, finishing the year up 55.0 percent. Asset classes that are more growth-biased continued to hold their own though. Public equities produced a 42.5 percent return, and private markets, which includes private equity and private credit, had a 47.9 percent return last fiscal year. Fixed income (ex inflation-linked) produced the lowest returns at 3.4 percent as the positive returns in corporate credit and emerging market debt were dragged lower by a rise in interest rates from historic lows and resulting losses in INPRS's long duration U.S. Treasury exposure.

### 1-Year Defined Benefit Asset Class Returns as of June 30, 2021



In fiscal year 2021, one of the biggest stories though was the return of inflation after a decade of the Federal Reserve struggling to generate enough inflation to reach their target within the U.S. Assets that perform well when inflation is higher than expected (e.g. commodities and inflation-linked bonds) outperformed those that perform well when inflation is lower than expected (e.g. equities and nominal government bonds), as the strong recovery, ongoing labor shortages, and stimulative policy created more inflationary pressure than what the market had anticipated to start the year. This was different than the prevailing dynamic since 2012, as can be seen in the far-right column of the table below. The generally pro-growth environment from 2012 through 2020 was still favorable for assets that perform well when growth is better than expected, including equities, private markets, real estate, and corporate credit. However, the lack of inflation resulted in more traditional, nominal fixed income outperforming inflation-linked bonds over that longer time period. The balanced risk parity allocation provided strong returns over both time periods, as it is constructed to perform over a multitude of economic environments.

### DB Public Asset Class Returns as of June 30, 2021

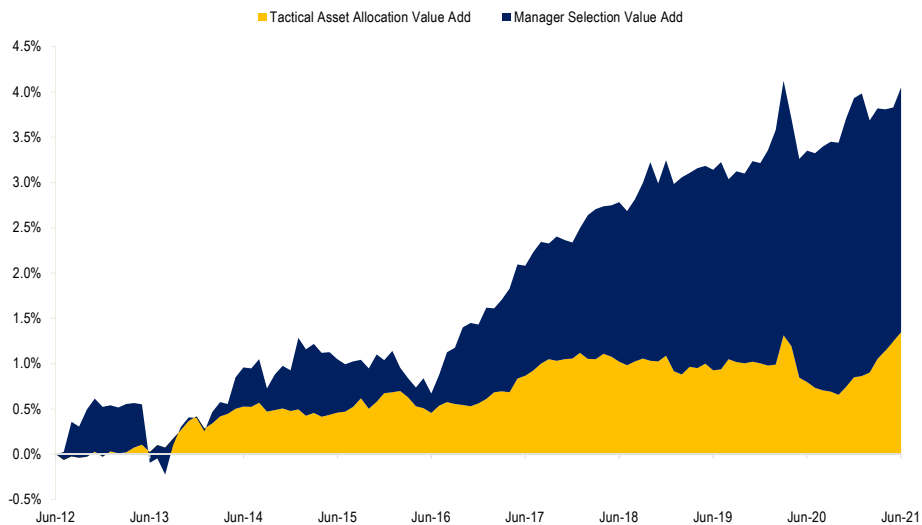
Asset Class Returns	Economic Environmental Bias	FY2021	Since July 2012
Commodities	Higher Growth/Higher Inflation	54.98%	-3.64%
Public Equity	Higher Growth/Lower Inflation	42.51%	12.80%
Fixed Income (Inflation-Linked)	Lower Growth/Higher Inflation	6.26%	4.25%
Fixed Income (ex Inflation-Linked)	Lower Growth/Lower Inflation	3.41%	4.84%
Risk Parity	Balanced Across Environments	23.72%	6.69%

# Report from the Chief Investment Officer, continued

## Performance Relative to the Benchmark

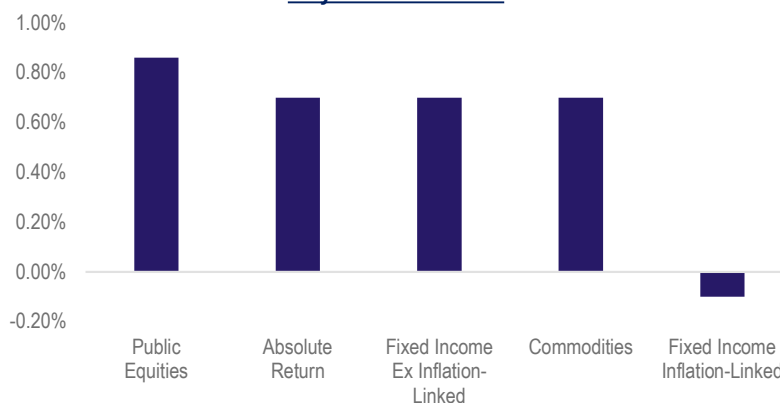
In fiscal year 2021, the investment team achieved a return that was 0.8 percent above the target asset allocation benchmark, net of all fees. The benchmark is meant to reflect what performance would have been had the portfolio been at target weights in each asset class the entire year and invested in passive strategies (e.g. index funds). Both the tactical asset allocation and manager selection decisions made by the team this year added value to the portfolio. This continued the positive trend of the past seven years as the outperformance generated by the investment team since July 2012 has produced approximately \$1.1 billion in added value (asset allocation + manager selection) over a portfolio of merely passive investments. To put this into perspective, these additional returns would have been large enough to cover all of the PERF retirement payments made in fiscal year 2021.

### Cumulative Excess Returns over the Defined Benefit Target Allocation (Net of Fees)



Breaking that result down further, you can see that manager selection has created a large portion of the outperformance over the past eight years because a majority of public asset classes have outperformed their benchmarks.

### Annualized Excess Returns Relative to Benchmarks (Public Markets) July 2012-June 2021



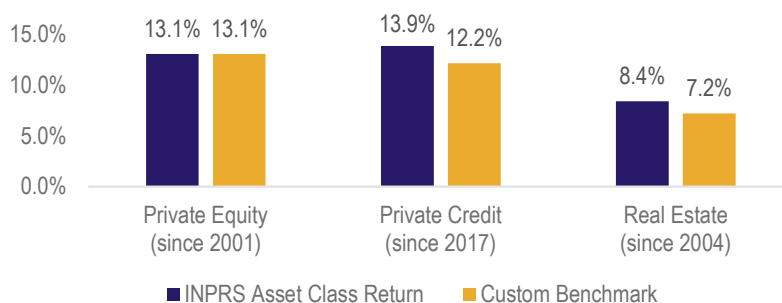
INPRS's investments in private markets and real estate are not included in the value-add chart above because the managers in these asset classes control the timing of cash flows and, thus, we believe a different measure better captures their performance relative to a benchmark (i.e. internal rate of return or IRR). However, the chart on the following page provides some perspective on their outperformance since inception.

The private equity portfolio has continued to be a strong performer since its 2001 inception with an annualized return of 13.1 percent, outperforming a blend of comparable public market indices, which includes small-cap equities and high yield bond indices. The private equity benchmark shown below includes the returns of these public market equivalents plus an additional 3 percent return that is meant to factor-in the illiquidity and complexity that comes with investing in the asset class. The private equity portfolio has

## Report from the Chief Investment Officer, continued

achieved this higher mark since inception and performance over the past 10 years has been stronger (14.3% vs. 12.9% for the custom benchmark) since the team consolidated the portfolio and drove fees lower. Also, the portfolio has continued to outperform the private equity universe over 10 years and since inception, as represented by the Cambridge Associates median benchmark<sup>3</sup>. The private credit portfolio is outperforming its benchmark considerably after the team was quick to deploy capital to structured credit and distressed markets following the initial COVID-induced sell-off. Finally, the real estate portfolio continues to be accretive to the plan with an annualized return of 8.4 percent since 2004, outperforming its public market equivalent benchmark since inception.

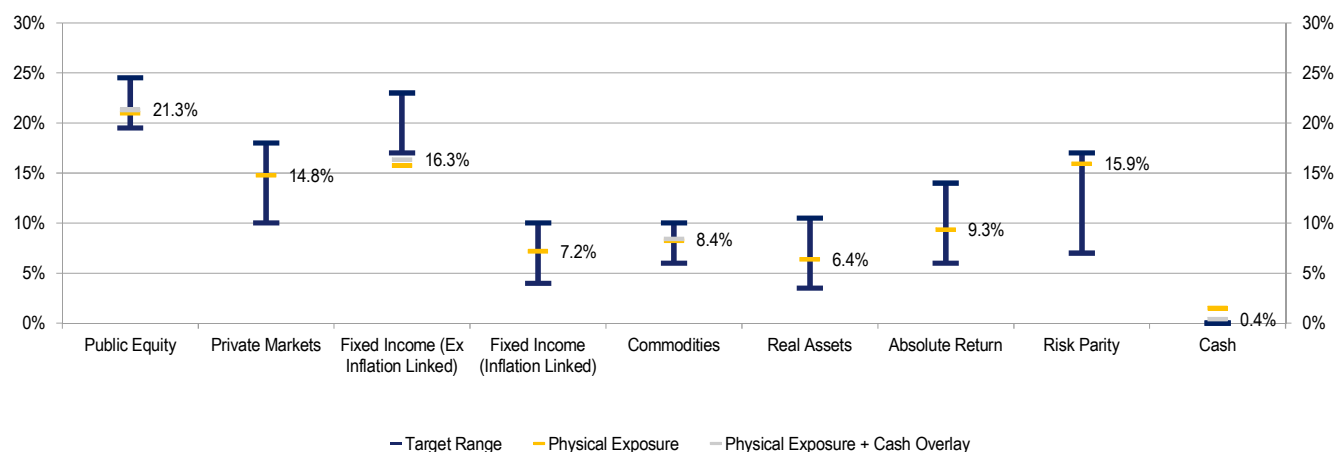
### Annualized Performance (IRR) Relative to Benchmarks (Private Markets) Since Inception of Each Asset Class<sup>4</sup>



### Current Portfolio Exposures

As previously mentioned, INPRS set out on a course seeking more balance across economic and market environments with the approval of a new asset allocation strategy in fiscal year 2012. Despite slight revisions to the asset allocation during the last asset-liability study in fiscal year 2015, that resulted in a marginally higher expected return and return-risk ratio, the outcome reaffirmed the path of diversification INPRS had previously chosen and continues to pursue. As such, INPRS rebalanced as needed over the course of fiscal year 2021 to stay within the Board-approved allocation bands for each asset class<sup>5</sup>. The allocation as of June 30, 2021 can be found in the chart below.

### Defined Benefit Asset Allocation as of June 30, 2021



<sup>3</sup>Source: INPRS's Aksia 2Q 2021 Private Equity Report. As of June 30, 2021. 10-year performance: INPRS = 14.3% and Cambridge (median) = 11.7%. Since 2001 inception: INPRS = 13.1% and Cambridge (median) = 12.1%.

<sup>4</sup>As of June 30, 2021. Based on the first capital calls made by INPRS: Private Equity inception date is 5/14/2001; Private Credit inception date is 10/17/2017; and Real Estate inception date is 2/26/2004. The Private Equity custom benchmark is comprised of the following components lagged one quarter plus 3.00%: 60% Russell 2000 Index, 20% EAFE Small Cap Index, 15% CS High Yield Index, and 5% CS Western European High Index (Hedged). The Private Credit custom benchmark is comprised of the following components plus 1.50%: 50% Credit Suisse Leveraged Loan Total Return, 33% Wells Fargo BDC Total Return, and 17% Credit Suisse Western European Leveraged Loan. The Real Estate custom benchmark is comprised of the following components lagged one quarter: 70% FTSE NAREIT All Equity REITS Index and 30% Barclays CMBS Index.

<sup>5</sup>The Fixed Income (ex Inflation-Linked) allocation was below the range on June 30, 2021 as INPRS had begun the transition to the new asset allocation approved by the INPRS Board at the May 2021 Board meeting.

## Report from the Chief Investment Officer, continued

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### Liquidity

In fiscal year 2021, liquidity and trading costs reverted to pre-pandemic levels as markets started to price-in less volatility. Nevertheless, given the continued uncertainty around the length and severity of the pandemic, as well as how effective policy measures might be in supporting liquidity across markets, INPRS continued to hold at least enough cash to cover three months of retirement payments the remainder of the fiscal year.

As you can see from the chart above, INPRS also has meaningful exposure to less liquid asset classes with 30 percent allocated across private markets, real estate, and absolute return. We believe each of these asset classes serves a unique purpose within the construct of the allocation. However, with these benefits come other risks, namely a lack of liquidity (e.g. many of these private market funds have a lock-up of ten years or longer, and many of the absolute return funds only allow for quarterly liquidity).

Regardless of how accretive we think these exposures are, we want to ensure the portfolio has enough liquidity to meet retirement payments as they come due without unnecessary fire-selling of assets in turbulent markets (see the third imperative listed above). As a result, the investment team developed and maintains a liquidity measure that assesses the System's ability to take on illiquidity risk at any point in time. The metric compares the amount of liquid assets and cash inflows available over the next five years to the expected cash outflows (e.g. retirement payments, plan expenses, etc.) over the same time frame. Through strenuous stress testing, the investment staff is comfortable that there is adequate liquidity in various negative market environments, and as of June 30, 2021, INPRS's liquid assets and projected inflows are 2.7 times the projected outflows over the next five years.

### INPRS's Defined Contribution Investment Imperatives

The defined contribution plans at INPRS provide members the ability to select their own asset allocation from a line-up of investment options approved by the Board. Established in fiscal year 2017, three long-term imperatives that are vital to the continued health of the System's defined contribution plans have served as the guide for the investment team.

- 1) **Provide a simple and diversified default option (“Allocate it for me” – Target Date Options).** Effective fiscal year 2011, INPRS's Board changed the default investment option for the ASA and My Choice plans to target date funds. This fund line-up was established to provide members with an auto-pilot allocation that targets an appropriate risk and return profile for their particular time horizon and automatically becomes more conservative as they approach retirement. Given how many members rely on INPRS to manage their asset allocation for them by defaulting to this option, it is crucial that we construct a target date fund line-up that is easy to understand yet sophisticated enough to help members achieve their savings goals.
- 2) **Provide a simple and diversified menu of stand-alone options (“Allocate it myself” – Core and Specialty Options).** For those members that want to select an allocation that is different than those offered in the target date funds, INPRS offers investment options for individual asset classes. This line-up of options allows members to construct an asset allocation that better suits their specific needs and objectives.
- 3) **Leverage the defined benefit asset base to provide low cost investment options.** One reason the multiple retirement plans under INPRS's management were originally consolidated was to reduce fees for all plans. As a result, it is critical that we maintain focus on utilizing the large asset base across the defined benefit and defined contribution plans to continually drive costs lower.

### Performance Attribution

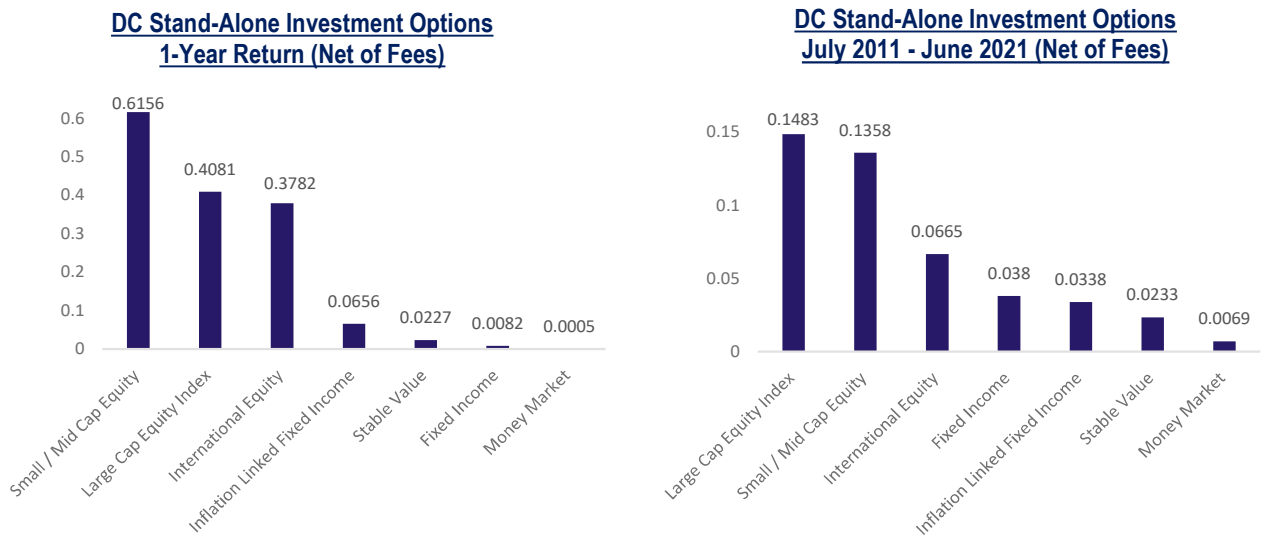
The defined contribution line-up is constructed using the basic building blocks of an asset allocation, including various equity and fixed income portfolios. As such, INPRS's investment options were influenced by the same forces mentioned in the defined benefit section above. Continual support from monetary and fiscal policy during fiscal year 2021 helped all equity-related investment options. While, the Small/Mid Cap Equity fund was the strongest performer, with a 61.5 percent return.

There were also interesting dynamics at play across the fixed income investment options. Since both inflation-linked bonds (e.g. U.S. Treasury Inflation-Protected Securities or TIPS) and nominal bonds (e.g. U.S. Treasuries in the Fixed Income Fund) are both backed by the federal government, investors will demand the same expected returns from each investment. Therefore, the difference between the yields on the two bonds reflects investors' inflation expectations (i.e. the breakeven inflation rate). If actual inflation comes in above these expectations, inflation-linked bonds will outperform nominal bonds. Given the positive inflation surprises in fiscal year 2021, the the Inflation-Linked Fixed Income fund was the best performing fixed income fund across the DC investment line-up with a 6.5 percent return versus 0.8 percent for the Fixed Income fund.

# Report from the Chief Investment Officer, continued

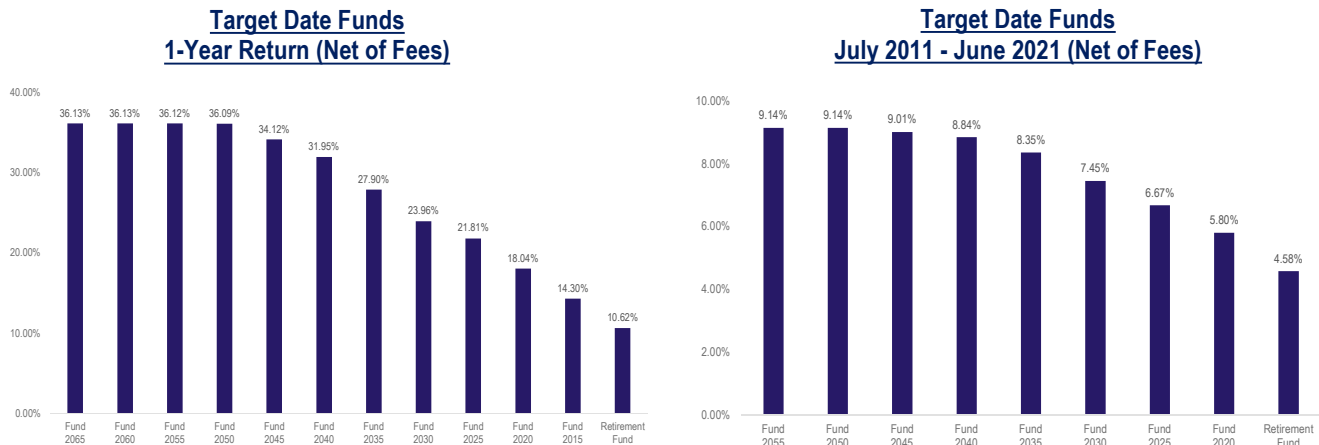
Over a longer time period, going back to July 2011, each stand-alone investment option has generated strong performance (right chart below). As expected, the higher-risk equity options have been the best performers while the fixed income related options have provided steady, positive returns.

## Defined Contribution Investment Option Returns as of June 30, 2021



Given INPRS's target date funds are constructed using different mixes of the INPRS stand-alone investment options, their returns are merely an amalgamation of the returns shown above. As designed, the funds farther from retirement have had higher returns over 1-year and since 2011 due to their higher allocations to equity exposure. Yet, each fund on the glidepath had returns in excess of 10 percent over the past year given the strong performance across equity funds and the Inflation-Linked Fixed Income fund. The following charts illustrate these performance differences since the target date funds became INPRS's default investment option in 2011.

## Defined Contribution Target Date Fund Returns as of June 30, 2021



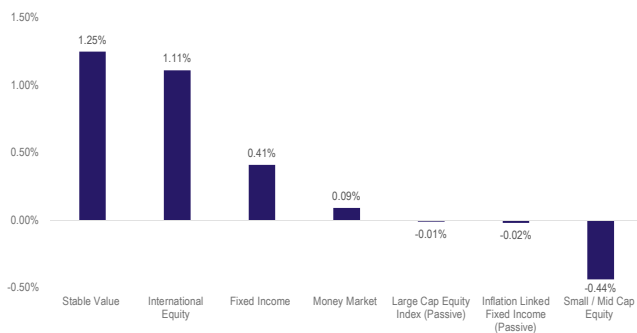
By including a moderate amount of active management within the fund line-up, the investment team was able to beat the benchmarks in four out of five of the stand-alone investment options that contain an active management component<sup>6</sup>. Outperformance ranged between 0.09 and 1.15 percent annually over the past ten years. The Small/Mid Cap Equity Fund had underperformance of 0.44 percent annually over this time frame due to an overweight to small cap equities, which have underperformed mid cap equities over this period. Given that the target date funds are constructed using the INPRS stand-alone investment options, this also translated into outperformance across the target date fund glide path of 0.51 to 0.64 percent over the past ten years.

<sup>6</sup> The following DC investment options are only passively managed: Large Cap Equity Index Fund and Inflation-Linked Fixed Income Fund.

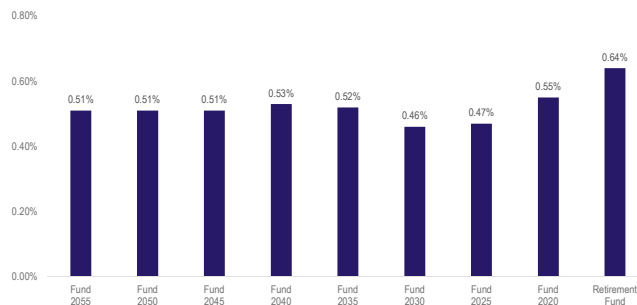
# Report from the Chief Investment Officer, continued

## Defined Contribution Annualized Performance Relative to Benchmarks as of June 30, 2021

**DC Standalone Investment Options  
Outperformance vs. Benchmarks (Net of Fees)  
July 2011 - June 2021**



**Target Date Funds  
Outperformance vs. Benchmarks (Net of Fees)  
July 2011 - June 2021**



## A New Chapter Begins

At least every five years, the investment team and investment consultant conduct an asset-liability study that ultimately leads to the INPRS Board approving an asset allocation and target rate of return for the defined benefit plans. Although the COVID pandemic forced our organization to put a pause on the latest asset-liability study in the spring of 2020, the study was ultimately completed and presented to the Board in fiscal year 2021. We believe the most important step for all investors is to be able to clearly state the objectives of their asset allocation and investment rate of return. As a result, the Board re-established its asset-liability framework in 2021 and codified it within the investment policy statement:

To guide their selection of the optimal target allocation and target range for each asset class, the Board shall consider the following key factors:

- 1) Maximize the probability of achieving the target rate of return over a 30-year time horizon while limiting the probability of contribution increases and a decline in funded status;
- 2) Investment decisions will be made and evaluated on a risk-adjusted basis after all associated costs are taken into account;
- 3) Constraints including, but not limited to, liquidity and operational complexity will be considered when making investment decisions.

Using this framework and through consultation with our internal actuaries and strategic investment partners, the investment team and investment consultant were able to develop, analyze, and present a number of asset allocation and target rate of return options to the Board. Various scenarios and stress tests were analyzed to determine which allocation would make our plans more resilient across a diverse set of economic environments. Also, the liquidity profile of each allocation was evaluated to minimize the chance of a liquidity squeeze adversely affecting the plan's ability to make retirements payments. However, the key to this process was that the focus remained on how various changes in the assets would ultimately affect employer/employee contributions and the plans' funded status. By relentlessly viewing things through this inter-connected lens, we believe we arrived at the best solution for our plans' specific liabilities. After careful consideration, the Board approved a new, more diversified asset allocation and a new, lower target rate of return of 6.25 percent. Although we are unsure how markets will perform in the years to come, our robust process and analysis gives us confidence that this new combination maximizes our plans' chances of continued success moving forward.

Scott B. Davis, CFA  
Chief Investment Officer

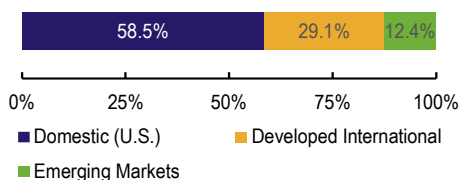


# Asset Class Summaries

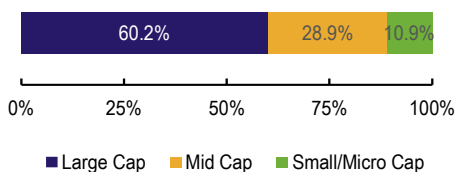
## Public Equity<sup>1</sup>

The public equity portfolio seeks to provide long-term capital appreciation and income through exposure to public equity securities. INPRS uses a variety of external managers to create a globally diversified portfolio within the asset class. Historically, public equities have performed well in environments when actual economic growth came in higher than expectations and/or when actual inflation came in lower than expectations.

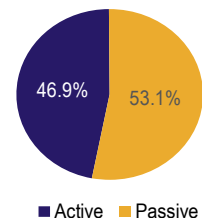
### Regional Exposure



### Market Cap Exposure



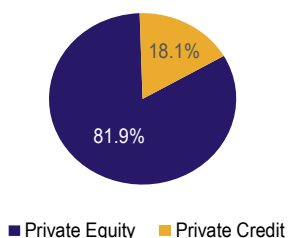
### Investment Strategy



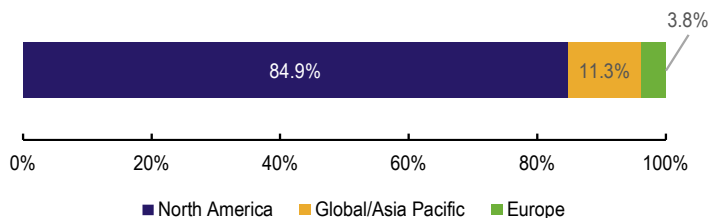
## Private Markets<sup>2</sup>

The private markets portfolio, which includes private equity and private credit, seeks to provide risk-adjusted returns in excess of public markets while simultaneously decreasing the volatility of the investment portfolio through diversification.

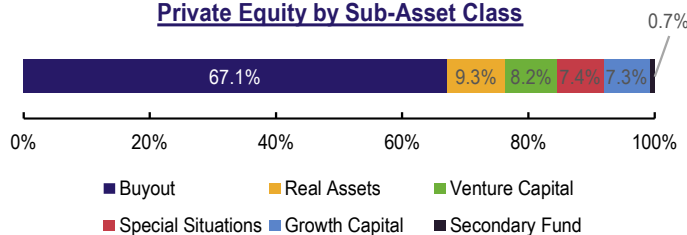
### Private Markets Allocation



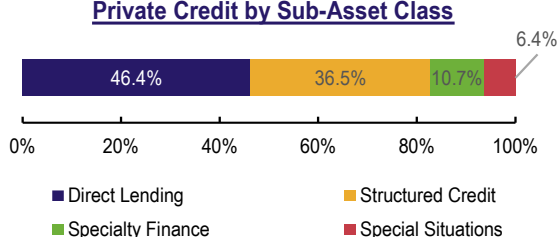
### Investment by Region



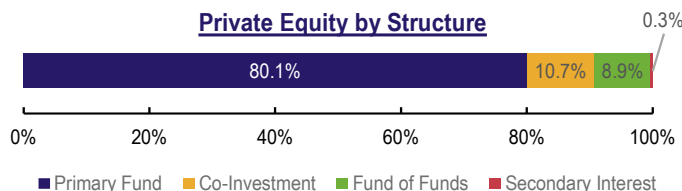
### Private Equity by Sub-Asset Class



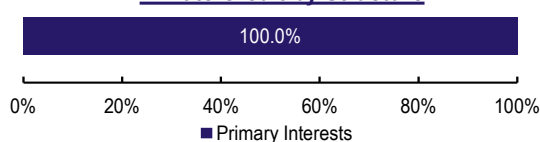
### Private Credit by Sub-Asset Class



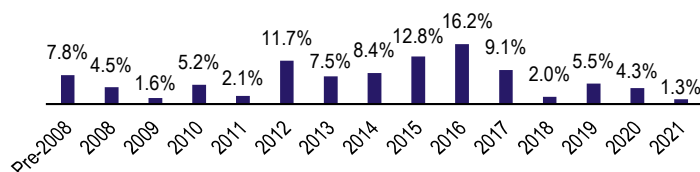
### Private Equity by Structure



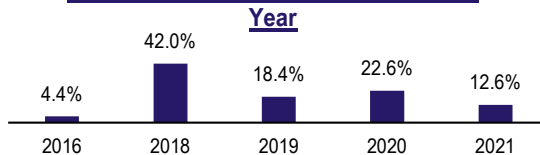
### Private Credit by Structure



### Private Equity Market Value by Vintage Year



### Private Credit Market Value by Vintage Year



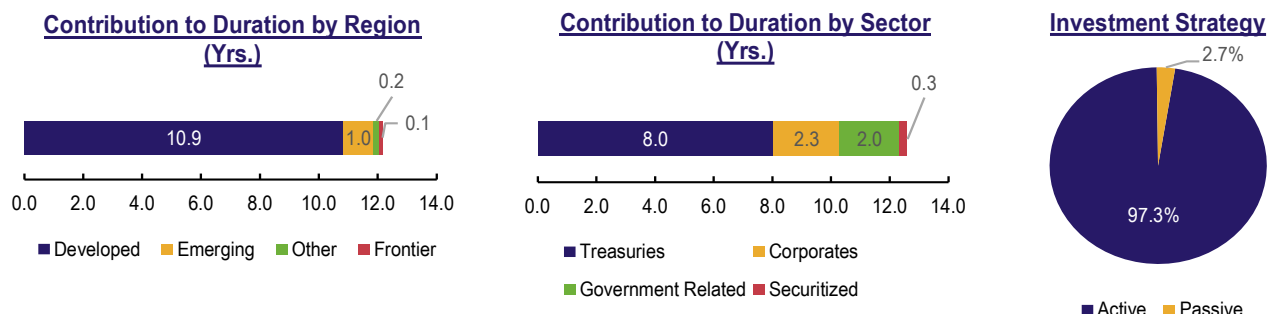
<sup>1</sup> Portfolio data provided by BNY Mellon, INPRS's Custodian

<sup>2</sup> Portfolio data provided by Aksia Torrey Cove, INPRS's Private Markets consultant

## Asset Class Summaries, continued

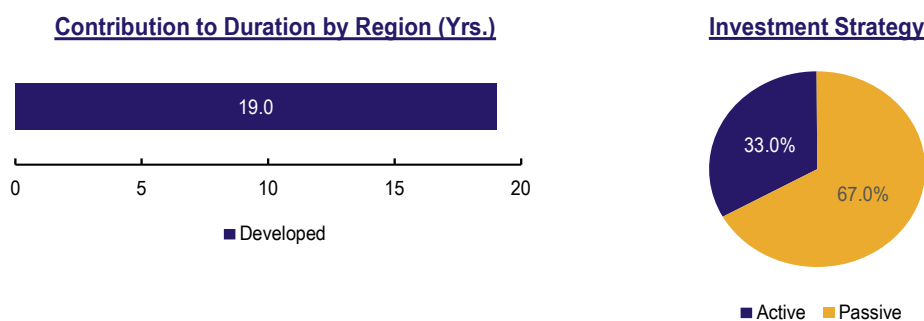
### Fixed Income (ex Inflation Linked)<sup>3</sup>

The fixed income - ex inflation-linked portfolio seeks to provide current income and long-term risk-adjusted return, in excess of the custom benchmark ("Benchmark"), through the investment in debt securities. A focus is placed on preservation of capital. To minimize the probability of substantial principal loss, INPRS staff seeks to reduce the volatility of the portfolio and enhance return from both contractual income and capital appreciation--in part, by investing in certain actively managed strategies.



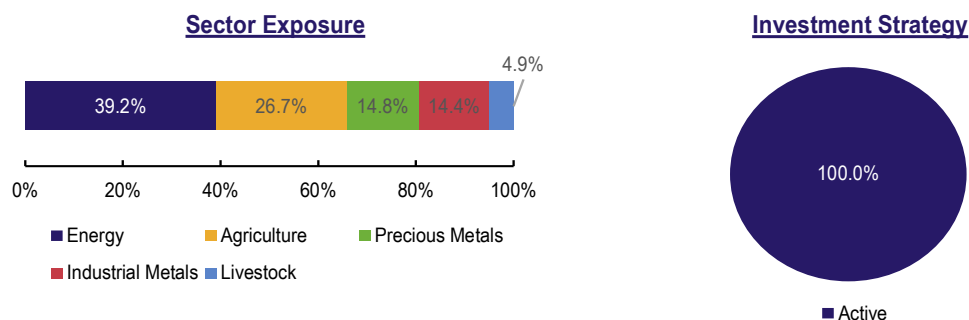
### Fixed Income (Inflation-Linked)<sup>3</sup>

The fixed income - inflation-linked portfolio seeks to provide a long-term risk-adjusted return similar to that of the custom global inflation index ("Benchmark") and to, more broadly, provide protection against unanticipated inflation.



### Commodities<sup>4</sup>

The commodities portfolio seeks to provide long-term risk-adjusted returns by preserving investment capital and lowering overall volatility. The portfolio should also act as a hedge against unanticipated inflation. Commodity investments have historically delivered returns that are less correlated with equity and fixed income markets which may provide an opportunity to enhance returns and/or reduce volatility.



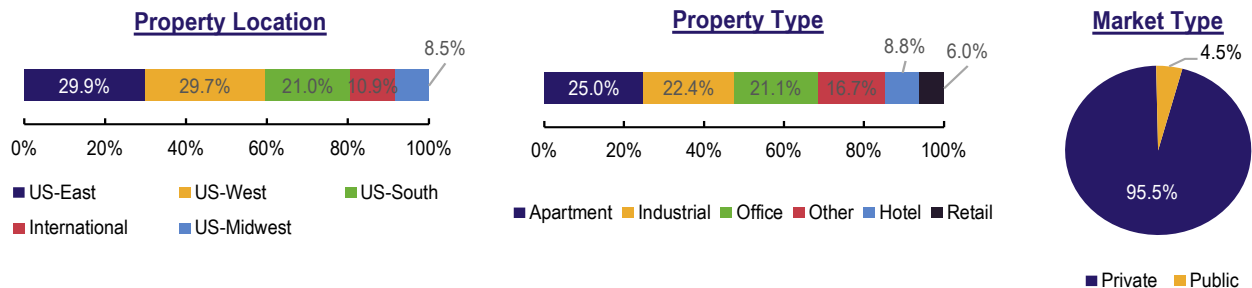
<sup>3</sup> Portfolio data provided by MSCI Barra One and BNY Mellon, INPRS's Custodian

<sup>4</sup> Portfolio data provided by portfolio managers

## Asset Class Summaries, continued

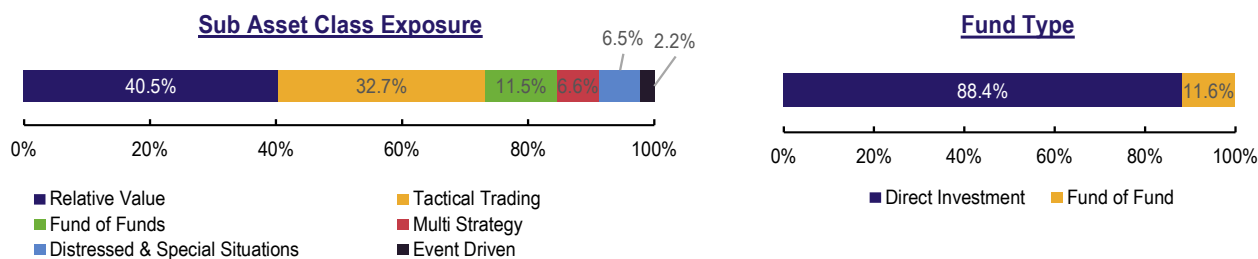
### Real Estate<sup>5</sup>

The real estate portfolio seeks to provide attractive risk-adjusted returns by providing stable current income and preserving investment capital. The portfolio should also reduce volatility by providing a hedge against inflation and through the diversification benefits provided by real estate investments. The real estate portfolio is mostly comprised of investments in private real estate partnerships, and the underlying exposures are a mix of debt and equity holdings.



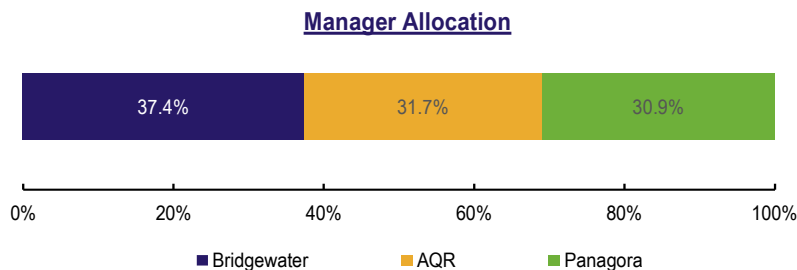
### Absolute Return<sup>6</sup>

The absolute return portfolio seeks to enhance the long-term risk adjusted returns of the plan by delivering alpha, providing diversification benefits, and preserving capital. Absolute return strategies generate returns by exploiting mispricing and inefficiencies in global capital markets, while attempting to reduce exposures to primary market factors (e.g. interest rates and equities) through various hedging techniques.



### Risk Parity<sup>7</sup>

The risk parity portfolio seeks to provide consistent and high risk-adjusted rates of returns as a standalone investment through the allocation of capital that equalizes risks across a myriad of macroeconomic environments. While traditional asset allocation is highly dependent on favorable equity returns, risk parity can be considered an “all weather” portfolio to garner consistent, high returns from multiple asset classes without long-term inclination towards any single asset class.



<sup>5</sup> Portfolio data provided by Mercer, INPRS's Real Estate consultant

<sup>6</sup> Portfolio data provided by Aksia, INPRS's Absolute Return consultant

<sup>7</sup> Portfolio data provided by BNY Mellon, INPRS's Custodian

# Outline of Investment Policies

## Objective and Guiding Principles

The Indiana Public Retirement System's (INPRS) Board serves as the ultimate fiduciary of INPRS. The Board establishes investment policies while the State of Indiana enacts guidelines on the investment of the System's assets. At all times, INPRS must invest its assets according to the "Prudent Investor" standard.

The Investment Policy Statement (IPS) ensures that INPRS will maintain funding for each retirement fund to pay the benefits or actuarially determined liabilities over time in a cost-effective manner. It is a dynamic document and periodic reviews are undertaken. The Investment Policy Statement was last revised on June 25, 2021.

Core tenets of the IPS are:

- Set investment policies that the Board judges to be appropriate and prudent.
- Develop clear, distinctive roles and responsibilities of the Board, staff and each service provider.
- Serve as a guide for continual oversight of the invested assets.
- Establish formal criteria to measure, monitor and evaluate the performance results of the investment managers.
- Communicate investment policies, directives and performance criteria to the external and internal stakeholders.

## Consolidated Defined Benefit Assets Objectives and Structure

The Board recognizes that the allocation of defined benefit assets is the most important factor of investment returns over long periods of time. An asset liability study is conducted every five years to analyze the expected returns of various global asset classes, projected liabilities, risks associated with alternative asset mix strategies and their effect on the projected fair value of assets, funded status and contributions to the funds. With a long-term investment focus, the current defined benefit portfolio was invested across diverse asset classes.

To maximize the probability of achieving the target rate of return over a 30-year time horizon, INPRS's Board of Trustees approved a new asset allocation on May 7, 2021 that included the increased use of leverage. The explicit leverage enables the Plan to obtain additional investment exposure, which results in an asset allocation that exceeds 100 percent of invested assets. Beginning in fiscal year 2022, the plan's target allocation for total exposure is 115 percent. Further details of INPRS's leverage policy are available in the IPS:

<u>Global Asset Class:</u>	<u>Current Target Allocation</u>	<u>Current Target Range</u>	<u>New Target Allocation</u>	<u>New Target Range</u>
Public Equity	22.0 %	19.5 to 24.5 %	20.0 %	17.0 to 23.0 %
Private Markets	14.0	10.0 to 18.0	15.0	10.0 to 20.0
Fixed Income - Ex Inflation-Linked	20.0	17.0 to 23.0	20.0	17.0 to 23.0
Fixed Income - Inflation-Linked	7.0	4.0 to 10.0	15.0	12.0 to 18.0
Commodities	8.0	6.0 to 10.0	10.0	7.0 to 13.0
Real Estate	7.0	3.5 to 10.5	10.0	5.0 to 15.0
Absolute Return	10.0	6.0 to 14.0	5.0	0.0 to 10.0
Risk Parity	12.0	7.0 to 17.0	20.0	15.0 to 25.0
Leverage Offset	N/A		(15)	

## Defined Contribution Assets Objectives and Structure

The defined contribution plans are structured to provide members with a choice of diverse investment options that offer a range of risk and return characteristics appropriate for members. Members can self-direct their investment options or leave their contributions invested in the default target date retirement fund. The investment options undergo periodic reviews by the Board. The defined contribution investments are outlined in Investment Results - Consolidated Defined Contribution Assets. In addition, Fund Facts are available online at: <https://www.in.gov/inprs/fundfactsheets.htm>

## Other Funds

Other plans under the administration of the Board include the Special Death Benefit Fund (SDBF), Retirement Medical Benefits Account Plan (RMBA) and Local Public Safety Pension Relief Fund (LPSPR). The assets of SDBF and RMBA are invested in intermediate U.S. government and U.S. credit bonds. The assets of LPSPR are invested in short-term money market instruments, including but not limited to, commercial paper and securities issued or guaranteed by the U.S. government.

# Notes to the Investment Schedules

## Accompanying Notes to the Actual and Benchmark Returns

- Returns are time-weighted based on calculations made by the System's custodian, Bank of New York Mellon.
- Returns are net of fees.
- Defined Benefit asset class custom benchmark descriptions are as follows:

Global Asset Class	Benchmark Description
Public Equity	MSCI All Country World Investable Market Net Index
Private Markets	Benchmark comprised of two custom benchmarks for Private Equity and Private Credit. 100% Private Equity from July 2008-September 2017 and 96% Private Equity and 4% Private Credit from October 2017-Present. October 2017 marked the inception of Private Credit. Private Equity Benchmark is comprised of the following components: 60% Russell 2000 Index, 20% MSCI EAFE Small Cap Index, 15% CS High Yield Index, and 5% Credit Suisse Western European High Yield Index (Hedged) plus 3.00%. Private Credit Benchmark is comprised of the following components : 50% CS Leverage Loan Index, 33% Wells Fargo BDC Index, and 17% CS Western European Leveraged Loan Index plus 1.50%.
Fixed Income - Ex Inflation-Linked	Benchmark comprised of 25% BB US Long Government, 25% BB Long US Credit, 25% WGBI ex-US 25% Japan Cap (USD Hedged), 7.5% JPM GBI EM, 7.5% JPM EMBI, 4.0% CS Leveraged Loan Total Return Index, 2.5% BofA ML US High Yield Total Return Index, 2.5% BofA ML Non-Financial Developed Markets High Yield Constrained Total Return Index, 1.0% CS Western Europe Leveraged Loan Total Return Index.
Fixed Income - Inflation-Linked	Benchmark comprised of 64% ICE BofA ML Treasury Inflation-Linked 15+ years, 36% Custom weighted mix of country indices within the Barclays Capital World Government Inflation-Linked Bond Index, 100% Hedged to USD (Country weights: 40% US, 30% Euroland, 15% UK, 10% Canada, 5% Sweden).
Commodities	Benchmark comprised of 100% Bloomberg Commodity Index and 75% Global Inflation Linked Bonds (ILB's) collateral component.
Real Estate	Benchmark comprised of Real Estate Custom PME made up of the following components: 70% FTSE NAREIT All Equity REITS and 30% Barclays CMBS.
Absolute Return	Benchmark comprised of 35% HFRI Macro (Total) Index, 25% HFRI Relative Value (Total) Index, 20% HFRI Event Driven Index, 12.5% HFRI Fund of Funds Composite Index, and 7.5% HFRX Equity Hedge Index.
Risk Parity	Benchmark comprised of 60% MSCI ACWI IMI Index (equities) and 40% Barclays Global Aggregate Bond Index (bonds).
Cash + Cash Overlay	Benchmark comprised of the allocation to sub-asset class targets for the cash overlay starting in April 2016; prior to that, the 3-month LIBOR was the benchmark for cash.
Consolidated Defined Benefit Assets	The target index weights for each asset class benchmark are set by the target asset allocation. The return for Risk Parity, Real Estate, and Private Markets are equal to the asset class returns and not the benchmark.

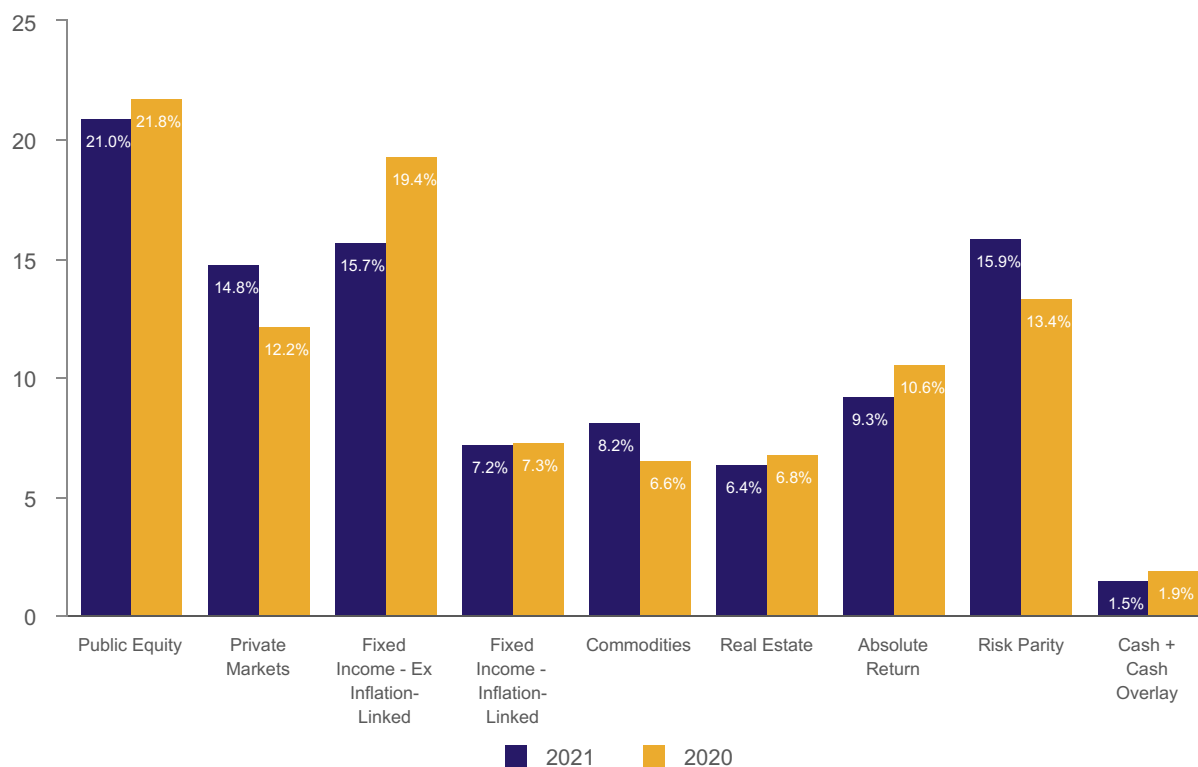
- Defined Contribution Target Date Fund benchmarks are comprised of performance data using a passive strategy with the same asset allocation glide path of each Target Date Fund.
- Defined Contribution Target Date Fund 2065 was added to the investment line-up May 1, 2020. Historical performance for 3-year and 5-year periods is not available.
- Defined Contribution Target Date Fund 2015 was added to the investment line-up July 1, 2019. Historical performance for 3-year and 5-year periods is not available.
- Defined Contribution International Equity Fund benchmark changed to MSCI ACWI ex US IMI Index on 02/01/2019. The prior benchmark was MSCI ACWI ex US Index.

## Investment Results - Consolidated Defined Benefit Assets

### Asset Allocation Summary: June 30, 2021 Actual vs. June 30, 2020 Actual

The Total Consolidated Defined Benefit Investments shown below are grouped by global asset classes approved in the Investment Policy Statement, whereas the investments in the Statement of Fiduciary Net Position are grouped in assets and liabilities according to GASB and the security type assigned to each investment.

Global Asset Class	June 30, 2021			Allowable Range for Investments	June 30, 2020	
	Amount	Percent	Target %		Amount	Percent
Public Equity	\$ 8,084,004	21.0 %	22.0 %	19.5 to 24.5 %	\$ 6,698,898	21.8 %
Private Markets	5,696,996	14.8	14.0	10.0 to 18.0	3,736,344	12.2
Fixed Income - Ex Inflation-Linked	6,065,207	15.7	20.0	17.0 to 23.0	5,941,606	19.4
Fixed Income - Inflation-Linked	2,765,232	7.2	7.0	4.0 to 10.0	2,233,102	7.3
Commodities	3,177,373	8.2	8.0	6.0 to 10.0	2,026,221	6.6
Real Estate	2,454,464	6.4	7.0	3.5 to 10.5	2,096,536	6.8
Absolute Return	3,601,879	9.3	10.0	6.0 to 14.0	3,240,716	10.6
Risk Parity	6,134,417	15.9	12.0	7.0 to 17.0	4,115,539	13.4
Cash + Cash Overlay	582,085	1.5	N/A		568,869	1.9
<b>Total Consolidated Defined Benefit Assets</b>	<b>\$ 38,561,657</b>	<b>100.0 %</b>	<b>100.0 %</b>		<b>\$ 30,657,831</b>	<b>100.0 %</b>



## Investment Results - Consolidated Defined Benefit Assets, continued

### Time-Weighted Rate of Return by Asset Class vs. Benchmark Returns <sup>1</sup>

For the Year Ended June 30, 2021

Global Asset Class	Actual Return	Benchmark Return	Actual Over / (Under) Benchmark
Public Equity	42.5 %	40.9 %	1.6 %
Private Markets	47.9	75.2	(27.3)
Fixed Income - Ex Inflation-Linked	3.4	0.6	2.8
Fixed Income - Inflation-Linked	6.3	5.5	0.8
Commodities	55.0	43.7	11.3
Real Estate	16.8	24.9	(8.1)
Absolute Return	12.2	18.9	(6.7)
Risk Parity	23.7	23.3	0.4
Cash + Cash Overlay	(5.7)	21.7	(27.4)
<b>Total Consolidated Defined Benefit Assets</b>	<b>25.5 %</b>	<b>24.7 %</b>	<b>0.8 %</b>

### Historical Time-Weighted Investment Rates of Return

For the Years Ended June 30

(dollars in thousands)	Fair Value of Assets	Rate of Return <sup>1</sup>	Target Return
2021	\$ 38,561,657	25.5 %	6.75 %
2020	30,657,831	2.6	6.75
2019	30,370,574	7.4	6.75
2018	28,475,760	9.3	6.75
2017	26,364,510	8.0	6.75
2016	24,775,551	1.2	6.75
2015	24,629,820	—	6.75
2014	24,560,323	13.7	6.75
2013	21,488,715	6.0	6.75
2012	19,708,900	0.7	7.00

<sup>1</sup> See Accompanying Notes to the Actual and Benchmark Returns.

## Investment Results - Consolidated Defined Benefit Assets, continued

### Time-Weighted Rates of Return by Asset Class vs Benchmark Returns <sup>1</sup>

As of June 30, 2021

Global Asset Class	1-Year	Annualized	
		3-Years	5-Years
<b>Public Equity</b>	42.5 %	15.5 %	15.8 %
Benchmark	40.9	14.2	14.6
<b>Private Markets</b>	47.9	22.1	19.0
Benchmark	75.2	14.8	16.8
<b>Fixed Income - Ex Inflation - Linked</b>	3.4	7.6	5.2
Benchmark	0.6	6.6	4.3
<b>Fixed Income - Inflation - Linked</b>	6.3	8.8	6.3
Benchmark	5.5	9.2	6.3
<b>Commodities</b>	55.0	1.4	3.5
Benchmark	43.7	(0.3)	1.7
<b>Real Estate</b>	16.8	9.2	10.0
Benchmark	24.9	9.4	6.3
<b>Absolute Return</b>	12.2	5.5	5.9
Benchmark	18.9	6.1	5.4
<b>Risk Parity</b>	23.7	11.4	9.4
Benchmark	23.3	10.7	10.1
<b>Cash + Cash Overlay</b>	(5.7)	3.0	4.6
Benchmark	21.7	10.7	9.4
<b>Consolidated Defined Benefit Assets</b>	25.5	11.4	10.3
Target Index	24.7	10.9	9.5

<sup>1</sup> See Accompanying Notes to the Actual and Benchmark Returns.



## Investment Results - Consolidated Defined Benefit Assets, continued

### Statistical Performance

As of June 30, 2021

Statistic	Annualized			
	1-Year	3-Years	5-Years	10-Years
Time-Weighted Rate of Return	25.5 %	11.4 %	10.3 %	7.2 %
Standard Deviation	6.90	7.74	6.28	6.05
Sharpe Ratio <sup>1</sup>	3.06	1.19	1.35	1.05
Beta <sup>2</sup>	0.44	0.38	0.37	0.38
Correlation <sup>2</sup>	0.89	0.89	0.87	0.86

<sup>1</sup> Risk Free Proxy is the Citigroup 3 Month T-Bill.

<sup>2</sup> Market Proxy is the S&P 500.

### Definition of Key Terms:

**Standard Deviation:** A statistic used to measure the dispersion in a distribution. Dispersion is measured relative to the mean, or average of the distribution. The greater the dispersion, the higher the risk associated with the pattern of observations. One standard deviation describes two-thirds of the observations in a normal or bell-shaped distribution. In an asset allocation context, standard deviation is a conventional proxy for risk or volatility.

**Sharpe Ratio:** Ratio used to measure risk-adjusted performance. The Sharpe Ratio is calculated by subtracting a risk-free rate (proxy) from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. The Sharpe Ratio provides insight on excess risk held in the portfolio. The greater a portfolio's Sharpe Ratio, the better its risk-adjusted performance has been. A negative Sharpe Ratio indicates that a risk-less asset would perform better than the security being analyzed.

**Beta:** A measure of the volatility, or systematic risk, of a security or portfolio in comparison to the market as a whole. Beta is the tendency of a security's return to respond to swings in the market. A Beta of less than one indicates less volatility than the market. A Beta of greater than one indicates greater volatility than the market.

**Correlation:** A statistical measure of how two securities move in relation to each other. A correlation of positive 1.0 indicates similar magnitude and direction of change. A correlation of negative (1.0) indicates similar magnitude, but opposite direction. A correlation of zero indicates the relationship is purely random.

# Investment Results - Consolidated Defined Contribution Assets

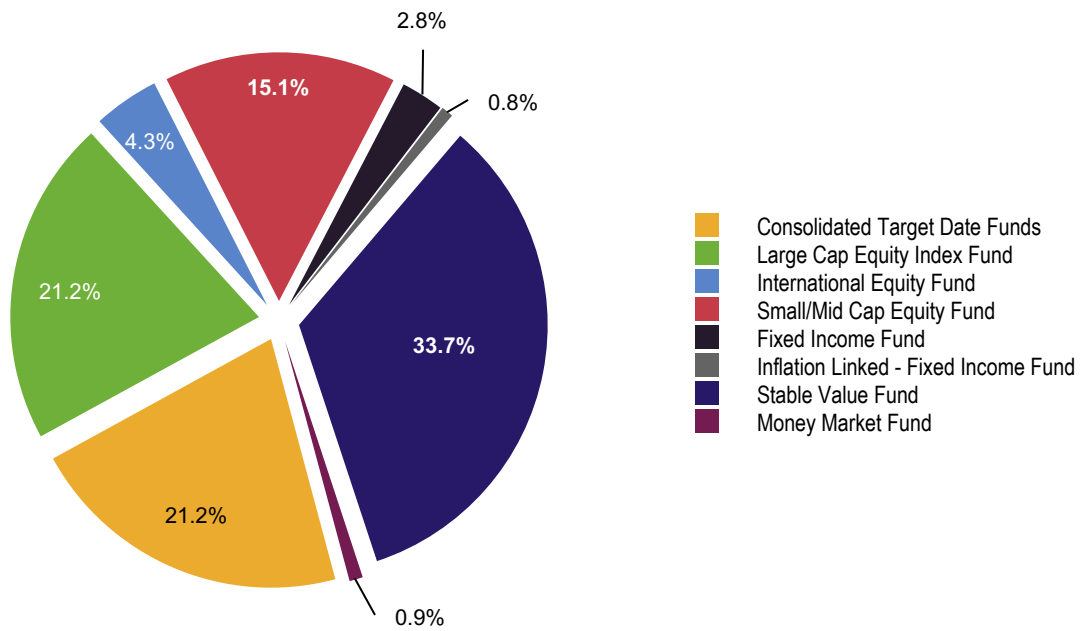
## Assets by Investment Option

As of June 30, 2021

The Total Consolidated Defined Contribution Investments shown below are grouped by asset classes approved in the Investment Policy Statement, whereas the investments in the Statement of Fiduciary Net Position are grouped in assets and liabilities according to GASB and the security type assigned to each investment.

(dollars in thousands)

Investment Option	Plan Assets	Percent of Total Self-Directed Investments
Consolidated Target Date Funds	\$ 1,457,889	21.2 %
Large Cap Equity Index Fund	1,457,911	21.2
International Equity Fund	292,872	4.3
Small/Mid Cap Equity Fund	1,035,124	15.1
Fixed Income Fund	192,506	2.8
Inflation Linked - Fixed Income Fund	49,754	0.8
Stable Value Fund	2,315,982	33.7
Money Market Fund	61,436	0.9
<b>Total Defined Contribution Assets</b>	<b>\$ 6,863,474</b>	<b>100.0 %</b>



## Investment Results - Consolidated Defined Contribution Assets, continued

### Rate of Return by Investment Option vs. Benchmark Returns <sup>1</sup>

For the Year Ended June 30, 2021

Investment Option	1-Year	Annualized	
		3-Year	5-Year
<b>Target Date Funds:</b>			
Fund 2065	36.1	n/a	n/a
2065 Fund Index	35.7	n/a	n/a
Fund 2060	36.1	14.7	13.3
2060 Fund Index	35.7	13.9	12.6
Fund 2055	36.1	14.7	13.3
2055 Fund Index	35.7	13.9	12.6
Fund 2050	36.1	14.7	13.3
2050 Fund Index	35.7	13.9	12.6
Fund 2045	34.1	14.3	13.0
2045 Fund Index	33.7	13.5	12.3
Fund 2040	32.0	13.8	12.6
2040 Fund Index	31.5	13.0	11.9
Fund 2035	27.9	13.0	11.6
2035 Fund Index	27.4	12.2	10.9
Fund 2030	24.0	12.2	10.0
2030 Fund Index	23.5	11.5	9.3
Fund 2025	21.8	11.6	8.8
2025 Fund Index	21.4	10.9	8.1
Fund 2020	18.0	10.3	7.5
2020 Fund Index	17.4	9.6	6.8
Fund 2015	14.3	n/a	n/a
2015 Fund Index	13.7	n/a	n/a
Retirement Fund	10.6	8.0	5.7
Retirement Fund Index	9.9	7.4	5.1
<b>All Other Funds:</b>			
Large Cap Equity Index Fund	40.8	18.7	17.7
S&P 500 Index	40.8	18.7	17.7
International Equity Fund	37.8	11.4	12.7
MSCI ACWI ex US IMI Index	37.2	9.7	11.3
Small/Mid Cap Equity Fund	61.6	18.0	18.5
Russell Small Cap Completeness Index	61.7	18.6	18.9
Fixed Income Fund	0.8	5.7	3.5
Bloomberg Barclays U.S. Aggregate Bond Index	(0.3)	5.3	3.0
Inflation - Linked Fixed Income Fund	6.6	6.5	4.3
Bloomberg Barclays U.S. TIPS Index	6.5	6.5	4.2
Stable Value Fund	2.3	2.4	2.1
Federal Reserve 3 Yr Constant Maturity	0.2	1.3	1.4
Money Market Fund	0.1	1.3	1.3
FTSE 3 Month U.S. T-Bill Index	0.1	1.3	1.1

<sup>1</sup> See Accompanying Notes to the Actual and Benchmark Returns.

## Investment Results - Consolidated Defined Contribution Assets, continued

### Historical Annual Interest Crediting Rates

#### For the Years Ended June 30

Interest crediting rates are used to calculate a return on contributions made by members who are exiting the fund prior to attaining eligibility for a pension benefit payment. Interest rates are approved by the Board on an annual basis.

	Annual Interest Crediting Rate			
	77 Fund	JRS	EG&C	PARF
2021	1.1 %	1.1 %	1.1 %	1.1 %
2020	2.6	2.6	2.6	2.6
2019	2.8	2.8	2.8	2.8
2018	2.4	2.4	2.4	2.4
2017	1.8	1.8	1.8	1.8
2016	1.9	1.9	1.9	1.9
2015	2.7	2.7	2.7	2.7
2014	1.9	1.9	1.9	1.9
2013	5.5	—	0.3	5.5
2012	5.5	—	3.5	5.5

## Top 10 Holdings

For the Year Ended June 30, 2021

### Equity Holdings by Fair Value <sup>1</sup>

(dollars in thousands)

Company	Shares	Fair Value
Apple Inc.	1,626,169	\$ 222,720
Microsoft Corporation	784,712	212,578
Amazon.com Inc.	44,717	153,834
Facebook Inc.	246,566	85,733
Samsung Electronics Co. Ltd.	1,095,635	78,513
Taiwan Semiconductor Manufacturing	3,671,000	78,394
Alphabet Inc. Class A Common Stock	31,413	76,704
Alphabet Inc. Class C Capital Stock	29,218	73,230
ASML Holding NV	84,846	58,299
Berkshire Hathaway Inc.	196,532	54,620

### Fixed Income Holdings by Fair Value <sup>1</sup>

(dollars in thousands)

Description	Coupon Rate	Maturity Date	Par Value	Fair Value
U.S. Treasury Bond	1.875 %	2/15/41	\$ 469,400	\$ 460,012
U.S. Treasury Bond	1.875	2/15/51	263,300	251,534
U.S. Treasury - CPI Inflation Index Bond	2.125	2/15/41	165,931	249,958
U.S. Treasury - CPI Inflation Index Bond	1.375	2/15/44	153,824	212,177
U.S. Treasury - CPI Inflation Index Bond	0.750	2/15/42	155,505	189,332
U.S. Treasury - CPI Inflation Index Bond	0.625	2/15/43	153,125	182,828
U.S. Treasury - CPI Inflation Index Bond	0.750	2/15/45	146,466	180,558
U.S. Treasury - CPI Inflation Index Bond	1.000	2/15/46	130,345	170,275
U.S. Treasury - CPI Inflation Index Bond	2.125	2/15/40	106,705	159,010
U.S. Treasury - CPI Inflation Index Bond	0.875	2/15/47	122,526	157,560

<sup>1</sup> A complete list of portfolio holdings is available upon request.

## Investment Fees

### Investment Management Fees

#### For the Year Ended June 30, 2021

Private Markets and Real Estate managers provide account valuations on a net of fee basis. While management fees are disclosed in the Investment Management Fees schedule, for greater transparency, INPRS makes a good faith effort to provide realized carried interest and expenses that would not otherwise be disclosed. INPRS's consultants Aksia Torrey Cove and Mercer provided additional fee information on a calendar year basis as of December 31, 2020 resulting in reported realized carried interest and expenses for Private Markets of \$89.1 million and Real Estate of \$17.8 million. Reported realized carried interest and expenses exclude funds where data was not provided by the general partners.

(dollars in thousands)

<u>Asset Class</u>	<u>Fees Paid</u>
Consolidated Defined Benefit Assets	
Public Equity	\$ 18,013
Private Markets	43,295
Fixed Income - Ex Inflation-Linked	21,647
Fixed Income - Inflation-Linked	2,753
Commodities	14,931
Real Estate	27,010
Absolute Return	105,402
Risk Parity	14,596
Cash + Cash Overlay	402
<b>Total Consolidated Defined Benefit Assets</b>	<b>248,049</b>
Defined Contribution Assets	8,715
OPEB Assets	42
<b>Total Investment Management Fees</b>	<b>\$ 256,806</b>

### Brokers' Commission Fees

#### For the Year Ended June 30, 2021

(dollars in thousands)

<u>Broker</u>	<u>Fees Paid</u>
Newedge USA LLC	\$ 838
Goldman Sachs & Co.	774
Morgan Stanley & Co. Inc.	513
Capital Institutional Services Inc.	104
J P Morgan Securities Ltd.	95
Merrill Lynch International Equities	92
UBS Equities	77
Instinet Europe Ltd.	74
Instinet Clearing Services Inc.	69
Jefferies & Co. Inc.	69
<b>Top Ten Brokers' Commission Fees</b>	<b>2,705</b>
Other Brokers	1,924
<b>Total Brokers' Commission Fees</b>	<b>\$ 4,629</b>

# Investment Professionals

---

As of June 30, 2021

## Consolidated Defined Benefit Assets

### Custodian

Bank of New York Mellon

### Consultants

Aksia (Absolute Return)

Aksia Torrey Cove (Private Equity and Private Credit)

Mercer (Real Estate)

Verus (General: Defined Benefit)

### Public Equity Managers

Altrinsic Global Advisors, LLC

Arrowstreet Capital, LP

Baillie Gifford & Company

BlackRock Inc.

Disciplined Growth Investors

Leading Edge Investment Advisors

RhumbLine Advisers

TimesSquare Capital Management, LLC

### Private Markets Managers

352 Capital

400 Capital Management

A.M. Pappas & Associates

ABRY Partners

Accel-KKR

Accent Equity Partners AB

Actis Capital

Advanced Technology Ventures

Advent International

Aisling Capital

AlpInvest Partners

Apax Partners

Apollo Management

ARCH Venture Partners

Ares Management

Ascribe Capital

Austin Ventures

Bain Capital Partners

Baring Private Equity Asia (BPEA)

Bertram Capital

Black Diamond Capital Management

BlackFin Capital Partners

Blackstone Group

Bregal Sagemount

Brentwood Associates

Butterfly Equity Partners

Caltius Capital Management

Cardinal Partners

Carlyle Group

Centerfield Capital Partners

Cerberus Capital Management

Charterhouse Capital Partners

CID Capital

Cinven

Coller Capital

Columbia Capital

Crescent Capital Group

Crestview Partners

CVC Capital Partners

Doll Capital Management (DCM)

Elevation Partners

EnCap Investments

Energy Capital Partners

Escalate Capital Partners

Falcon Investment Advisors

First Reserve Corporation

Forbion Capital Partners

Fortress Investment Group

Francisco Partners

Gamut Capital Management

Gilde Buyout Partners

Globespan Capital Partners

Goldman Sachs Merchant Bank

GSO Capital Partners

GTCR Golder Rauner

H2 Equity Partners

Hamilton Lane

Hammond Kennedy Whitney & Co

Hellman & Friedman

Herkules Capital

High Road Capital Partners

Horsley Bridge

HPS Investments Partners

Insight Partners

Institutional Venture Partners (IVP)

Intermediate Capital Group (ICG)

JFM Management

Jordan Company (TJC)

Kailai Investments

Khosla Ventures

Kohlberg Kravis Roberts & Co (KKR)

KPS Capital Partners

Landmark Partners

Leonard Green & Partners

Lexington Partners

Lightyear Capital

Lindsay Goldberg

Lion Capital

MBK Partners

Merit Capital Partners

Mill Road Capital

Neuberger Berman

New Enterprise Associates

New Mountain Capital

NGP Energy Capital Management

Oak Hill Advisors

Oak Hill Capital Management

Oak Investment Partners

Oaktree Capital Management

Opus Capital Venture Partners

Panda Power Funds

Parthenon Capital Partners

Pathlight Capital

Peninsula Capital Partners

Platinum Equity

Portfolio Advisors

Rho Capital Partners

RJD Partners

SAIF Management

Scale Venture Partners

Silver Cup

Silver Lake Partners

Sixth Street Partners

SLR Investment Corp

StepStone Group

Stride Consumer Partners

Sumeru Equity Partners

# Investment Professionals, continued

---

## Private Markets Managers, continued

Sun Capital Partners  
TA Associates  
TCW Capital Partners  
Technology Crossover Ventures  
Technology Partners  
Terra Firma Capital Partners  
TowerBrook Financial  
TPG Capital  
Trilantic Capital Partners  
Trinity Ventures  
Triton Partners  
True Ventures  
TSG Consumer Partners  
Veritas Capital Management  
Veronis Suhler Stevenson (VSS)  
Vestar Capital Partners  
Vintage Venture Partners  
Vision Capital  
Vista Equity Partners  
Walden Group of Venture Capital Funds  
Warburg Pincus  
Warwick Energy Investment Group  
Waterfall Asset Management  
Wayzata Investment Partners  
Weston Presidio Capital  
White Deer Management  
WL Ross & Co.  
Xenon Private Equity  
York Capital Management

## Fixed Income - Ex Inflation-Linked Managers

Goldman Sachs Asset Management, LP  
Oak Hill Advisors, LP  
Oak Tree Capital Management, LP  
Pacific Investment Management Company (PIMCO)  
State Street Global Advisors

## Fixed Income - Inflation-Linked Managers

Bridgewater Associates, Inc.  
Northern Trust Global Investments

## Commodities Managers

Black Rock Institutional Trust <sup>1</sup>  
CoreCommodity Management  
Gresham Investment Management, LLC  
Northern Trust Global Investments <sup>1</sup>

## Real Estate Managers

Abacus Capital Group, LLC  
Angelo Gordon LP  
Asana Partners, LP  
BlackRock Financial Management  
Blackstone Group  
Brigade Capital Management  
Carlyle Group  
Colony Capital, LLC  
Exeter Property Group, LLC  
Greenfield Partners, LLC  
H/2 Capital Partners  
Harrison Street Real Estate Capital, LLC  
ICG  
JDM Partners  
LimeTree Capital Advisors  
Kayne Anderson  
Lone Star Management Co.  
Mack Real Estate Group  
Mesa West Capital  
Noble Investment Group  
Prologis  
Related Fund Management LLC  
Rockpoint Group LLC  
Stockbridge Capital Group  
TA Realty Associates  
Walton Street Capital, LLC  
WestRiver Capital, LLC

## Infrastructure Managers

Digital Colony  
Kohlberg Kravis Roberts & Co (KKR)

## Absolute Return Managers

AHL Partners (Man Group)  
Aeolus Capital Management  
AQR Capital Management  
Blackstone Group  
Bridgewater Associates, Inc.  
Davidson Kempner Capital Management  
D.E. Shaw & Co  
Eisler Capital  
Garda Capital Partners  
Hudson Structured Capital Management  
King Street Capital Management  
Kirkoswald Capital Partners LLP  
Mariner Investments Group LLC  
Perella Weinberg Partners  
Pharo Management  
Rokos Global Macro  
Tenaron Capital Management  
Tilden Park Associates  
Two Sigma Advisers  
Voloridge  
Whitebox

## Risk Parity Managers

AQR Capital Management  
Bridgewater Associates, Inc  
PanAgora

## Cash Overlay Managers

Parametric  
Russell Investments

<sup>1</sup> Black Rock Institutional Trust and Northern Trust Global Investments manage inflation-linked collateral associated with the commodity mandates.



## Investment Professionals, continued

---

### Defined Contribution Assets and Other Funds

#### Consultant

Capital Cities, LLC (General: Defined Contribution)

#### Retirement Medical Benefit Account

State Street Global Advisors

#### Large Cap Equity Index Fund Managers

BlackRock Inc.

#### Special Death Benefit Fund Assets

Northern Trust Global Investments

#### International Equity Fund Managers

Altrinsic Global Advisors, LLC

Arrowstreet Capital, LP

Baillie Gifford & Company

BlackRock Inc.

#### Local Public Safety Pension Relief Fund Assets

Bank of New York Mellon

#### Small/Mid Cap Equity Fund Managers

RhumbLine Advisers

TimesSquare Capital Management, LLC

#### Fixed Income Fund Managers

Loomis Sayles & Company, LP

Northern Trust Global Investments

Pacific Investment Management Company (PIMCO)

#### Inflation-Linked Fixed Income Fund Managers

Northern Trust Global Investments

#### Stable Value Fund

Galliard Capital Management (Fund Advisor)

Income Research + Management (Fund Sub-Advisor)

Jennison Associates (Fund Sub-Advisor)

Dodge & Cox (Fund Sub-Advisor)

TCW (Fund Sub-Advisor)

#### Money Market Fund Manager

Bank of New York Mellon

# 2021 **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2021

## Actuarial Section

<a href="#">123</a>	Introduction to Actuarial Information
<a href="#">124</a>	Actuary's Certification Letter
<a href="#">127</a>	Combined Defined Benefit Funds
<a href="#">131</a>	Public Employees' Defined Benefit Account
<a href="#">140</a>	Teachers' Pre-1996 Defined Benefit Account
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<a href="#">156</a>	1977 Police Officers' and Firefighters' Retirement Fund
<a href="#">163</a>	Judges' Retirement System
<a href="#">170</a>	Excise, Gaming and Conservation Officers' Retirement Fund
<a href="#">178</a>	Prosecuting Attorneys' Retirement Fund
<a href="#">185</a>	Legislators' Defined Benefit Fund

### **\$3.7 Billion Unfunded Actuarial Accrued Liability**

Excluding TRF Pre 96 DB

### **137.9 Percent ADC Contributed**

For the four funds that are funded through percent of payroll contributions



## Purpose of the Actuarial Section

Funding methods used for the Defined Benefit retirement plans are not governed by and do not conform to GASB Statement No. 67, so the actuary prepares two actuarial valuations for each of the pension plans. One is an actuarial valuation used for financial reporting purposes, which conforms to GASB Statement No. 67 (Financial Section) and the second is an actuarial valuation used for funding purposes (Actuarial Section), which follows generally accepted actuarial principles and the Actuarial Standards of Practice issued by the Actuarial Standards Board. Actuarial methods and assumptions utilized to prepare the two actuarial valuations are nearly identical, with the primary difference being the method of valuation of the pension assets. In 2019, INPRS published an actuarial risk analysis report that highlights many of the actuarial-related risks faced by INPRS funds. It is available on the [actuarial reports page](#) of the INPRS website. Amounts presented in the Actuarial Section may differ from the amounts presented for financial reporting purposes in the Financial Section. For defined benefit pension plans that are administered through a trust or equivalent arrangement the actuarial section references the ten-year schedule of actuarially determined and actual contributions provided as required supplementary information.

Actuarial services are provided by Cavanaugh Macdonald Consulting, LLC.

## Accompanying Notes to the Actuarial Schedules

The following details are intended to clarify certain values presented in the actuarial schedules:

- The Unfunded Actuarial Accrued Liability (UAAL) is calculated using the Actuarial Value of Assets (AVA), which is different from the Net Pension Liability in the Financial Section which uses the Plan Fiduciary Net Position, also known as the Fair Value of Assets (FVA).
- Actuarial Accrued Liabilities Experience represents actual experience versus expected experience of the actuarial census assumptions. One factor was the unanticipated changes to the member census data. In JRS there was a 2.45 percent COLA, rather than the assumed COLA of 2.75 percent. In the '77 Fund there was a 1.9 percent COLA, rather than the assumed COLA of 2.1 percent.
- Covered Employee Payroll can also be found in the RSI Contribution Schedule in the Financial Section (LE DB is a closed plan with no Covered Employee Payroll).
- For years 2014 and later, the valuation results were calculated using the prior year census data, adjusted for certain activity during the fiscal year.
- End of year benefits are not equal to prior year end annual benefits plus additions less removals due to beneficiary benefit changes, data changes, and COLA increases on the Schedule of Retirants and Beneficiaries.
- Annual Payroll figures shown on the Schedule of Active Members Valuation Data are the anticipated pay for the one-year period following the valuation date.
- Beginning in 2018 there was a change in method impacting Average Annual Pay.

For PERF DB, TRF Pre-'96 DB, and TRF '96 DB the additional information should be considered:

- Annual benefits include amounts for members who selected annuity for their ASA (i.e. DC balance).
- Effective January 1, 2018, members can no longer use their DC balances to increase their DB payments. For the solvency test, DC account balances are treated as a separate DC plan.
- The end of year number of benefit recipients is not equal to the prior end of year number of benefit recipients plus additions less removals due to reclassifications between TRF Pre-'96 DB and TRF '96 DB.



## Cavanaugh Macdonald

CONSULTING, LLC

*The experience and dedication you deserve*

November 23, 2021

Board of Trustees  
Indiana Public Retirement System  
1 North Capitol, Suite 001  
Indianapolis, IN 46204

Dear Members of the Board:

At your request, we performed the annual actuarial valuations of the eight defined benefit plans administered by the Indiana Public Retirement System (INPRS): the Public Employees' Retirement Fund (PERF DB), the Teachers' Pre-1996 Account (TRF Pre-'96 DB), the Teachers' 1996 Account (TRF '96 DB), the 1977 Police Officers' and Firefighters' Retirement Fund ('77 Fund), the Judges' Retirement System (JRS), the Excise, Gaming and Conservation Officers' Retirement Fund (EG&C), Prosecuting Attorneys' Retirement Fund (PARF), and the Legislators' Defined Benefit Fund (LE DB). These valuations are as of June 30, 2021, for the purpose of estimating the actuarial required contribution for the plan years ending in calendar year 2023 (either June 30 or December 31), along with the actuarial surcharge rate or equivalent amounts for applicable plans (PERF DB, TRF Pre-'96 DB, TRF '96 DB, EG&C, and LE DB) for the 2022 calendar year, and reflect the benefit and funding provisions in place on June 30, 2021.

While there were no changes to the ongoing benefit provisions of the plans, the Legislature approved a 1.00% COLA effective January 1, 2022 to be paid from the Supplemental Reserve Account for PERF DB, TRF Pre-'96 DB, TRF '96 DB, EG&C, and LE DB. Senate Enrolled Act No. 396 (SEA 396) did change the definition of the first-class officer salary for the '77 Fund, but was deemed immaterial for purposes of this actuarial valuation based on a sample of newly collected first-class officer salaries and is, therefore, not reflected in the '77 Fund valuation. There were no changes to the benefit provisions of the JRS and PARF plans. This report also reflects the updated economic assumptions approved by the Board in May 2021. Please refer to the May 7, 2021 meeting minutes for complete details. There were no changes in the demographic assumptions or actuarial methods from last year.

### **Basis of the Valuations**

In preparing our valuation, we relied, without audit, on information (some oral and some in writing) supplied by INPRS staff. This information includes, but is not limited to, statutory provisions, member data and financial information. We did review the data to ensure that it was reasonably consistent and comparable with data from prior years. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete, our results may be different and our calculations may need to be revised.

As noted above, the valuation reflects the provisions as of June 30, 2021, including the effects of the 1.00% COLA effective January 1, 2022 for PERF, TRF Pre-'96 DB, TRF '96 DB, EG&C, and LE DB. As noted, the effects of SEA 396 were deemed to be immaterial for the '77 Fund based on data collected at the time of the valuation.

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Offices in Kennesaw, GA • Bellevue, NE



Board of Trustees  
November 23, 2021  
Page 2

We certify that all costs and liabilities for the funds have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the plan and reasonable expectations); and which, in combination, offer the best estimate of anticipated experience affecting the plan. The cost determinations and the contribution policies of the Board are anticipated to systematically fund the promised benefits. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions.

### **Actuarial Methods and Assumptions**

We believe the actuarial assumptions used herein are reasonable. The Board has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix C of the valuation reports. Specifically, we presented the proposed assumptions for the 2021 valuations to the Board on February 26, 2021, and the Board subsequently adopted their use at its May 7, 2021 meeting. These assumptions are applicable to both the funding and Governmental Accounting Standards Board (GASB) Statement Number 67 valuation calculations, unless otherwise noted.

We note that as we are preparing this report, the world is in the midst of a pandemic. We have considered available information, but do not believe that there is yet sufficient data to warrant the modification of any of our assumptions. We will continue to monitor the situation and advise the Board in the future of any adjustments that we believe would be appropriate.

In order to prepare the results in this report, we have utilized appropriate actuarial models that were developed for this purpose. These models use assumptions about future contingent events along with recognized actuarial approaches to develop the needed results. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

We prepared a Risk Report for the INPRS Board in August 2019 that contains information which is relevant to PERF and should be considered part of this valuation report. Although the report was prepared using the data, methods, and assumptions of the June 30, 2018 valuation report, it is our professional opinion that the results of the risk report are applicable to the June 30, 2021 valuation report as well.

Actuarial computations presented in this report are for purposes of determining the funding rates for the Plan. The calculations in the enclosed report have been made on a basis consistent with our understanding of the Plan's funding requirements and goals as adopted by the Board and satisfy the guidance set forth in the applicable Actuarial Standards of Practice. Additionally, we have included actuarial computations for use in preparing certain reporting and disclosure requirements under Governmental Accounting Standards Board Statements Number 67 and Number 68. Determinations for purposes other than meeting these funding and disclosure requirements may be significantly different from the results contained in this report and require additional analysis.

### **Certification**

We certify that the information presented herein accurately and fairly discloses the actuarial position of each fund and the System as a whole, based on the underlying census data and asset information provided by INPRS, using the assumptions and methods approved by the Board. This annual report, prepared as of June 30, 2021, provides data and tables that we prepared for use in the following sections of the ACFR:



Board of Trustees  
November 23, 2021  
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Financial Section:

- Note 1 - Tables of Plan Membership
- Note 8 - Net Pension Liability and Actuarial Information - Defined Benefit Plans
- Schedule of Changes in Net Pension Liability and Plan Fiduciary Net Position
- Schedule of Contributions
- Schedule of Notes to Required Supplementary Information

Actuarial Section:

- Summary of Funded Status
- Historical Summary of Actuarial Valuation Results by Retirement Plan
- Summary of Actuarial Assumptions, Methods and Plan Provisions
- Analysis of Financial Experience
- Solvency Test
- Schedule of Active Member Valuation Data
- Schedule of Retirants and Beneficiaries

Statistical Section:

- Membership Data 10-Year Summary
- Ratio of Active Members to Annuitants
- Schedule of Defined Benefit Recipients by Type of Benefit Option
- Schedule of Average Benefit Payments

The consultants who worked on this assignment are pension actuaries. Cavanaugh Macdonald's advice is not intended to be a substitute for qualified legal or accounting counsel.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate, and the assumptions and methods used meet the guidance provided in the applicable Actuarial Standards of Practice. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

The calculations were completed in compliance with applicable law and the calculations for GASB disclosure, in our opinion, meet the requirements of GASB 67 and GASB 68. We are available to answer any questions on the material contained in the report, or to provide explanations or further details as may be appropriate.

We respectfully submit the following exhibits.

Sincerely,

Handwritten signature of Brent A. Banister in blue ink.

Brent A. Banister, PhD, FSA, EA, FCA, MAAA  
Chief Actuary

Handwritten signature of Edward J. Koebel in blue ink.

Edward Koebel, FCA, EA, MAAA  
Chief Executive Officer

Handwritten signature of Virginia Fritz in blue ink.

Virginia Fritz, FSA, EA, FCA, MAAA  
Senior Actuary

# Combined Defined Benefit Funds

## Summary of Funded Status <sup>1</sup>

The following table shows the Actuarial Accrued Liabilities and Actuarial Value of Assets as of June 30, 2021 and June 30, 2020.

(dollars in thousands)

Pre-Funded Defined Benefit Retirement Plans	Actuarial Valuation as of June 30, 2021				Actuarial Valuation as of June 30, 2020			
	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Actuarial Funded Status	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Actuarial Funded Status
PERF DB	\$ 17,563,157	\$ 14,577,352	\$ 2,985,805	83.0 %	\$ 16,281,754	\$ 13,560,460	\$ 2,721,294	83.3 %
TRF '96 DB	7,517,702	7,162,958	354,744	95.3	6,403,252	6,460,070	(56,818)	100.9
77 Fund	7,598,774	7,331,655	267,119	96.5	6,785,608	6,670,034	115,574	98.3
JRS	642,172	615,755	26,417	95.9	592,510	564,741	27,769	95.3
EG&C	180,848	165,179	15,669	91.3	163,978	149,360	14,618	91.1
PARF	117,023	76,897	40,126	65.7	107,049	69,288	37,761	64.7
LE DB	3,034	3,137	(103)	103.4	3,127	2,986	141	95.5
<b>Total Pre-Funded DB Retirement Plans</b>	<b>33,622,710</b>	<b>29,932,933</b>	<b>3,689,777</b>	<b>89.0</b>	<b>30,337,278</b>	<b>27,476,939</b>	<b>2,860,339</b>	<b>90.6</b>
<b>Pay-As-You-Go DB Retirement Plan</b>								
TRF Pre-'96 DB	14,338,188	4,546,007	9,792,181	31.7	13,968,703	3,707,851	10,260,852	26.5
<b>Total Defined Benefit Retirement Plans</b>	<b>\$ 47,960,898</b>	<b>\$ 34,478,940</b>	<b>\$ 13,481,958</b>	<b>71.9 %</b>	<b>\$ 44,305,981</b>	<b>\$ 31,184,790</b>	<b>\$ 13,121,191</b>	<b>70.4 %</b>

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

## Combined Defined Benefit Funds, continued

### Reconciliation of the Change in the Unfunded Liability <sup>1</sup>

The following table reconciles the change in the unfunded liability from FY2020 to FY2021.

(dollars in thousands)

Defined Benefit Retirement Plans	June 30, 2020 UAAL	Normal Cost and Interest, less Expected Contributions	Expected June 30, 2021 UAAL	Actuarial Value of Assets Experience	(Gain) / Loss				Total UAAL (Gain) / Loss	June 30, 2021 UAAL
					Actuarial Accrued Liabilities Experience	Actuarial Assumption & Methodology Changes	Plan Provision Changes <sup>2</sup>			
PERF DB	\$ 2,721,294	\$ (24,744)	\$ 2,696,550	\$ (653,609)	\$ 30,329	\$ 896,589	\$ 15,946	\$ 289,255	\$ 2,985,805	
TRF Pre-'96 DB	10,260,852	(284,248)	9,976,604	(795,694)	6,192	582,474	22,605	(184,423)	9,792,181	
TRF '96 DB	(56,818)	30,106	(26,712)	(254,567)	96,805	536,184	3,034	381,456	354,744	
77 Fund	115,574	(3,104)	112,470	(245,047)	33,631	366,065	—	154,649	267,119	
JRS	27,769	(1,548)	26,221	(19,802)	(6,219)	26,217	—	196	26,417	
EG&C	14,618	154	14,772	(8,566)	(1,099)	10,403	159	897	15,669	
PARF	37,761	(1,047)	36,714	(2,504)	(287)	6,203	—	3,412	40,126	
LE DB	141	(165)	(24)	(127)	(49)	90	7	(79)	(103)	
<b>Total INPRS</b>	<b>\$ 13,121,191</b>	<b>\$ (284,596)</b>	<b>\$ 12,836,595</b>	<b>\$ (1,979,916)</b>	<b>\$ 159,303</b>	<b>\$ 2,424,225</b>	<b>\$ 41,751</b>	<b>\$ 645,363</b>	<b>\$ 13,481,958</b>	

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> Plan Provision Changes include:

HEA 1001-2021 granted a 1% COLA effective January 1, 2022 for PERF DB, TRF Pre-'96 DB, TRF '96 DB, EG&C, and LE DB. Plan Provision Changes shown represent the additional liability this 1% COLA generated over the previous COLA assumption.



## Combined Defined Benefit Funds, continued

### 10-Year Schedule of Employer Counts For the Years Ended June 30

The following table shows the historical number of employers by fund.

	<sup>1</sup> Total DB	<sup>1</sup> PERF DB	TRF Pre-'96 DB	<sup>2</sup> TRF '96 DB	<sup>2</sup> Total TRF DB	77 Fund	JRS	EG&C	PARF	LE DB
2021	1,280	1,223	335	383	N/A	175	1	1	1	1
2020	1,267	1,214	336	376	N/A	174	1	1	1	1
2019	1,244	1,187	345	373	N/A	168	1	1	1	1
2018	1,244	1,187	345	373	N/A	168	1	1	1	1
2017	1,234	1,183	341	368	N/A	167	1	1	1	1
2016	1,224	1,177	337	362	N/A	165	1	1	1	1
2015	1,212	1,167	339	360	N/A	165	1	1	1	1
2014	1,175	1,126	340	363	N/A	162	1	1	1	1
2013 <sup>3</sup>	1,171	1,121	N/A	N/A	365	161	1	1	1	1
2012 <sup>3</sup>	1,170	1,122	N/A	N/A	364	162	1	1	1	1

<sup>1</sup> Sum of employers does not equal total, as an employer may participate in multiple retirement funds.

<sup>2</sup> Prior to 2014 participating employers for TRF were not split between TRF Pre-'96 DB and TRF '96 DB.

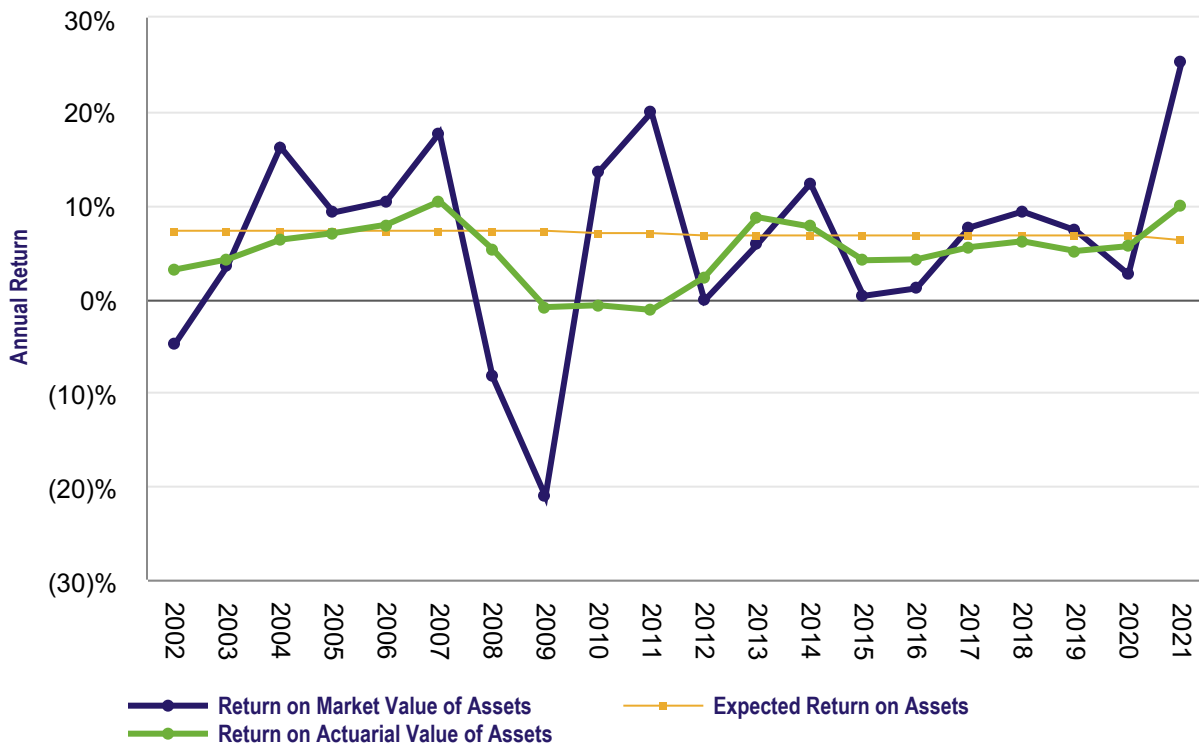
<sup>3</sup> The Total was adjusted to treat the State and its component units as one employer.

# Combined Defined Benefit Funds, continued

## Demonstration of Asset Smoothing

### Actuarial Valuation as of June 30 <sup>1</sup>

INPRS's funding policy smooths asset gains and losses to form an actuarial value of assets. The graph below demonstrates the reduction in volatility from this smoothing by comparing the actuarial value of assets to the historical rates of return for the market value of assets and expected return for PERF DB. PERF DB is shown as a representative example of all defined benefit funds.



<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

# Public Employees' Defined Benefit Account

## Historical Summary of Actuarial Valuation Results

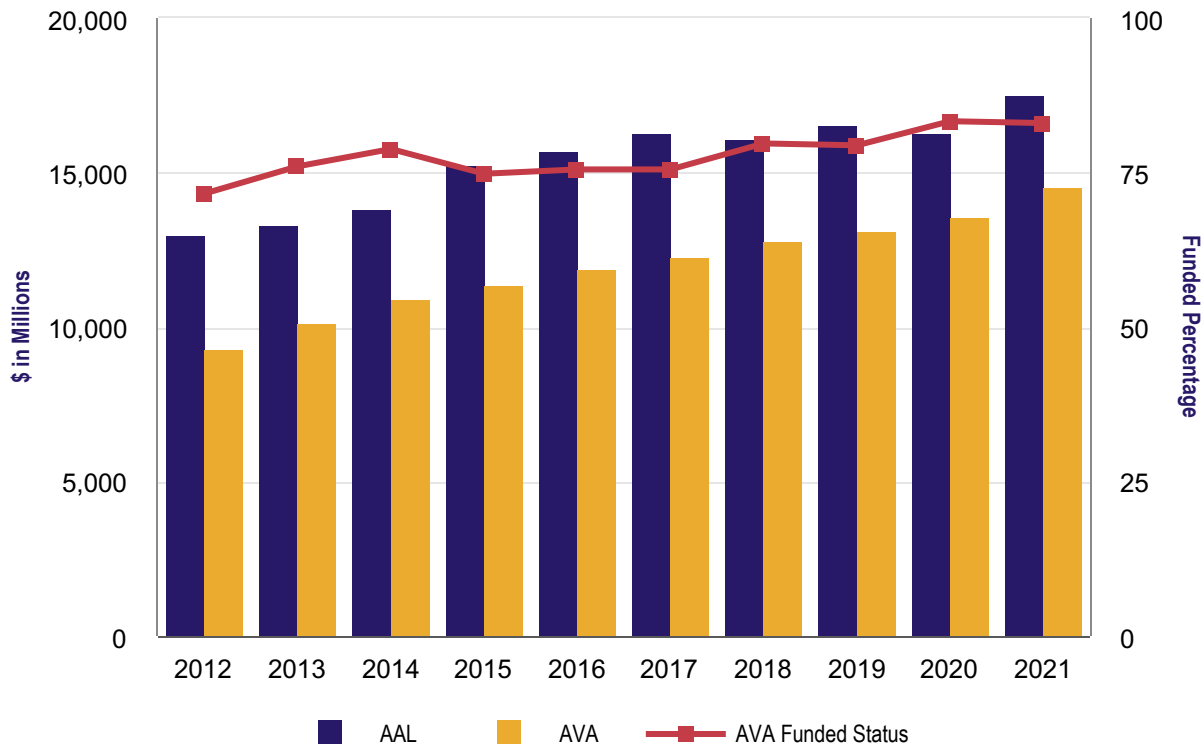
### Actuarial Valuation as of June 30 <sup>1</sup>

The following table shows the history of the Unfunded Liability as a percentage of Covered Employee Payroll for PERF DB.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll	Unfunded Liability as a percentage of Covered Employee Payroll
2021	\$17,563,157	\$14,577,352	<b>\$2,985,805</b>	<b>83.0%</b>	\$5,482,242	54.5%
2020	16,281,754	13,560,460	<b>2,721,294</b>	<b>83.3</b>	5,380,843	50.6
2019	16,576,060	13,157,802	<b>3,418,258</b>	<b>79.4</b>	5,205,243	65.7
2018	16,091,373	12,823,930	<b>3,267,443</b>	<b>79.7</b>	5,083,131	64.3
2017	16,335,253	12,327,958	<b>4,007,295</b>	<b>75.5</b>	4,997,555	80.2
2016	15,752,055	11,896,167	<b>3,855,888</b>	<b>75.5</b>	4,868,709	79.2
2015	15,263,395	11,414,710	<b>3,848,685</b>	<b>74.8</b>	4,804,145	80.1
2014	13,880,722	10,939,760	<b>2,940,962</b>	<b>78.8</b>	4,896,635	60.1
2013	13,349,578	10,151,181	<b>3,198,397</b>	<b>76.0</b>	4,700,000	68.1
2012	13,034,791	9,338,776	<b>3,696,015</b>	<b>71.6</b>	4,550,000	81.2

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# Public Employees' Defined Benefit Account, continued

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## Summary of Actuarial Assumptions, Actuarial Methods, and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2021 valuation of the Public Employees' Defined Benefit Account were adopted by the INPRS Board in May 2021. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The Interest Rate / Investment Return assumption changed from 6.75 percent to 6.25 percent.

The inflation assumption changed from 2.25 percent to 2.00 percent.

The Future Salary Scale assumption changed from 2.75% - 8.75% to 2.65% - 8.65%.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

### Actuarial Assumptions

Actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting, except where noted.

#### Economic Assumptions

Interest Rate / Investment Return:	
Funding	6.25 percent (net of administrative and investment expenses)
Accounting & Financial Reporting	6.25 percent (net of investment expenses)
Inflation:	2.00 percent per year
Cost of Living Increases:	0.4 percent beginning on January 1, 2024
	0.5 percent beginning on January 1, 2034
	0.6 percent beginning on January 1, 2039

## Public Employees' Defined Benefit Account, continued

Future Salary Increases:

Based on 2015-2019 experience.

Service	Wage Inflation	Productivity, Merit, and Promotion	Total Individual Salary Growth
0	2.65 %	6.00 %	8.65 %
1	2.65	5.00	7.65
2	2.65	4.00	6.65
3	2.65	3.00	5.65
4	2.65	2.50	5.15
5	2.65	2.00	4.65
6	2.65	1.75	4.40
7	2.65	1.50	4.15
8	2.65	1.25	3.90
9	2.65	1.00	3.65
10	2.65	0.75	3.40
11	2.65	0.50	3.15
12	2.65	0.25	2.90
13+	2.65	—	2.65

### Demographic Assumptions: Based on 2015-2019 Experience

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy):	General Employee table with a 3 year set forward for males and a 1 year set forward for females.
Mortality (Retirees):	General Retiree table with a 3 year set forward for males and a 1 year set forward for females.
Mortality (Beneficiaries):	Contingent Survivor table with no set forward for males and a 2 year set forward for females.
Mortality (Disabled):	General Disabled table with a 140% load.

## Public Employees' Defined Benefit Account, continued

Retirement:	Age	Eligible for Reduced Benefit	Eligible for Unreduced Benefit
	50-54	4 %	N/A
	55	5	14 %
	56-59	5	10
	60	N/A	12
	61	N/A	16
	62	N/A	22
	63	N/A	19
	64	N/A	24
	65-74	N/A	30
	75+	N/A	100

### Benefit Commencement Timing:

#### Active Members

If eligible for a reduced early retirement benefit upon termination from employment, 30 percent commence immediately and 70 percent defer to earliest unreduced retirement age.

If eligible for an unreduced retirement benefit upon termination from employment, 100 percent commence immediately.

#### Terminated Vested Members

100 percent defer to earliest unreduced retirement age. If currently eligible for an unreduced retirement benefit, 100 percent commence immediately.

### Termination:

PSD, Salary <\$20,000			PSD, Salary <\$20,000		
Age	Male	Female	Age	Male	Female
15-22	34 %	40 %	35	25 %	22 %
23	34	38	36	25	21
24	34	36	37	25	20
25	34	34	38	25	19
26	34	32	39	25	18
27	34	30	40	24	17
28	34	29	41	24	16
29	34	28	42	24	15
30	29	27	43	24	14
31	29	26	44	24	13
32	29	25	45-49	21	12
33	29	24	50-60	17	12
34	29	23	61+	14	12

## Public Employees' Defined Benefit Account, continued

Termination, continued:

Service	State		PSD, Salary >\$20,000 Unisex	Service	State		PSD, Salary >\$20,000 Unisex
	Unisex	Unisex			Unisex	Unisex	
0	24.00 %	18.00 %		14	5.50	5.50	
1	20.00	16.00		15	5.25	5.25	
2	18.00	14.00		16	5.00	5.00	
3	16.00	12.00		17	4.75	4.75	
4	14.00	10.00		18	4.50	4.50	
5	12.00	8.00		19	4.25	4.25	
6	11.00	7.50		20	4.00	4.00	
7	10.00	7.00		21	4.00	3.75	
8	9.00	6.50		22	4.00	3.50	
9	8.00	6.50		23	4.00	3.25	
10	7.00	6.50		24	4.00	3.00	
11	6.50	6.25		25	4.00	3.00	
12	6.00	6.00		26	4.00	3.00	
13	5.75	5.75		27+	1.00	3.00	

Disability:

Age	Sample Rates	
	Male	Female
20	0.004 %	0.003 %
25	0.008	0.006
30	0.014	0.010
35	0.024	0.018
40	0.042	0.032
45	0.080	0.061
50	0.160	0.124
55+	0.300	0.200

Spouse/Beneficiary: 80 percent of male members and 65 percent of female members are assumed to be married and or to have a dependent beneficiary. Male members are assumed to be three (3) years older than their spouses and female members are assumed to be two (2) years younger than their spouses.

Form of Payment: 100 percent of members are assumed to elect the normal form of benefit payment, a single life annuity with a five-year certain period.

Miscellaneous Adjustments: For active members, the Average Annual Compensation was increased by \$200 for additional wages received upon termination, such as severance or unused sick leave.

## Public Employees' Defined Benefit Account, continued

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### Actuarial Methods

Funding uses the same Actuarial Methods as accounting and financial reporting, except where noted.

Actuarial Cost Method: Entry Age Normal -- Level Percent of Payroll

The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

This method produces a cost of future benefit accruals that is a level percent of pay over time, which is more desirable for employers from a budgeting standpoint. Other actuarial cost methods are more volatile in their allocation of cost for each year of member service.

Amortization Method:

For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 20-year period with level payments each year. A new gain or loss base is established each year on the additional gain or loss during that year and that base is amortized over a new 20-year period. However, when the plan is at or above 100 percent funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. Effective June 30, 2018, the bases are calculated without regard to the COLA provisions. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities.

For accounting and financial reporting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date:

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

COLA Surcharge:

The COLA Surcharge is developed by determining the assets needed at the start of the next biennium to fund the post-retirement benefit increases anticipated to be granted in that biennium. This amount is divided by the present value of expected payroll over which the accumulations will occur.

Asset Valuation Method:

Funding uses the Actuarial Value of Assets (AVA), which is equal to a five-year smoothing of gains and losses on the Fair Value of Assets (FVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the FVA.

Accounting and financial reporting uses the FVA in accordance with GASB Statement No. 67.

### Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.



# Public Employees' Defined Benefit Account, continued

## Analysis of Financial Experience

(dollars in thousands)	<b>UAAL</b>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020	\$2,721,294
Normal Cost and Interest, less Expected Contributions	<u>(24,744)</u>
Expected UAAL: June 30, 2021	2,696,550
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	(653,609)
Actuarial Accrued Liabilities Experience <sup>1</sup>	30,329
Actuarial Assumption & Methodology Changes	896,589
Plan Provision Changes <sup>2</sup>	<u>15,946</u>
Total UAAL (Gain) / Loss	<u>289,255</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2021</b>	<b><u><u>\$2,985,805</u></u></b>

## Solvency Test <sup>1</sup>

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(dollars in thousands)	Actuarial Accrued Liabilities				Portion of Actuarial Accrued Liabilities Covered by Assets		
	Actuarial Valuation as of June 30	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Retirees and Beneficiaries	Active Member (Employer Financed Portion)
2021	\$8,655,768	\$8,907,389	\$17,563,157	\$14,577,352	100.0%	66.5%	83.0%
2020	8,050,791	8,230,963	16,281,754	13,560,460	100.0	66.9	83.3
2019	8,068,490	8,507,570	16,576,060	13,157,802	100.0	59.8	79.4
2018	7,768,231	8,323,142	16,091,373	12,823,930	100.0	60.7	79.7
2017	7,834,962	8,500,291	16,335,253	12,327,958	100.0	52.9	75.5
2016	7,595,089	8,156,966	15,752,055	11,896,167	100.0	52.7	75.5
2015	6,981,308	8,282,087	15,263,395	11,414,710	100.0	53.5	74.8
2014	6,250,902	7,629,820	13,880,722	10,939,760	100.0	61.5	78.8
2013	6,367,819	6,981,759	13,349,578	10,151,181	100.0	54.2	76.0
2012	5,895,779	7,139,012	13,034,791	9,338,776	100.0	48.2	71.6

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

# Public Employees' Defined Benefit Account, continued

## Schedule of Active Members Valuation Data

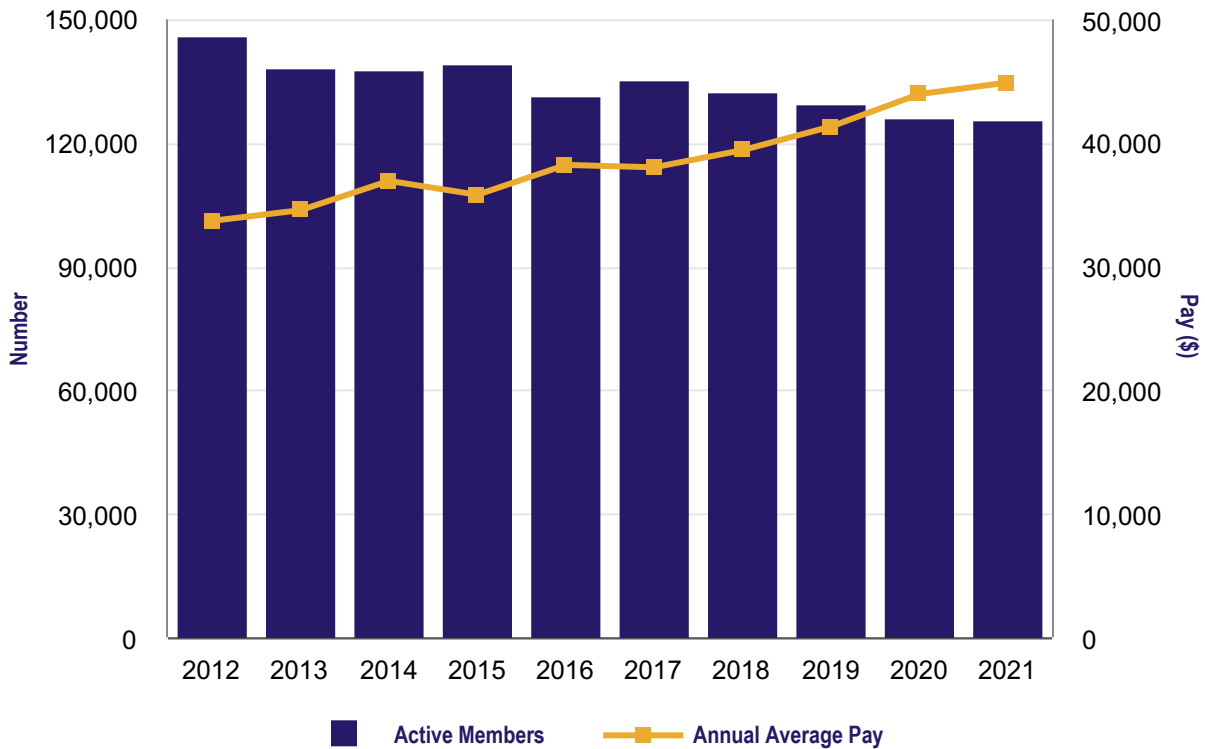
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase / (Decrease) in Average Pay
2021	125,386	\$5,627,522	\$44,882	2.1%
2020	125,780	5,528,816	43,956	6.4
2019	129,099	5,335,374	41,328	4.8
2018	132,181	5,210,209	39,417	3.6
2017	134,909	5,130,437	38,029	(0.5)
2016	131,178	5,014,012	38,223	6.8
2015	138,660	4,964,813	35,806	(3.0)
2014	137,567	5,080,092	36,928	6.9
2013	137,937	4,766,910	34,559	2.5
2012	145,519	4,904,052	33,700	3.5

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Active Members Per Year and Annual Average Pay



# Public Employees' Defined Benefit Account, continued

## Schedule of Retirants and Beneficiaries

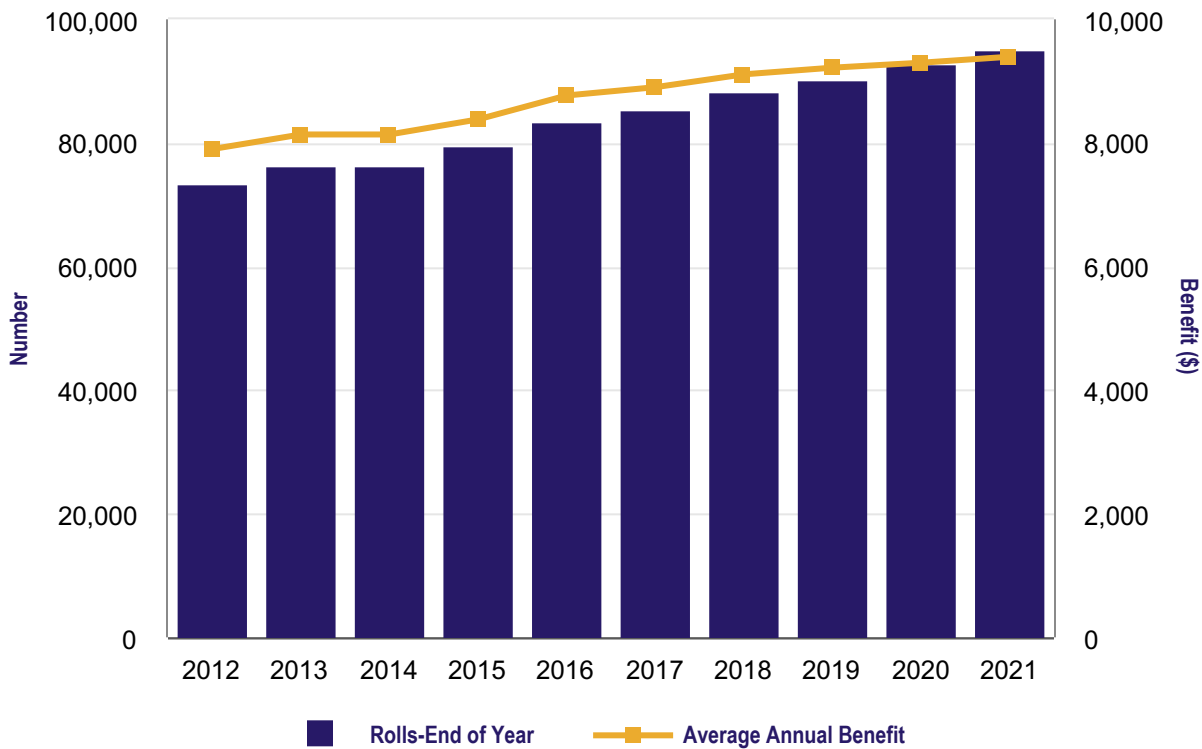
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year		Percent Increase / (Decrease) In Total Annual Benefits	Average Annual Benefit	Percent Increase / (Decrease) in Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits			
2021	5,502	\$55,399	3,087	\$21,538	94,851	\$891,168	3.7%	\$9,395	1.0%
2020	5,194	50,481	2,690	18,520	92,436	859,427	3.7	9,298	0.9
2019	5,077	50,319	3,135	21,565	89,932	829,035	3.4	9,218	1.2
2018	5,249	55,236	2,389	15,609	87,990	801,551	5.8	9,110	2.3
2017	4,855	49,980	2,913	18,808	85,130	757,851	3.9	8,902	1.5
2016	6,478	78,487	2,488	15,597	83,188	729,366	9.9	8,768	4.6
2015	5,489	60,538	2,241	14,107	79,198	663,767	7.4	8,381	3.0
2014	—	—	—	—	75,950	617,977	—	8,137	—
2013	5,231	55,523	2,273	13,898	75,950	617,977	7.2	8,137	3.0
2012	4,751	49,766	2,139	12,540	72,992	576,678	6.8	7,901	3.0

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



# Teachers' Pre-1996 Defined Benefit Account

## Historical Summary of Actuarial Valuation Results

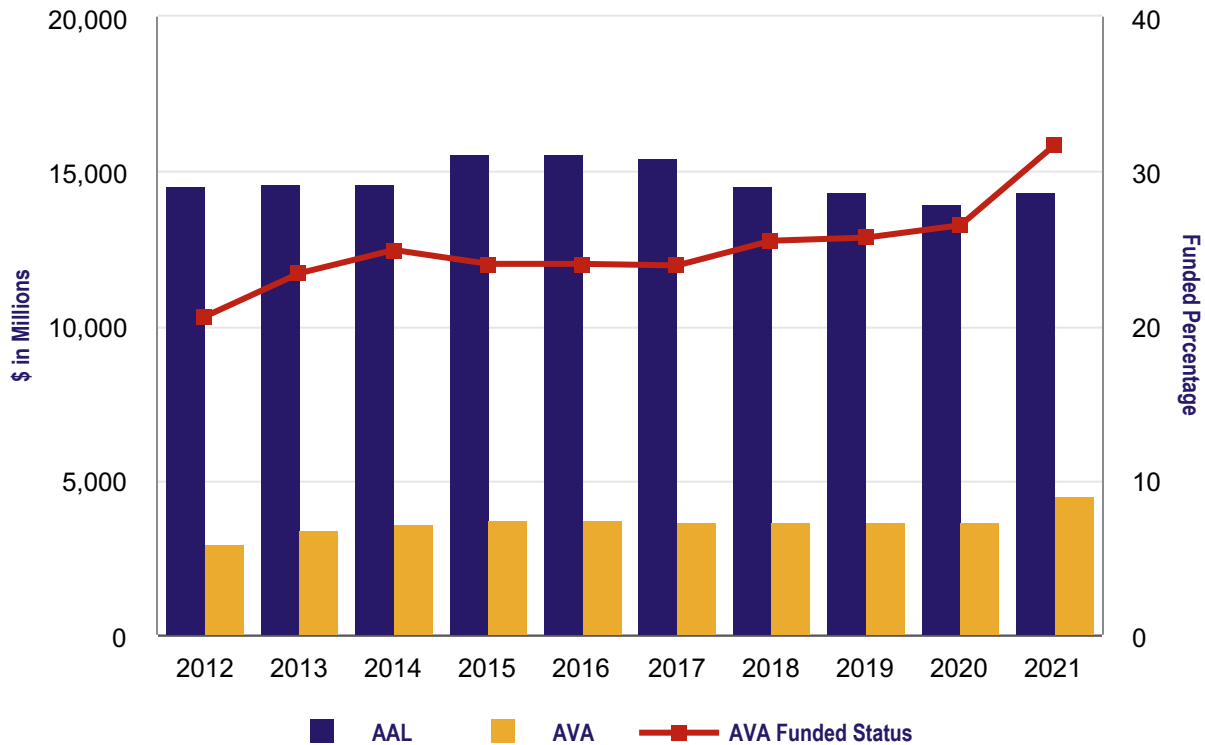
### Actuarial Valuation as of June 30 <sup>1</sup>

The following table shows the history of the Unfunded Liability as a percentage of Covered Employee Payroll for TRF Pre-'96 DB.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll	Unfunded Liability as a percentage of Covered Employee Payroll
2021	\$14,338,188	\$4,546,007	<b>\$9,792,181</b>	<b>31.7%</b>	\$625,812	1,564.7%
2020	13,968,703	3,707,851	<b>10,260,852</b>	<b>26.5</b>	693,965	1,478.6
2019	14,389,164	3,694,211	<b>10,694,953</b>	<b>25.7</b>	753,355	1,419.6
2018	14,583,189	3,721,323	<b>10,861,866</b>	<b>25.5</b>	824,770	1,317.0
2017	15,494,539	3,708,870	<b>11,785,669</b>	<b>23.9</b>	912,685	1,291.3
2016	15,575,072	3,743,861	<b>11,831,211</b>	<b>24.0</b>	989,093	1,196.2
2015	15,596,291	3,750,183	<b>11,846,108</b>	<b>24.0</b>	1,074,827	1,102.1
2014	14,639,876	3,643,011	<b>10,996,865</b>	<b>24.9</b>	1,262,828	870.8
2013	14,649,549	3,422,274	<b>11,227,275</b>	<b>23.4</b>	1,383,428	811.6
2012	14,547,939	3,004,031	<b>11,543,908</b>	<b>20.6</b>	1,637,066	705.1

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# Teachers' Pre-1996 Defined Benefit Account, continued

## Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2021 valuation of the Teachers' Pre-1996 Defined Benefit Account were adopted by the INPRS Board in May 2021. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The Interest Rate / Investment Return assumption changed from 6.75 percent to 6.25 percent.

The inflation assumption changed from 2.25 percent to 2.00 percent.

The Future Salary Scale assumption changed from 2.75% - 12.00% to 2.65% - 11.90%.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

### Actuarial Assumptions

Actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting, except where noted.

#### Economic Assumptions

Interest Rate / Investment Return:

Funding	6.25 percent (net of administrative and investment expenses)
Accounting & Financial Reporting	6.25 percent (net of investment expenses)

Inflation: 2.00 percent per year

Cost of Living Increases: 0.4 percent beginning on January 1, 2024  
0.5 percent beginning on January 1, 2034  
0.6 percent beginning on January 1, 2039

Future Salary Increases: Based on 2015-2019 experience. Illustrative rates shown below:

Years of Service	Merit	Wage Inflation	Total Individual Salary Growth
0-1	9.25 %	2.65 %	11.90 %
2	4.25	2.65	6.90
3	2.75	2.65	5.40
4-14	1.75	2.65	4.40
15	1.50	2.65	4.15
16	1.25	2.65	3.90
17	1.00	2.65	3.65
18	0.75	2.65	3.40
19	0.50	2.65	3.15
20	0.25	2.65	2.90
21+	—	2.65	2.65

## Teachers' Pre-1996 Defined Benefit Account, continued

### Demographic Assumptions: Based on 2015-2019 Experience

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy):	Teacher Employee table with a 1 year set forward for males and a 1 year set forward for females.
Mortality (Retirees):	Teacher Retiree table with a 1 year set forward for males and a 1 year set forward for females.
Mortality (Beneficiaries):	Contingent Survivor table with no set forward for males and a 2 year set forward for females.
Mortality (Disabled):	General Disabled table with a 140% load.

### Retirement:

Age	Eligible for Reduced Retirement	Eligible for Unreduced Retirement
	Probability	Probability
50-53	2.0 %	N/A
54	5.0	N/A
55-56	5.0	15.0 %
57	6.5	15.0
58	8.0	15.0
59	12.0	15.0
60	N/A	15.0
61	N/A	20.0
62	N/A	25.0
63	N/A	30.0
64	N/A	35.0
65-74	N/A	40.0
75+	N/A	100.0

30% of active members are assumed to retire at their earliest retirement date. 70% of active members are assumed to defer to their earliest unreduced retirement date.

Inactive vested members are assumed to commence their retirement benefit at their earliest unreduced retirement date.

## Teachers' Pre-1996 Defined Benefit Account, continued

Termination:

Years of Service	Service Based	
	Male	Female
0	15.00 %	12.50 %
1	13.00	11.50
2	11.00	10.50
3	9.00	9.50
4	8.00	8.50
5	7.00	7.50
6	6.00	6.50
7	5.00	5.50
8	4.50	5.00
9	4.00	4.50
10	3.75	4.00
11	3.50	3.50
12	3.25	3.25
13	3.00	3.00
14	2.75	2.75
15	2.50	2.50
16+	2.25	2.25

Disability:

Age	Sample Rates
<=36	0.005 %
40	0.009
45	0.014
50	0.034
55	0.061
56-65	0.070
66+	0.000

Spouse / Beneficiary:

80% of male members and 75% of female members are assumed to be married. Males are assumed to be three (3) years older and females are assumed to be two (2) years younger than their spouses.

Form of Payment

100% of members are assumed to elect the normal form of benefit payment, a single life annuity with a five-year certain period.

Miscellaneous Adjustments:

For active members, the Average Annual Compensation was increased by \$200 for additional wages received upon termination, such as severance or unused sick leave.

## Teachers' Pre-1996 Defined Benefit Account, continued

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### Actuarial Methods

Funding uses the same Actuarial Methods as accounting and financial reporting, except where noted.

Actuarial Cost Method: Entry Age Normal – Level Percent of Payroll

The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

This method produces a cost of future benefit accruals that is a level percent of pay over time, which is desirable for employers from a budgeting standpoint. Other actuarial cost methods are more volatile in their allocation of cost for each year of member service.

Actuarially Determined Contribution:

The Fund's actuarially determined contribution is based on the approach set out in IC - 5.10.4-2-5 that the Indiana Legislature has followed in actually appropriating funds. The basic contribution is the lesser of 3% above the prior year's basic contribution and the anticipated base benefit payments for the year. However, the contributed funds should not result in the funded ratio exceeding 100%.

Amortization Method:

For accounting and financial reporting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date:

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

COLA Funding Amount:

The COLA Funding Amount is developed by determining the assets needed at the start of the next biennium to fund the post-retirement benefit increases anticipated to be granted in that biennium. This amount is divided by a present value factor to determine the needed annual contribution.

Asset Valuation Method:

Funding uses the Actuarial Value of Assets (AVA), which is equal to a five-year smoothing of gains and losses on the Fair Value of Assets (FVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the FVA.

Accounting and financial reporting uses the FVA in accordance with GASB Statement No. 67.

### Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.



## Teachers' Pre-1996 Defined Benefit Account, continued

### Analysis of Financial Experience

(dollars in thousands)	<u>UAAL</u>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020	\$10,260,852
Normal Cost and Interest, less Expected Contributions	<u>(284,248)</u>
Expected UAAL: June 30, 2021	9,976,604
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	(795,694)
Actuarial Accrued Liabilities Experience <sup>1</sup>	6,192
Actuarial Assumption & Methodology Changes	582,474
Plan Provision Changes <sup>2</sup>	<u>22,605</u>
Total UAAL (Gain) / Loss	<u>(184,423)</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2021</b>	<b><u><u>\$9,792,181</u></u></b>

### Solvency Test <sup>1</sup>

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(dollars in thousands)	<u>Actuarial Accrued Liabilities</u>				<u>Portion of Actuarial Accrued Liabilities Covered by Assets</u>		
<b>Actuarial Valuation as of June 30</b>	<b>Retirees and Beneficiaries</b>	<b>Active Member (Employer Financed Portion)</b>	<b>Total Actuarial Accrued Liabilities</b>	<b>Actuarial Value of Assets</b>	<b>Retirees and Beneficiaries</b>	<b>Active Member (Employer Financed Portion)</b>	<b>Total Actuarial Accrued Liabilities</b>
2021	\$11,501,456	\$2,836,732	\$14,338,188	\$4,546,007	39.5%	—%	31.7%
2020	11,053,143	2,915,560	13,968,703	3,707,851	33.5	—	26.5
2019	11,245,919	3,143,245	14,389,164	3,694,211	32.8	—	25.7
2018	11,160,975	3,422,214	14,583,189	3,721,323	33.3	—	25.5
2017	11,653,674	3,840,865	15,494,539	3,708,870	31.8	—	23.9
2016	11,358,156	4,216,916	15,575,072	3,743,861	33.0	—	24.0
2015	10,488,066	5,108,225	15,596,291	3,750,183	35.8	—	24.0
2014	9,686,391	4,953,485	14,639,876	3,643,011	37.6	—	24.9
2013	10,079,101	4,570,448	14,649,549	3,422,274	34.0	—	23.4
2012	9,260,069	5,287,870	14,547,939	3,004,031	32.4	—	20.6

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

# Teachers' Pre-1996 Defined Benefit Account, continued

## Schedule of Active Members Valuation Data

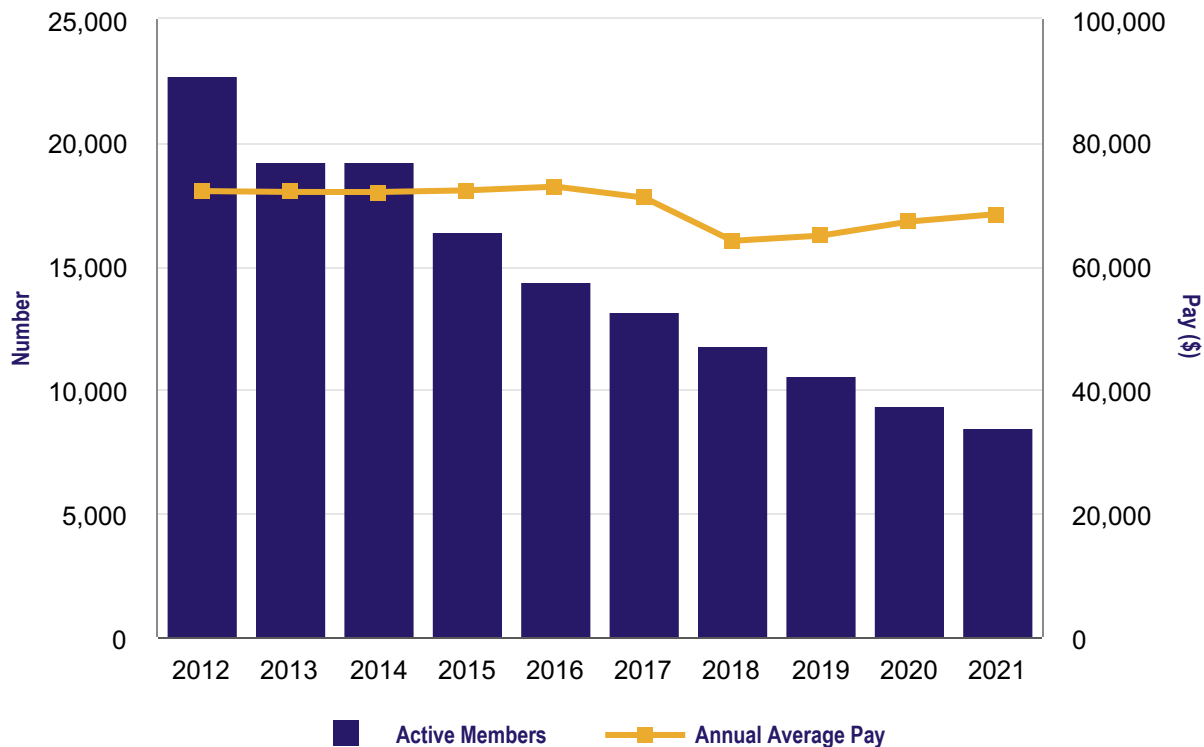
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2021	8,375	\$573,239	\$68,446	1.8%
2020	9,338	627,740	67,224	3.5
2019	10,497	681,806	64,952	1.3
2018	11,710	750,691	64,107	(9.8)
2017	13,128	933,278	71,091	(2.4)
2016	14,327	1,044,096	72,876	0.8
2015	16,310	1,178,846	72,277	0.4
2014	19,210	1,383,242	72,006	—
2013	19,210	1,383,428	72,016	(0.2)
2012	22,688	1,637,066	72,156	1.1

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Active Members Per Year and Annual Average Pay



# Teachers' Pre-1996 Defined Benefit Account, continued

## Schedule of Retirants and Beneficiaries

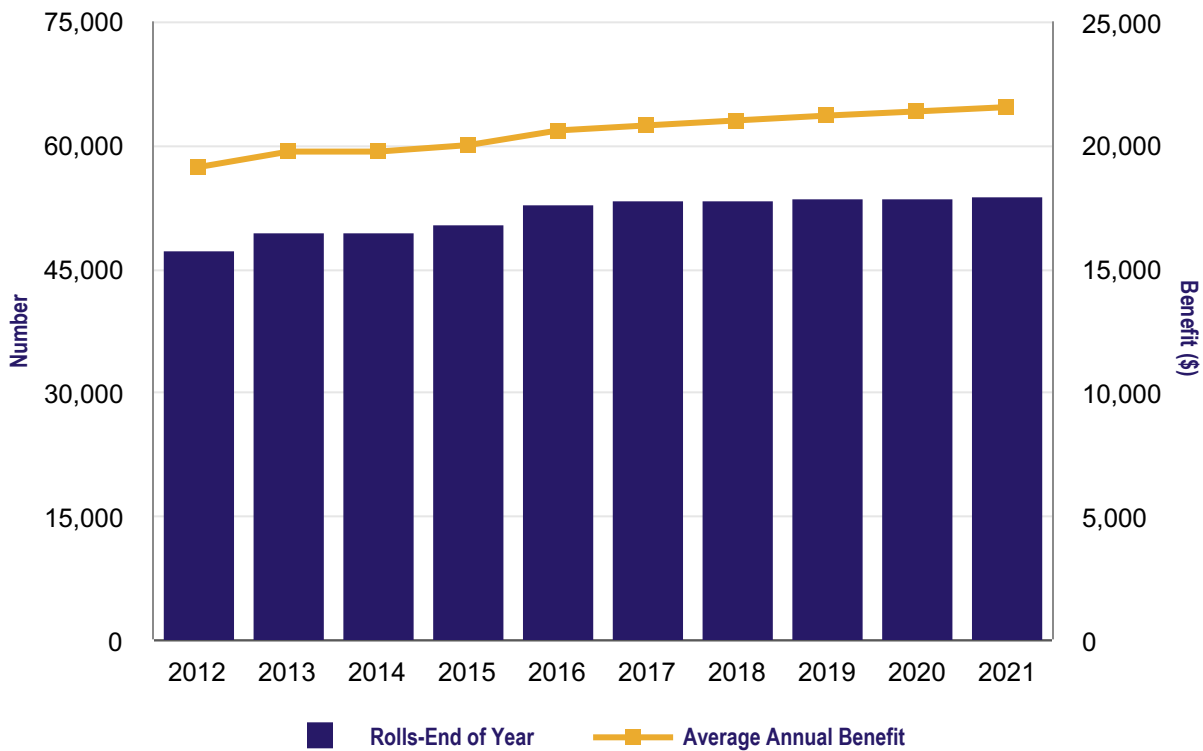
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year		Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit	Percent Increase / (Decrease) in Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits			
2021	1,315	\$ 32,981	1,193	\$ 19,207	53,537	\$ 1,152,667	1.0 %	\$ 21,530	0.8 %
2020	1,195	29,710	1,278	20,560	53,415	1,140,771	0.6	21,357	0.8
2019	1,514	37,102	1,243	19,005	53,498	1,133,528	1.4	21,188	0.9
2018	1,483	33,330	1,496	20,240	53,227	1,117,463	0.9	20,994	1.0
2017	1,953	47,305	1,288	18,257	53,240	1,106,961	2.3	20,792	1.0
2016	3,466	95,994	1,105	14,677	52,575	1,082,306	7.8	20,586	3.0
2015	1,886	50,261	1,017	14,293	50,214	1,003,910	3.1	19,993	1.3
2014	—	93,605	—	14,524	49,345	973,635	—	19,731	—
2013	3,422	93,605	1,077	14,524	49,345	973,635	8.4	19,731	3.3
2012	2,541	63,923	962	12,216	47,000	898,006	5.6	19,107	2.0

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



# Teachers' 1996 Defined Benefit Account

## Historical Summary of Actuarial Valuation Results

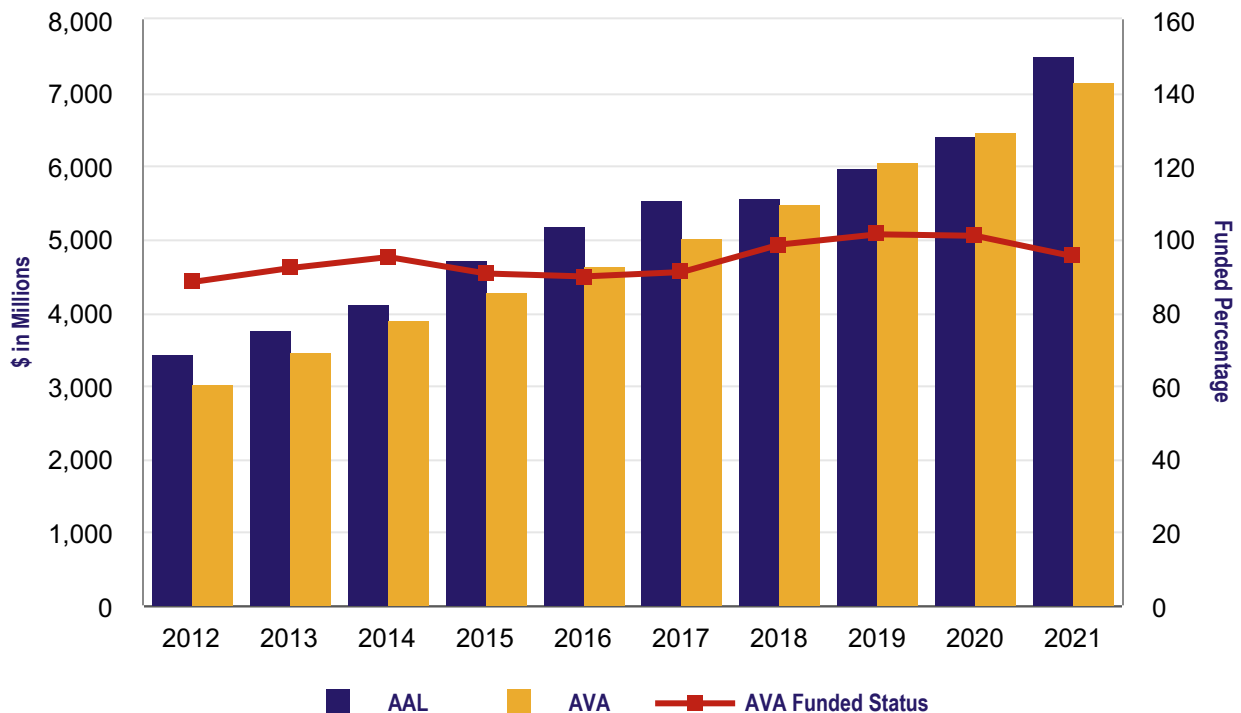
### Actuarial Valuation as of June 30 <sup>1</sup>

The following table shows the history of the Unfunded Liability as a percentage of Covered Employee Payroll for TRF '96 DB.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll	Unfunded Liability as a percentage of Covered Employee Payroll
2021	\$7,517,702	\$7,162,958	<b>\$354,744</b>	<b>95.3%</b>	\$3,634,649	9.8%
2020	6,403,252	6,460,070	<b>(56,818)</b>	<b>100.9</b>	3,465,728	(1.6)
2019	5,980,426	6,056,317	<b>(75,891)</b>	<b>101.3</b>	3,257,918	(2.3)
2018	5,563,264	5,478,482	<b>84,782</b>	<b>98.5</b>	3,129,070	2.7
2017	5,536,094	5,035,991	<b>500,103</b>	<b>91.0</b>	3,020,463	16.6
2016	5,174,317	4,648,297	<b>526,020</b>	<b>89.8</b>	2,881,397	18.3
2015	4,734,777	4,290,258	<b>444,519</b>	<b>90.6</b>	2,742,187	16.2
2014	4,116,264	3,914,503	<b>201,761</b>	<b>95.1</b>	2,598,115	7.8
2013	3,757,444	3,461,904	<b>295,540</b>	<b>92.1</b>	2,442,496	12.1
2012	3,438,970	3,037,116	<b>401,854</b>	<b>88.3</b>	2,400,000	16.7

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# Teachers' 1996 Defined Benefit Account, continued

## Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2021 valuation of the Teachers' 1996 Defined Benefit Account were adopted by the INPRS Board in May 2021. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The Interest Rate / Investment Return assumption changed from 6.75 percent to 6.25 percent.

The inflation assumption changed from 2.25 percent to 2.00 percent.

The Future Salary Scale assumption changed from 2.75% - 12.00% to 2.65% - 11.90%.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

### Actuarial Assumptions

Actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting, except where noted.

#### Economic Assumptions

Interest Rate / Investment Return:

Funding	6.25 percent (net of administrative and investment expenses)
Accounting & Financial Reporting	6.25 percent (net of investment expenses)

Inflation: 2.00 percent per year

Cost of Living Increases: 0.4 percent beginning on January 1, 2024  
0.5 percent beginning on January 1, 2034  
0.6 percent beginning on January 1, 2039

Future Salary Increases: Based on 2015-2019 experience. Illustrative rates shown below:

Years of Service	Merit	Wage Inflation	Total Individual Salary Growth
0-1	9.25 %	2.65 %	11.90 %
2	4.25	2.65	6.90
3	2.75	2.65	5.40
4-14	1.75	2.65	4.40
15	1.50	2.65	4.15
16	1.25	2.65	3.90
17	1.00	2.65	3.65
18	0.75	2.65	3.40
19	0.50	2.65	3.15
20	0.25	2.65	2.90
21+	—	2.65	2.65

## Teachers' 1996 Defined Benefit Account, continued

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### Demographic Assumptions: Based on 2015-2019 Experience

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy):	Teacher Employee table with a 1 year set forward for males and a 1 year set forward for females.
Mortality (Retirees):	Teacher Retiree table with a 1 year set forward for males and a 1 year set forward for females.
Mortality (Beneficiaries):	Contingent Survivor table with no set forward for males and a 2 year set forward for females.
Mortality (Disabled):	General Disabled table with a 140% load.

### Retirement:

Age	Eligible for Reduced Retirement	Eligible for Unreduced Retirement
	Probability	Probability
50-53	2.0 %	N/A
54	5.0	N/A
55-56	5.0	15.0 %
57	6.5	15.0
58	8.0	15.0
59	12.0	15.0
60	N/A	15.0
61	N/A	20.0
62	N/A	25.0
63	N/A	30.0
64	N/A	35.0
65-74	N/A	40.0
75+	N/A	100.0

30% of active members are assumed to retire at their earliest retirement date. 70% of active members are assumed to defer to their earliest unreduced retirement date.

Inactive vested members are assumed to commence their retirement benefit at their earliest unreduced retirement date.

## Teachers' 1996 Defined Benefit Account, continued

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Termination:

Years of Service	Service Based	
	Male	Female
0	15.00 %	12.50 %
1	13.00	11.50
2	11.00	10.50
3	9.00	9.50
4	8.00	8.50
5	7.00	7.50
6	6.00	6.50
7	5.00	5.50
8	4.50	5.00
9	4.00	4.50
10	3.75	4.00
11	3.50	3.50
12	3.25	3.25
13	3.00	3.00
14	2.75	2.75
15	2.50	2.50
16+	2.25	2.25

Disability:

Age	Sample Rates
<=36	0.005 %
40	0.009
45	0.014
50	0.034
55	0.061
56-65	0.070
66+	0.000

Spouse / Beneficiary:

80% of male members and 75% of female members are assumed to be married. Males are assumed to be three (3) years older and females are assumed to be two (2) years younger than their spouses.

Form of Payment

100% of members are assumed to elect the normal form of benefit payment, a single life annuity with a five-year certain period.

Miscellaneous Adjustments:

For active members, the Average Annual Compensation was increased by \$200 for additional wages received upon termination, such as severance or unused sick leave.

## Teachers' 1996 Defined Benefit Account, continued

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### Actuarial Methods

Funding uses the same Actuarial Methods as accounting and financial reporting, except where noted.

Actuarial Cost Method: Entry Age Normal – Level Percent of Payroll

The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

This method produces a cost of future benefit accruals that is a level percent of pay over time, which is desirable for employers from a budgeting standpoint. Other actuarial cost methods are more volatile in their allocation of cost for each year of member service.

Amortization Method: For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 20-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 20-year period. However, when the plan is at or above 100 percent funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. Effective June 30, 2018, the bases are calculated without regards to the COLA provisions. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities.

For accounting and financial reporting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date: Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

COLA Surcharge: The COLA Surcharge is developed by determining the assets needed at the start of the next biennium to fund the post-retirement benefit increases anticipated to be granted in that biennium. This amount is divided by the present value of expected payroll over which the accumulations will occur.

Asset Valuation Method: Funding uses the Actuarial Value of Assets (AVA), which is equal to a five-year smoothing of gains and losses on the Fair Value of Assets (FVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the FVA.

Accounting and financial reporting uses the FVA in accordance with GASB Statement No. 67.

### Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.



# Teachers' 1996 Defined Benefit Account, continued

## Analysis of Financial Experience

(dollars in thousands)	<u>UAAL</u>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020	\$(56,818)
Normal Cost and Interest, less Expected Contributions	<u>30,106</u>
Expected UAAL: June 30, 2021	(26,712)
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	(254,567)
Actuarial Accrued Liabilities Experience <sup>1</sup>	96,805
Actuarial Assumption & Methodology Changes	536,184
Plan Provision Changes <sup>2</sup>	<u>3,034</u>
Total UAAL (Gain) / Loss	<u>381,456</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2021</b>	<b><u><u>\$354,744</u></u></b>

## Solvency Test <sup>1</sup>

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(dollars in thousands)	<u>Actuarial Accrued Liabilities</u>			<u>Portion of Actuarial Accrued Liabilities Covered by Assets</u>			
	<u>Actuarial Valuation as of June 30</u>	<u>Retirees and Beneficiaries</u>	<u>Active Member (Employer Financed Portion)</u>	<u>Total Actuarial Accrued Liabilities</u>	<u>Actuarial Value of Assets</u>	<u>Retirees and Beneficiaries</u>	<u>Active Member (Employer Financed Portion)</u>
2021	\$1,648,129	\$5,869,573	\$7,517,702	\$7,162,958	100.0%	94.0%	95.3%
2020	1,454,955	4,948,297	6,403,252	6,460,070	100.0	101.1	100.9
2019	1,371,702	4,608,724	5,980,426	6,056,317	100.0	101.6	101.3
2018	1,232,059	4,331,205	5,563,264	5,478,482	100.0	98.0	98.5
2017	1,213,780	4,322,314	5,536,094	5,035,991	100.0	88.4	91.0
2016	1,079,255	4,095,062	5,174,317	4,648,297	100.0	87.2	89.8
2015	897,036	3,837,741	4,734,777	4,290,258	100.0	88.4	90.6
2014	759,244	3,357,020	4,116,264	3,914,503	100.0	94.0	95.1
2013	781,870	2,975,574	3,757,444	3,461,904	100.0	90.1	92.1
2012	646,161	2,792,809	3,438,970	3,037,116	100.0	85.6	88.3

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

# Teachers' 1996 Defined Benefit Account, continued

## Schedule of Active Members Valuation Data

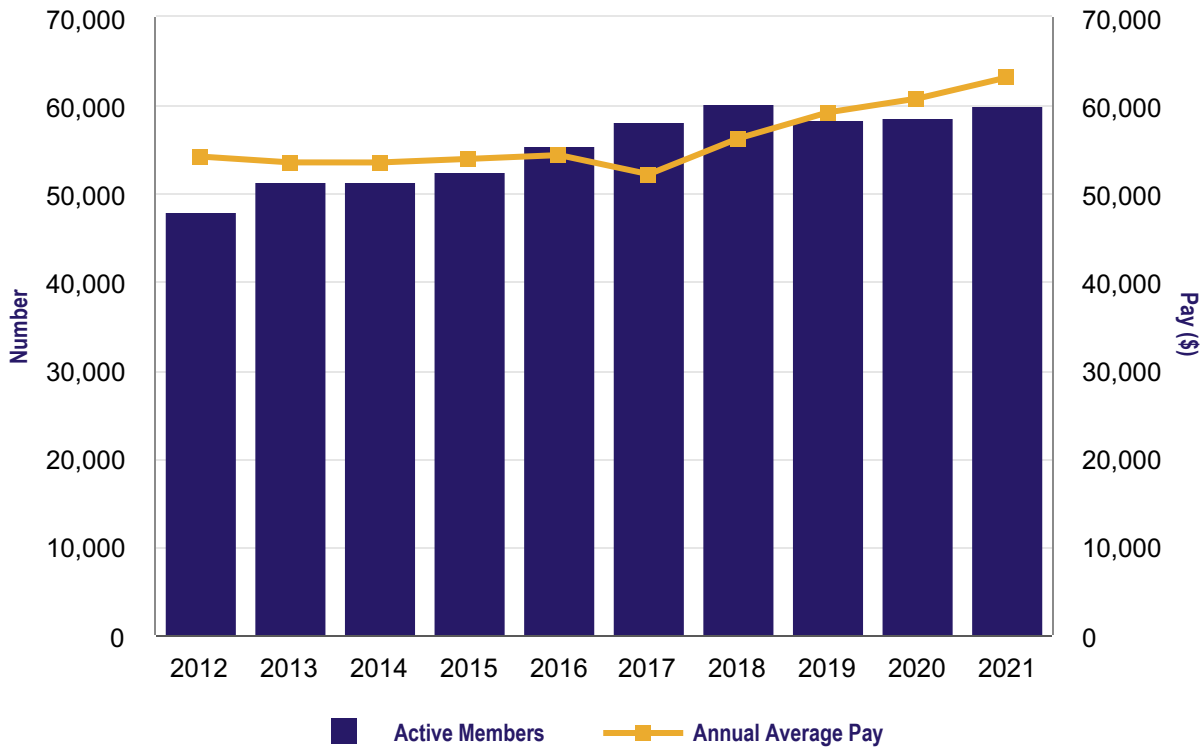
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2021	59,866	\$3,781,122	\$63,160	3.9%
2020	58,450	3,552,093	60,771	2.7
2019	58,308	3,451,731	59,198	5.2
2018	59,996	3,374,943	56,253	7.8
2017	58,097	3,032,299	52,194	(4.0)
2016	55,265	3,004,169	54,359	0.8
2015	52,424	2,827,311	53,932	0.8
2014	51,204	2,740,661	53,524	—
2013	51,204	2,740,940	53,530	(1.2)
2012	47,885	2,594,952	54,191	0.8

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Active Members Per Year and Annual Average Pay



# Teachers' 1996 Defined Benefit Account, continued

## Schedule of Retirants and Beneficiaries

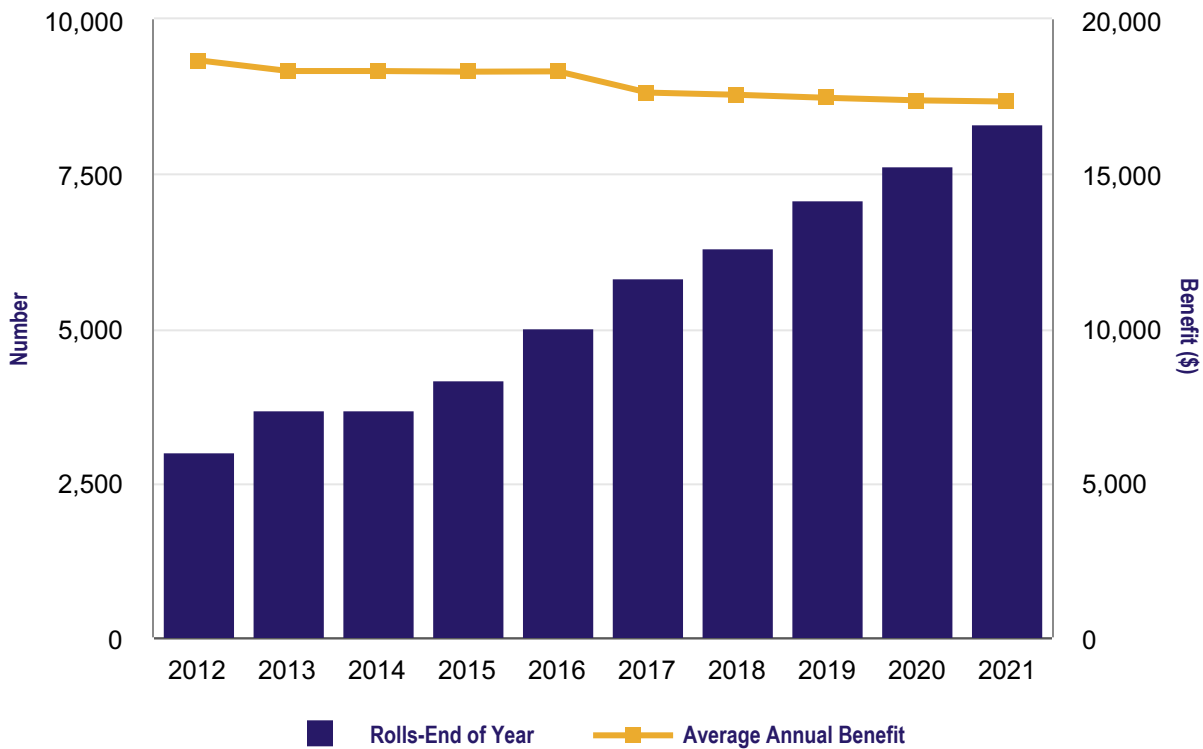
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year		Percent Increase / (Decrease) in Total Annual Benefits	Average Annual Benefit	Percent Increase / (Decrease) in Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits			
2021	760	\$12,813	69	\$977	8,287	\$143,690	8.9%	\$17,339	(0.2)%
2020	619	10,236	64	927	7,596	132,004	7.4	17,378	(0.5)
2019	798	13,285	46	566	7,041	122,935	11.3	17,460	(0.6)
2018	710	9,562	217	1,002	6,289	110,423	8.1	17,558	(0.4)
2017	855	12,106	36	564	5,796	102,178	12.1	17,629	(3.8)
2016	858	16,075	17	305	4,977	91,160	20.4	18,316	0.1
2015	499	9,101	28	353	4,136	75,714	12.7	18,306	(0.1)
2014	—	12,216	—	251	3,665	67,169	—	18,327	—
2013	712	12,216	18	251	3,665	67,169	21.1	18,327	(1.8)
2012	433	8,132	16	236	2,971	55,475	15.8	18,672	(0.4)

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



# 1977 Police Officers' and Firefighters' Retirement Fund

## Historical Summary of Actuarial Valuation Results

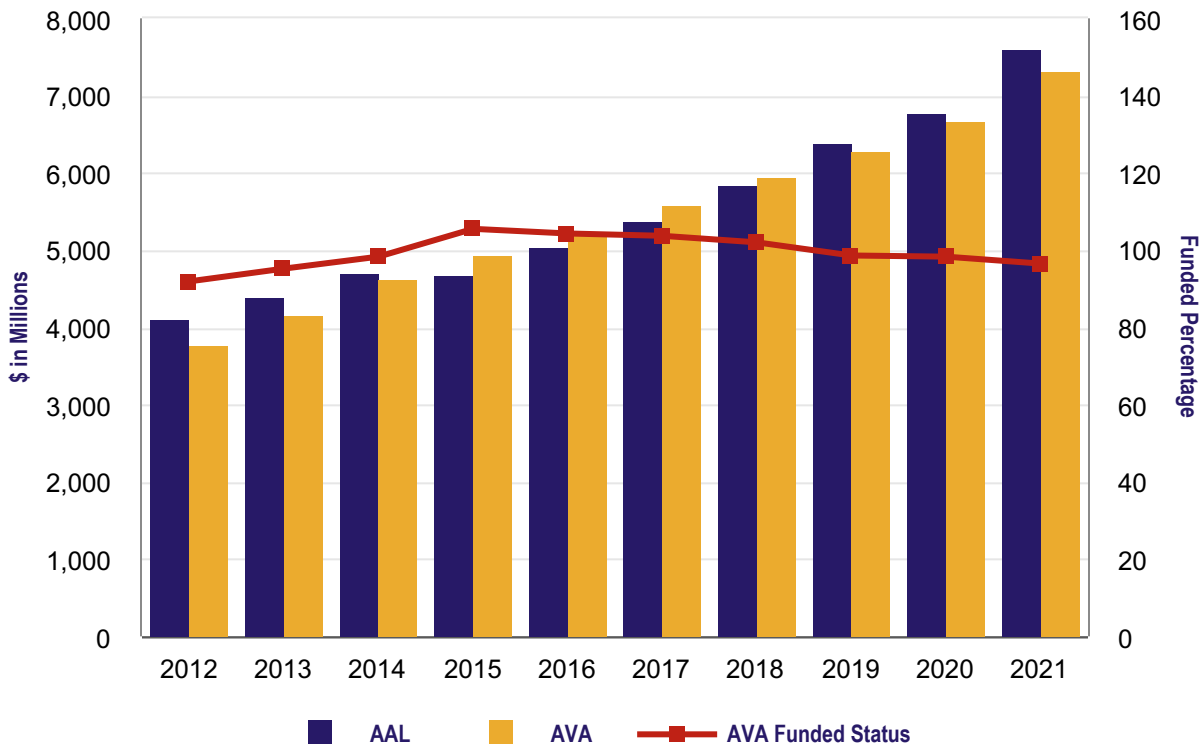
### Actuarial Valuation as of June 30 <sup>1</sup>

The following table shows the history of the Unfunded Liability as a percentage of Covered Employee Payroll for '77 Fund.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll	Unfunded Liability as a percentage of Covered Employee Payroll
2021	\$7,598,774	\$7,331,655	\$267,119	96.5%	\$951,301	28.1%
2020	6,785,608	6,670,034	115,574	98.3	940,496	12.3
2019	6,389,002	6,299,749	89,253	98.6	866,299	10.3
2018	5,839,659	5,953,978	(114,319)	102.0	842,179	(13.6)
2017	5,385,753	5,587,551	(201,798)	103.7	809,382	(24.9)
2016	5,039,836	5,255,255	(215,419)	104.3	771,949	(27.9)
2015	4,680,694	4,939,330	(258,636)	105.5	745,336	(34.7)
2014	4,706,997	4,625,475	81,522	98.3	710,581	11.5
2013	4,392,947	4,180,704	212,243	95.2	695,000	30.5
2012	4,122,436	3,786,595	335,841	91.9	690,000	48.7

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Summary of Actuarial Assumptions, Actuarial Methods and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2021 valuation of the 1977 Police Officers' and Firefighters' Retirement Fund were adopted by the INPRS Board in May 2021. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The Interest Rate / Investment Return assumption changed from 6.75 percent to 6.25 percent.

The inflation assumption changed from 2.25 percent to 2.00 percent.

The Future Salary Scale assumption changed from 2.75 percent to 2.65 percent.

The Cost of Living Increases (COLA) changed from 2.10 percent to 1.95 percent.

The Interest on Member Contributions assumption changed from 3.50 percent to 3.30 percent.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

There were no changes to the plan provisions during the fiscal year.

### Actuarial Assumptions

Actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting, except where noted.

#### Economic Assumptions

Interest Rate / Investment Return:

Funding	6.25 percent (net of administrative and investment expenses)
Account & Financial Reporting	6.25 percent (net of investment expenses)
Interest on Member Contributions	3.30 percent per year
Inflation	2.00 percent per year
Cost of Living Increases:	1.95 percent per year in retirement
Future Salary Increases:	2.65 percent per year

#### Demographic Assumptions: Based on 2015-2019 Experience

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy):	Safety Employee table with a 3 year set forward for males and no set forward for females.
Mortality (Retirees):	Safety Retiree table with a 3 year set forward for males and no set forward for females.
Mortality (Beneficiaries):	Contingent Survivor table with no set forward for males and a 2 year set forward for females.
Mortality (Disabled):	General Disabled table.

# 1977 Police Officers' and Firefighters' Retirement Fund, continued

Retirement:	Retirement Rate		Of those who retire		
	Ages	Rate	Service	Enter DROP	Commence Immediately
	50-51	5.0%	<=20	35 %	65 %
	52-55	15.0	21	40	60
	56-58	20.0	22	45	55
	59	22.5	23	50	50
	60-64	25.0	24-26	55	45
	65-69	50.0	27	60	40
	70+	100.0	28	65	35
			29+	70	30

Active members who elect to enter DROP are assumed to be in DROP for a period of 3 years, upon which time they take the full lump sum and commence their annuity benefit.

Inactive vested members are assumed to commence their retirement benefit at their earliest eligible retirement date (age 50 or current age if greater).

Termination:	Service	Rate	Service	Rate
		0	10.0 %	6-8
	1	5.0	9-11	1.5
	2	4.0	12-19	1.0
	3-4	3.5	20+	2.0
	5	2.5		

Disability:	Age	Sample Rates
	<=30	0.10 %
35	0.20	
40	0.30	
45	0.40	
50+	0.50	

Rates for ages 30-50 increase by 0.02% per year.

**Spouse / Beneficiary:** 80 percent of male members and 60 percent of female members are assumed to be married or to have a dependent beneficiary. Male members are assumed to be three (3) years older than their spouses and female members are assumed to be two (2) years younger than their spouses.

**Disability Retirement:** For members hired after 1989 that become disabled, impairments are assumed to be one percent catastrophic Class 1, 59 percent Class 1, 10 percent Class 2, and 30 percent Class 3.

**Form of Payment** Members are assumed to elect either a single life annuity or a 70% joint and survivor benefit based on the marriage assumption.

**Pre-Retirement Death:** Of active member deaths, 20 percent are assumed to be in the line of duty and 80 percent are other than in the line of duty. Additionally, all deaths among retired and disabled members are other than in the line of duty.

## 1977 Police Officers' and Firefighters' Retirement Fund, continued

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### Actuarial Methods

Funding uses the same Actuarial Methods as accounting and financial reporting, except where noted.

Actuarial Cost Method: Entry Age Normal – Level Percent of Payroll

The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

This method produces a cost of future benefit accruals that is a level percent of pay over time, which is desirable for employers from a budgeting standpoint. Other actuarial cost methods are more volatile in their allocation of cost for each year of member service.

Amortization Method:

For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 20-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 20-year period. However, when the plan is at or above 100 percent funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities.

For accounting and financial reporting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date:

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

Asset Valuation Method:

Funding uses the Actuarial Value of Assets (AVA), which is equal to a five-year smoothing of gains and losses on the Fair Value of Assets (FVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the FVA.

Accounting and financial reporting uses the FVA in accordance with GASB Statement No. 67.

### Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.

# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Analysis of Financial Experience

(dollars in thousands)	<u>UAAL</u>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020	\$115,574
Normal Cost and Interest, less Expected Contributions	<u>(3,104)</u>
Expected UAAL: June 30, 2021	112,470
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	(245,047)
Actuarial Accrued Liabilities Experience <sup>1</sup>	33,631
Actuarial Assumption & Methodology Changes	366,065
Plan Provision Changes	<u>—</u>
Total UAAL (Gain) / Loss	<u>154,649</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2021</b>	<b><u><u>\$267,119</u></u></b>

## Solvency Test

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(dollars in thousands)	<u>Actuarial Accrued Liabilities</u>				<u>Portion of Actuarial Accrued Liabilities Covered by Assets</u>				
<b>Actuarial Valuation as of June 30</b>	<b>Active Member Contributions</b>	<b>Retirees and Beneficiaries</b>	<b>Active Member (Employer Financed Portion)</b>	<b>Total Actuarial Accrued Liabilities</b>	<b>Actuarial Value of Assets</b>	<b>Active Member Contributions</b>	<b>Retirees and Beneficiaries</b>	<b>Active Member (Employer Financed Portion)</b>	<b>Total Actuarial Accrued Liabilities</b>
2021	\$886,016	\$2,816,400	\$3,896,358	\$7,598,774	\$7,331,655	100.0%	100.0%	93.1%	96.5%
2020	895,203	2,377,937	3,512,468	6,785,608	6,670,034	100.0	100.0	96.7	98.3
2019	883,706	2,169,744	3,335,552	6,389,002	6,299,749	100.0	100.0	97.3	98.6
2018	866,551	1,910,154	3,062,954	5,839,659	5,953,978	100.0	100.0	103.7	102.0
2017	857,426	1,715,503	2,812,824	5,385,753	5,587,551	100.0	100.0	107.2	103.7
2016	843,628	1,532,936	2,663,272	5,039,836	5,255,255	100.0	100.0	108.1	104.3
2015	832,760	1,362,021	2,485,913	4,680,694	4,939,330	100.0	100.0	110.4	105.5
2014	809,877	1,280,920	2,616,200	4,706,997	4,625,475	100.0	100.0	96.9	98.3
2013	782,124	1,288,457	2,322,366	4,392,947	4,180,704	100.0	100.0	90.9	95.2
2012	728,892	1,135,538	2,258,006	4,122,436	3,786,595	100.0	100.0	85.1	91.9

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Schedule of Active Members Valuation Data

### Actuarial Valuation as of June 30 <sup>1</sup>

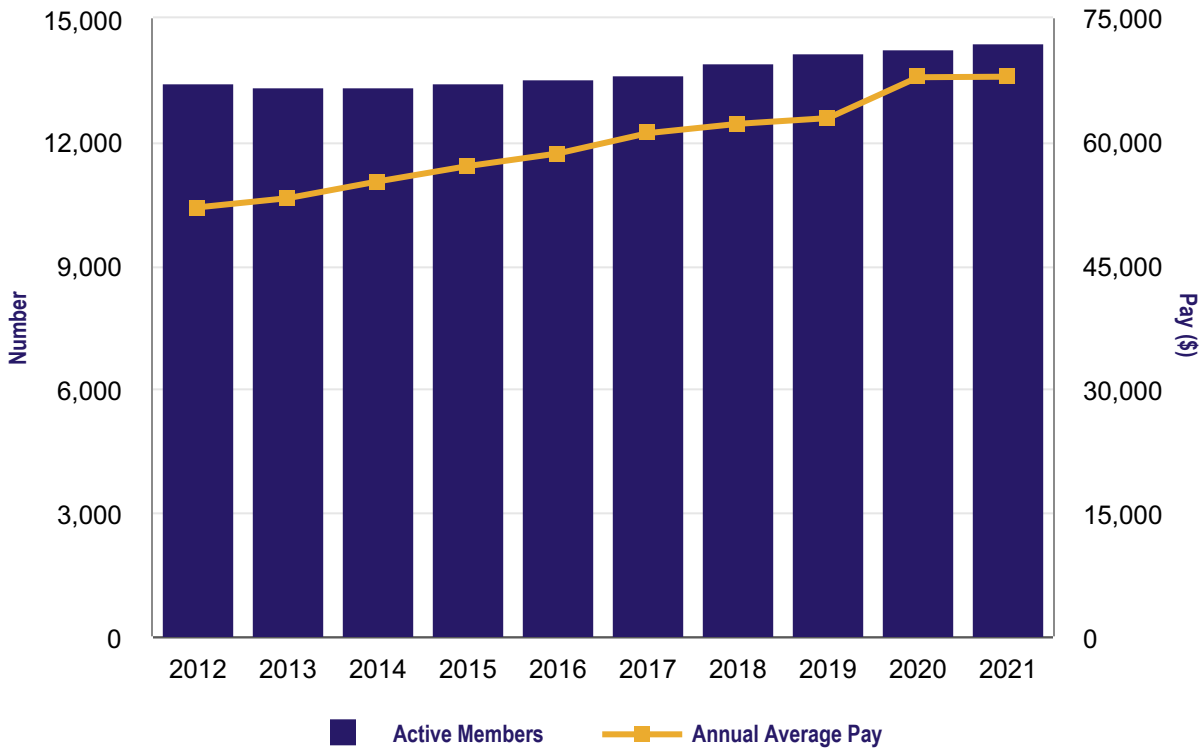
(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll <sup>2</sup>	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2021	14,378	\$976,510	\$67,917	0.1%
2020	14,242	966,359	67,853	7.9
2019	14,119	887,957	62,891	1.1
2018	13,879	863,233	62,197	1.8
2017	13,587	829,736	61,068	4.2
2016	13,506	791,508	58,604	2.7
2015	13,390	764,215	57,074	3.4
2014	13,295	734,024	55,211	3.8
2013	13,287	706,603	53,180	2.1
2012	13,390	697,111	52,062	1.3

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> Excludes payroll from members that are over the 32 year service cap.

### Total Number of Active Members Per Year and Annual Average Pay



# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Schedule of Retirants and Beneficiaries

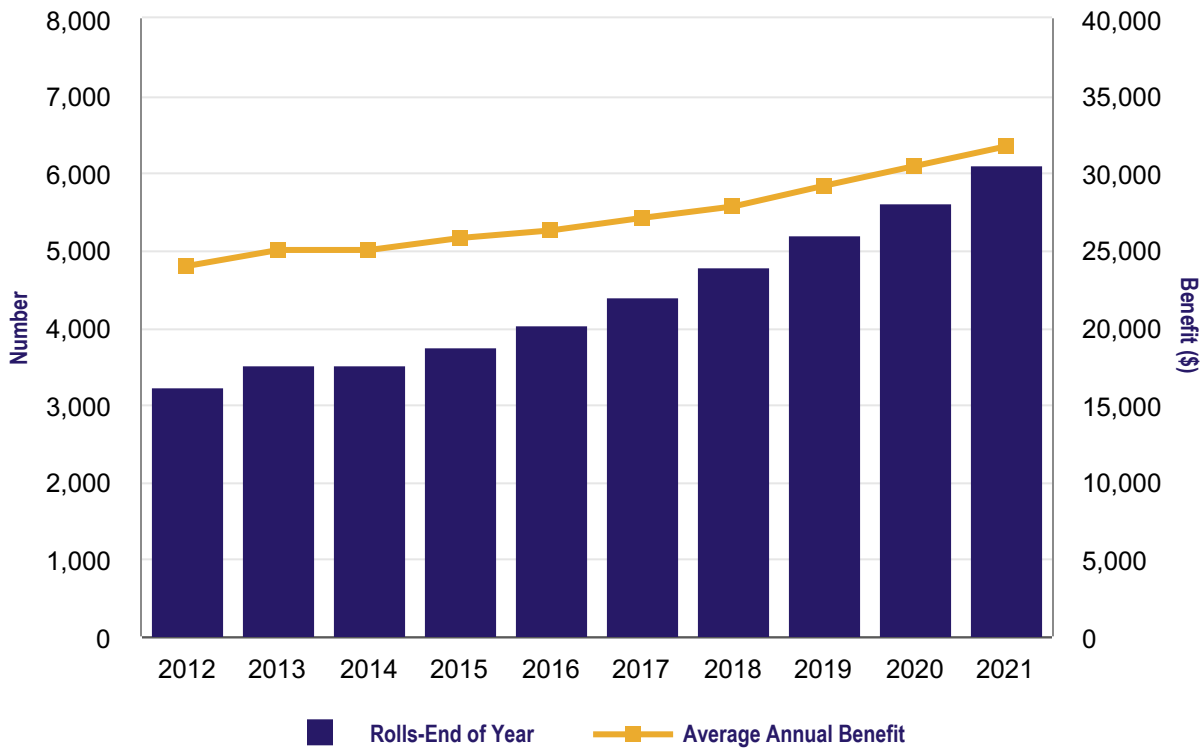
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year		Percent Increase / (Decrease) In Total Annual Benefits	Average Annual Benefit	Percent Increase / (Decrease) in Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits			
2021	567	\$22,284	68	\$1,599	6,080	\$192,843	13.5%	\$31,718	4.2%
2020	444	16,965	50	1,036	5,581	169,933	12.3	30,449	4.4
2019	476	17,344	40	803	5,187	151,305	14.4	29,170	4.8
2018	429	14,914	52	1,002	4,751	132,207	11.6	27,827	2.7
2017	407	13,321	37	642	4,374	118,472	12.6	27,086	3.1
2016	312	10,074	44	834	4,004	105,218	9.2	26,278	1.9
2015	283	8,858	38	727	3,736	96,336	10.3	25,786	3.1
2014	—	—	—	—	3,491	87,301	—	25,008	—
2013	326	10,098	43	845	3,491	87,301	13.5	25,008	4.3
2012	281	7,900	39	814	3,208	76,917	12.8	23,977	4.3

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



# Judges' Retirement System

## Historical Summary of Actuarial Valuation Results

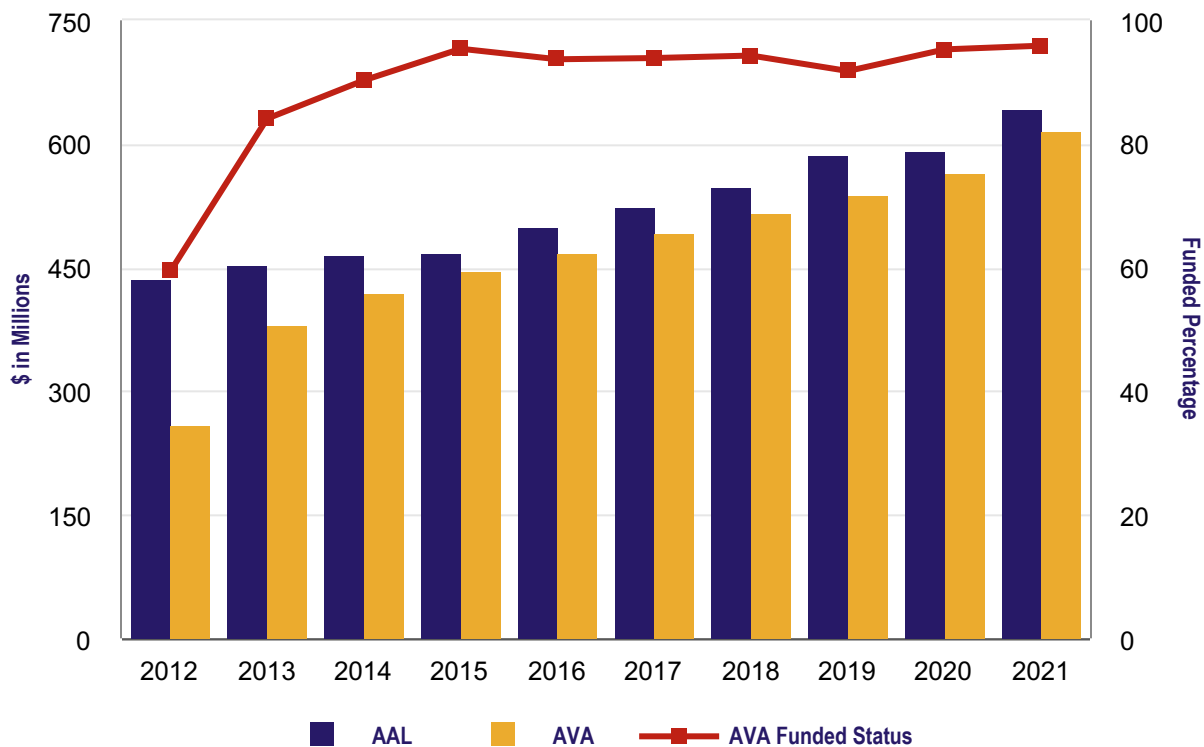
### Actuarial Valuation as of June 30 <sup>1</sup>

The following table shows the history of the Unfunded Liability as a percentage of Covered Employee Payroll for JRS.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll	Unfunded Liability as a percentage of Covered Employee Payroll
2021	\$642,172	\$615,755	\$26,417	95.9%	\$61,215	43.2%
2020	592,510	564,741	27,769	95.3	58,189	47.7
2019	586,499	538,600	47,899	91.8	56,380	85.0
2018	547,694	516,749	30,945	94.4	53,350	58.0
2017	523,735	492,013	31,722	93.9	54,755	57.9
2016	501,126	469,378	31,748	93.7	51,382	61.7
2015	468,945	447,514	21,431	95.4	48,582	44.1
2014	464,855	419,568	45,287	90.3	46,041	98.5
2013	453,110	381,240	71,870	84.1	47,595	151.1
2012	437,854	260,096	177,758	59.4	45,138	393.9

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# Judges' Retirement System, continued

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## Summary of Actuarial Assumptions, Actuarial Methods, and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2021 valuation of the Judges' Retirement System were adopted by the INPRS Board in May 2021. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The Interest Rate / Investment Return assumption changed from 6.75 percent to 6.25 percent.

The future salary increase assumption changed from 2.75 percent to 2.65 percent.

The cost of living increase assumption changed from 2.75 percent to 2.65 percent.

The Interest on Member Contributions assumption changed from 3.50 percent to 3.30 percent.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

There were no changes to the plan provisions during the fiscal year.

### Actuarial Assumptions

Actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting, except where noted.

#### Economic Assumptions

Interest Rate / Investment Return:

Funding	6.25 percent (net of administrative and investment expenses)
Account & Financial Reporting	6.25 percent (net of investment expenses)
Interest on Member Contributions	3.30 percent per year
Inflation	2.00 percent per year
Cost of Living Increases:	2.65 percent per year in deferral and retirement
Future Salary Increases:	2.65 percent per year

#### Demographic Assumptions: Based on 2015-2019 Experience

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy):	General Employee table with a 1 year setback for males and a 1 year setback for females.
Mortality (Retiree):	General Retiree table with a 1 year setback for males and a 1 year setback for females.
Mortality (Beneficiaries):	Contingent Survivor table with no set forward for males and a 2 year set forward for females.
Mortality (Disabled):	General Disabled table with a 140% load.

## Judges' Retirement System, continued

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Retirement:

<u>Ages</u>	<u>Eligible for Reduced Benefit</u>	<u>Eligible for Unreduced Benefit</u>
55-61	N/A	20 %
62-64	8 %	20
65-74	N/A	30
75+	N/A	100

Inactive vested members are assumed to commence their retirement benefit at their earliest eligible retirement date.

Termination:

3 percent per year for all members prior to retirement eligibility.

Disability:

<u>Age</u>	<u>Sample Rates</u>
20	0.057 %
25	0.081
30	0.105
35	0.140
40	0.210
44-64	0.300
65+	0.000

Form of Payment

Members are assumed to elect either a single life annuity or a 50% joint survivor benefit base on the marriage assumption.

Spouse / Beneficiary:

90 percent of members are assumed to be married or to have a dependent beneficiary. Male members are assumed to be three (3) years older than their spouses and female members are assumed to be two (2) years younger than their spouses.

## Judges' Retirement System, continued

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### Actuarial Methods

Funding uses the same Actuarial Methods as accounting and financial reporting, except where noted.

Actuarial Cost Method: Entry Age Normal – Level Percent of Payroll

The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

This method produces a cost of future benefit accruals that is a level percent of pay over time, which is desirable for employers from a budgeting standpoint. Other actuarial cost methods are more volatile in their allocation of cost for each year of member service.

Amortization Method:

For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 20-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 20-year period. However, when the plan is at or above 100 percent funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities.

For accounting and financial reporting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date:

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

Asset Valuation Method:

Funding uses the Actuarial Value of Assets (AVA), which is equal to a five-year smoothing of gains and losses on the Fair Value of Assets (FVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the FVA.

Accounting and financial reporting uses the FVA in accordance with GASB Statement No. 67.

### Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.

# Judges' Retirement System, continued

## Analysis of Financial Experience

(dollars in thousands)	<u>UAAL</u>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020	\$27,769
Normal Cost and Interest, less Expected Contributions	<u>(1,548)</u>
Expected UAAL: June 30, 2021	26,221
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	(19,802)
Actuarial Accrued Liabilities Experience <sup>1</sup>	(6,219)
Actuarial Assumption & Methodology Changes	26,217
Plan Provision Changes	<u>—</u>
Total UAAL (Gain) / Loss	<u>196</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2021</b>	<b><u><u>\$26,417</u></u></b>

## Solvency Test <sup>2</sup>

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(dollars in thousands)	Actuarial Accrued Liabilities				Portion of Actuarial Accrued Liabilities Covered by Assets				
	Actuarial Valuation as of June 30	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)
2021	\$41,003	\$308,070	\$293,099	\$642,172	\$615,755	100.0%	100.0%	91.0%	95.9%
2020	41,523	299,146	251,841	592,510	564,741	100.0	100.0	89.0	95.3
2019	38,165	269,886	278,448	586,499	538,600	100.0	100.0	82.8	91.8
2018	38,541	258,255	250,898	547,694	516,749	100.0	100.0	87.7	94.3
2017	36,385	245,177	242,173	523,735	492,013	100.0	100.0	86.9	93.9
2016	34,804	244,484	221,838	501,126	469,378	100.0	100.0	85.7	93.7
2015	32,383	210,020	226,542	468,945	447,514	100.0	100.0	90.5	95.4
2014	32,060	216,044	216,751	464,855	419,568	100.0	100.0	79.1	90.3
2013	29,060	224,132	199,918	453,110	381,240	100.0	100.0	64.1	84.1
2012	27,699	205,341	204,814	437,854	260,096	100.0	100.0	13.2	59.4

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> In accordance with Legislation passed during March 2012, the State appropriated \$90,187 thousand during 2013 to reach a funded status of 80.0 percent based on the actuarial valuation as of June 30, 2012.

# Judges' Retirement System, continued

## Schedule of Active Members Valuation Data

### Actuarial Valuation as of June 30 <sup>1</sup>

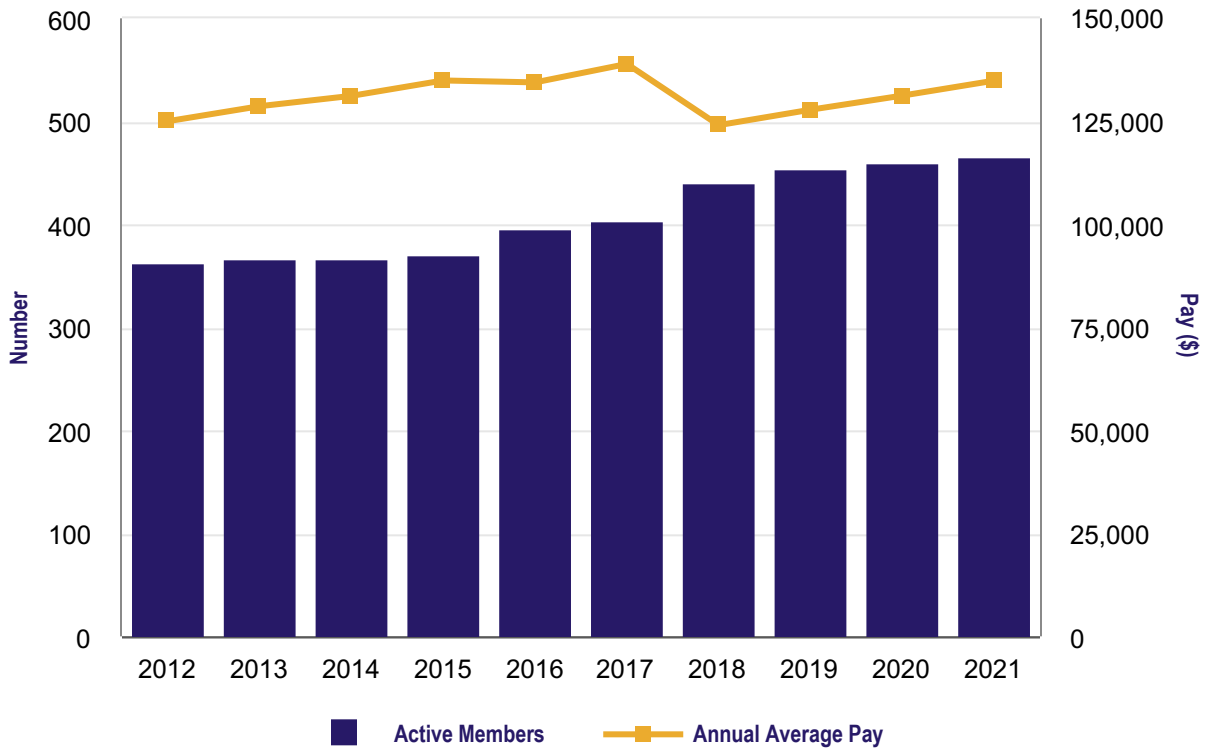
(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll <sup>2</sup>	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2021	465	\$62,715	\$134,871	2.8%
2020	458	60,109	131,242	2.7
2019	453	57,902	127,819	3.0
2018	439	54,470	124,078	(10.7)
2017	402	55,850	138,931	3.3
2016	394	52,975	134,454	(0.3)
2015	368	49,651	134,921	2.8
2014	365	47,883	131,186	2.0
2013	365	46,967	128,676	2.9
2012	361	45,138	125,036	(0.8)

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> Excludes payroll from members that are over the 22 year service cap.

### Total Number of Active Members Per Year and Annual Average Pay





# Judges' Retirement System, continued

## Schedule of Retirants and Beneficiaries

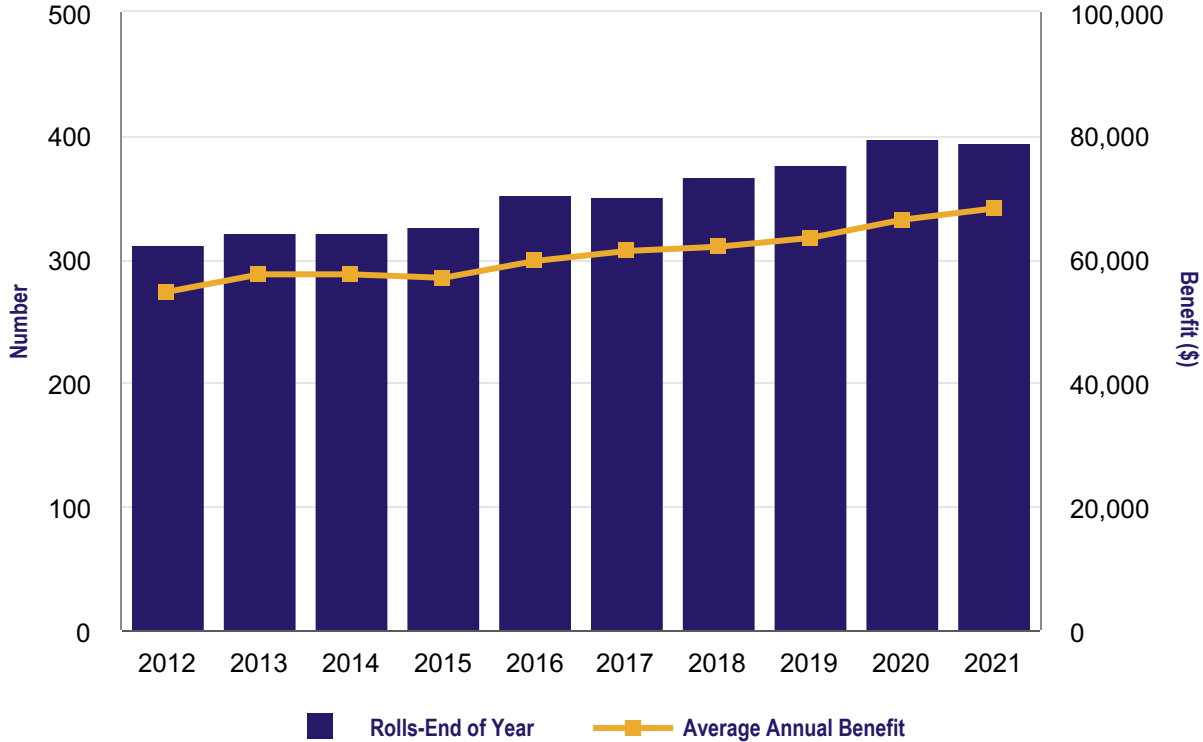
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year		Percent Increase / (Decrease) In Total Annual Benefits	Average Annual Benefit	Percent Increase / (Decrease) in Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits			
2021	10	\$729	12	\$492	394	\$26,877	2.2%	\$68,216	2.8%
2020	31	2,498	10	261	396	26,289	10.5	66,387	4.6
2019	18	1,340	8	191	375	23,794	5.1	63,450	2.3
2018	22	1,723	7	309	365	22,637	5.5	62,019	1.1
2017	9	696	10	509	350	21,465	2.4	61,329	2.7
2016	34	2,520	9	340	351	20,959	12.8	59,714	4.8
2015	10	494	5	195	326	18,578	0.6	56,987	(1.0)
2014	—	—	—	—	321	18,474	—	57,551	—
2013	24	1,798	14	442	321	18,474	8.5	57,551	5.1
2012	7	444	6	194	311	17,028	1.4	54,751	1.1

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



# Excise, Gaming and Conservation Officers' Retirement Fund

## Historical Summary of Actuarial Valuation Results

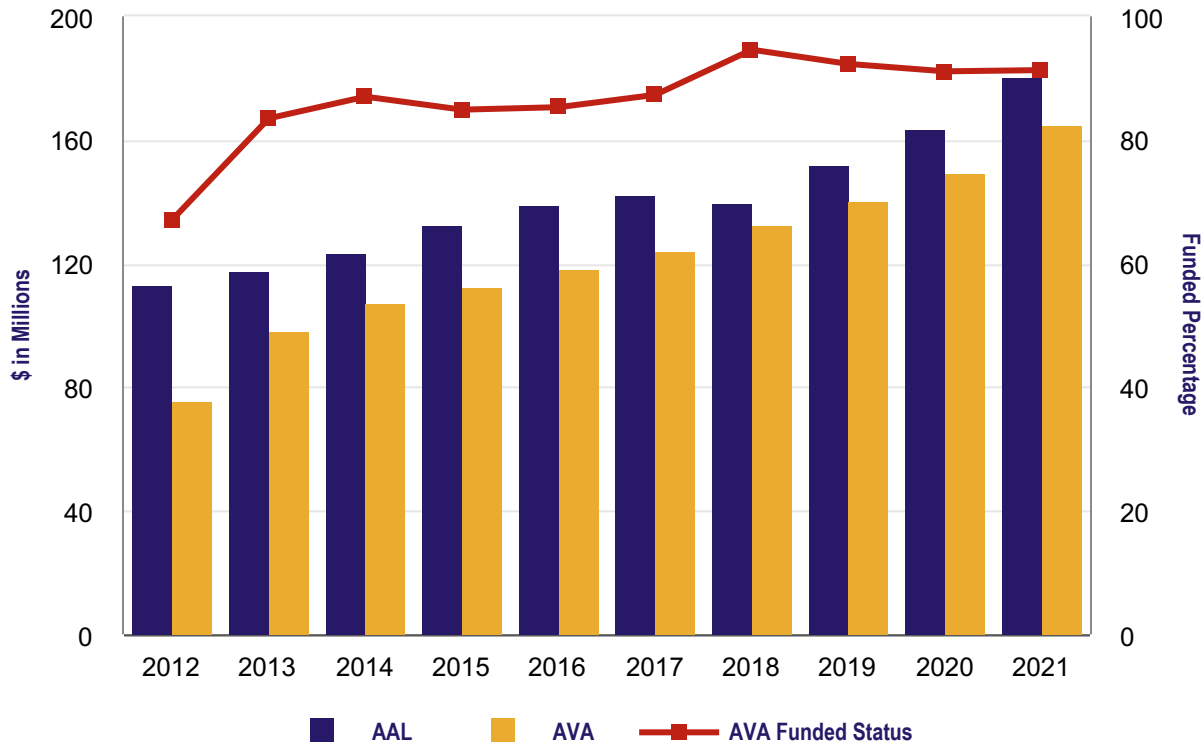
### Actuarial Valuation as of June 30 <sup>1</sup>

The following table shows the history of the Unfunded Liability as a percentage of Covered Employee Payroll for EG&C.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll	Unfunded Liability as a percentage of Covered Employee Payroll
2021	\$180,848	\$165,179	\$15,669	91.3%	\$33,194	47.2%
2020	163,978	149,360	14,618	91.1	32,491	45.0
2019	152,207	140,559	11,648	92.3	33,272	35.0
2018	140,056	132,441	7,615	94.6	29,387	25.9
2017	142,603	124,531	18,072	87.3	27,428	65.9
2016	138,965	118,515	20,450	85.3	25,526	80.1
2015	132,796	112,765	20,031	84.9	25,133	79.7
2014	123,601	107,563	16,038	87.0	25,825	62.1
2013	118,097	98,608	19,489	83.5	24,675	79.0
2012	113,283	76,007	37,276	67.1	24,300	153.3

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Summary of Actuarial Assumptions, Actuarial Methods, and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2021 valuation of the Excise, Gaming and Conservation Officers' Retirement Fund were adopted by the INPRS Board in May 2021. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The Interest Rate / Investment Return assumption changed from 6.75 percent to 6.25 percent.

The inflation assumption changed from 2.25 percent to 2.00 percent.

The Future Salary Scale assumption changed from 2.75% - 5.00% to 2.65% - 4.90%.

The Interest on Member Contributions assumption changed from 3.50 percent to 3.30 percent.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

### Actuarial Assumptions

Actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting, except where noted.

#### Economic Assumptions

Interest Rate / Investment Return:

Funding	6.25 percent (net of administrative and investment expenses)
Accounting & Financial Reporting	6.25 percent (net of investment expenses)

Interest on Member Contributions: 3.30 percent per year

Inflation: 2.00 percent per year

Cost of Living Increases: 0.4 percent beginning on January 1, 2024  
0.5 percent beginning on January 1, 2034  
0.6 percent beginning on January 1, 2039

Future Salary Increases:

Based on 2015-2019 experience. Illustrative rates shown below:

Service	Wage Inflation	Merit	Salary Increase
0	2.65 %	2.25 %	4.90 %
1	2.65	2.00	4.65
2	2.65	1.75	4.40
3	2.65	1.50	4.15
4	2.65	1.25	3.90
5	2.65	1.00	3.65
6	2.65	0.75	3.40
7	2.65	0.50	3.15
8	2.65	0.25	2.90
9+	2.65	—	2.65

# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Demographic Assumptions: Based on 2014-2019 Experience

Pub-2010 Public Retirement Plans Mortality tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy):	Safety Employee table with a 3 year set forward for males and no set forward for females.
Mortality (Retirees):	Safety Retiree table with a 3 year set forward for males and no set forward for females.
Mortality (Beneficiaries):	Contingent Survivor table with no set forward for males and a 2 year set forward for females.
Mortality (Disabled):	General Disabled table.

### Retirement:

Age	Eligible for Reduced Benefit	Eligible for Unreduced Benefit
45-54	2 %	20 %
55-58	2	25
59	2	35
60	N/A	55
61	N/A	65
62-64	N/A	75
65+	N/A	100

Active members who retire are assumed to enter DROP 50 percent of the time and retire immediately 50 percent of the time. Those who elect to enter DROP are assumed to be in DROP for a period of 3 years, upon which time they take the full lump sum and commence their annuity benefit.

Inactive vested members are assumed to commence their retirement benefit at their earliest eligible retirement date (age 45, or current age if greater).

### Termination:

Years of Service	Rate	Years of Service	Rate
0-1	10 %	6	5 %
2	9	7	4
3	8	8	3
4	7	9	2
5	6	10+	1

### Disability:

Age	Sample Rates
<=30	0.1 %
35	0.2
40	0.3
45	0.4
50+	0.5

Rates for ages 30-50 increase by 0.02 percent per year.

Active members who become disabled are assumed to receive 20% of their salary if they have less than five years of service and 40% of their salary if they have five or more years of service.

## Excise, Gaming and Conservation Officers' Retirement Fund, continued

Spouse / Beneficiary:	90 percent of members are assumed to be married or to have a dependent beneficiary. Males are assumed to be three (3) years older than females and females are assumed to be two (2) years younger than their spouses.
Form of Payment	Members are assumed to elect either a single life annuity or a 50% joint survivor benefit based on the marriage assumption.
Pre-Retirement Death:	Of active member deaths, 20 percent are assumed to be in the line of duty and 80 percent are other than in the line of duty. Additionally, all deaths among retired and disabled members are other than in the line of duty.

## Excise, Gaming and Conservation Officers' Retirement Fund, continued

### Actuarial Methods

Funding uses the same Actuarial Methods as accounting and financial reporting, except where noted.

Actuarial Cost Method: Entry Age Normal – Level Percent of Payroll

The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

This method produces a cost of future benefit accruals that is a level percent of pay over time, which is desirable for employers from a budgeting standpoint. Other actuarial cost methods are more volatile in their allocation of cost for each year of member service.

Amortization Method: For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 20-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 20-year period. However, when the plan is at or above 100 percent funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. Effective June 30, 2018, the bases are calculated without regards to the COLA provisions. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities.

For accounting and financial reporting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date: Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

COLA Surcharge: The COLA Surcharge is developed by determining the assets needed at the start of the next biennium to fund the post-retirement benefit increases anticipated to be granted in that biennium. This amount is divided by the present value of expected payroll over which the accumulations will occur.

Asset Valuation Method: Funding uses the Actuarial Value of Assets (AVA), which is equal to a five-year smoothing of gains and losses on the Fair Value of Assets (FVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the FVA.

Accounting and financial reporting uses the FVA in accordance with GASB Statement No. 67.

### Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.

# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Analysis of Financial Experience

(dollars in thousands)	<u>UAAL</u>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020	\$14,618
Normal Cost and Interest, less Expected Contributions	<u>154</u>
Expected UAAL: June 30, 2021	14,772
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	(8,566)
Actuarial Accrued Liabilities Experience <sup>1</sup>	(1,099)
Actuarial Assumption & Methodology Changes	10,403
Plan Provision Changes <sup>2</sup>	<u>159</u>
Total UAAL (Gain) / Loss	<u>897</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2021</b>	<b><u><u>\$15,669</u></u></b>

## Solvency Test<sup>3</sup>

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(dollars in thousands)	Actuarial Accrued Liabilities				Portion of Actuarial Accrued Liabilities Covered by Assets				
	Actuarial Valuation as of June 30	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)
2021	\$13,729	\$74,412	\$92,707	\$180,848	\$165,179	100.0%	100.0%	83.1%	91.3%
2020	12,927	70,363	80,688	163,978	149,360	100.0	100.0	81.9	91.1
2019	11,661	68,652	71,894	152,207	140,559	100.0	100.0	83.8	92.3
2018	10,715	68,750	60,591	140,056	132,441	100.0	100.0	87.4	94.6
2017	9,737	69,217	63,649	142,603	124,531	100.0	100.0	71.6	87.3
2016	9,085	67,424	62,456	138,965	118,515	100.0	100.0	67.3	85.3
2015	8,456	61,503	62,837	132,796	112,765	100.0	100.0	68.1	84.9
2014	8,042	54,626	60,933	123,601	107,563	100.0	100.0	73.7	87.0
2013	7,494	56,028	54,575	118,097	98,608	100.0	100.0	64.3	83.5
2012	6,532	53,929	52,822	113,283	76,007	100.0	100.0	29.4	67.1

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

<sup>3</sup> In accordance with Legislation passed during March 2012, the State appropriated \$14,619 thousand during 2013 to reach a funded status of 80.0 percent based on the actuarial valuation as of June 30, 2012.

# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Schedule of Active Members Valuation Data

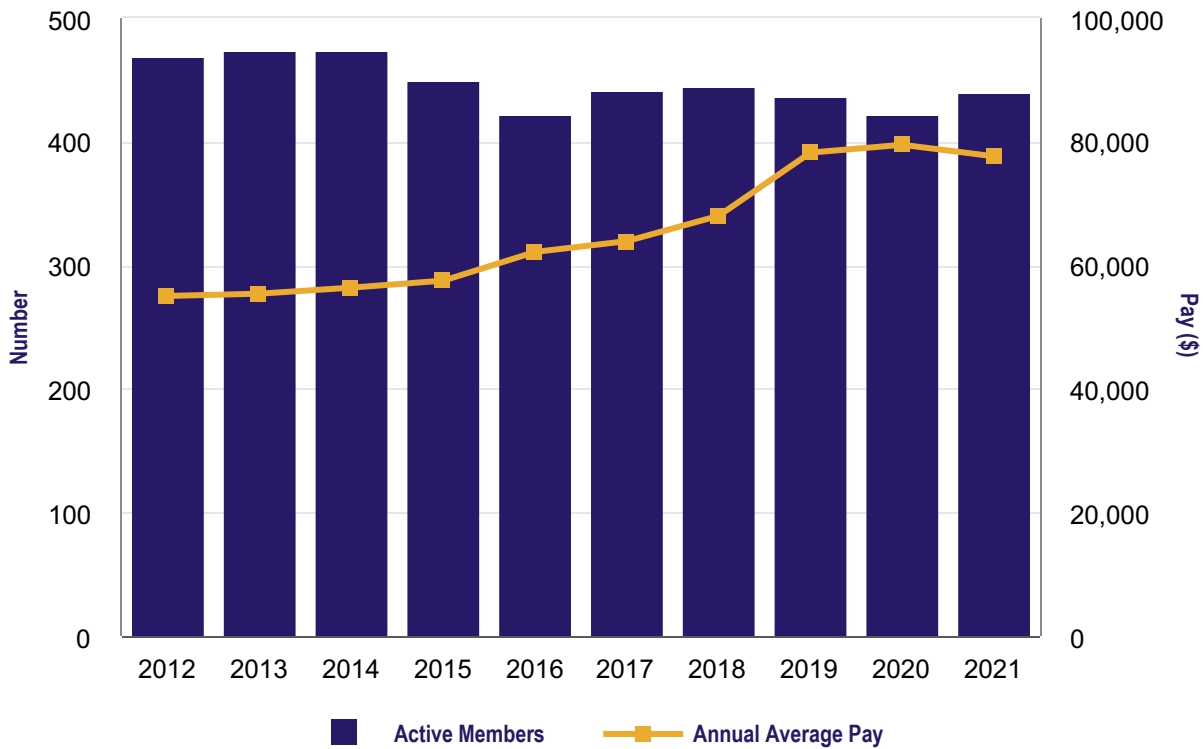
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2021	439	\$34,073	\$77,616	(2.4)%
2020	420	33,384	79,487	1.6
2019	436	34,103	78,219	15.0
2018	443	30,121	67,994	6.4
2017	440	28,114	63,895	2.8
2016	421	26,164	62,147	8.1
2015	448	25,761	57,502	2.0
2014	473	26,664	56,372	1.8
2013	473	26,201	55,393	0.7
2012	468	25,752	55,026	0.8

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Active Members Per Year and Annual Average Pay





# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Schedule of Retirants and Beneficiaries

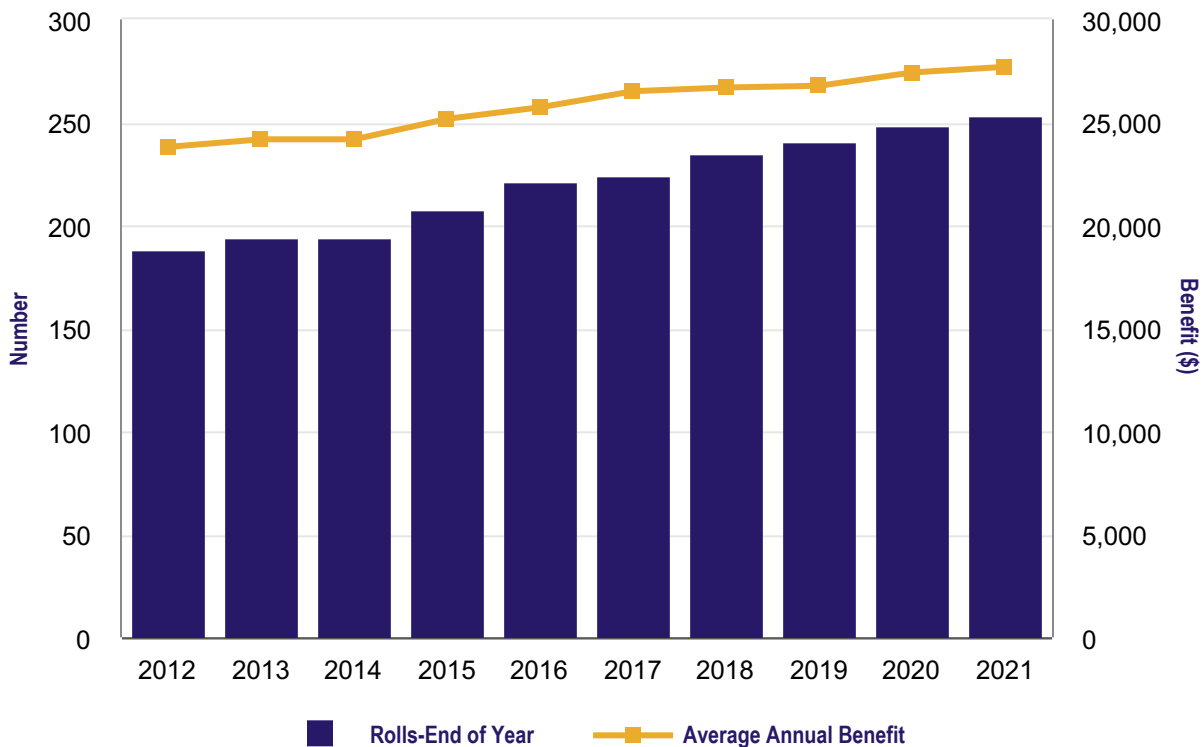
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year		Percent Increase / (Decrease) In Total Annual Benefits	Average Annual Benefit	Percent Increase / (Decrease) in Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits			
2021	7	\$218	3	\$23	252	\$6,979	2.6%	\$27,695	1.0%
2020	13	438	5	46	248	6,800	5.8	27,421	2.4
2019	9	216	3	19	240	6,426	2.9	26,776	0.3
2018	13	404	2	23	234	6,246	5.6	26,692	0.7
2017	8	314	5	60	223	5,912	4.4	26,512	3.0
2016	14	506	1	4	220	5,661	8.7	25,733	2.2
2015	15	556	1	5	207	5,210	11.7	25,170	4.1
2014	—	—	—	—	193	4,666	—	24,177	—
2013	8	253	2	9	193	4,666	4.8	24,177	1.5
2012	14	495	3	14	187	4,452	11.9	23,810	5.3

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



# Prosecuting Attorneys' Retirement Fund

## Historical Summary of Actuarial Valuation Results

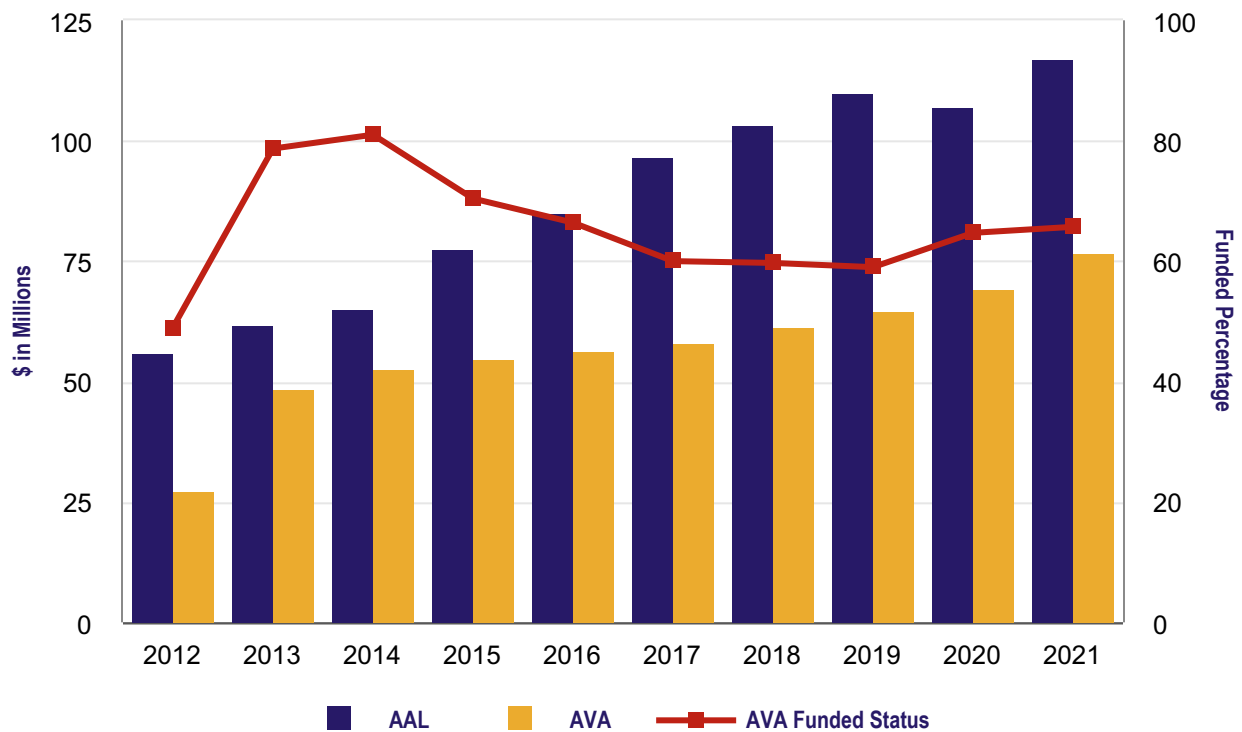
### Actuarial Valuation as of June 30 <sup>1</sup>

The following table shows the history of the Unfunded Liability as a percentage of Covered Employee Payroll for PARF.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll	Unfunded Liability as a percentage of Covered Employee Payroll
2021	\$117,023	\$76,897	\$40,126	65.7%	\$24,323	165.0%
2020	107,049	69,288	37,761	64.7	23,989	157.4
2019	110,082	64,909	45,173	59.0	21,791	207.3
2018	103,284	61,665	41,619	59.7	21,578	192.9
2017	96,655	57,967	38,688	60.0	22,635	170.9
2016	85,033	56,472	28,561	66.4	21,372	133.6
2015	77,861	54,848	23,013	70.4	21,145	108.8
2014	65,336	52,936	12,400	81.0	20,608	60.2
2013	61,940	48,762	13,178	78.7	18,805	70.2
2012	56,080	27,501	28,579	49.0	21,705	131.8

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.



# Prosecuting Attorneys' Retirement Fund, continued

## Summary of Actuarial Assumptions, Actuarial Methods, and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2021 valuation of the Prosecuting Attorneys' Retirement Fund were adopted by the INPRS Board in May 2021. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The Interest Rate / Investment Return assumption changed from 6.75 percent to 6.25 percent.

The inflation assumption changed from 2.25 percent to 2.00 percent.

The future salary increase assumption changed from 2.75 percent to 2.65 percent.

The Interest on Member Contributions assumption changed from 3.50 percent to 3.30 percent.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

There were no changes to the plan provisions during the fiscal year.

### Actuarial Assumptions

Except as noted below, actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting.

#### Economic Assumptions

Interest Rate / Investment Return:

Funding	6.25 percent (net of administrative and investment expenses)
Account & Financial Reporting	6.25 percent (net of investment expenses)
Interest on Member Contributions	3.30 percent per year
Inflation	2.00 percent per year
Cost of Living Increases:	N/A
Future Salary Increases:	2.65 percent per year

#### Demographic Assumptions: Based on 2015-2019 Experience

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy):	General Employee table with a 1 year setback for males and a 1 year setback for females.
Mortality (Retirees):	General retiree table with a 1 year setback for males and a 1 year setback for females.
Mortality (Beneficiaries):	Contingent Survivor table with no set forward for males and a 2 year set forward for females.
Mortality (Disabled):	General Disabled table with a 140% load.

## Prosecuting Attorneys' Retirement Fund, continued

Retirement:

Ages	Eligible for Reduced Benefit	Eligible for Unreduced Benefit
55-61	N/A	40 %
62-64	20 %	40
65-69	N/A	50
70+	N/A	100

Inactive vested members are assumed to commence their retirement benefit at their earliest unreduced eligible retirement date (age 62, or current age if greater).

Termination:

10 percent per year for all members prior to retirement eligibility

Disability:

Age	Sample Rates	
	Male	Female
20	0.004 %	0.003 %
25	0.008	0.006
30	0.014	0.010
35	0.024	0.018
40	0.042	0.032
45	0.080	0.061
50	0.160	0.124
55+	0.300	0.200

Form of Payment

Members are assumed to elect either a single life annuity or a 50% joint survivor benefit base on the marriage assumption.

Spouse / Beneficiary:

90 percent of members are assumed to be married or to have a dependent beneficiary. Males are assumed to be three (3) years older than their spouses and females are assumed to be two (2) years younger than their spouses.

## Prosecuting Attorneys' Retirement Fund, continued

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### Actuarial Methods

Funding uses the same Actuarial Methods as accounting and financial reporting, except where noted.

Actuarial Cost Method: Entry Age Normal – Level Percent of Payroll

The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

This method produces a cost of future benefit accruals that is a level percent of pay over time, which is desirable for employers from a budgeting standpoint. Other actuarial cost methods are more volatile in their allocation of cost for each year of member service.

Amortization Method:

For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 20-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 20-year period. However, when the plan is at or above 100 percent funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities.

For accounting and financial reporting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date:

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

Asset Valuation Method:

Funding uses the Actuarial Value of Assets (AVA), which is equal to a five-year smoothing of gains and losses on the Fair Value of Assets (FVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the FVA.

Accounting and financial reporting uses the FVA in accordance with GASB Statement No. 67.

### Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.

# Prosecuting Attorneys' Retirement Fund, continued

## Analysis of Financial Experience

(dollars in thousands)	<u>UAAL</u>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020	\$37,761
Normal Cost and Interest, less Expected Contributions	<u>(1,047)</u>
Expected UAAL: June 30, 2021	36,714
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	(2,504)
Actuarial Accrued Liabilities Experience <sup>1</sup>	(287)
Actuarial Assumption & Methodology Changes	6,203
Plan Provision Changes	<u>—</u>
Total UAAL (Gain) / Loss	<u>3,412</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2021</b>	<u><u>\$40,126</u></u>

## Solvency Test<sup>2</sup>

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

Actuarial Valuation as of June 30	Actuarial Accrued Liabilities				Portion of Actuarial Accrued Liabilities Covered by Assets				
	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
2021	\$ 27,001	\$ 50,839	\$ 39,183	\$ 117,023	\$ 76,897	100.0 %	98.1 %	— %	65.7%
2020	27,768	44,410	34,871	107,049	69,288	100.0	93.5	—	64.7
2019	27,471	39,607	43,004	110,082	64,909	100.0	94.5	—	59.0
2018	27,620	39,034	36,630	103,284	61,664	100.0	87.2	—	59.7
2017	26,327	38,504	31,824	96,655	57,967	100.0	82.2	—	60.0
2016	26,206	37,709	21,118	85,033	56,472	100.0	80.3	—	66.4
2015	25,479	26,636	25,746	77,861	54,848	100.0	100.0	10.6	70.4
2014	26,654	22,665	16,017	65,336	52,936	100.0	100.0	22.6	81.0
2013	25,371	22,004	14,565	61,940	48,762	100.0	100.0	9.5	78.7
2012	23,406	18,660	14,014	56,080	27,501	100.0	21.9	—	49.0

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> In accordance with Legislation passed during March 2012, the State appropriated \$17,363 thousand during 2013 to reach a funded status of 80.0 percent based on the actuarial valuation as of June 30, 2012.

# Prosecuting Attorneys' Retirement Fund, continued

## Schedule of Active Members Valuation Data

### Actuarial Valuation as of June 30 <sup>1</sup>

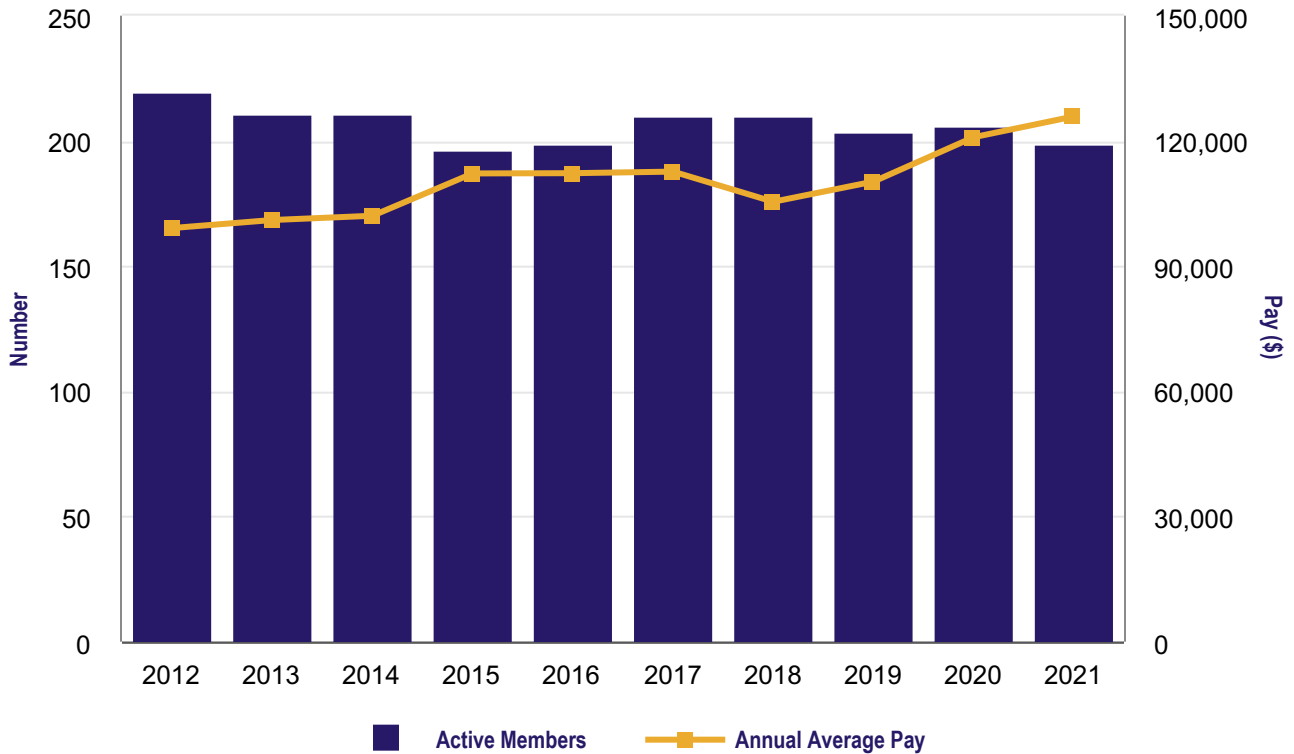
(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll <sup>2</sup>	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2021	198	\$24,918	\$125,851	4.1%
2020	205	24,781	120,881	9.7
2019	203	22,379	110,242	4.6
2018	209	22,031	105,413	(6.4)
2017	209	23,540	112,632	0.3
2016	198	22,227	112,257	0.1
2015	196	21,991	112,198	9.9
2014	210	21,432	102,057	1.0
2013	210	21,217	101,033	1.9
2012	219	21,705	99,110	16.2

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> Excludes payroll from members that are over the 22 year service cap.

### Total Number of Active Members Per Year and Annual Average Pay



# Prosecuting Attorneys' Retirement Fund, continued

## Schedule of Retirants and Beneficiaries

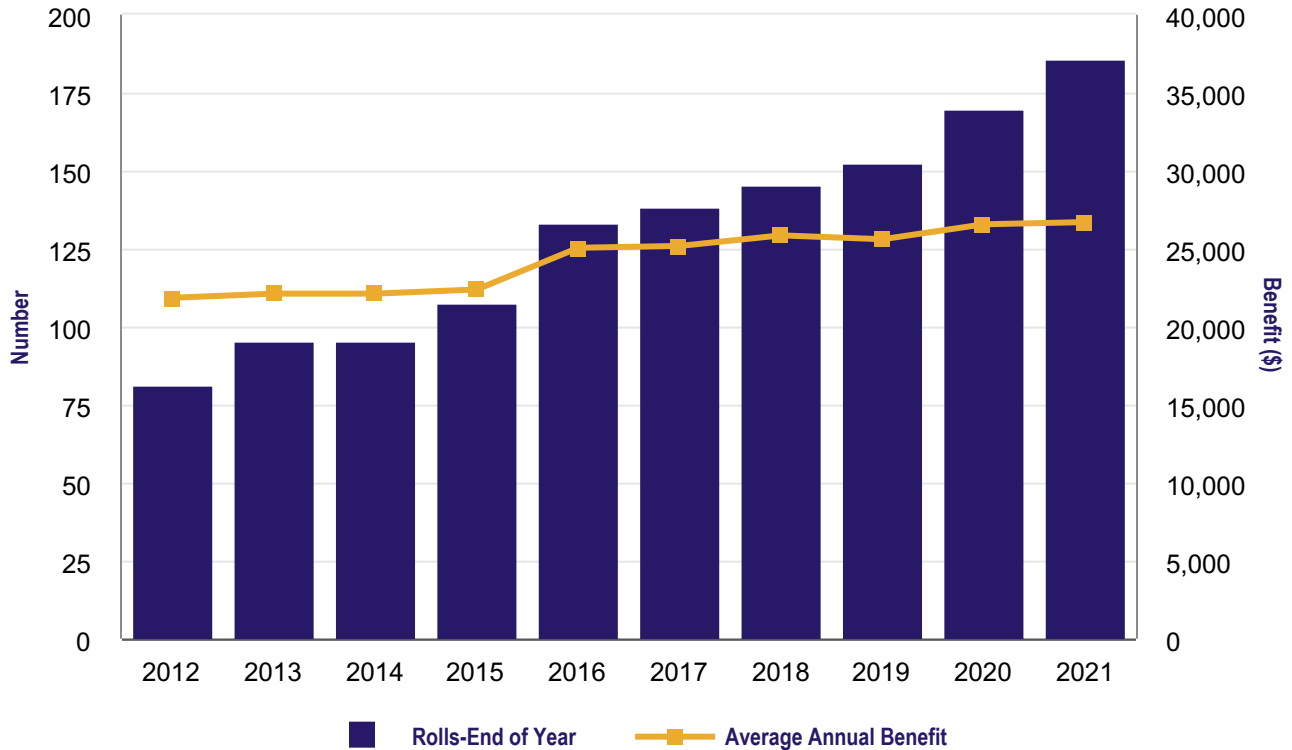
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year		Percent Increase / (Decrease) In Total Annual Benefits	Average Annual Benefit	Percent Increase / (Decrease) in Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits			
2021	19	\$595	3	\$63	185	\$4,940	10.0%	\$26,703	0.5%
2020	18	632	1	20	169	4,489	15.3	26,563	3.7
2019	9	168	2	25	152	3,892	3.8	25,605	(1.0)
2018	9	307	2	28	145	3,749	7.9	25,853	2.7
2017	5	140	—	—	138	3,474	4.3	25,176	0.5
2016	26	937	—	—	133	3,332	39.1	25,056	11.9
2015	14	319	2	14	107	2,395	14.0	22,385	1.2
2014	—	—	—	—	95	2,101	—	22,118	—
2013	15	362	1	27	95	2,101	18.7	22,118	1.2
2012	6	178	1	27	81	1,770	9.4	21,853	2.7

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit





# Legislators' Defined Benefit Fund

## Historical Summary of Actuarial Valuation Results

### Actuarial Valuation as of June 30 <sup>1</sup>

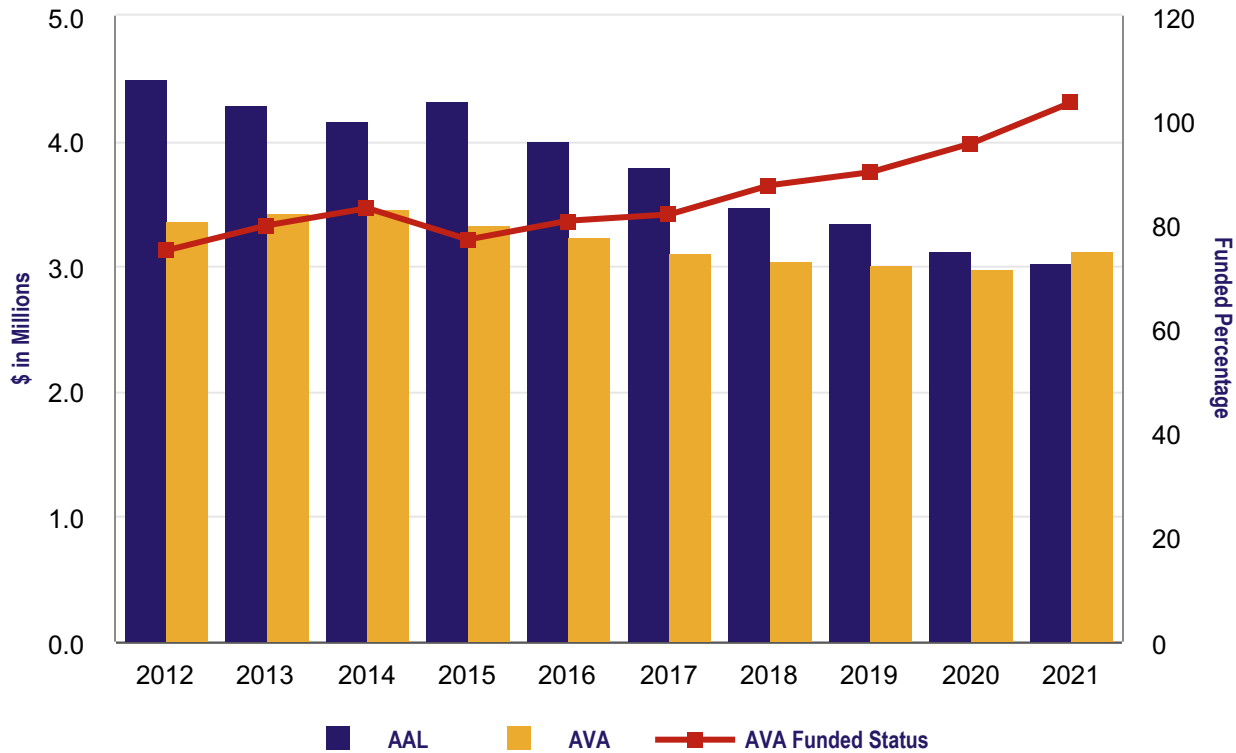
The following table shows the history of the Unfunded Liability for LE DB.

(dollars in thousands)

	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Liability (AAL-AVA)	AVA Funded Status (AVA/AAL)	Covered Employee Payroll <sup>2</sup>	Unfunded Liability as a percentage of Covered Employee Payroll
2021	\$3,034	\$3,137	<b>\$(103)</b>	<b>103.4%</b>	N/A	N/A
2020	3,127	2,986	<b>141</b>	<b>95.5</b>	N/A	N/A
2019	3,362	3,026	<b>336</b>	<b>90.0</b>	N/A	N/A
2018	3,485	3,050	<b>435</b>	<b>87.5</b>	N/A	N/A
2017	3,804	3,114	<b>690</b>	<b>81.9</b>	N/A	N/A
2016	4,016	3,241	<b>775</b>	<b>80.7</b>	N/A	N/A
2015	4,328	3,336	<b>992</b>	<b>77.1</b>	N/A	N/A
2014	4,173	3,467	<b>706</b>	<b>83.1</b>	N/A	N/A
2013	4,295	3,428	<b>867</b>	<b>79.8</b>	N/A	N/A
2012	4,503	3,377	<b>1,126</b>	<b>75.0</b>	N/A	N/A

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> LE DB is a closed plan with no Covered Employee Payroll.



# Legislators' Defined Benefit Fund, continued

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## Summary of Actuarial Assumptions, Actuarial Methods, and Plan Provisions

The actuarial assumptions and methods used in the June 30, 2021 valuation of the Legislators' Defined Benefit Fund were adopted by the INPRS Board in May 2021. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

### Changes in Actuarial Assumptions

The Interest Rate / Investment Return assumption changed from 6.75 percent to 6.25 percent.

The inflation assumption changed from 2.25 percent to 2.00 percent.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Changes in Plan Provisions

HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

### Actuarial Assumptions

Except as noted below, actuarial assumptions used for funding purposes are the same as those used for accounting and financial reporting.

#### Economic Assumptions

Interest Rate / Investment Return:

Funding	6.25 percent (net of administrative and investment expenses)
Accounting & Financial Reporting	6.25 percent (net of investment expenses)

Inflation: 2.00 percent per year

Cost of Living Increases: 0.4 percent beginning on January 1, 2024  
0.5 percent beginning on January 1, 2034  
0.6 percent beginning on January 1, 2039

#### Demographic Assumptions: Based on 2015-2019 Experience

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy):	General Employee table with a 1 year setback for males and a 1 year setback for females.
Mortality (Retirees):	General Retiree table with a 1 year setback for males and a 1 year setback for females.
Mortality (Beneficiaries):	Contingent Survivor table with no set forward for males and a 2 year set forward for females.
Mortality (Disabled):	General Disabled table with a 140% load.

## Legislators' Defined Benefit Fund, continued

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Retirement:	<u>Age</u>	<u>Rate</u>
	55	10 %
	56-57	8
	58-61	2
	62-64	5
	65+	100

Inactive vested members are assumed to commence their retirement benefit at their earliest eligible retirement date.

Termination: None

Disability: None

Form of Payment: Members are assumed to elect either a single life annuity or a 50% joint survivor benefit base on the marriage assumption.

Spouse / Beneficiary: 90 percent of members are assumed to be married or to have a dependent beneficiary. Males are assumed to be three (3) years older than their spouses and females are assumed to be two (2) years younger than their spouses.

# Legislators' Defined Benefit Fund, continued

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## Actuarial Methods

Actuarial Cost & Amortization Methods:

Funding: Traditional Unit Credit

The normal cost is calculated separately for each active member and is equal to actuarial present value of additional benefits expected to be accrued during the year following the valuation date. The actuarial accrued liability on any valuation date is the actuarial present value of the benefits earned for service prior to the valuation date. Since the benefits for all members of the Legislators' Defined Benefit Fund are fixed and no longer increasing with future service credit or future salary increases, applying the Traditional Unit Credit cost method results in the Actuarial Accrued Liability being equal to the Present Value of Future Benefits (i.e. all benefits are treated as though they are attributable to past service) and the Normal Cost being equal to \$0. This is consistent with the actual status of member benefit accruals.

Gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a five-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new five-year period. However, when the plan is at or above 100 percent funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payment each year. The purpose of the method is to give a smooth progression of the costs from year-to-year and, at the same time, provide for an orderly funding of the unfunded liabilities.

Accounting & Financing Reporting: Entry Age Normal - Level Percent of Payroll

The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

Gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants. Gains and losses occurring from investment experience different than assumed are amortized into expense over a five-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

Data Measurement Date: Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

COLA Funding Amount: The COLA may be funded by either direct State appropriations or by allocation of a portion of the lottery proceeds. The COLA Funding Amount is developed by determining the assets needed at the start of the next biennium to fund the post-retirement benefit increases anticipated to be granted in that biennium. This amount is divided by a present value factor over which the accumulations will occur.

Asset Valuation Method: Funding uses the Actuarial Value of Assets (AVA), which is equal to a five-year smoothing of gains and losses on the Fair Value of Assets (FVA), subject to a 20 percent corridor. Accordingly, the AVA is limited to no more than 20 percent greater than or 20 percent less than the FVA.

Accounting and financial reporting uses the FVA in accordance with GASB Statement No. 67.

## Plan Provisions

Please refer to Note 1 of the Notes to the Financial Statements in the Financial Section, the actuarial valuation at <https://www.in.gov/inprs/actuarialvaluation.htm>, or the applicable Indiana Code at <http://iga.in.gov/>.

# Legislators' Defined Benefit Fund, continued

## Analysis of Financial Experience

(dollars in thousands)	<u>UAAL</u>
Unfunded Actuarial Accrued Liability (UAAL): June 30, 2020	\$141
Normal Cost and Interest, less Expected Contributions	<u>(165)</u>
Expected UAAL: June 30, 2021	(24)
<b>UAAL (Gain) / Loss</b>	
Actuarial Value of Assets Experience	(127)
Actuarial Accrued Liabilities Experience <sup>1</sup>	(49)
Actuarial Assumption & Methodology Changes	90
Plan Provision Changes <sup>2</sup>	<u>7</u>
Total UAAL (Gain) / Loss	<u>(79)</u>
<b>Unfunded Actuarial Accrued Liability (UAAL): June 30, 2021</b>	<b><u><u>\$(103)</u></u></b>

## Solvency Test

The solvency test compares aggregate actuarial liabilities by various categories with the plan's assets.

(dollars in thousands)	<u>Actuarial Accrued Liabilities</u>			<u>Portion of Actuarial Accrued Liabilities Covered by Assets</u>			
<u>Actuarial Valuation as of June 30</u>	<u>Retirees and Beneficiaries</u>	<u>Active Member (Employer Financed Portion)</u>	<u>Total Actuarial Accrued Liabilities</u>	<u>Actuarial Value of Assets</u>	<u>Retirees and Beneficiaries</u>	<u>Active Member (Employer Financed Portion)</u>	<u>Total Actuarial Accrued Liabilities</u>
2021	\$2,554	\$480	\$3,034	\$3,137	100.0%	121.6%	103.4%
2020	2,655	472	3,127	2,986	100.0	70.1	95.5
2019	2,747	615	3,362	3,026	100.0	45.3	90.0
2018	2,783	702	3,485	3,050	100.0	38.1	87.5
2017	3,013	791	3,804	3,114	100.0	12.9	81.9
2016	3,207	809	4,016	3,241	100.0	4.2	80.7
2015	3,213	1,115	4,328	3,336	100.0	11.1	77.1
2014	3,076	1,097	4,173	3,467	100.0	35.7	83.1
2013	3,192	1,103	4,295	3,428	100.0	21.4	79.8
2012	3,031	1,472	4,503	3,377	100.0	23.5	75.0

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

<sup>2</sup> HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

# Legislators' Defined Benefit Fund, continued

## Schedule of Active Members Valuation Data

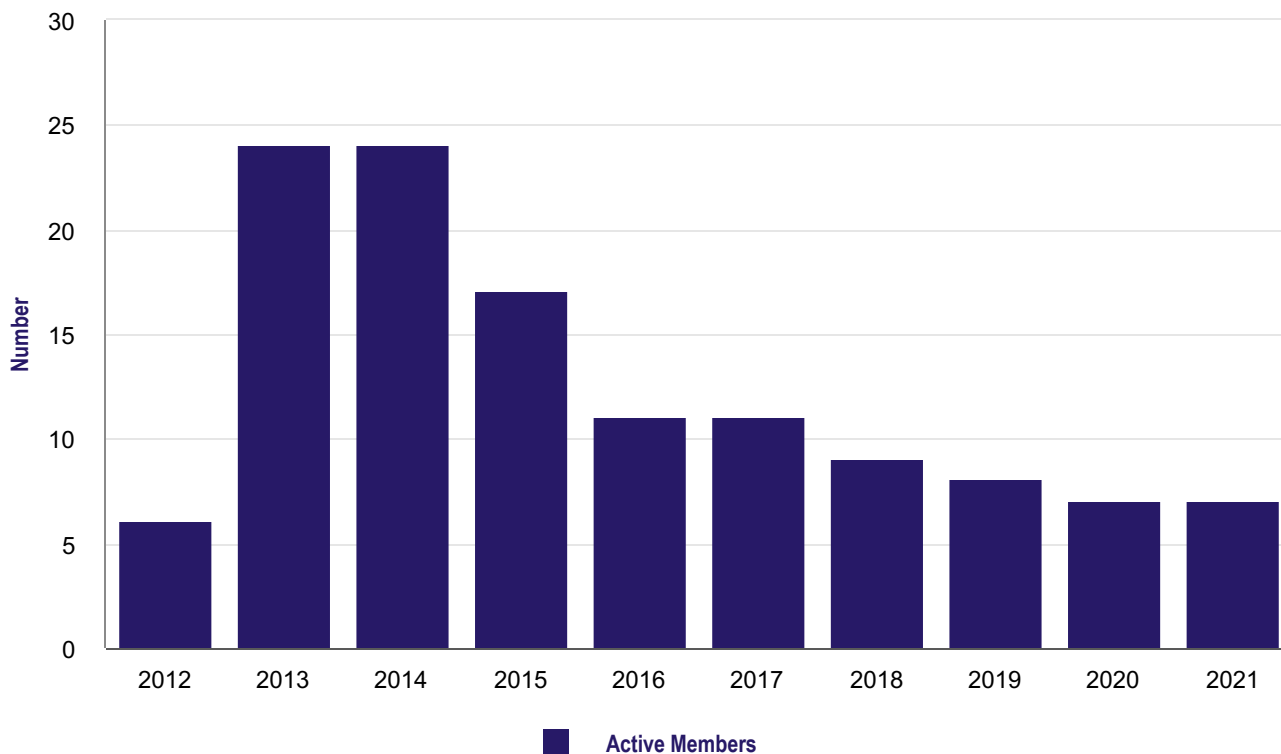
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands - except annual average pay)

	Active Members	Annual Payroll	Annual Average Pay	Annual Percent Increase / (Decrease) In Average Pay
2021	7	N/A	N/A	N/A
2020	7	N/A	N/A	N/A
2019	8	N/A	N/A	N/A
2018	9	N/A	N/A	N/A
2017	11	N/A	N/A	N/A
2016	11	N/A	N/A	N/A
2015	17	N/A	N/A	N/A
2014	24	N/A	N/A	N/A
2013	24	N/A	N/A	N/A
2012	6	N/A	N/A	N/A

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Active Members Per Year



# Legislators' Defined Benefit Fund, continued

## Schedule of Retirants and Beneficiaries

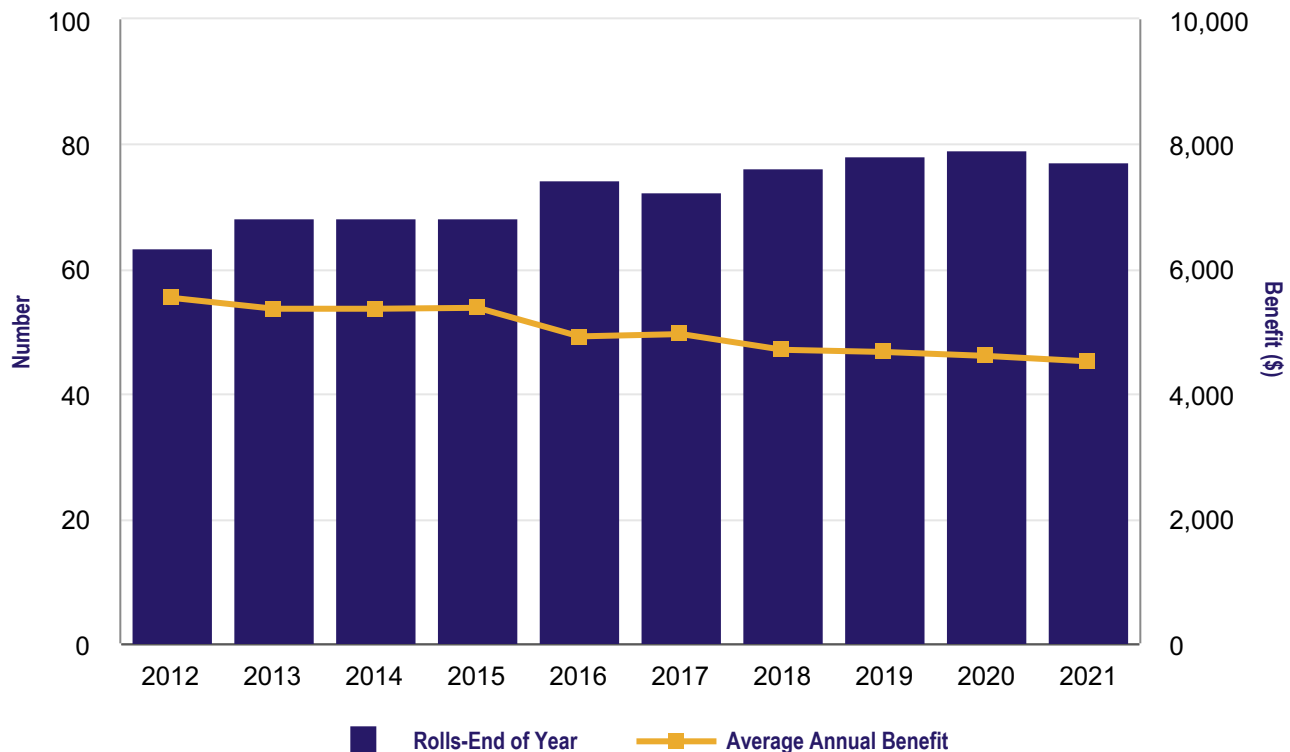
### Actuarial Valuation as of June 30 <sup>1</sup>

(dollars in thousands -- except average annual benefit)

	Added to Rolls		Removed from Rolls		Rolls – End of Year		Percent Increase / (Decrease) In Total Annual Benefits	Average Annual Benefit	Percent Increase / (Decrease) in Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Total Annual Benefits			
2021	—	\$—	2	\$11	77	\$348	(4.4)%	\$4,518	(1.9)%
2020	4	15	3	9	79	364	—	4,606	(1.3)
2019	2	7	—	—	78	364	2.0	4,669	(0.7)
2018	4	16	—	—	76	357	—	4,704	(5.1)
2017	—	—	2	7	72	357	(1.9)	4,956	0.8
2016	8	23	2	14	74	364	(0.5)	4,919	(8.5)
2015	1	2	1	1	68	366	0.5	5,377	0.3
2014	—	—	—	—	68	364	—	5,362	—
2013	9	41	4	26	68	364	4.3	5,362	(3.1)
2012	2	13	4	20	63	349	(2.0)	5,536	1.1

<sup>1</sup> See Accompanying Notes to the Actuarial Schedules, included in the Introduction to Actuarial Information.

### Total Number of Retirants and Beneficiaries Per Year and Average Annual Benefit



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# 2021 **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2021

## Statistical Section

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- [206](#) Defined Benefit Funds
- [261](#) Defined Contribution Funds
- [270](#) OPEB and Custodial Funds

### **1.3 Active Defined Benefit Members**

To annuitants

#### **88.7 Percent**

Of pension benefits payments remained within Indiana

#### **30 Thousand RMBA Claims Paid**

Reimbursement average of \$537 per claim



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# Introduction to Statistical Information

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## Purpose of the Statistical Section

The objectives of the Statistical Section are to provide additional historical perspective, context, and relevant details to assist readers in using information in the financial statements, notes to the financial statements, and required supplementary information in order to understand and assess INPRS's overall financial condition.

## Accompanying Notes to the Statistical Schedules

The following notes are intended to clarify certain information presented in various schedules in the Statistical Section.

- For several funds, 10 years of historical information was not presented. INPRS intends to reflect 10 years of historical data as it becomes available.
- Beginning June 30, 2014 and years subsequent, defined benefit membership is calculated using the prior year census data, which is adjusted for certain activity during the year.
- Annuitant data includes retirees, beneficiaries, and disabled members. Survivor benefits are reported beginning fiscal year ended June 30, 2013.
- Prior to June 30, 2013, survivor benefits were included with pension benefits.
- Within the Schedule of Benefit Recipients by Type of Benefit Option, members of PERF DB, TRF Pre-'96 DB, and TRF '96 DB may choose social security integration as a retiree between the ages of 50 and 62. Social security integration can be incorporated with Five-Year Certain & Life, Straight Life, Modified Cash Refund Plus Five-Year Certain & Life, Joint With 100% Survivor Benefits, Joint With Two-Thirds Survivor Benefits, or Joint With One-Half Survivor Benefits. The number of retirees electing social security integration is included in the number of retirees of the selected benefit option. The monthly benefit is reduced or terminated at age 62 depending on the estimated monthly benefit from social security at age 62.
- For those entities that have a January 1 to December 31 fiscal year, the information on historical contribution rates is presented on that basis.

**Financial Schedules** present trend information about the change in INPRS's assets for the past 10 years, including key sources of asset additions and deductions, which assist in providing a context framing how INPRS's financial position has changed over time. Financial trend schedules presented include:

- Schedule of Changes and Growth in Fiduciary Net Position
- Summary of Income and Expense Sources for a 10-Year Period (combined funds)
- Schedule of Historical Contribution Rates

**Demographic and Economic Information** is designed to assist in understanding the environment in which INPRS operates. The demographic and economic information presented include:

- Summary of Participating Employers
- Membership Data
- Ratio of Active Members to Annuitants
- Pension Benefits by Indiana County
- Retirees by Geographical Location
- Summary of Defined Benefit Retirement Benefits
- Schedule of Benefit Recipients by Type of Benefit Option
- Schedule of Average Benefit Payments
- Schedule of Participating Employers: Top 10
- Schedule of Average Death Benefit Payments

# Combined Funds

## Schedule of Changes and Growth in Fiduciary Net Position

### For the Years Ended June 30

(dollars in thousands)	2021	2020	2019	2018	2017
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 36,862,974</b>	<b>\$ 36,068,353</b>	<b>\$ 34,182,563</b>	<b>\$ 31,847,149</b>	<b>\$ 29,900,278</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	1,058,451	1,010,981	1,161,582	984,332	967,011
Nonemployer Contributing Entity	1,800,274	1,172,724	1,145,125	1,124,814	1,088,559
Member Contributions	387,169	374,075	361,373	349,246	347,622
Member Reassignment Income	13,309	11,651	9,990	13,446	16,669
Transfer from SOI	—	435,947	—	—	—
Miscellaneous Income	190	371	1,831	695	185
<b>Total Contributions and Other</b>	<b>3,259,393</b>	<b>3,005,749</b>	<b>2,679,901</b>	<b>2,472,533</b>	<b>2,420,046</b>
Pension Benefits	(2,315,815)	(2,261,487)	(2,185,371)	(2,297,332)	(2,275,134)
Disability Benefits	(48,423)	(45,831)	(47,576)	(46,056)	(42,115)
Survivor Benefits	(192,370)	(183,494)	(175,883)	(171,381)	(163,155)
Special Death Benefits	(3,030)	(1,919)	(2,001)	(1,634)	(1,209)
Retiree Health Benefits	(16,658)	(17,306)	—	—	—
Retiree Health Forfeitures	(10,722)	(18,969)	—	—	—
Distributions of Contributions and Interest	(580,409)	(423,885)	(447,103)	(179,575)	(70,332)
Distributions of Custodial Funds	(205,821)	(209,167)	(212,239)	(212,634)	(213,256)
Administrative Expenses	(41,527)	(43,018)	(41,398)	(38,991)	(38,365)
Member Reassignment Expenses	(13,309)	(11,651)	(9,990)	(13,446)	(16,669)
Miscellaneous Expenses	(70)	(237)	(284)	(437)	(13)
<b>Total Benefits and Expenses</b>	<b>(3,428,154)</b>	<b>(3,216,964)</b>	<b>(3,121,845)</b>	<b>(2,961,486)</b>	<b>(2,820,248)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(168,761)</b>	<b>(211,215)</b>	<b>(441,944)</b>	<b>(488,953)</b>	<b>(400,202)</b>
Net Investment Income / (Loss)	9,096,079	1,005,836	2,327,734	2,824,367	2,347,073
<b>Net Increase / (Decrease)</b>	<b>8,927,318</b>	<b>794,621</b>	<b>1,885,790</b>	<b>2,335,414</b>	<b>1,946,871</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 45,790,292</b>	<b>\$ 36,862,974</b>	<b>\$ 36,068,353</b>	<b>\$ 34,182,563</b>	<b>\$ 31,847,149</b>

## Combined Funds, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued

#### For the Years Ended June 30

(dollars in thousands)	2016	2015	2014	2013	2012
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 29,892,379</b>	<b>\$ 30,212,225</b>	<b>\$ 27,080,402</b>	<b>\$ 25,559,605</b>	<b>\$ 25,750,906</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	1,012,012	923,759	894,851	933,719	749,439
Nonemployer Contributing Entity	1,100,433	1,080,665	1,028,579	1,242,728	946,163
Member Contributions	334,079	348,789	341,609	326,518	335,548
Member Reassignment Income	16,187	17,591	15,582	14,759	13,025
Transfer from SOI	—	—	—	—	—
Miscellaneous Income	1,078	188	172	106	100
<b>Total Contributions and Other</b>	<b>2,463,789</b>	<b>2,370,992</b>	<b>2,280,793</b>	<b>2,517,830</b>	<b>2,044,275</b>
Pension Benefits	(2,212,132)	(2,220,957)	(2,006,827)	(1,938,557)	(1,976,672)
Disability Benefits	(62,234)	(64,172)	(71,202)	(60,664)	(57,239)
Survivor Benefits	(154,804)	(144,767)	(138,027)	(131,468)	—
Special Death Benefits	(924)	(1,610)	(1,170)	(1,744)	(938)
Retiree Health Benefits	—	—	—	—	—
Retiree Health Forfeitures	—	—	—	—	—
Distributions of Contributions and Interest	(80,385)	(88,659)	(87,375)	(98,414)	(95,431)
Distributions of Custodial Funds	(215,816)	(217,663)	(219,440)	(219,814)	(224,220)
Administrative Expenses	(38,502)	(40,486)	(43,447)	(45,921)	(40,848)
Member Reassignment Expenses	(16,187)	(17,591)	(15,582)	(14,759)	(13,025)
Miscellaneous Expenses	—	—	—	—	—
<b>Total Benefits and Expenses</b>	<b>(2,780,984)</b>	<b>(2,795,905)</b>	<b>(2,583,070)</b>	<b>(2,511,341)</b>	<b>(2,408,373)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(317,195)</b>	<b>(424,913)</b>	<b>(302,277)</b>	<b>6,489</b>	<b>(364,098)</b>
Net Investment Income / (Loss)	325,094	105,067	3,434,100	1,514,308	172,797
<b>Net Increase / (Decrease)</b>	<b>7,899</b>	<b>(319,846)</b>	<b>3,131,823</b>	<b>1,520,797</b>	<b>(191,301)</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 29,900,278</b>	<b>\$ 29,892,379</b>	<b>\$ 30,212,225</b>	<b>\$ 27,080,402</b>	<b>\$ 25,559,605</b>

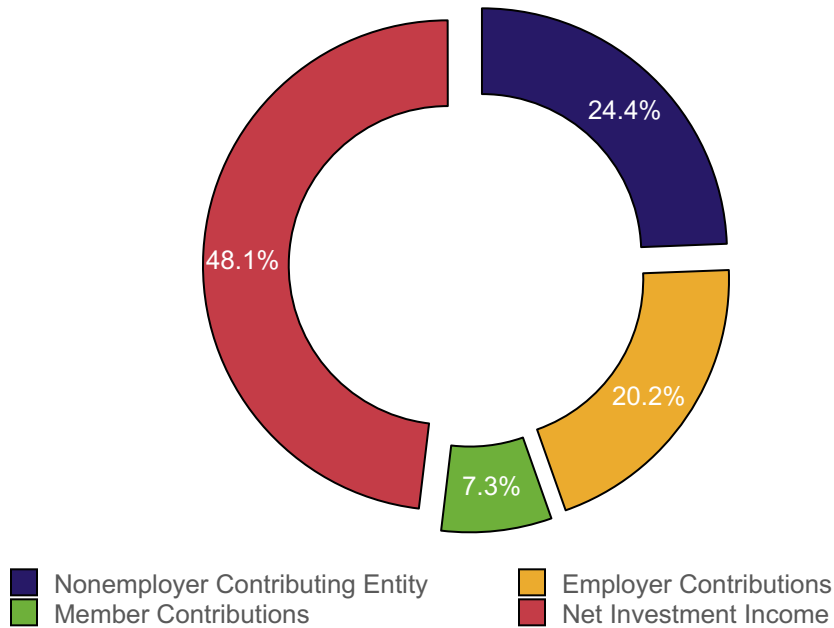
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# Combined Funds, continued

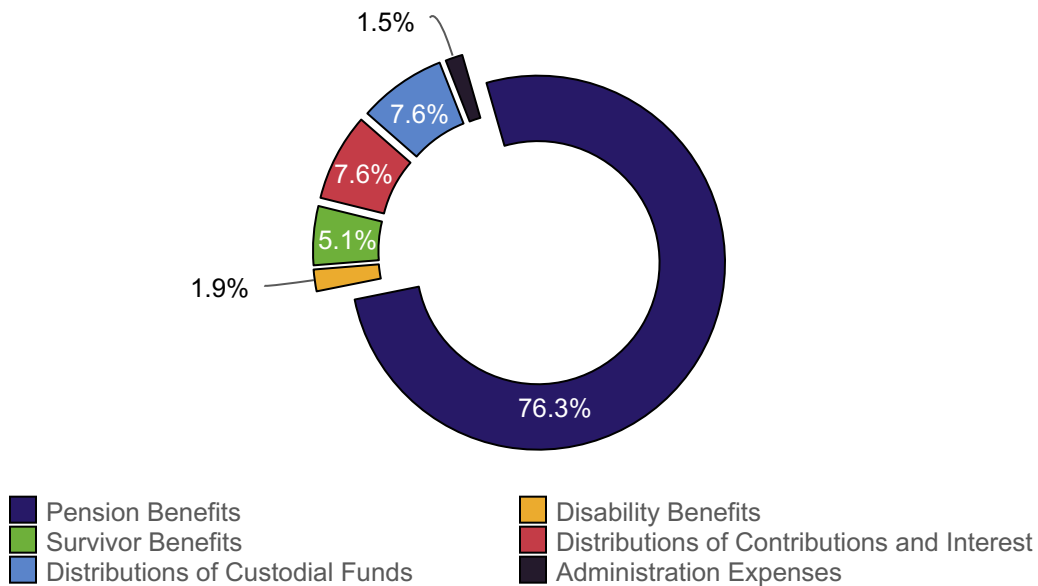
## Summary of Income and Expense Sources for a 10-Year Period

Fiscal Years 2012 - 2021

### Income Sources



### Summary of Benefit Payments, Distributions and Expenses

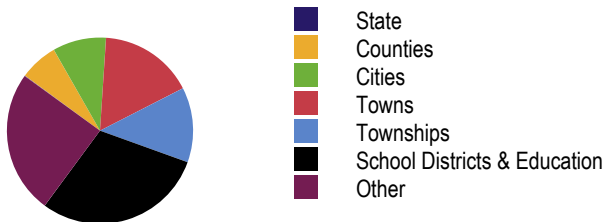


# Combined Funds, continued

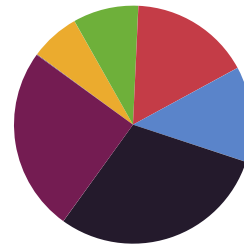
## Summary of Participating Employers For the Year Ended June 30, 2021

Employers	Total <sup>1</sup>	Defined Benefit (DB)								
		Total DB	PERF DB	TRF Pre-'96 DB	TRF '96 DB	77 Fund	JRS	EG&C	PARF	LE DB
State	1	1	1	1	1	—	1	1	1	1
Counties	86	86	86	—	—	—	—	—	—	—
Cities	120	120	113	—	—	119	—	—	—	—
Towns	212	209	206	—	—	37	—	—	—	—
Townships	168	168	166	—	—	16	—	—	—	—
School Districts & Education	382	382	339	334	382	—	—	—	—	—
Other	321	316	315	—	—	3	—	—	—	—
<b>Total</b>	<b>1,290</b>	<b>1,282</b>	<b>1,226</b>	<b>335</b>	<b>383</b>	<b>175</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

DB Participating Employers



DC Participating Employers



Employers	Total DC <sup>1</sup>	Defined Contribution (DC)				
		PERF DC	PERF MC DC	TRF DC	TRF MC DC	LE DC
State	1	1	1	1	1	1
Counties	86	86	2	—	—	—
Cities	114	114	3	—	—	—
Towns	209	206	7	—	—	—
Townships	166	166	4	—	—	—
School Districts & Education	382	339	7	382	195	—
Other	320	315	12	—	—	—
<b>Total</b>	<b>1,278</b>	<b>1,227</b>	<b>36</b>	<b>383</b>	<b>196</b>	<b>1</b>

<sup>1</sup> Sum of employers does not equal total, as an employer may participate in multiple retirement funds.



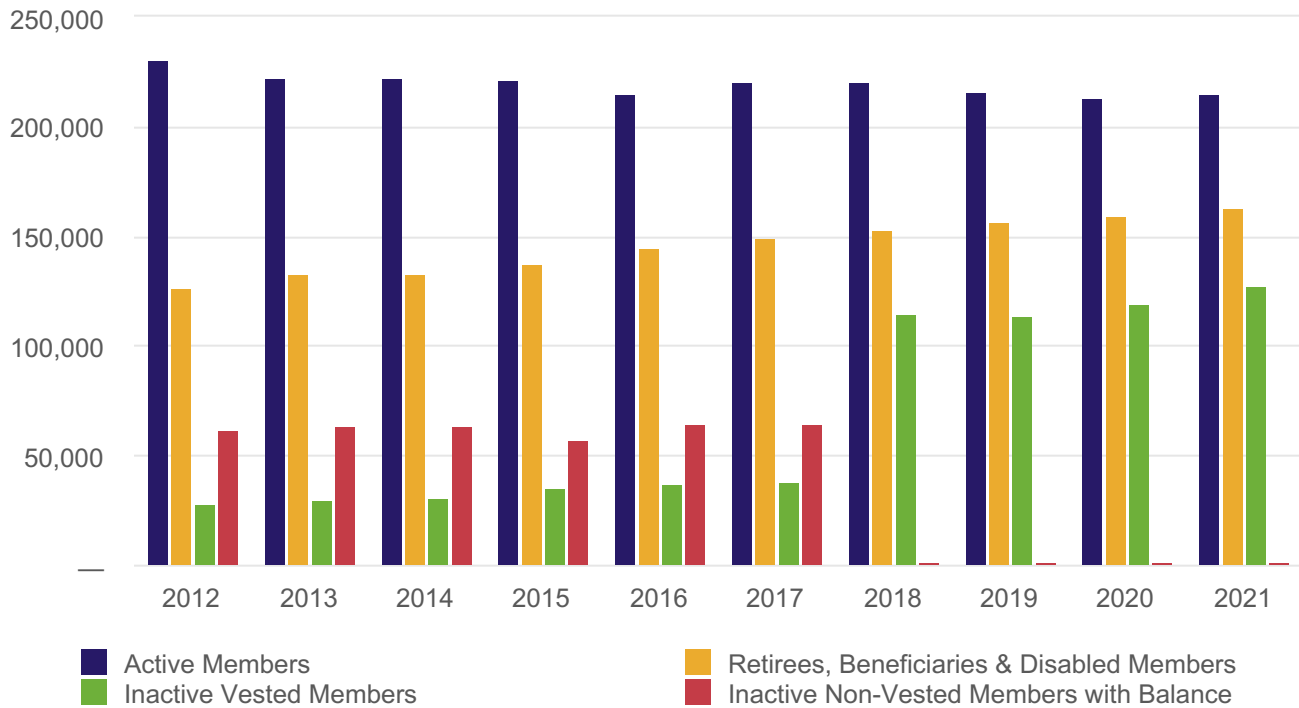
# Combined Funds, continued

## Membership Data Summary

For the Years Ended June 30

	Active Members	Retirees, Beneficiaries & Disabled Members	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members
2021	214,882	163,663	127,722	1,690	507,957
2020	213,919	159,920	119,647	1,615	495,101
2019	216,663	156,503	113,712	1,505	488,383
2018	220,505	153,077	114,612	1,453	489,647
2017	220,933	149,323	38,011	64,508	472,775
2016	215,450	145,522	37,592	64,381	462,945
2015	221,962	137,992	35,778	57,611	453,343
2014	222,497	133,128	30,792	63,767	450,184
2013	222,860	133,128	30,271	63,827	450,086
2012	230,686	126,813	27,934	62,201	447,634

<sup>1</sup>Total number of members based on adjusted prior year DB member census data and current year DC member data, excluding duplicates as members may participate in more than one fund.

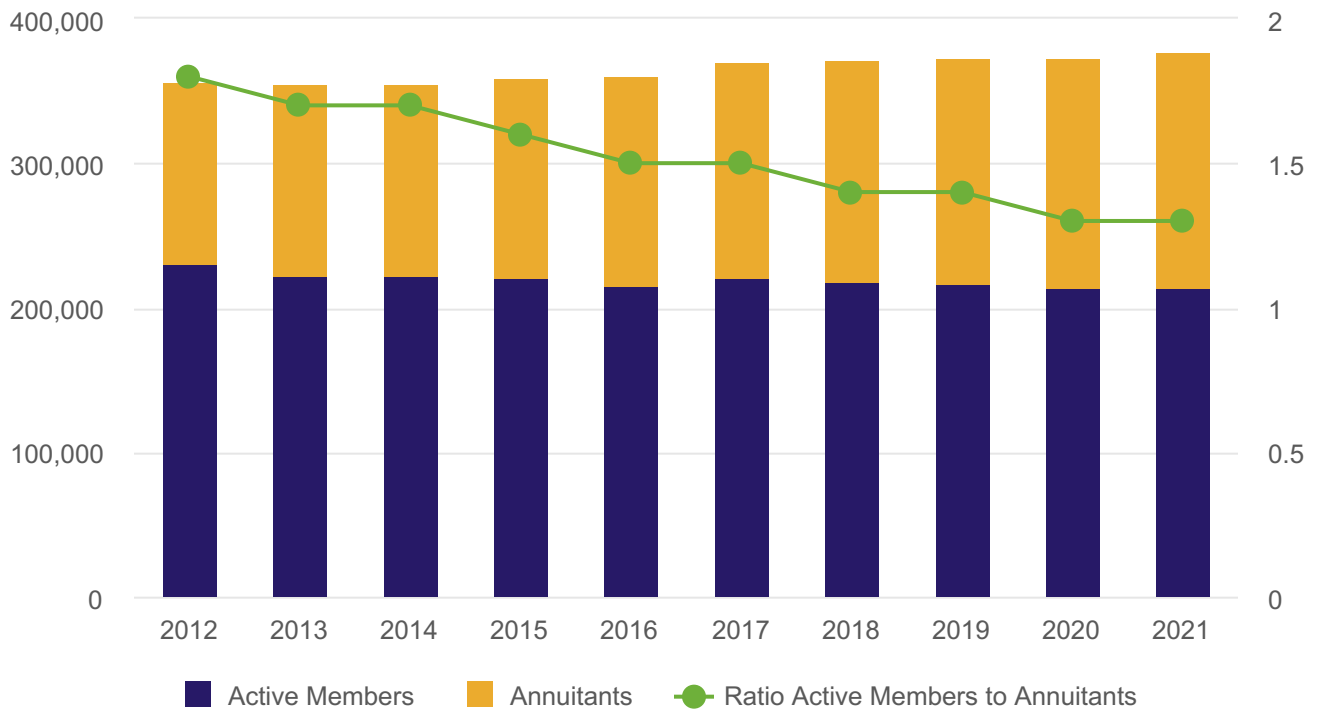


## Combined Funds, continued

### Ratio of Active Members to Annuitants For the Years Ended June 30

Active members and annuitants for this ratio only include the DB membership.

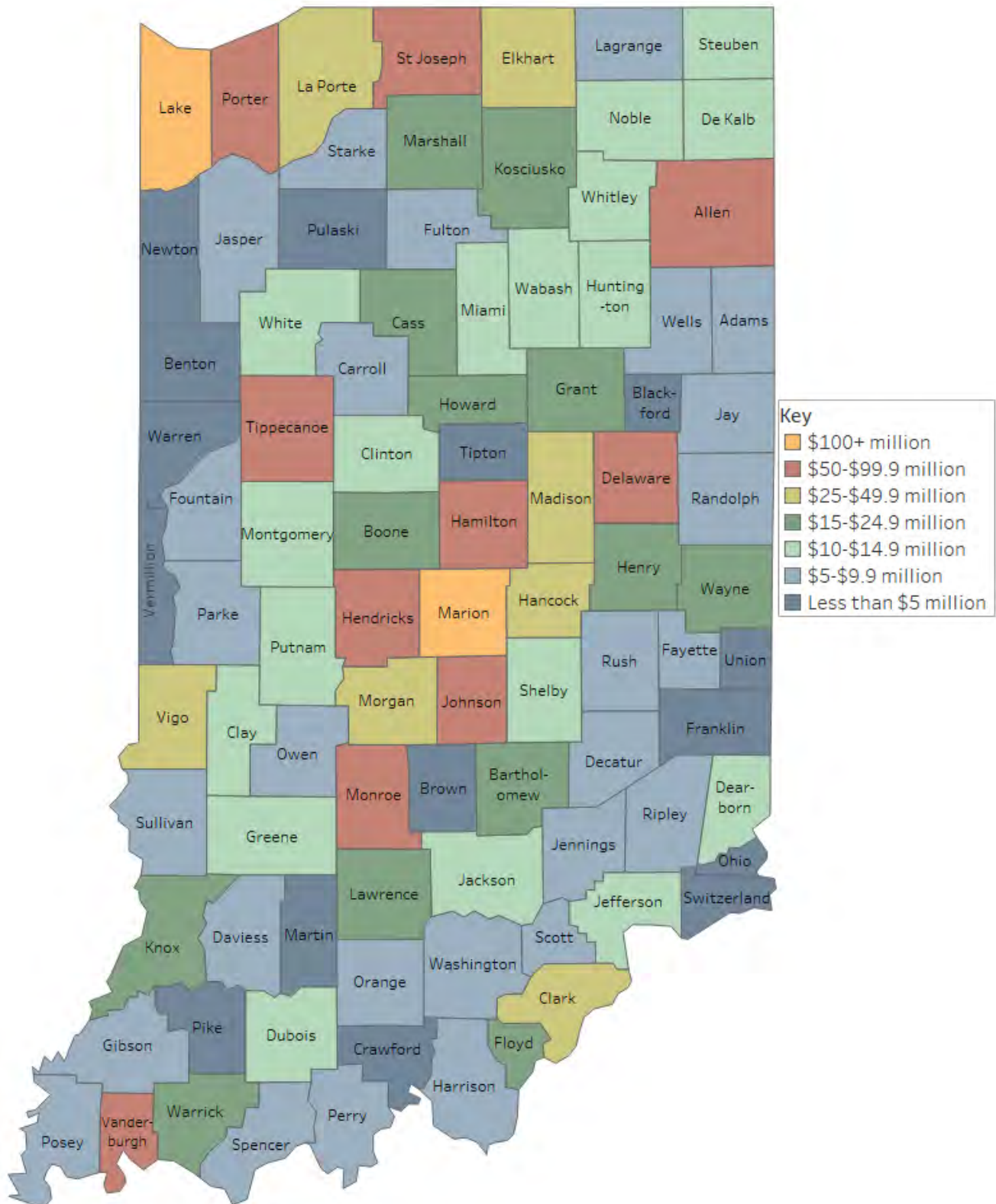
	Active Members	Annuitants	Ratio Active Members to Annuitants
2021	209,114	163,663	1.3
2020	208,900	159,920	1.3
2019	213,123	156,503	1.4
2018	218,866	153,077	1.4
2017	220,783	149,323	1.5
2016	215,300	145,522	1.5
2015	221,813	137,992	1.6
2014	222,348	133,128	1.7
2013	222,710	133,128	1.7
2012	230,536	126,813	1.8



# Combined Funds, continued

## Pension Benefits by Indiana County

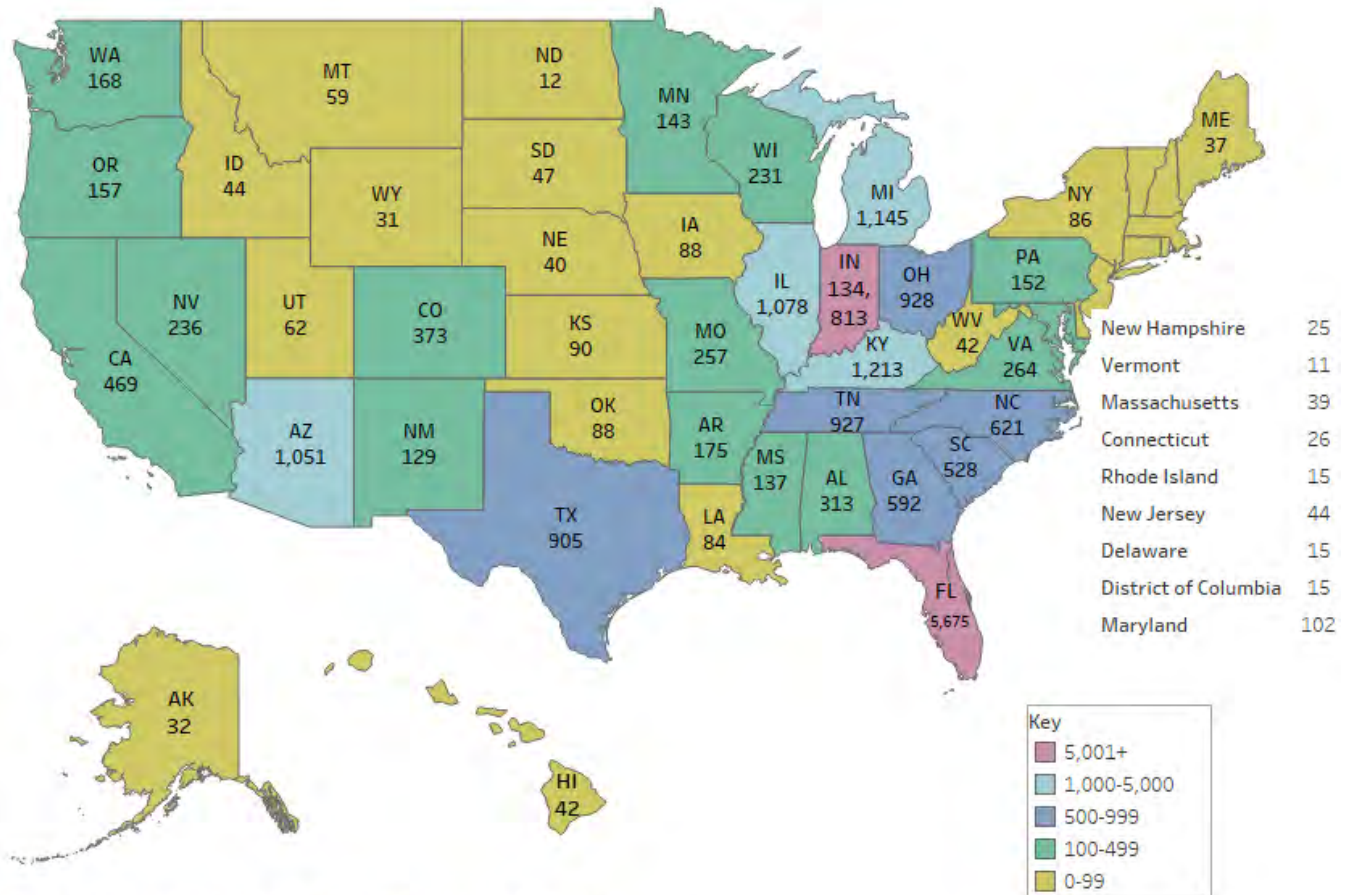
Approximately 135 thousand of the 154 thousand fiscal year 2021 pension benefit recipients reside in Indiana. Of the \$2.3 billion in pension benefit payments, 88.7 percent remained within Indiana and was able to impact local economies throughout the state.



## Combined Funds, continued

### Retirees by Geographical Location

During fiscal year 2021 more than 154 thousand retirees or their beneficiaries received benefits from INPRS.



### Retirees outside the United States:

Armed Forces Europe	2	Ecuador	1	Israel	2	Puerto Rico	12
Armed Forces Pacific	2	France	2	Italy	2	Spain	1
Australia	1	Germany	1	Libya	1	Sweden	1
Belgium	1	Greece	1	Mexico	2	Switzerland	1
Canada	16	Hong Kong	1	Mongolia	1	Turkey	1
Costa Rica	1	India	1	New Zealand	2	United Kingdom	3
Croatia	1	Ireland	1	Philippines	1		

# Combined Funds, continued

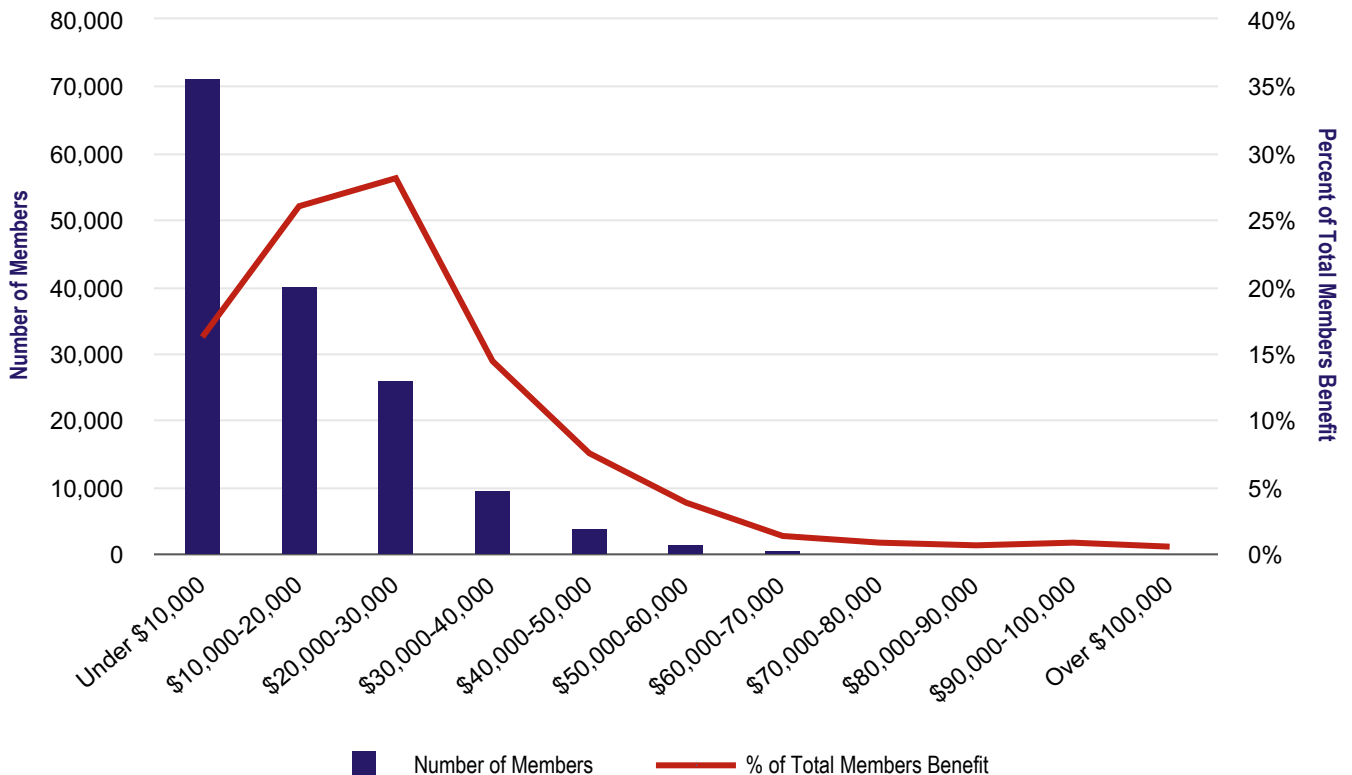
## Summary of Defined Benefit Retirement Benefits

As of June 30, 2021

For the year ending June 30, 2021, more than 153 thousand beneficiaries received benefits from INPRS administered defined benefit (DB) retirement plans with an average DB benefit of \$14,747 per year. The median DB benefit was \$11,166, which means half of all retirees receiving benefits are higher than \$10,996 and half are lower. Retirees may also be eligible for Social Security.

Annualized	Members		Amount (in thousands)	
	#	%	\$	%
Under \$10,000	71,363	46.3	368,452	16.2
\$10,001-20,000	40,253	26.2	590,235	26.0
\$20,001-30,000	26,160	17.0	638,866	28.1
\$30,001-40,000	9,588	6.2	326,655	14.4
\$40,001-50,000	3,822	2.5	169,339	7.5
\$50,001-60,000	1,586	1.0	85,787	3.8
\$60,001-70,000	459	0.3	29,453	1.3
\$70,001-80,000	240	0.2	17,944	0.8
\$80,001-90,000	164	0.1	13,891	0.6
\$90,001-99,000	184	0.1	17,323	0.8
Over \$100,000	99	0.1	11,830	0.5
<b>Grand Total</b>	<b>153,918</b>	<b>100.0</b>	<b>2,269,775</b>	<b>100.0</b>

Annual Member Defined Benefits



# Public Employees' Defined Benefit Account

## Schedule of Changes and Growth in Fiduciary Net Position

For the Years Ended June 30 <sup>1</sup>

(dollars in thousands)	2021	2020	2019	2018 <sup>2</sup>	2017
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 13,261,360</b>	<b>\$ 13,270,996</b>	<b>\$ 12,694,328</b>	<b>\$ 14,644,671</b>	<b>\$ 13,870,502</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	627,315	599,100	581,873	571,374	558,891
Member Contributions	131	127	296	83,112	168,112
Member Reassignment Income	5,126	4,244	2,101	3,208	6,118
Miscellaneous Income	122	237	882	121	55
<b>Total Contributions and Other</b>	<b>632,694</b>	<b>603,708</b>	<b>585,152</b>	<b>657,815</b>	<b>733,176</b>
Pension Benefits	(850,726)	(830,372)	(796,009)	(825,808)	(830,750)
Disability Benefits	(17,353)	(16,811)	(20,036)	(19,816)	(17,754)
Survivor Benefits <sup>1</sup>	(78,028)	(75,006)	(72,467)	(71,095)	(68,530)
Distributions of Contributions and Interest	—	—	—	(21,490)	(47,822)
Administrative Expenses	(18,003)	(18,887)	(18,472)	(20,844)	(24,483)
Transfer to Defined Contribution	—	—	—	(2,849,380)	—
Member Reassignment Expenses	(8,183)	(7,407)	(7,888)	(10,238)	(10,555)
Miscellaneous Expenses	—	—	—	(65)	—
<b>Total Benefits and Expenses</b>	<b>(972,293)</b>	<b>(948,483)</b>	<b>(914,872)</b>	<b>(3,818,736)</b>	<b>(999,894)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(339,599)</b>	<b>(344,775)</b>	<b>(329,720)</b>	<b>(3,160,921)</b>	<b>(266,718)</b>
Net Investment Income / (Loss)	3,325,549	335,139	906,388	1,210,578	1,040,887
<b>Net Increase / (Decrease)</b>	<b>2,985,950</b>	<b>(9,636)</b>	<b>576,668</b>	<b>(1,950,343)</b>	<b>774,169</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 16,247,310</b>	<b>\$ 13,261,360</b>	<b>\$ 13,270,996</b>	<b>\$ 12,694,328</b>	<b>\$ 14,644,671</b>

<sup>1</sup> See Introduction to Statistical Information.

<sup>2</sup> PERF DB and PERF DC were split effective January 1, 2018. As such, the Distribution of Contributions and Interest contains only six months of activity for fiscal year 2018.

## Public Employees' Defined Benefit Account, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)	2016	2015	2014	2013	2012
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 13,907,666</b>	<b>\$ 14,104,288</b>	<b>\$ 12,720,601</b>	<b>\$ 12,243,755</b>	<b>\$ 12,461,356</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	615,773	538,059	526,090	455,658	397,843
Member Contributions	161,905	169,731	164,189	156,408	158,696
Member Reassignment Income	5,543	4,184	3,444	4,363	3,341
Miscellaneous Income	905	83	52	31	8
<b>Total Contributions and Other</b>	<b>784,126</b>	<b>712,057</b>	<b>693,775</b>	<b>616,460</b>	<b>559,888</b>
Pension Benefits	(782,197)	(756,484)	(668,789)	(625,526)	(628,522)
Disability Benefits	(32,855)	(34,984)	(39,837)	(42,905)	(40,659)
Survivor Benefits <sup>1</sup>	(64,036)	(59,208)	(56,701)	(54,154)	—
Distributions of Contributions and Interest	(57,184)	(62,732)	(63,031)	(68,775)	(69,879)
Administrative Expenses	(24,098)	(25,506)	(27,433)	(29,181)	(24,793)
Transfer to Defined Contribution	—	—	—	—	—
Member Reassignment Expenses	(10,814)	(13,403)	(7,690)	(10,405)	(9,684)
Miscellaneous Expenses	—	—	—	—	—
<b>Total Benefits and Expenses</b>	<b>(971,184)</b>	<b>(952,317)</b>	<b>(863,481)</b>	<b>(830,946)</b>	<b>(773,537)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(187,058)</b>	<b>(240,260)</b>	<b>(169,706)</b>	<b>(214,486)</b>	<b>(213,649)</b>
Net Investment Income / (Loss)	149,894	43,638	1,553,393	691,332	(3,952)
<b>Net Increase / (Decrease)</b>	<b>(37,164)</b>	<b>(196,622)</b>	<b>1,383,687</b>	<b>476,846</b>	<b>(217,601)</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 13,870,502</b>	<b>\$ 13,907,666</b>	<b>\$ 14,104,288</b>	<b>\$ 12,720,601</b>	<b>\$ 12,243,755</b>

<sup>1</sup> See Introduction to Statistical Information.

# Public Employees' Defined Benefit Account, continued

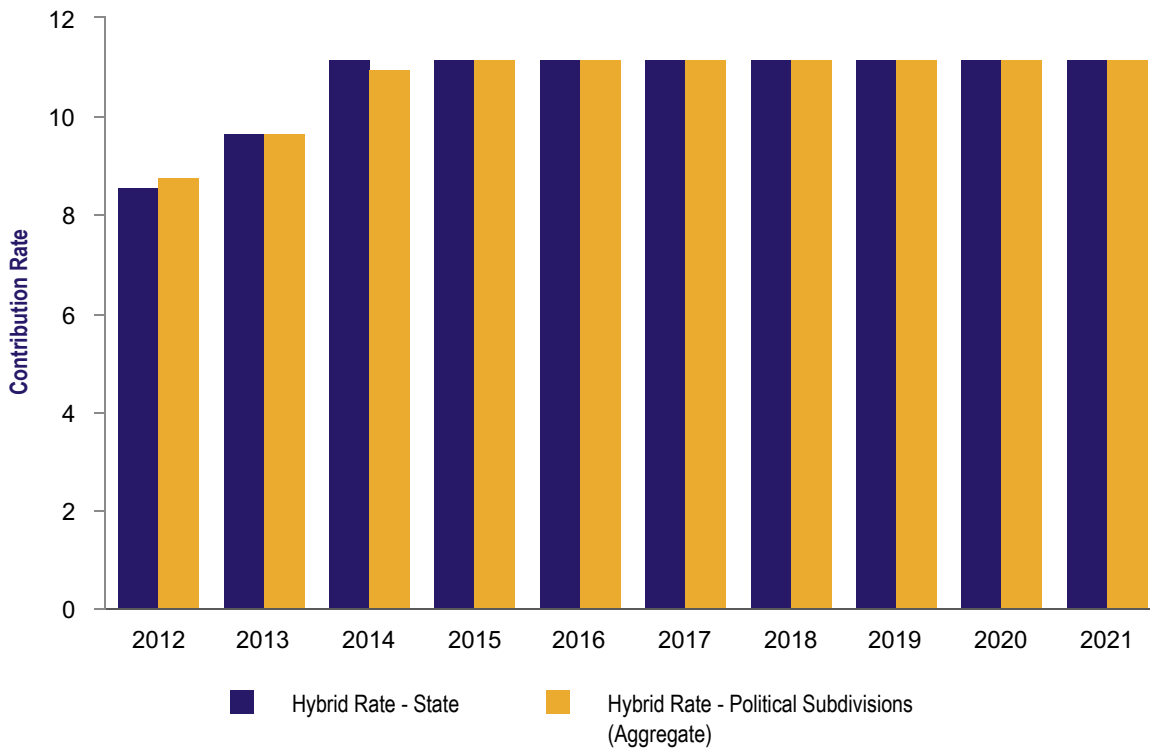
## Schedule of Historical Contribution Rates For the Years Ended June 30

	PERF Hybrid Rate		PERF MC DC Supplemental Rate <sup>1</sup>	
	State	Political Subdivisions (Aggregate)	State	Political Subdivisions (Aggregate)
2021	11.2 %	11.2 %	8.0 %	7.2 %
2020	11.2	11.2	8.2	7.4
2019	11.2	11.2	7.8	7.0
2018	11.2	11.2	7.8	7.1
2017	11.2	11.2	7.9	7.2
2016	11.2	11.2	6.6	5.4
2015	11.2	11.2	6.6	—
2014	11.2	11.0	6.5	—
2013	9.7	9.7	—	—
2012	8.6	8.8	—	—

Memo:

Effective Date                      July 1                      January 1                      July 1                      January 1

<sup>1</sup> Represents the portion of the Hybrid Rate that remains with PERF DB to cover the unfunded liability, with the difference potentially going to the member in PERF DC. New employers that participate in PERF My Choice are not required to pay the PERF My Choice Supplemental Rate.

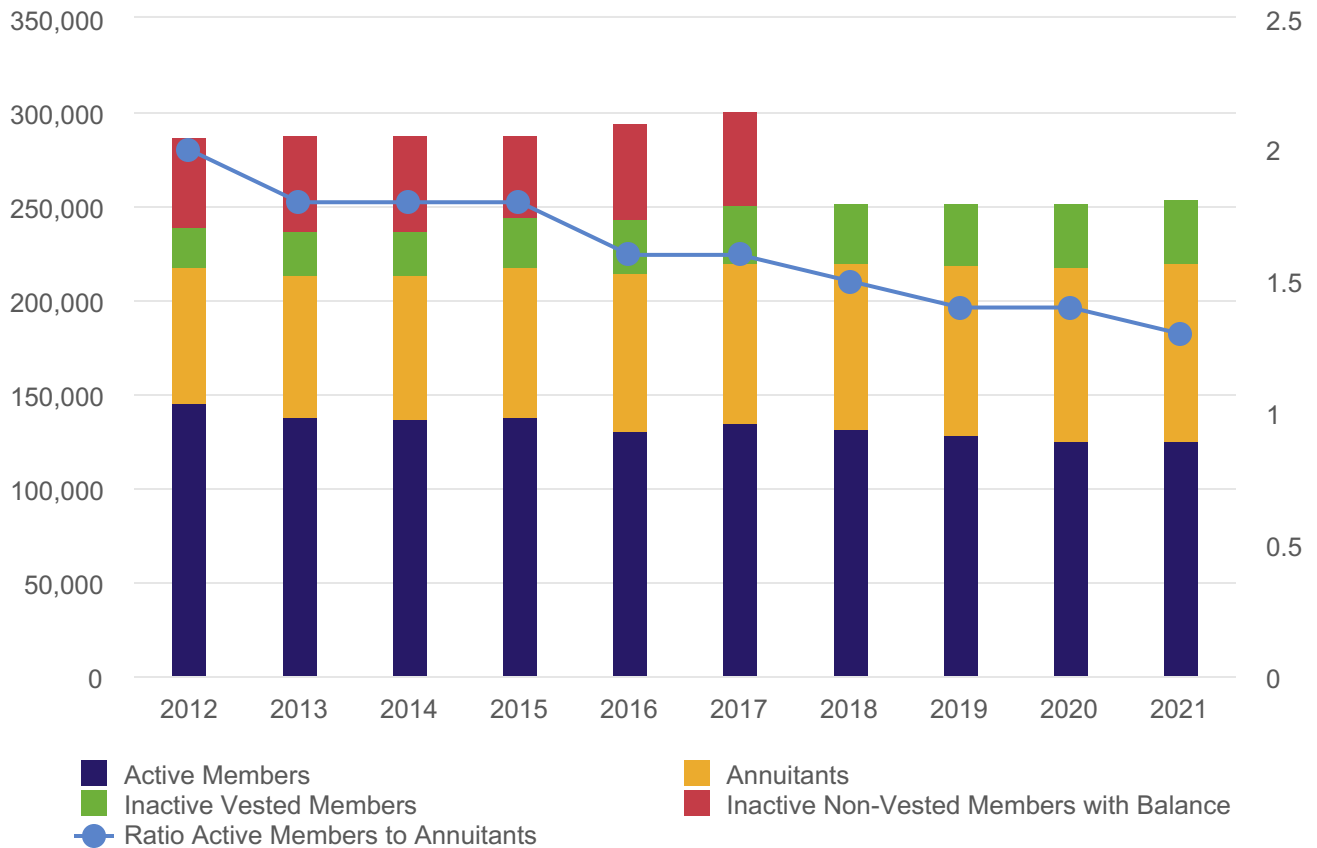




# Public Employees' Defined Benefit Account, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	Ratio Active Members to Annuitants
2021	125,386	94,851	33,931	—	254,168	1.3
2020	125,780	92,436	33,575	—	251,791	1.4
2019	129,099	89,932	33,062	—	252,093	1.4
2018	132,181	87,990	31,924	—	252,095	1.5
2017	134,909	85,130	30,816	50,312	301,167	1.6
2016	131,178	83,188	29,702	50,212	294,280	1.6
2015	138,660	79,198	26,681	43,803	288,342	1.8
2014	137,567	75,950	24,013	50,997	288,527	1.8
2013	137,937	75,950	23,504	51,057	288,448	1.8
2012	145,519	72,992	21,200	47,874	287,585	2.0

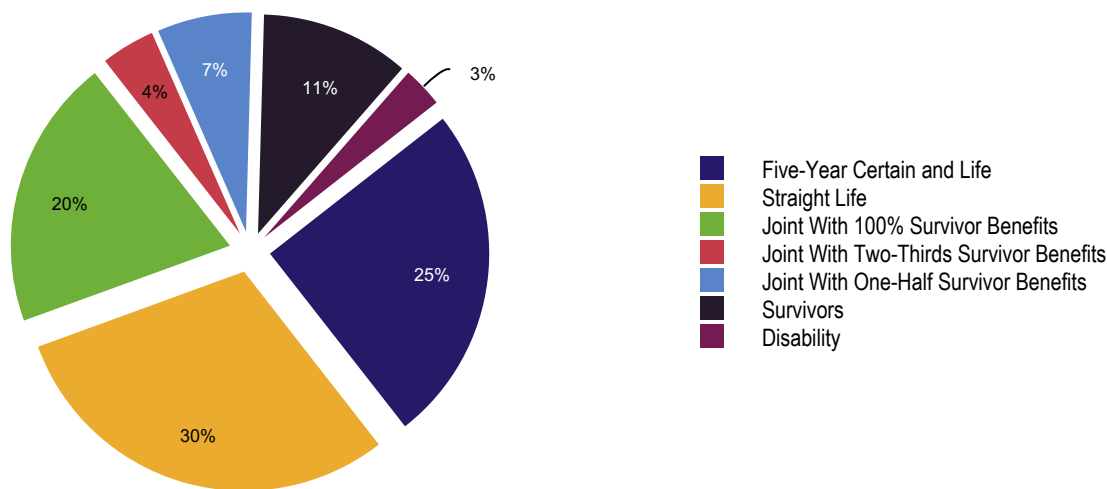


# Public Employees' Defined Benefit Account, continued

## Schedule of Benefit Recipients by Type of Benefit Option

For the Year Ended June 30, 2021

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option							Total Benefit Recipients
	Five-Year Certain & Life <sup>1</sup>	Straight Life <sup>1</sup>	Joint With 100% Survivor Benefits <sup>1</sup>	Joint With Two-Thirds Survivor Benefits <sup>1</sup>	Joint With One-Half Survivor Benefits <sup>1</sup>	Survivors	Disability	
\$ 1 - 500	11,382	9,788	7,933	913	2,004	6,196	1,917	40,133
501 - 1,000	7,517	9,798	5,569	1,140	2,374	2,929	545	29,872
1,001 - 1,500	2,792	4,518	3,202	724	1,287	967	158	13,648
1,501 - 2,000	1,132	2,125	1,396	448	594	311	50	6,056
2,001 - 3,000	687	1,464	992	293	491	160	5	4,092
Over 3,000	137	418	223	114	126	30	2	1,050
<b>Total</b>	<b>23,647</b>	<b>28,111</b>	<b>19,315</b>	<b>3,632</b>	<b>6,876</b>	<b>10,593</b>	<b>2,677</b>	<b>94,851</b>



Members applying for retirement benefits will receive a monthly benefit for the rest of their life. Survivors or qualified designated beneficiaries are subject to the provisions of the benefit option as follows:

**Five-Year Certain & Life** — Benefit ceases upon death of the retiree if the benefit has been received for five years; otherwise, the beneficiary continues to receive the benefit, monthly or lump sum, for the remainder of the five year period.

**Straight Life** — Benefit ceases upon the death of the retiree.

**Joint With 100% Survivor Benefits** — Survivor receives 100 percent of the member's monthly benefit for remainder of the survivor's life.

**Joint With Two-Thirds Survivor Benefits** — Survivor receives 66 2/3 percent of the member's monthly benefit for the remainder of the survivor's life.

**Joint With One-Half Survivor Benefits** — Survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. Benefit ceases upon death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. Member must have five or more years of creditable service to be eligibility.

<sup>1</sup> See Accompanying Notes to the Statistical Schedules for discussion on social security integration options.

# Public Employees' Defined Benefit Account, continued

## Schedule of Average Benefit Payments For the Years Ended June 30

	Years of Credited Service						Total
	< 10 <sup>1</sup>	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2021</b>							
Average Monthly Defined Benefit	\$ 155	\$ 302	\$ 423	\$ 591	\$ 828	\$ 1,330	\$ 672
Average Monthly DC Annuity <sup>2</sup>	\$ 48	\$ 111	\$ 151	\$ 208	\$ 281	\$ 486	\$ 242
Average Final Average Salary	\$ 26,038	\$ 27,156	\$ 29,199	\$ 31,565	\$ 35,182	\$ 42,972	\$ 32,947
Number of Benefit Recipients	3,224	16,508	22,856	18,616	14,252	19,395	94,851
<b>2020</b>							
Average Monthly Defined Benefit	\$ 152	\$ 299	\$ 415	\$ 580	\$ 813	\$ 1,308	\$ 658
Average Monthly DC Annuity <sup>2</sup>	\$ 48	\$ 109	\$ 149	\$ 206	\$ 279	\$ 483	\$ 239
Average Final Average Salary	\$ 25,808	\$ 26,557	\$ 28,596	\$ 30,912	\$ 34,538	\$ 42,235	\$ 32,285
Number of Benefit Recipients	3,207	15,984	22,572	18,140	13,905	18,628	92,436
<b>2019</b>							
Average Monthly Defined Benefit	\$ 151	\$ 293	\$ 407	\$ 570	\$ 799	\$ 1,287	\$ 646
Average Monthly DC Annuity <sup>2</sup>	\$ 47	\$ 107	\$ 147	\$ 204	\$ 276	\$ 480	\$ 235
Average Final Average Salary	\$ 25,474	\$ 25,891	\$ 28,012	\$ 30,306	\$ 33,884	\$ 41,510	\$ 31,643
Number of Benefit Recipients	3,144	15,439	22,063	17,764	13,538	17,984	89,932
<b>2018</b>							
Average Monthly Defined Benefit	\$ 150	\$ 288	\$ 400	\$ 558	\$ 784	\$ 1,265	\$ 633
Average Monthly DC Annuity <sup>2</sup>	\$ 46	\$ 106	\$ 144	\$ 201	\$ 273	\$ 477	\$ 232
Average Final Average Salary	\$ 25,035	\$ 25,253	\$ 27,427	\$ 29,637	\$ 33,189	\$ 40,726	\$ 30,974
Number of Benefit Recipients	3,113	14,854	21,774	17,528	13,272	17,449	87,990
<b>2017</b>							
Average Monthly Defined Benefit	\$ 155	\$ 282	\$ 392	\$ 548	\$ 765	\$ 1,241	\$ 618
Average Monthly DC Annuity <sup>2</sup>	\$ 45	\$ 104	\$ 142	\$ 199	\$ 273	\$ 478	\$ 230
Average Final Average Salary	\$ 24,719	\$ 24,631	\$ 26,902	\$ 29,142	\$ 32,445	\$ 39,990	\$ 30,347
Number of Benefit Recipients	3,077	14,268	21,252	17,139	12,718	16,676	85,130

<sup>1</sup> Members with less than 10 years of service are: (1) a member receiving a disability benefit from INPRS; (2) a member who has at least eight years of creditable service as a county clerk, county auditor, county recorder, county treasurer, county sheriff or county coroner eligible for a normal retirement after reaching age 65 (applies to only members retiring after June 30, 2002); (3) a member who has at least eight years of creditable service as a state auditor, state treasurer, or secretary of state (whose term commences after the November 5, 2002 election).

<sup>2</sup> Represents those retirees who elected to receive their defined contribution account as a supplemental monthly payment in addition to the monthly defined benefit payment. The option to annuitize the DC payment with the monthly defined benefit payment is no longer available as of January 1, 2018.

# Public Employees' Defined Benefit Account, continued

## Schedule of Average Benefit Payments, continued

### For the Years Ended June 30

	Years of Credited Service						Total
	< 10 <sup>1</sup>	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2016</b>							
Average Monthly Defined Benefit	\$ 153	\$ 278	\$ 385	\$ 537	\$ 751	\$ 1,218	\$ 604
Average Monthly DC Annuity <sup>2</sup>	\$ 46	\$ 103	\$ 140	\$ 197	\$ 274	\$ 479	\$ 229
Average Final Average Salary	\$ 24,269	\$ 24,024	\$ 26,337	\$ 28,523	\$ 31,831	\$ 39,261	\$ 29,693
Number of Benefit Recipients	2,951	13,952	20,992	16,918	12,346	16,029	83,188
<b>2015</b>							
Average Monthly Defined Benefit	\$ 149	\$ 293	\$ 378	\$ 525	\$ 732	\$ 1,182	\$ 583
Average Monthly DC Annuity <sup>2</sup>	\$ 43	\$ 116	\$ 129	\$ 187	\$ 255	\$ 443	\$ 211
Average Final Average Salary	\$ 23,480	\$ 23,252	\$ 25,678	\$ 27,754	\$ 30,842	\$ 37,941	\$ 28,714
Number of Benefit Recipients	2,775	14,087	20,210	16,141	11,503	14,482	79,198
<b>2014</b>							
Average Monthly Defined Benefit	\$ 154	\$ 269	\$ 370	\$ 515	\$ 715	\$ 1,160	\$ 569
Average Monthly DC Annuity <sup>2</sup>	\$ 42	\$ 94	\$ 124	\$ 180	\$ 244	\$ 425	\$ 199
Average Final Average Salary	\$ 22,762	\$ 22,669	\$ 25,080	\$ 27,190	\$ 30,044	\$ 37,145	\$ 28,019
Number of Benefit Recipients	2,670	12,866	19,825	15,757	11,079	13,753	75,950
<b>2013</b>							
Average Monthly Defined Benefit	\$ 154	\$ 269	\$ 370	\$ 515	\$ 715	\$ 1,160	\$ 569
Average Monthly DC Annuity <sup>2</sup>	\$ 42	\$ 94	\$ 124	\$ 180	\$ 244	\$ 425	\$ 199
Average Final Average Salary	\$ 22,762	\$ 22,669	\$ 25,080	\$ 27,190	\$ 30,044	\$ 37,145	\$ 28,019
Number of Benefit Recipients	2,670	12,866	19,825	15,757	11,079	13,753	75,950
<b>2012</b>							
Average Monthly Defined Benefit	\$ 156	\$ 265	\$ 363	\$ 504	\$ 701	\$ 1,139	\$ 555
Average Monthly DC Annuity <sup>2</sup>	\$ 42	\$ 89	\$ 116	\$ 171	\$ 233	\$ 407	\$ 188
Average Final Average Salary	\$ 22,105	\$ 21,993	\$ 24,513	\$ 26,534	\$ 29,347	\$ 36,331	\$ 27,306
Number of Benefit Recipients	2,523	12,369	19,361	15,258	10,589	12,892	72,992

<sup>1</sup> Members with less than 10 years of service are: (1) a member receiving a disability benefit from INPRS; (2) a member who has at least eight years of creditable service as a county clerk, county auditor, county recorder, county treasurer, county sheriff or county coroner eligible for a normal retirement after reaching age 65 (applies to only members retiring after June 30, 2002); (3) a member who has at least eight years of creditable service as a state auditor, state treasurer, or secretary of state (whose term commences after the November 5, 2002 election).

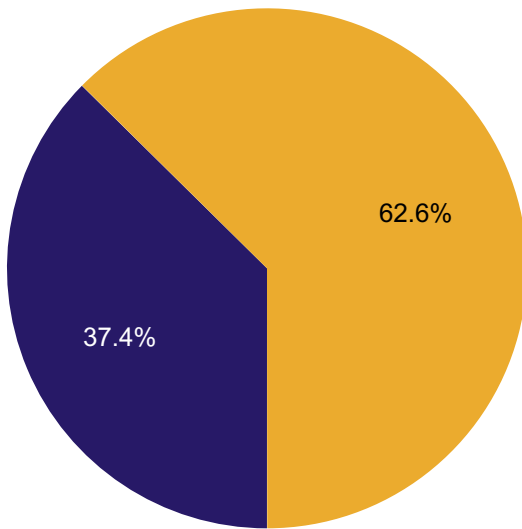
<sup>2</sup> Represents those retirees who elected to receive their defined contribution account as a supplemental monthly payment in addition to the monthly defined benefit payment. The option to annuitize the DC payment with the monthly defined benefit payment is no longer available as of January 1, 2018.

# Public Employees' Defined Benefit Account, continued

## Schedule of Participating Employers: Top 10

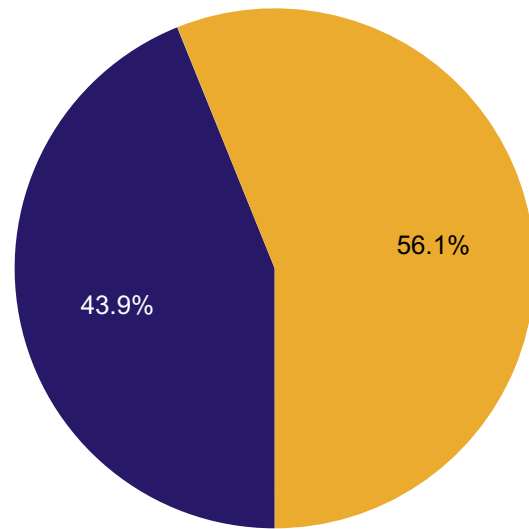
Top 10 Employers	June 30, 2021			June 30, 2012		
	Active Members	Rank	Percentage of Total	Active Members	Rank	Percentage of Total
State of Indiana	40,653	1	27.9%	44,834	1	31.2%
Health & Hospital Corporation of Marion County	2,590	2	1.8	4,664	2	3.2
Marion County	1,753	3	1.2	1,500	7	1.0
Lake County	1,628	4	1.1	2,073	4	1.4
Indianapolis Public Schools	1,543	5	1.1	2,813	3	2.0
Evansville-Vanderburgh School Corporation	1,458	6	1.0	1,245	9	0.9
City of Indianapolis	1,319	7	0.9	1,437	8	1.0
South Bend Community School Corporation	1,227	8	0.8	—	—	—
Fort Wayne Community Schools	1,208	9	0.8	1,880	5	1.3
St Joseph County	1,192	10	0.8	1,614	6	1.1
Allen County	—	—	—	1,219	10	0.8
<b>Total -- Top 10 Employers</b>	<b>54,571</b>		<b>37.4</b>	<b>63,279</b>		<b>43.9</b>
All Other	91,099		62.6	80,294		56.1
<b>Grand Total</b>	<b>145,670</b>		<b>100.0%</b>	<b>143,573</b>		<b>100.0%</b>

Active Members Breakout - 2021



■ Top 10 Employers ■ All Other

Active Members Breakout - 2012



■ Top 10 Employer ■ All Other

# Teachers' Pre-1996 Defined Benefit Account

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2021	2020	2019	2018 <sup>1</sup>	2017
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 3,661,151</b>	<b>\$ 3,759,145</b>	<b>\$ 3,711,347</b>	<b>\$ 4,817,630</b>	<b>\$ 4,787,529</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	2,254	2,356	3,505	4,168	4,525
Nonemployer Contributing Entity	1,598,375	971,132	943,900	917,900	871,000
Member Contributions	23	21	36	12,765	28,836
Member Reassignment Income	2,617	2,430	2,931	3,107	4,206
Miscellaneous Income	—	25	317	229	—
<b>Total Contributions and Other</b>	<b>1,603,269</b>	<b>975,964</b>	<b>950,689</b>	<b>938,169</b>	<b>908,567</b>
Pension Benefits	(1,089,080)	(1,087,928)	(1,081,875)	(1,167,057)	(1,175,344)
Disability Benefits	(1,494)	(1,862)	(2,143)	(2,463)	(2,412)
Survivor Benefits	(88,166)	(84,629)	(81,116)	(79,600)	(75,495)
Distributions of Contributions and Interest	—	—	—	(3,404)	(4,993)
Administrative Expenses	(5,039)	(5,341)	(5,329)	(5,385)	(6,226)
Transfer to Defined Contribution	—	—	—	(1,205,277)	—
Member Reassignment Expenses	(2,651)	(1,946)	(1,437)	(1,678)	(4,859)
Miscellaneous Expenses	—	—	—	(116)	—
<b>Total Benefits and Expenses</b>	<b>(1,186,430)</b>	<b>(1,181,706)</b>	<b>(1,171,900)</b>	<b>(2,464,980)</b>	<b>(1,269,329)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>416,839</b>	<b>(205,742)</b>	<b>(221,211)</b>	<b>(1,526,811)</b>	<b>(360,762)</b>
Net Investment Income / (Loss)	996,761	107,748	269,009	420,528	390,863
<b>Net Increase / (Decrease)</b>	<b>1,413,600</b>	<b>(97,994)</b>	<b>47,798</b>	<b>(1,106,283)</b>	<b>30,101</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 5,074,751</b>	<b>\$ 3,661,151</b>	<b>\$ 3,759,145</b>	<b>\$ 3,711,347</b>	<b>\$ 4,817,630</b>

<sup>1</sup> TRF DB and TRF DC were split effective January 1, 2018. As such the Distribution of Contributions and Interest contains only six months of activity for fiscal year 2018.

## Teachers' Pre-1996 Defined Benefit Account, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

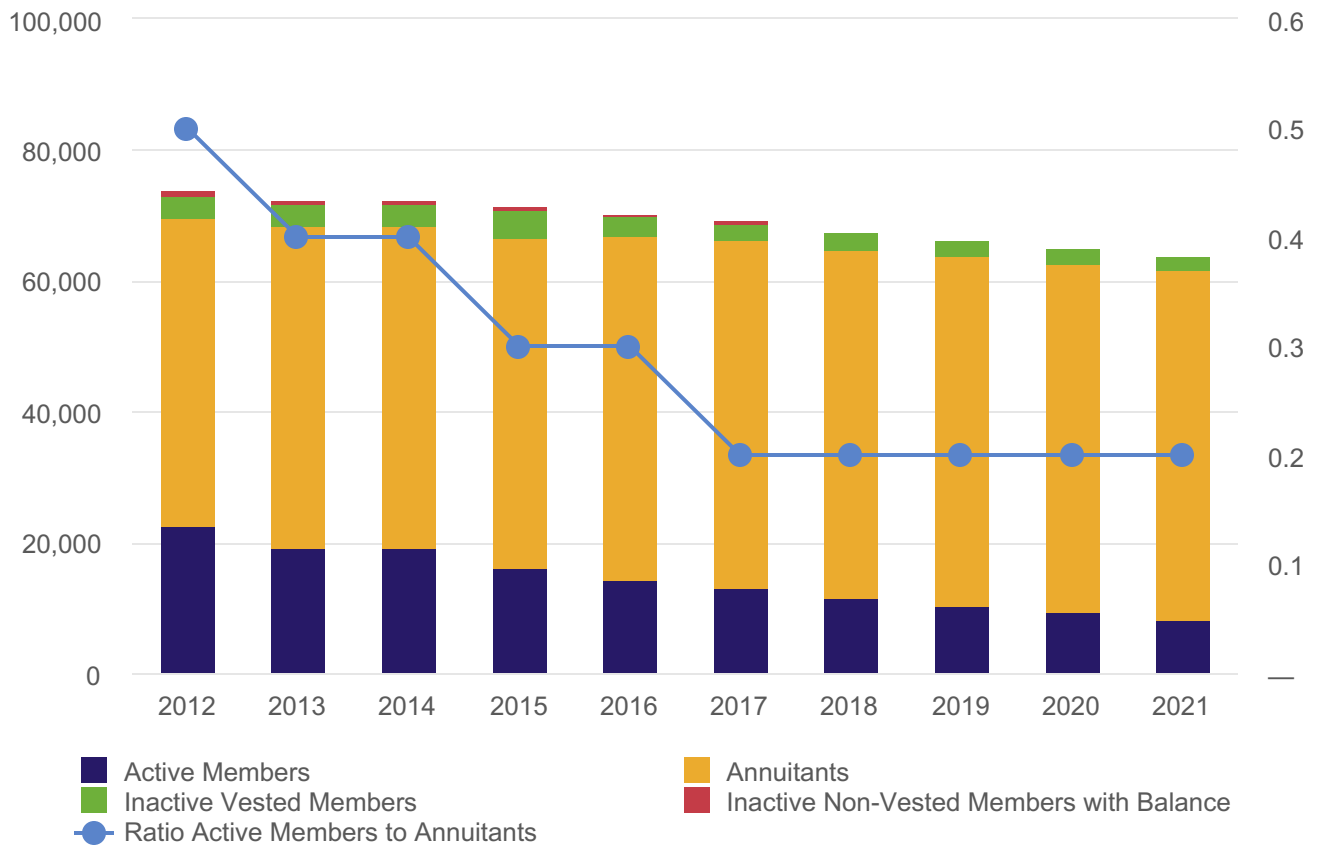
(dollars in thousands)	2016	2015	2014	2013 <sup>2</sup>
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 5,099,910</b>	<b>\$ 5,501,867</b>	<b>\$ 5,215,202</b>	<b>\$ 5,058,910</b>
<b>Contributions / (Benefits and Expenses)</b>				
Employer Contributions	5,048	5,811	6,325	9,484
Nonemployer Contributing Entity	887,500	845,616	825,617	1,003,596
Member Contributions	31,529	41,740	47,028	45,421
Member Reassignment Income	4,057	6,273	3,250	5,883
Miscellaneous Income	—	21	19	5
<b>Total Contributions and Other</b>	<b>928,134</b>	<b>899,461</b>	<b>882,239</b>	<b>1,064,389</b>
Pension Benefits	(1,185,321)	(1,242,792)	(1,143,154)	(1,137,783)
Disability Benefits	(8,505)	(9,567)	(11,562)	(45)
Survivor Benefits	(73,124)	(69,350)	(66,150)	(63,379)
Distributions of Contributions and Interest	(6,004)	(7,145)	(8,435)	(11,738)
Administrative Expenses	(6,564)	(6,530)	(7,010)	(7,926)
Transfer to Defined Contribution	—	—	—	—
Member Reassignment Expenses	(3,426)	(2,919)	(6,844)	(2,824)
Miscellaneous Expenses	—	—	—	—
<b>Total Benefits and Expenses</b>	<b>(1,282,944)</b>	<b>(1,338,303)</b>	<b>(1,243,155)</b>	<b>(1,223,695)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(354,810)</b>	<b>(438,842)</b>	<b>(360,916)</b>	<b>(159,306)</b>
Net Investment Income / (Loss)	42,429	36,885	647,581	315,598
<b>Net Increase / (Decrease)</b>	<b>(312,381)</b>	<b>(401,957)</b>	<b>286,665</b>	<b>156,292</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 4,787,529</b>	<b>\$ 5,099,910</b>	<b>\$ 5,501,867</b>	<b>\$ 5,215,202</b>

<sup>2</sup> June 30, 2013 was the first year where TRF Pre -'96 DB and TRF '96 DB were separately disclosed.

# Teachers' Pre-1996 Defined Benefit Account, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	Ratio Active Members to Annuitants
2021	8,375	53,537	1,964	—	63,876	0.2
2020	9,338	53,415	2,272	—	65,025	0.2
2019	10,497	53,498	2,382	—	66,377	0.2
2018	11,710	53,227	2,635	—	67,572	0.2
2017	13,128	53,240	2,504	400	69,272	0.2
2016	14,327	52,575	3,119	394	70,415	0.3
2015	16,310	50,214	4,545	408	71,477	0.3
2014	19,210	49,345	3,314	546	72,415	0.4
2013	19,210	49,345	3,314	546	72,415	0.4
2012	22,688	47,000	3,382	794	73,864	0.5

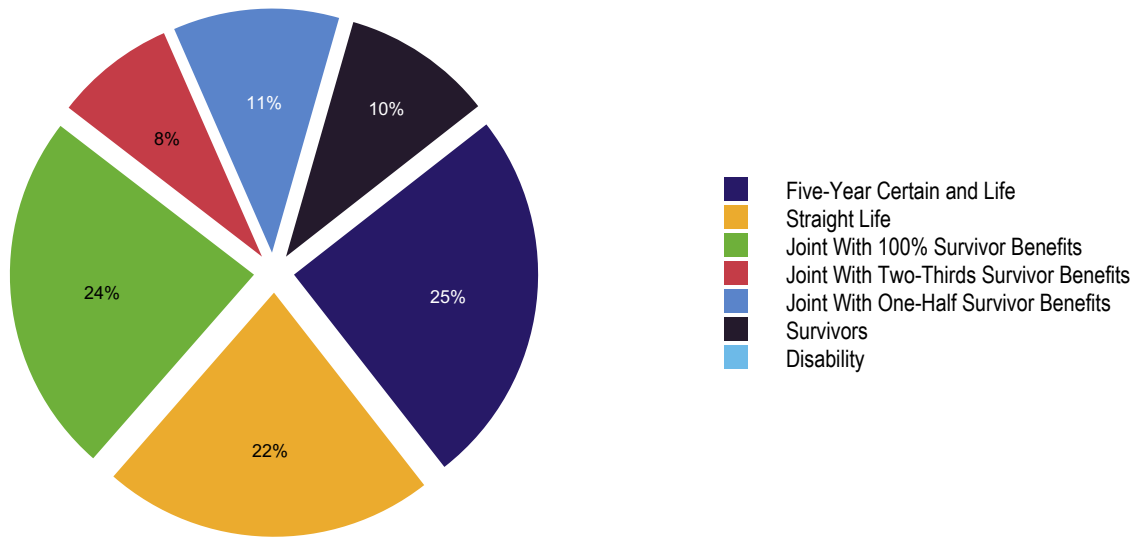




# Teachers' Pre-1996 Defined Benefit Account, continued

## Schedule of Benefit Recipients by Type of Benefit Option For the Year Ended June 30, 2021

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option							Total Benefit Recipients
	Five-Year Certain & Life <sup>1</sup>	Straight Life <sup>1</sup>	Joint With 100% Survivor Benefits <sup>1</sup>	Joint With Two-Thirds Survivor Benefits <sup>1</sup>	Joint With One-Half Survivor Benefits <sup>1</sup>	Survivors	Disability	
\$ 1 - 500	1,008	565	545	67	119	775	32	3,111
501 - 1,000	1,496	963	1,065	243	353	1,420	19	5,559
1,001 - 1,500	2,713	1,859	2,520	704	1,009	1,418	28	10,251
1,501 - 2,000	3,420	3,064	3,821	1,354	1,627	1,067	24	14,377
2,001 - 3,000	3,632	4,346	4,152	1,533	2,093	707	7	16,470
Over 3,000	797	1,104	885	396	460	127	—	3,769
<b>Total</b>	<b>13,066</b>	<b>11,901</b>	<b>12,988</b>	<b>4,297</b>	<b>5,661</b>	<b>5,514</b>	<b>110</b>	<b>53,537</b>



Members applying for retirement benefits will receive a monthly benefit for the rest of their life. Survivors or qualified designated beneficiaries are subject to the provisions of the benefit option as follows:

**Five-Year Certain & Life** — Benefit ceases upon death of the retiree if the benefit has been received for five years; otherwise, the beneficiary continues to receive the benefit, monthly or lump sum, for the remainder of the five year period.

**Straight Life** — Benefit ceases upon the death of the retiree.

**Joint With 100% Survivor Benefits** — Survivor receives 100 percent of the member's monthly benefit for remainder of the survivor's life.

**Joint With Two-Thirds Survivor Benefits** — Survivor receives 66 2/3 percent of the member's monthly benefit for the remainder of the survivor's life.

**Joint With One-Half Survivor Benefits** — Survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. For TRF Pre-'96 DB, five or more years of creditable service is required to be eligible for a disability benefit. This includes the Classroom Disability which provides a benefit of \$125 per month plus \$5 for each additional year of TRF-covered service over five years.

<sup>1</sup> See Accompanying Notes to the Statistical Schedules for discussion on social security integration options.

# Teachers' Pre-1996 Defined Benefit Account, continued

## Schedule of Average Benefit Payments

### For the Years Ended June 30

	Years of Credited Service						Total
	< 10 <sup>1</sup>	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2021</b>							
Average Monthly Defined Benefit	\$ 87	\$ 316	\$ 567	\$ 942	\$ 1,339	\$ 1,937	\$ 1,608
Average Monthly DC Annuity <sup>2</sup>	\$ 23	\$ 215	\$ 217	\$ 297	\$ 396	\$ 642	\$ 505
Average Final Average Salary	\$ 30,995	\$ 26,238	\$ 40,903	\$ 50,994	\$ 56,884	\$ 62,098	\$ 57,815
Number of Benefit Recipients	147	1,383	3,314	5,434	8,608	34,651	53,537
<b>2020</b>							
Average Monthly Defined Benefit	\$ 89	\$ 406	\$ 561	\$ 932	\$ 1,324	\$ 1,918	\$ 1,589
Average Monthly DC Annuity <sup>2</sup>	\$ 23	\$ 212	\$ 212	\$ 289	\$ 390	\$ 634	\$ 496
Average Final Average Salary	\$ 30,831	\$ 25,809	\$ 40,335	\$ 50,316	\$ 56,106	\$ 61,436	\$ 57,105
Number of Benefit Recipients	149	1,425	3,388	5,539	8,599	34,315	53,415
<b>2019</b>							
Average Monthly Defined Benefit	\$ 136	\$ 388	\$ 556	\$ 922	\$ 1,306	\$ 1,901	\$ 1,571
Average Monthly DC Annuity <sup>2</sup>	\$ 23	\$ 210	\$ 208	\$ 284	\$ 382	\$ 624	\$ 488
Average Final Average Salary	\$ 31,009	\$ 25,539	\$ 39,796	\$ 49,609	\$ 55,172	\$ 60,697	\$ 56,339
Number of Benefit Recipients	154	1,379	3,474	5,621	8,636	34,234	53,498
<b>2018</b>							
Average Monthly Defined Benefit	\$ 169	\$ 309	\$ 550	\$ 910	\$ 1,286	\$ 1,884	\$ 1,550
Average Monthly DC Annuity <sup>2</sup>	\$ 47	\$ 205	\$ 202	\$ 278	\$ 374	\$ 615	\$ 478
Average Final Average Salary	\$ 31,463	\$ 25,025	\$ 39,194	\$ 48,790	\$ 54,160	\$ 59,913	\$ 55,486
Number of Benefit Recipients	167	1,294	3,551	5,675	8,638	33,902	53,227
<b>2017</b>							
Average Monthly Defined Benefit	\$ 122	\$ 270	\$ 542	\$ 897	\$ 1,270	\$ 1,869	\$ 1,532
Average Monthly DC Annuity <sup>2</sup>	\$ 31	\$ 198	\$ 196	\$ 270	\$ 366	\$ 604	\$ 468
Average Final Average Salary	\$ 28,702	\$ 23,692	\$ 38,245	\$ 47,641	\$ 53,051	\$ 59,073	\$ 54,482
Number of Benefit Recipients	160	1,291	3,648	5,769	8,630	33,742	53,240

<sup>1</sup> Members with less than 10 years of service are primarily members receiving a disability benefit.

<sup>2</sup> Represents the average of only the retirees who elected to receive their Defined Contribution Account as a supplemental monthly payment in addition to the monthly Defined Benefit payment.

# Teachers' Pre-1996 Defined Benefit Account, continued

## Schedule of Average Benefit Payments, continued For the Years Ended June 30

	Years of Credited Service						Total
	< 10 <sup>1</sup>	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2016</b>							
Average Monthly Defined Benefit	\$ 577	\$ 268	\$ 539	\$ 884	\$ 1,247	\$ 1,849	\$ 1,512
Average Monthly DC Annuity <sup>2</sup>	\$ 249	\$ 190	\$ 191	\$ 263	\$ 357	\$ 592	\$ 458
Average Final Average Salary	\$ 23,593	\$ 23,432	\$ 37,605	\$ 46,482	\$ 51,701	\$ 58,014	\$ 53,393
Number of Benefit Recipients	49	1,279	3,755	5,766	8,540	33,186	52,575
<b>2015</b>							
Average Monthly Defined Benefit	\$ 449	\$ 263	\$ 530	\$ 854	\$ 1,214	\$ 1,811	\$ 1,471
Average Monthly DC Annuity <sup>2</sup>	\$ 73	\$ 113	\$ 106	\$ 133	\$ 163	\$ 228	\$ 195
Average Final Average Salary	\$ 37,993	\$ 23,424	\$ 37,281	\$ 45,256	\$ 50,441	\$ 56,938	\$ 52,253
Number of Benefit Recipients	42	1,238	3,779	5,610	8,175	31,370	50,214
<b>2014</b>							
Average Monthly Defined Benefit	\$ 405	\$ 258	\$ 517	\$ 834	\$ 1,187	\$ 1,793	\$ 1,453
Average Monthly DC Annuity <sup>2</sup>	\$ 57	\$ 108	\$ 104	\$ 128	\$ 159	\$ 225	\$ 191
Average Final Average Salary	\$ 24,193	\$ 22,426	\$ 35,702	\$ 43,604	\$ 48,801	\$ 55,636	\$ 50,855
Number of Benefit Recipients	36	1,185	3,720	5,541	7,987	30,876	49,345
<b>2013</b>							
Average Monthly Defined Benefit	\$ 405	\$ 258	\$ 517	\$ 834	\$ 1,187	\$ 1,793	\$ 1,453
Average Monthly DC Annuity <sup>2</sup>	\$ 57	\$ 108	\$ 104	\$ 128	\$ 159	\$ 225	\$ 191
Average Final Average Salary	\$ 24,193	\$ 22,426	\$ 35,702	\$ 43,604	\$ 48,801	\$ 55,636	\$ 50,855
Number of Benefit Recipients	36	1,185	3,720	5,541	7,987	30,876	49,345
<b>2012</b>							
Average Monthly Defined Benefit	\$ 311	\$ 252	\$ 503	\$ 804	\$ 1,150	\$ 1,747	\$ 1,405
Average Monthly DC Annuity <sup>2</sup>	\$ 14	\$ 101	\$ 101	\$ 126	\$ 156	\$ 222	\$ 187
Average Final Average Salary	\$ 23,116	\$ 21,575	\$ 34,714	\$ 41,788	\$ 47,172	\$ 54,014	\$ 49,136
Number of Benefit Recipients	39	1,178	3,719	5,366	7,672	29,026	47,000

<sup>1</sup> Members with less than 10 years of service are primarily members receiving a disability benefit.

<sup>2</sup> Represents the average of all retirees, regardless if they elected to receive their Defined Contribution Account as a supplemental monthly payment in addition to the monthly Defined Benefit payment.

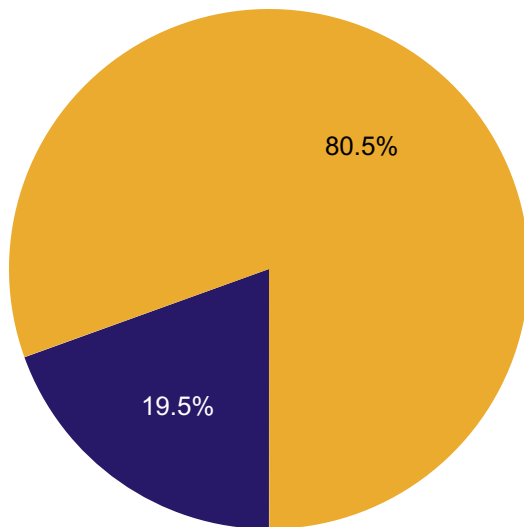
# Teachers' Pre-1996 Defined Benefit Account, continued

## Schedule of Participating Employers: Top 10

Top 10 Employers	June 30, 2021					June 30, 2012 <sup>1</sup>		
	Active Members					Total TRF Covered Members	Rank	Percentage of Total
	TRF Pre-'96 DB	TRF '96 DB	Total TRF	Rank	Percentage of Total			
Indianapolis Public Schools	224	2,015	2,239	1	3.0%	2,790	1	3.8%
Fort Wayne Community Schools	295	1,915	2,210	2	2.9	2,306	2	3.2
Evansville-Vanderburgh School Cop	265	1,399	1,664	3	2.2	1,655	3	2.3
Hamilton Southeastern Schools	124	1,367	1,491	4	2.0	1,142	6	1.6
South Bend Community School Corp.	166	1,192	1,358	5	1.8	1,573	4	2.2
MsD Of Wayne Township	103	1,144	1,247	6	1.7	1,150	5	1.6
Carmel Clay Schools	87	1,128	1,215	7	1.6	1,114	8	1.5
MsD Of Perry Township	102	1,064	1,166	8	1.5	—	—	—
Vigo County School Corp	178	939	1,117	9	1.5	1,120	7	1.5
MsD Lawrence Township	116	908	1,024	10	1.4	—	—	—
School City Of Hammond	—	—	—	—	—	1,048	9	1.4
Elkhart Community Schools	—	—	—	—	—	1,013	10	1.4
<b>Total -- Top 10 Employers</b>	<b>1,660</b>	<b>13,071</b>	<b>14,731</b>		<b>19.5</b>	<b>14,911</b>		<b>20.4</b>
All Other	7,178	53,623	60,801		80.5	58,055		79.6
<b>Grand Total</b>	<b>8,838</b>	<b>66,694</b>	<b>75,532</b>		<b>100.0%</b>	<b>72,966</b>		<b>100.0%</b>

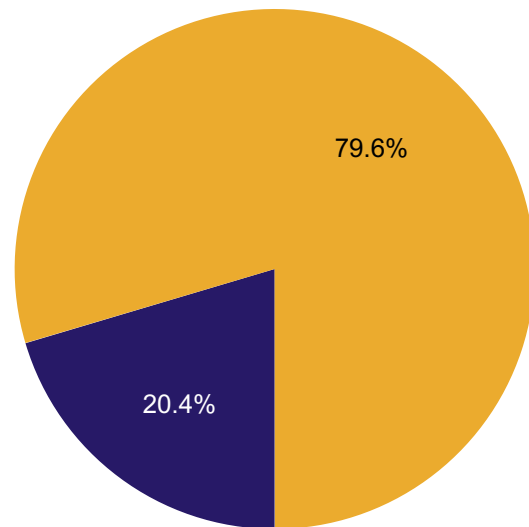
<sup>1</sup> June 30, 2013 was the first year to split the Teachers' Retirement Fund (TRF) into two, TRF Pre-'96 DB and TRF '96 DB Accounts.

Active Membership Breakout - 2021



■ Top 10 Employers   ■ All Other

Active Membership Breakout - 2012



■ Top 10 Employers   ■ All Other

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# Teachers' 1996 Defined Benefit Account

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2021	2020	2019	2018 <sup>1</sup>	2017
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 6,325,311</b>	<b>\$ 6,124,086</b>	<b>\$ 5,452,352</b>	<b>\$ 6,252,040</b>	<b>\$ 5,611,230</b>
Employer Contributions	202,489	188,789	393,172	235,819	227,207
Member Contributions	464	104	127	47,176	92,838
Member Reassignment Income	5,566	4,977	4,958	7,131	6,345
Miscellaneous Income	—	43	605	299	34
<b>Total Contributions and Other</b>	<b>208,519</b>	<b>193,913</b>	<b>398,862</b>	<b>290,425</b>	<b>326,424</b>
Pension Benefits	(148,629)	(137,082)	(126,636)	(140,199)	(127,618)
Disability Benefits	(1,682)	(1,887)	(1,805)	(1,700)	(1,717)
Survivor Benefits	(5,037)	(4,403)	(4,131)	(3,584)	(3,257)
Distributions of Contributions and Interest	—	—	—	(5,135)	(11,133)
Administrative Expenses	(4,966)	(5,090)	(5,038)	(5,208)	(5,553)
Transfer to Defined Contribution	—	—	—	(1,469,542)	—
Member Reassignment Expenses	(2,475)	(2,298)	(665)	(1,530)	(1,229)
Miscellaneous Expenses	—	—	—	(159)	—
<b>Total Benefits and Expenses</b>	<b>(162,789)</b>	<b>(150,760)</b>	<b>(138,275)</b>	<b>(1,627,057)</b>	<b>(150,507)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>45,730</b>	<b>43,153</b>	<b>260,587</b>	<b>(1,336,632)</b>	<b>175,917</b>
Net Investment Income / (Loss)	1,616,454	158,072	411,147	536,944	464,893
<b>Net Increase / (Decrease)</b>	<b>1,662,184</b>	<b>201,225</b>	<b>671,734</b>	<b>(799,688)</b>	<b>640,810</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 7,987,495</b>	<b>\$ 6,325,311</b>	<b>\$ 6,124,086</b>	<b>\$ 5,452,352</b>	<b>\$ 6,252,040</b>

<sup>1</sup> TRF DB and TRF DC were split effective January 1, 2018. As such the Distribution of Contributions and Interest contains only six months of activity for fiscal year 2018.

## Teachers' 1996 Defined Benefit Account, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)	2016	2015	2014	2013 <sup>1</sup>
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 5,379,113</b>	<b>\$ 5,189,442</b>	<b>\$ 4,433,677</b>	<b>\$ 4,018,149</b>
<b>Contributions / (Benefits and Expenses)</b>				
Employer Contributions	215,626	205,763	194,751	180,714
Member Contributions	88,430	86,515	81,802	77,532
Member Reassignment Income	6,587	7,134	8,884	4,322
Miscellaneous Income	16	24	21	4
<b>Total Contributions and Other</b>	<b>310,659</b>	<b>299,436</b>	<b>285,458</b>	<b>262,572</b>
Pension Benefits	(119,754)	(112,533)	(94,615)	(84,814)
Disability Benefits	(1,942)	(1,692)	(1,790)	(6)
Survivor Benefits	(2,606)	(1,962)	(1,581)	(1,412)
Distributions of Contributions and Interest	(10,988)	(11,712)	(10,734)	(10,925)
Administrative Expenses	(5,603)	(6,184)	(6,707)	(6,482)
Transfer to Defined Contribution	—	—	—	—
Member Reassignment Expenses	(1,852)	(1,269)	(1,048)	(1,516)
Miscellaneous Expenses	—	—	—	—
<b>Total Benefits and Expenses</b>	<b>(142,745)</b>	<b>(135,352)</b>	<b>(116,475)</b>	<b>(105,155)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>167,914</b>	<b>164,084</b>	<b>168,983</b>	<b>157,417</b>
Net Investment Income / (Loss)	64,203	25,587	586,782	258,111
<b>Net Increase / (Decrease)</b>	<b>232,117</b>	<b>189,671</b>	<b>755,765</b>	<b>415,528</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 5,611,230</b>	<b>\$ 5,379,113</b>	<b>\$ 5,189,442</b>	<b>\$ 4,433,677</b>

<sup>1</sup> June 30, 2013 was the first year where TRF Pre-'96 DB and TRF '96 DB were separately disclosed.

# Teachers' 1996 Defined Benefit Account, continued

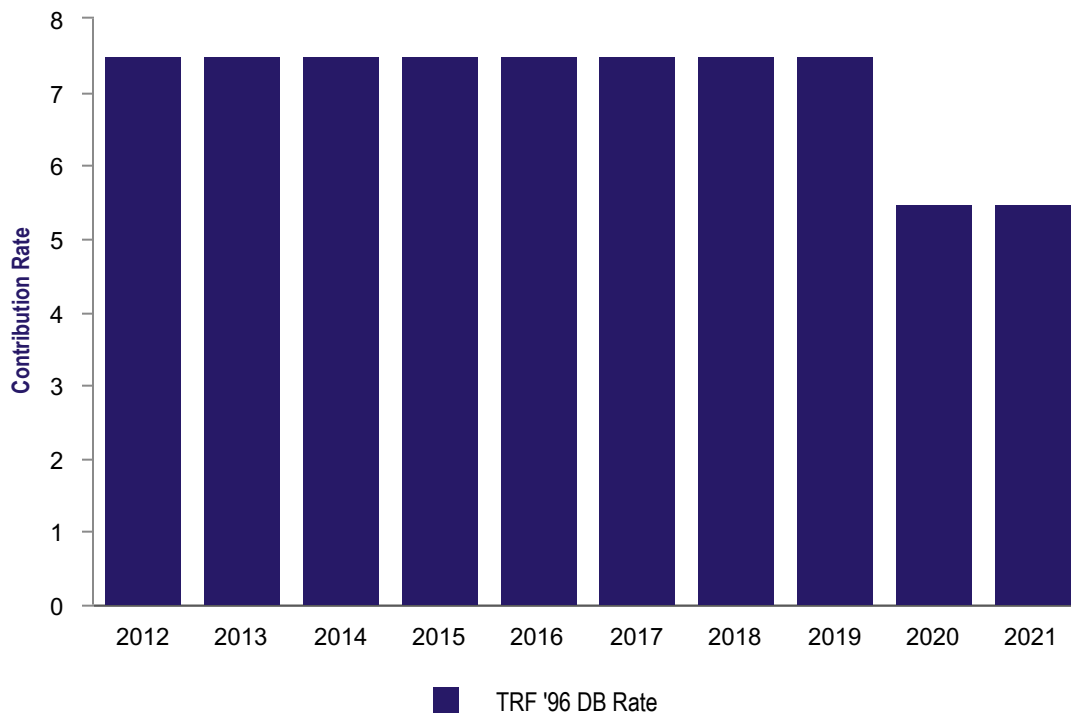
## Schedule of Historical Contribution Rates

### For the Years Ended June 30

	TRF '96 DB Rate	TRF MC DC Supplemental Rate
2021	5.50 %	0.20 %
2020	5.50	0.20
2019	7.50	N/A
2018	7.50	N/A
2017	7.50	N/A
2016	7.50	N/A
2015	7.50	N/A
2014	7.50	N/A
2013	7.50	N/A
2012	7.50	N/A

Memo:

Effective Date                      July 1                                      July 1

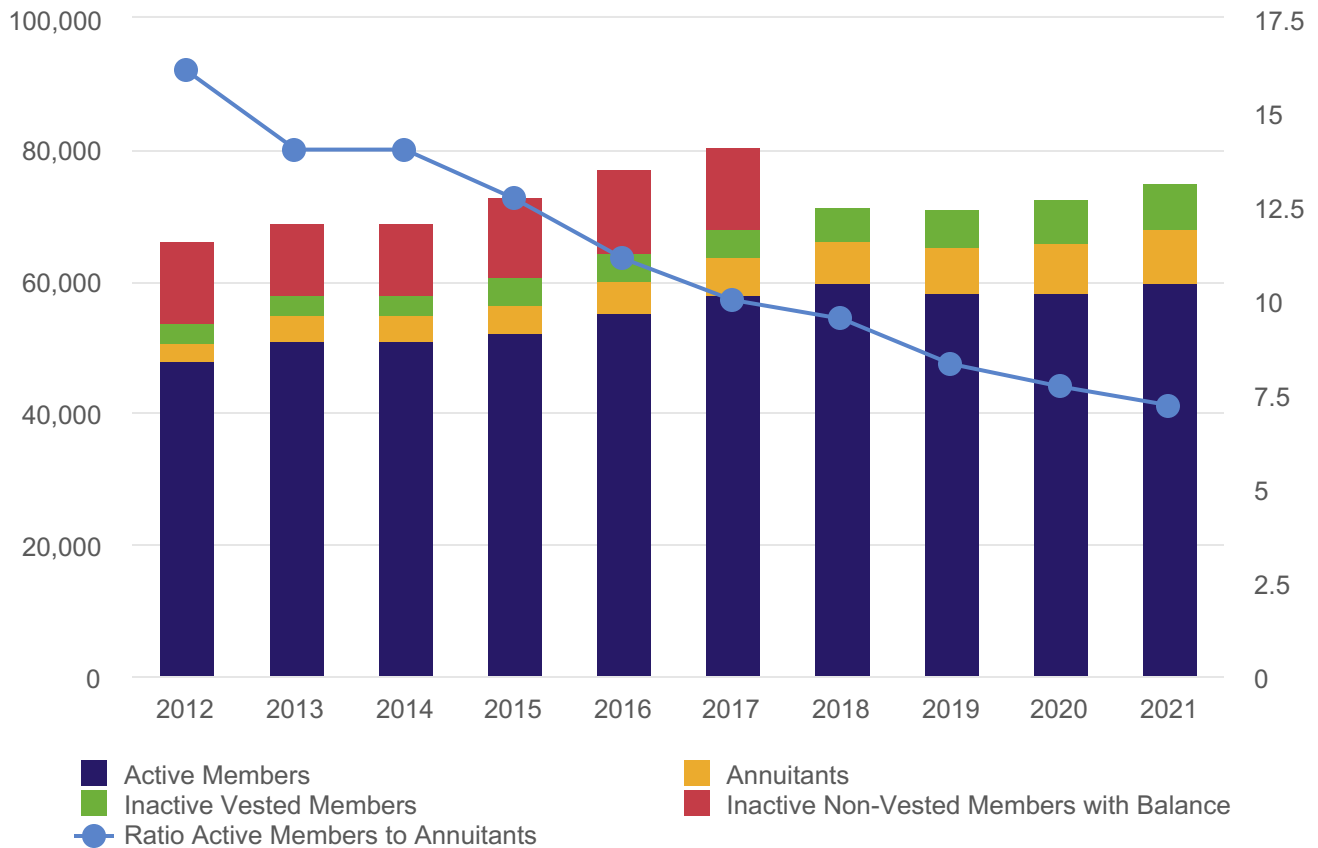




# Teachers' 1996 Defined Benefit Account, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

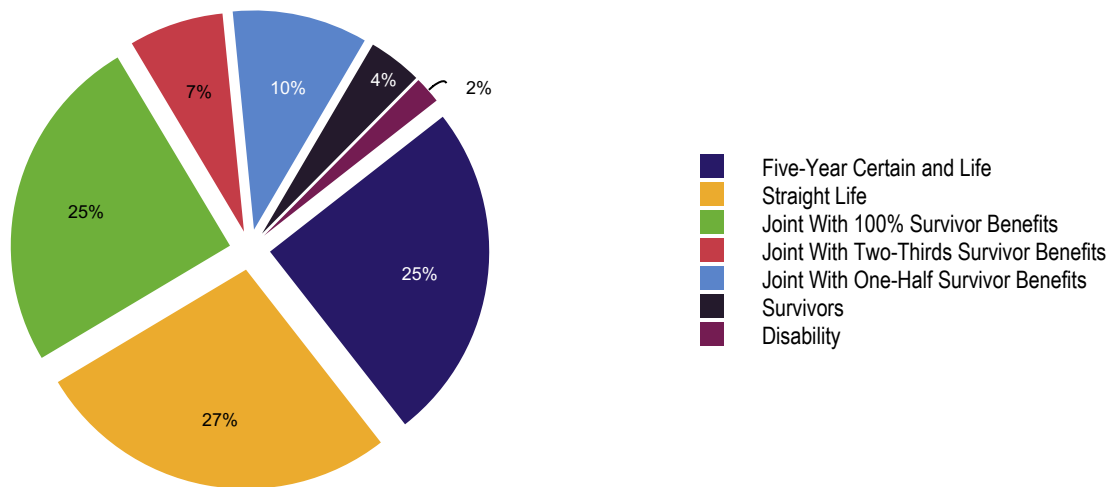
	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	Ratio Active Members to Annuitants
2021	59,866	8,287	6,827	—	74,980	7.2
2020	58,450	7,596	6,609	—	72,655	7.7
2019	58,308	7,041	5,778	—	71,127	8.3
2018	59,996	6,289	4,996	—	71,281	9.5
2017	58,097	5,796	4,252	12,494	80,639	10.0
2016	55,265	4,977	4,335	12,529	77,106	11.1
2015	52,424	4,136	4,132	12,292	72,984	12.7
2014	51,204	3,665	3,103	11,147	69,119	14.0
2013	51,204	3,665	3,103	11,147	69,119	14.0
2012	47,885	2,971	2,985	12,528	66,369	16.1



# Teachers' 1996 Defined Benefit Account, continued

## Schedule of Benefit Recipients by Type of Benefit Option For the Year Ended June 30, 2021

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option							Total Benefit Recipients
	Five-Year Certain & Life <sup>1</sup>	Straight Life <sup>1</sup>	Joint With 100% Survivor Benefits <sup>1</sup>	Joint With Two-Thirds Survivor Benefits <sup>1</sup>	Joint With One-Half Survivor Benefits <sup>1</sup>	Survivors	Disability	
\$ 1 - 500	279	250	178	36	42	90	55	930
501 - 1,000	628	584	509	116	193	115	62	2,207
1,001 - 1,500	487	577	475	139	201	58	24	1,961
1,501 - 2,000	336	362	348	107	149	41	5	1,348
2,001 - 3,000	258	326	376	109	171	36	2	1,278
Over 3,000	106	124	178	66	78	9	2	563
<b>Total</b>	<b>2,094</b>	<b>2,223</b>	<b>2,064</b>	<b>573</b>	<b>834</b>	<b>349</b>	<b>150</b>	<b>8,287</b>



Members applying for retirement benefits will receive a monthly benefit for the rest of their life. Survivors or qualified designated beneficiaries are subject to the provisions of the benefit option as follows:

**Five-Year Certain & Life** — Benefit ceases upon death of the retiree if the benefit has been received for five years; otherwise, the beneficiary continues to receive the benefit, monthly or lump sum, for the remainder of the five year period.

**Straight Life** — Benefit ceases upon the death of the retiree.

**Joint With 100% Survivor Benefits** — Survivor receives 100 percent of the member's monthly benefit for remainder of the survivor's life.

**Joint With Two-Thirds Survivor Benefits** — Survivor receives 66 2/3 percent of the member's monthly benefit for the remainder of the survivor's life.

**Joint With One-Half Survivor Benefits** — Survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. Benefit ceases upon death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. For TRF 1996 DB, five or more years of creditable service is required to be eligible for a disability benefit. This includes the Classroom Disability which provides a benefit of \$125 per month plus \$5 for each additional year of TRF-covered service over five years.

<sup>1</sup> See Accompanying Notes to the Statistical Schedules for discussion on social security integration options.

# Teachers' 1996 Defined Benefit Account, continued

## Schedule of Average Benefit Payments For the Years Ended June 30

	Years of Credited Service						Total
	< 10 <sup>1</sup>	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2021</b>							
Average Monthly Defined Benefit	\$ 158	\$ 492	\$ 800	\$ 1,178	\$ 1,585	\$ 2,336	\$ 1,329
Average Monthly DC Annuity <sup>2</sup>	\$ 70	\$ 152	\$ 242	\$ 337	\$ 495	\$ 744	\$ 392
Average Final Average Salary	\$ 38,226	\$ 46,721	\$ 56,490	\$ 63,610	\$ 68,661	\$ 77,724	\$ 63,464
Number of Benefit Recipients	182	1,046	2,139	1,601	1,173	2,146	8,287
<b>2020</b>							
Average Monthly Defined Benefit	\$ 157	\$ 525	\$ 794	\$ 1,163	\$ 1,566	\$ 2,314	\$ 1,321
Average Monthly DC Annuity <sup>2</sup>	\$ 68	\$ 151	\$ 241	\$ 337	\$ 495	\$ 741	\$ 391
Average Final Average Salary	\$ 38,301	\$ 46,690	\$ 56,139	\$ 63,083	\$ 68,055	\$ 76,919	\$ 62,982
Number of Benefit Recipients	181	986	1,989	1,383	1,036	2,021	7,596
<b>2019</b>							
Average Monthly Defined Benefit	\$ 150	\$ 505	\$ 788	\$ 1,151	\$ 1,546	\$ 2,302	\$ 1,317
Average Monthly DC Annuity <sup>2</sup>	\$ 63	\$ 151	\$ 241	\$ 336	\$ 493	\$ 741	\$ 390
Average Final Average Salary	\$ 38,401	\$ 46,618	\$ 55,639	\$ 62,384	\$ 67,164	\$ 76,355	\$ 62,506
Number of Benefit Recipients	181	907	1,845	1,218	957	1,933	7,041
<b>2018</b>							
Average Monthly Defined Benefit	\$ 175	\$ 493	\$ 779	\$ 1,133	\$ 1,530	\$ 2,278	\$ 1,312
Average Monthly DC Annuity <sup>2</sup>	\$ 67	\$ 150	\$ 243	\$ 334	\$ 494	\$ 742	\$ 393
Average Final Average Salary	\$ 38,058	\$ 46,696	\$ 55,207	\$ 61,506	\$ 66,412	\$ 75,286	\$ 61,952
Number of Benefit Recipients	181	790	1,645	1,019	873	1,781	6,289
<b>2017</b>							
Average Monthly Defined Benefit	\$ 153	\$ 484	\$ 775	\$ 1,131	\$ 1,512	\$ 2,266	\$ 1,312
Average Monthly DC Annuity <sup>2</sup>	\$ 71	\$ 151	\$ 248	\$ 343	\$ 498	\$ 745	\$ 404
Average Final Average Salary	\$ 35,860	\$ 44,235	\$ 54,609	\$ 61,152	\$ 65,476	\$ 74,829	\$ 61,121
Number of Benefit Recipients	179	748	1,478	898	794	1,699	5,796

<sup>1</sup> Members with less than 10 years of service are primarily members receiving a disability benefit.

<sup>2</sup> Represents the average of only the retirees who elected to receive their Defined Contribution Account as a supplemental monthly payment in addition to the monthly Defined Benefit payment.

# Teachers' 1996 Defined Benefit Account, continued

## Schedule of Average Benefit Payments, continued

For the Years Ended June 30

	Years of Credited Service						Total
	< 10 <sup>1</sup>	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2016</b>							
Average Monthly Defined Benefit	\$ 403	\$ 478	\$ 760	\$ 1,113	\$ 1,481	\$ 2,263	\$ 1,355
Average Monthly DC Annuity <sup>2</sup>	\$ 162	\$ 152	\$ 247	\$ 346	\$ 507	\$ 735	\$ 417
Average Final Average Salary	\$ 35,250	\$ 45,420	\$ 52,554	\$ 59,740	\$ 64,060	\$ 73,994	\$ 61,008
Number of Benefit Recipients	59	611	1,267	764	688	1,588	4,977
<b>2015</b>							
Average Monthly Defined Benefit	\$ 437	\$ 467	\$ 740	\$ 1,085	\$ 1,458	\$ 2,225	\$ 1,360
Average Monthly DC Annuity <sup>2</sup>	\$ 80	\$ 74	\$ 102	\$ 130	\$ 214	\$ 240	\$ 165
Average Final Average Salary	\$ 35,509	\$ 45,483	\$ 52,501	\$ 58,946	\$ 62,883	\$ 72,912	\$ 60,815
Number of Benefit Recipients	45	499	998	614	570	1,410	4,136
<b>2014</b>							
Average Monthly Defined Benefit	\$ 263	\$ 450	\$ 730	\$ 1,041	\$ 1,426	\$ 2,158	\$ 1,366
Average Monthly DC Annuity <sup>2</sup>	\$ 23	\$ 71	\$ 102	\$ 124	\$ 200	\$ 230	\$ 162
Average Final Average Salary	\$ 39,665	\$ 44,142	\$ 51,558	\$ 57,665	\$ 61,752	\$ 70,633	\$ 59,995
Number of Benefit Recipients	36	406	822	537	504	1,360	3,665
<b>2013</b>							
Average Monthly Defined Benefit	\$ 263	\$ 450	\$ 730	\$ 1,041	\$ 1,426	\$ 2,158	\$ 1,366
Average Monthly DC Annuity <sup>2</sup>	\$ 23	\$ 71	\$ 102	\$ 124	\$ 200	\$ 230	\$ 162
Average Final Average Salary	\$ 39,665	\$ 44,142	\$ 51,558	\$ 57,665	\$ 61,752	\$ 70,633	\$ 59,995
Number of Benefit Recipients	36	406	822	537	504	1,360	3,665
<b>2012</b>							
Average Monthly Defined Benefit	\$ 274	\$ 444	\$ 682	\$ 995	\$ 1,401	\$ 2,124	\$ 1,391
Average Monthly DC Annuity <sup>2</sup>	\$ 29	\$ 72	\$ 97	\$ 125	\$ 207	\$ 223	\$ 165
Average Final Average Salary	\$ 39,141	\$ 43,284	\$ 48,634	\$ 55,970	\$ 60,295	\$ 69,381	\$ 59,171
Number of Benefit Recipients	33	308	577	411	420	1,222	2,971

<sup>1</sup> Members with less than 10 years of service are primarily members receiving a disability benefit.

<sup>2</sup> Represents the average of all retirees, regardless if they elected to receive their Defined Contribution Account as a supplemental monthly payment in addition to the monthly Defined Benefit payment.

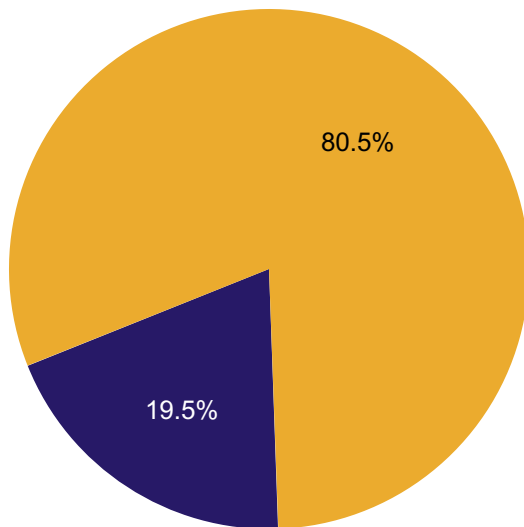
# Teachers' 1996 Defined Benefit Account, continued

## Schedule of Participating Employers: Top 10

Top 10 Employers	June 30, 2021					June 30, 2012 <sup>1</sup>		
	Active Members					Total TRF Covered Members	Rank	Percentage of Total
	TRF Pre-'96 DB	TRF '96 DB	Total TRF	Rank	Percentage of Total			
Indianapolis Public Schools	224	2,015	2,239	1	3.0%	2,790	1	3.8%
Fort Wayne Community Schools	295	1,915	2,210	2	2.9	2,306	2	3.2
Evansville-Vanderburgh School Cop	265	1,399	1,664	3	2.2	1,655	3	2.3
Hamilton Southeastern Schools	124	1,367	1,491	4	2.0	1,142	6	1.6
South Bend Community School Corp.	166	1,192	1,358	5	1.8	1,573	4	2.2
Msd Of Wayne Township	103	1,144	1,247	6	1.7	1,150	5	1.6
Carmel Clay Schools	87	1,128	1,215	7	1.6	1,114	8	1.5
Msd Of Perry Township	102	1,064	1,166	8	1.5	—	—	—
Vigo County School Corp	178	939	1,117	9	1.5	1,120	7	1.5
Msd Lawrence Township	116	908	1,024	10	1.4	—	—	—
School City Of Hammond	—	—	—	—	—	1,048	9	1.4
Elkhart Community Schools	—	—	—	—	—	1,013	10	1.4
<b>Total -- Top 10 Employers</b>	<b>1,660</b>	<b>13,071</b>	<b>14,731</b>		<b>19.5</b>	<b>14,911</b>		<b>20.4</b>
All Other	7,178	53,623	60,801		80.5	58,055		79.6
<b>Grand Total</b>	<b>8,838</b>	<b>66,694</b>	<b>75,532</b>		<b>100.0%</b>	<b>72,966</b>		<b>100.0%</b>

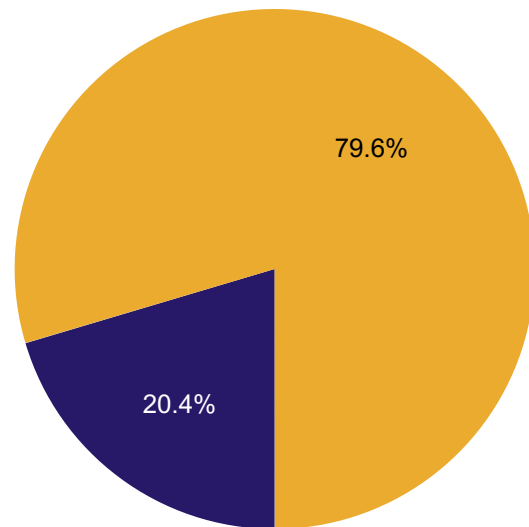
<sup>1</sup> June 30, 2013 was the first year to split the Teachers' Retirement Fund (TRF) into two, TRF Pre-'96 DB and TRF '96 DB Accounts.

Active Membership Breakout - 2021



■ Top 10 Employers   ■ All Other

Active Membership Breakout - 2012



■ Top 10 Employers   ■ All Other

# 1977 Police Officers' and Firefighters' Retirement Fund

## Schedule of Changes and Growth in Fiduciary Net Position

### For the Years Ended June 30

(dollars in thousands)	2021	2020	2019	2018	2017
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 6,542,800</b>	<b>\$ 6,379,786</b>	<b>\$ 5,927,570</b>	<b>\$ 5,401,179</b>	<b>\$ 4,950,999</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	166,436	162,302	155,051	147,094	150,857
Member Contributions	55,703	54,175	52,811	48,839	51,521
Member Reassignment Income	—	—	—	—	—
Miscellaneous Income	19	20	2	18	78
<b>Total Contributions and Other</b>	<b>222,158</b>	<b>216,497</b>	<b>207,864</b>	<b>195,951</b>	<b>202,456</b>
Pension Benefits	(189,834)	(170,944)	(147,752)	(133,791)	(112,282)
Disability Benefits	(27,570)	(24,978)	(23,328)	(21,805)	(19,950)
Survivor Benefits	(17,080)	(15,683)	(14,457)	(13,455)	(12,550)
Special Death Benefits	(1,080)	(919)	(951)	(884)	(809)
Distributions of Contributions and Interest	(3,339)	(3,227)	(3,463)	(2,973)	(3,274)
Administrative Expenses	(1,934)	(1,960)	(1,904)	(1,643)	(1,607)
Member Reassignment Expenses	—	—	—	—	—
Miscellaneous Expenses	—	—	(22)	—	—
<b>Total Benefits and Expenses</b>	<b>(240,837)</b>	<b>(217,711)</b>	<b>(191,877)</b>	<b>(174,551)</b>	<b>(150,472)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(18,679)</b>	<b>(1,214)</b>	<b>15,987</b>	<b>21,400</b>	<b>51,984</b>
Net Investment Income / (Loss)	1,665,668	164,228	436,229	504,991	398,196
<b>Net Increase / (Decrease)</b>	<b>1,646,989</b>	<b>163,014</b>	<b>452,216</b>	<b>526,391</b>	<b>450,180</b>
<b>Fiduciary Net Position Restricted- End of Year</b>	<b>\$ 8,189,789</b>	<b>\$ 6,542,800</b>	<b>\$ 6,379,786</b>	<b>\$ 5,927,570</b>	<b>\$ 5,401,179</b>

# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)	2016	2015	2014	2013	2012
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 4,828,415</b>	<b>\$ 4,757,978</b>	<b>\$ 4,116,861</b>	<b>\$ 3,817,013</b>	<b>\$ 3,721,366</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	151,674	146,697	140,119	137,111	135,605
Member Contributions	44,918	43,523	41,791	40,786	40,870
Member Reassignment Income	—	—	—	71	123
Miscellaneous Income	143	15	30	18	41
<b>Total Contributions and Other</b>	<b>196,735</b>	<b>190,235</b>	<b>181,940</b>	<b>177,986</b>	<b>176,639</b>
Pension Benefits	(97,445)	(83,239)	(76,462)	(68,622)	(67,920)
Disability Benefits	(18,647)	(17,620)	(17,767)	(17,429)	(16,288)
Survivor Benefits	(11,843)	(11,156)	(10,573)	(9,884)	—
Special Death Benefits	(774)	(860)	(720)	(794)	(738)
Distributions of Contributions and Interest	(4,037)	(3,615)	(3,572)	(3,074)	(3,101)
Administrative Expenses	(1,651)	(1,708)	(1,787)	(1,845)	(1,662)
Member Reassignment Expenses	(74)	—	—	—	(33)
Miscellaneous Expenses	—	—	—	—	—
<b>Total Benefits and Expenses</b>	<b>(134,471)</b>	<b>(118,198)</b>	<b>(110,881)</b>	<b>(101,648)</b>	<b>(89,742)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>62,264</b>	<b>72,037</b>	<b>71,059</b>	<b>76,338</b>	<b>86,897</b>
Net Investment Income / (Loss)	60,320	(1,600)	570,058	223,510	8,750
<b>Net Increase / (Decrease)</b>	<b>122,584</b>	<b>70,437</b>	<b>641,117</b>	<b>299,848</b>	<b>95,647</b>
<b>Fiduciary Net Position Restricted- End of Year</b>	<b>\$ 4,950,999</b>	<b>\$ 4,828,415</b>	<b>\$ 4,757,978</b>	<b>\$ 4,116,861</b>	<b>\$ 3,817,013</b>

# 1977 Police Officers' and Firefighters' Retirement Fund, continued

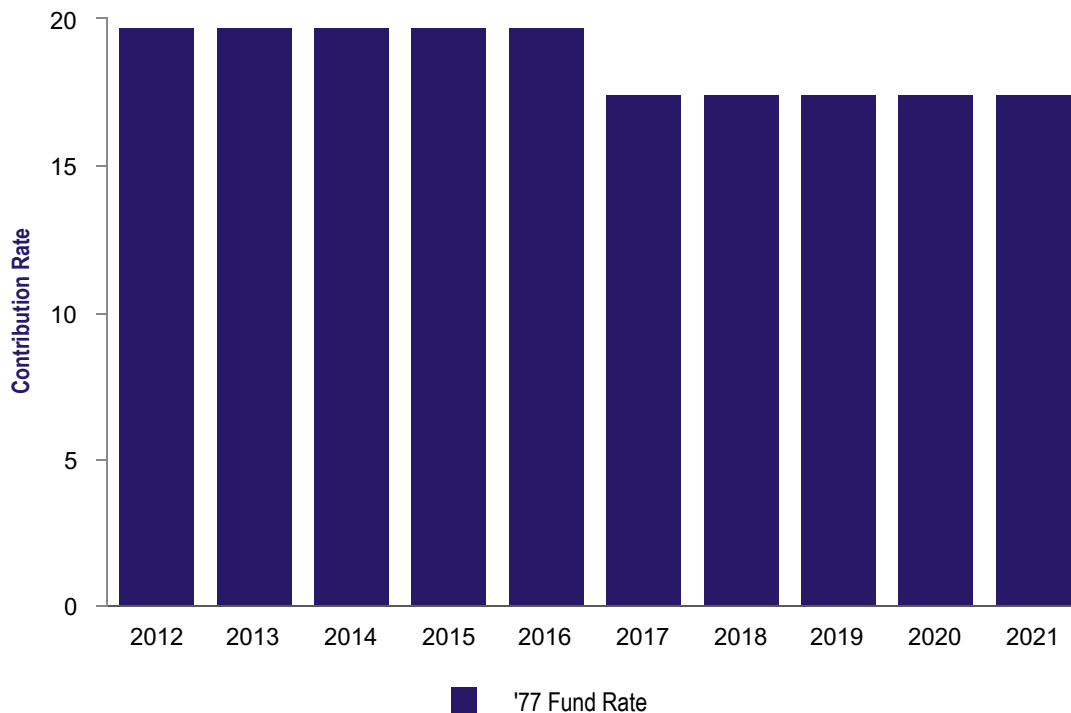
## Schedule of Historical Contribution Rates

For the Years Ended June 30

	<u>'77 Fund Rate</u>
2021	17.5 %
2020	17.5
2019	17.5
2018	17.5
2017	17.5
2016	19.7
2015	19.7
2014	19.7
2013	19.7
2012	19.7

Memo:

Effective Date                      January 1

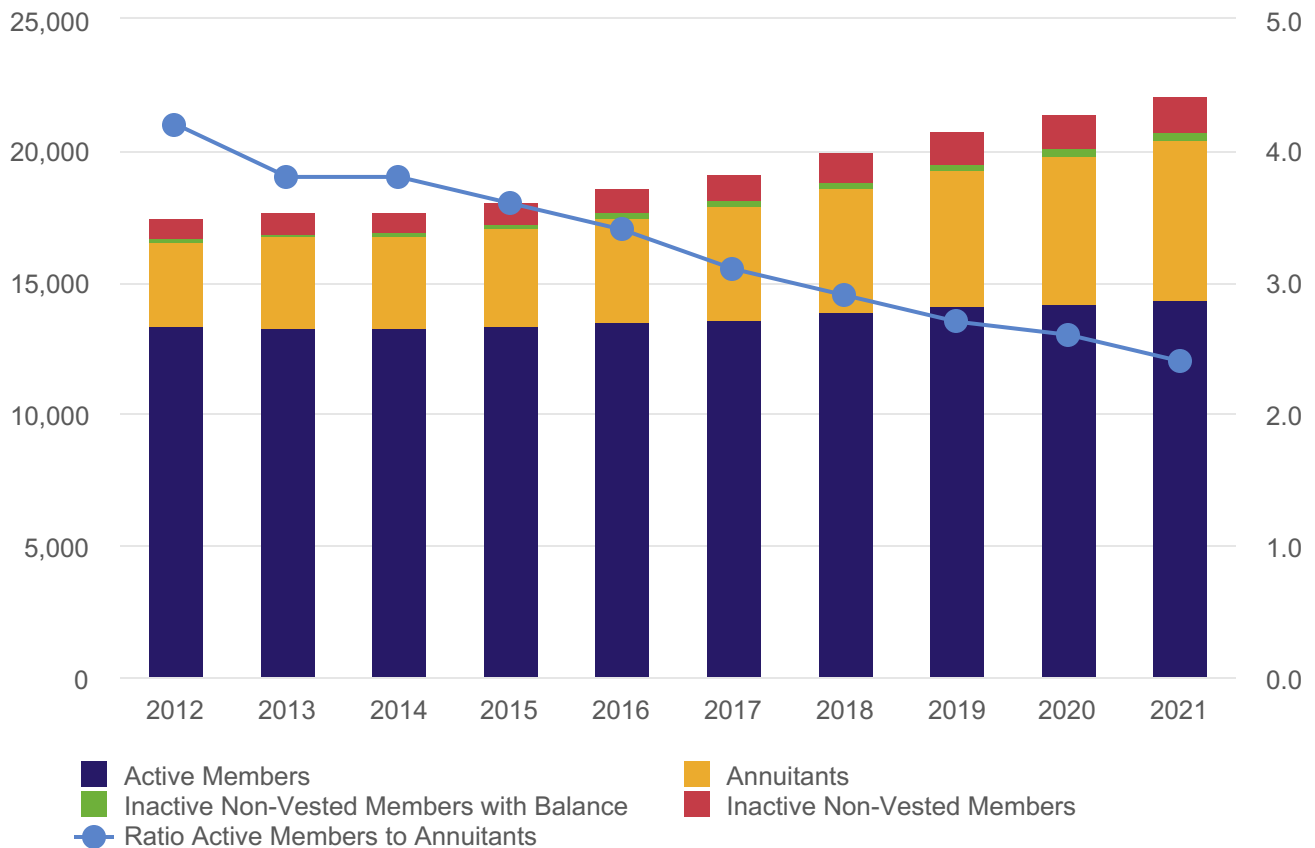




# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	Ratio Active Members to Annuitants
2021	14,378	6,080	300	1,381	22,139	2.4
2020	14,242	5,581	283	1,307	21,413	2.6
2019	14,119	5,187	243	1,200	20,749	2.7
2018	13,879	4,751	225	1,136	19,991	2.9
2017	13,587	4,374	195	1,005	19,161	3.1
2016	13,506	4,004	186	933	18,629	3.4
2015	13,390	3,736	155	822	18,103	3.6
2014	13,295	3,491	129	796	17,711	3.8
2013	13,287	3,491	129	796	17,703	3.8
2012	13,390	3,208	122	751	17,471	4.2



## 1977 Police Officers' and Firefighters' Retirement Fund, continued

### Schedule of Benefit Recipients by Type of Benefit Option For the Year Ended June 30, 2021

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option			Total Benefit Recipients
	Retirees	Survivors	Disability	
\$ 1 - 500	—	6	—	6
501 - 1,000	2	103	18	123
1,001 - 1,500	67	382	55	504
1,501 - 2,000	374	234	160	768
2,001 - 3,000	2,102	117	465	2,684
Over 3,000	1,796	18	181	1,995
<b>Total</b>	<b>4,341</b>	<b>860</b>	<b>879</b>	<b>6,080</b>

**Retirees** — Provides a monthly benefit for the retiree's life. Upon the death of the retiree, a surviving spouse receives 60 percent of the monthly benefit for life and each surviving child receives 20 percent of the monthly benefit until age 18 or 23 if enrolled in a secondary school or accredited college or university. If no eligible surviving spouse or children, a dependent parent(s) may receive 50 percent of the monthly benefit for life.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. For the '77 Fund, there is no minimum creditable service requirement.

# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Schedule of Average Benefit Payments

### For the Years Ended June 30

	Years of Credited Service						Total
	< 10 <sup>1</sup>	10 - 14 <sup>1</sup>	15 - 19 <sup>1</sup>	20 - 24	25 - 29	30+	
<b>2021</b>							
Average Monthly Defined Benefit	\$ 2,099	\$ 2,319	\$ 2,179	\$ 2,213	\$ 2,888	\$ 3,391	\$ 2,643
Average Final Average Salary	\$ 45,982	\$ 53,708	\$ 51,567	\$ 49,790	\$ 52,980	\$ 56,291	\$ 52,334
Number of Benefit Recipients	254	267	312	2,262	1,770	1,215	6,080
<b>2020</b>							
Average Monthly Defined Benefit	\$ 2,040	\$ 2,213	\$ 2,121	\$ 2,132	\$ 2,795	\$ 3,261	\$ 2,537
Average Final Average Salary	\$ 44,866	\$ 52,021	\$ 50,391	\$ 48,647	\$ 51,914	\$ 55,065	\$ 51,122
Number of Benefit Recipients	251	252	306	2,095	1,617	1,060	5,581
<b>2019</b>							
Average Monthly Defined Benefit	\$ 1,971	\$ 2,097	\$ 2,018	\$ 2,056	\$ 2,693	\$ 3,137	\$ 2,431
Average Final Average Salary	\$ 43,865	\$ 50,968	\$ 49,157	\$ 47,583	\$ 50,796	\$ 53,933	\$ 49,977
Number of Benefit Recipients	240	245	298	1,975	1,487	942	5,187
<b>2018</b>							
Average Monthly Defined Benefit	\$ 1,924	\$ 1,993	\$ 1,938	\$ 1,984	\$ 2,589	\$ 2,984	\$ 2,319
Average Final Average Salary	\$ 43,021	\$ 50,113	\$ 47,985	\$ 46,569	\$ 49,576	\$ 52,614	\$ 48,753
Number of Benefit Recipients	239	241	286	1,843	1,330	812	4,751
<b>2017</b>							
Average Monthly Defined Benefit	\$ 1,643	\$ 1,975	\$ 1,893	\$ 2,010	\$ 2,546	\$ 2,892	\$ 2,257
Average Final Average Salary	\$ 42,129	\$ 48,847	\$ 47,060	\$ 45,714	\$ 48,551	\$ 51,649	\$ 47,703
Number of Benefit Recipients	382	234	271	1,586	1,202	699	4,374
<b>2016</b>							
Average Monthly Defined Benefit	\$ 1,624	\$ 1,901	\$ 1,839	\$ 1,969	\$ 2,498	\$ 2,799	\$ 2,190
Average Final Average Salary	\$ 41,299	\$ 47,438	\$ 45,587	\$ 44,846	\$ 47,841	\$ 51,017	\$ 46,803
Number of Benefit Recipients	380	226	262	1,463	1,071	602	4,004
<b>2015</b>							
Average Monthly Defined Benefit	\$ 1,709	\$ 1,862	\$ 1,812	\$ 1,953	\$ 2,473	\$ 2,714	\$ 2,149
Average Final Average Salary	\$ 40,564	\$ 46,871	\$ 44,876	\$ 43,912	\$ 47,030	\$ 50,367	\$ 45,862
Number of Benefit Recipients	421	222	256	1,361	963	513	3,736
<b>2014</b>							
Average Monthly Defined Benefit	\$ 1,841	\$ 1,748	\$ 1,734	\$ 1,864	\$ 2,362	\$ 2,553	\$ 2,084
Average Final Average Salary	\$ 42,408	\$ 45,969	\$ 44,636	\$ 43,120	\$ 46,421	\$ 48,656	\$ 45,245
Number of Benefit Recipients	290	226	273	1,243	883	576	3,491
<b>2013</b>							
Average Monthly Defined Benefit	\$ 1,841	\$ 1,748	\$ 1,734	\$ 1,864	\$ 2,362	\$ 2,553	\$ 2,084
Average Final Average Salary	\$ 42,408	\$ 45,969	\$ 44,636	\$ 43,120	\$ 46,421	\$ 48,656	\$ 45,245
Number of Benefit Recipients	290	226	273	1,243	883	576	3,491
<b>2012</b>							
Average Monthly Defined Benefit	\$ 1,766	\$ 1,685	\$ 1,685	\$ 1,815	\$ 2,284	\$ 2,396	\$ 1,999
Average Final Average Salary	\$ 40,609	\$ 45,578	\$ 43,738	\$ 42,368	\$ 45,510	\$ 47,219	\$ 44,173
Number of Benefit Recipients	251	215	266	1,178	822	476	3,208

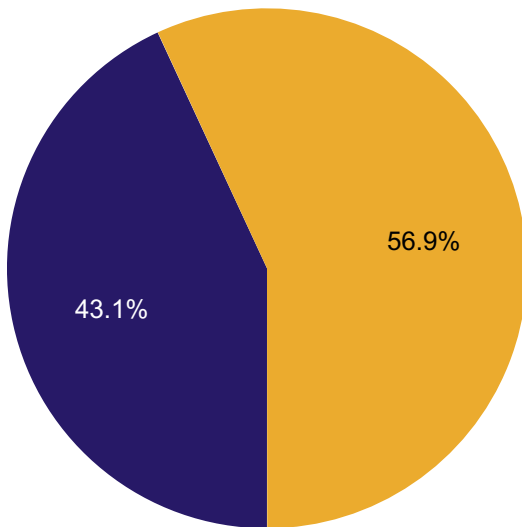
<sup>1</sup> Members with less than 20 years of service are primarily members receiving a disability benefit.

# 1977 Police Officers' and Firefighters' Retirement Fund, continued

## Schedule of Participating Employers: Top 10

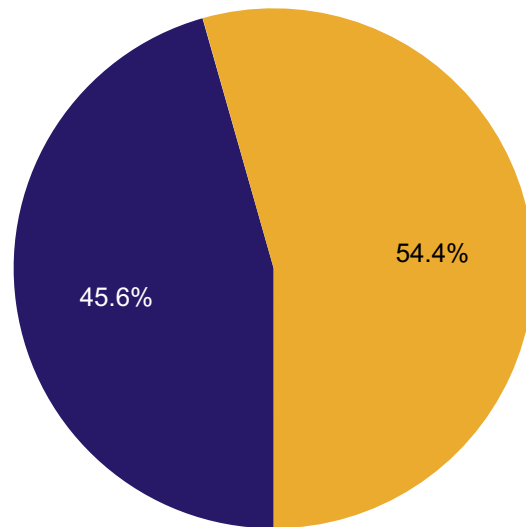
Top 10 Employers	June 30, 2021			June 30, 2012		
	Active Members	Rank	Percentage of Total	Active Members	Rank	Percentage of Total
City of Indianapolis	2,836	1	18.4%	2,440	1	18.1%
City of Fort Wayne	823	2	5.3	785	2	5.8
City of Evansville	619	3	4.0	546	3	4.1
City of South Bend	494	4	3.2	483	4	3.6
City of Hammond	358	5	2.3	364	6	2.7
City of Gary	338	6	2.2	468	5	3.5
City of Terre Haute	304	7	2.0	264	9	2.0
City of Lafayette	296	8	1.9	274	7	2.0
City of Carmel	287	9	1.9	265	8	2.0
City of Elkhart	287	10	1.9	—	—	—
City of Anderson	—	—	—	243	10	1.8
<b>Total -- Top 10 Employers</b>	<b>6,642</b>		<b>43.1</b>	<b>6,132</b>		<b>45.6</b>
All Other	8,806		56.9	7,316		54.4
<b>Grand Total</b>	<b>15,448</b>		<b>100.0%</b>	<b>13,448</b>		<b>100.0%</b>

Active Membership Breakout - 2021



■ Top 10 Employers    ■ All Other

Active Membership Breakout - 2012



■ Top 10 Employers    ■ All Other

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# Judges' Retirement System

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2021	2020	2019	2018	2017
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 554,121</b>	<b>\$ 545,331</b>	<b>\$ 513,952</b>	<b>\$ 475,055</b>	<b>\$ 441,790</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	18,621	18,167	16,031	15,117	16,824
Member Contributions	4,041	3,549	3,476	3,418	3,468
Member Reassignment Income	—	—	—	—	—
Miscellaneous Income	—	—	—	—	—
<b>Total Contributions and Other</b>	<b>22,662</b>	<b>21,716</b>	<b>19,507</b>	<b>18,535</b>	<b>20,292</b>
Pension Benefits	(25,550)	(23,614)	(22,107)	(20,312)	(19,223)
Disability Benefits	(147)	(142)	(115)	(126)	(136)
Survivor Benefits	(3,116)	(3,043)	(3,014)	(2,926)	(2,696)
Distributions of Contributions and Interest	(103)	(38)	(155)	(259)	(44)
Administrative Expenses	(101)	(109)	(108)	(119)	(124)
<b>Total Benefits and Expenses</b>	<b>(29,017)</b>	<b>(26,946)</b>	<b>(25,499)</b>	<b>(23,742)</b>	<b>(22,223)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(6,355)</b>	<b>(5,230)</b>	<b>(5,992)</b>	<b>(5,207)</b>	<b>(1,931)</b>
Net Investment Income / (Loss)	140,227	14,020	37,371	44,104	35,196
<b>Net Increase / (Decrease)</b>	<b>133,872</b>	<b>8,790</b>	<b>31,379</b>	<b>38,897</b>	<b>33,265</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 687,993</b>	<b>\$ 554,121</b>	<b>\$ 545,331</b>	<b>\$ 513,952</b>	<b>\$ 475,055</b>

## Judges' Retirement System, continued

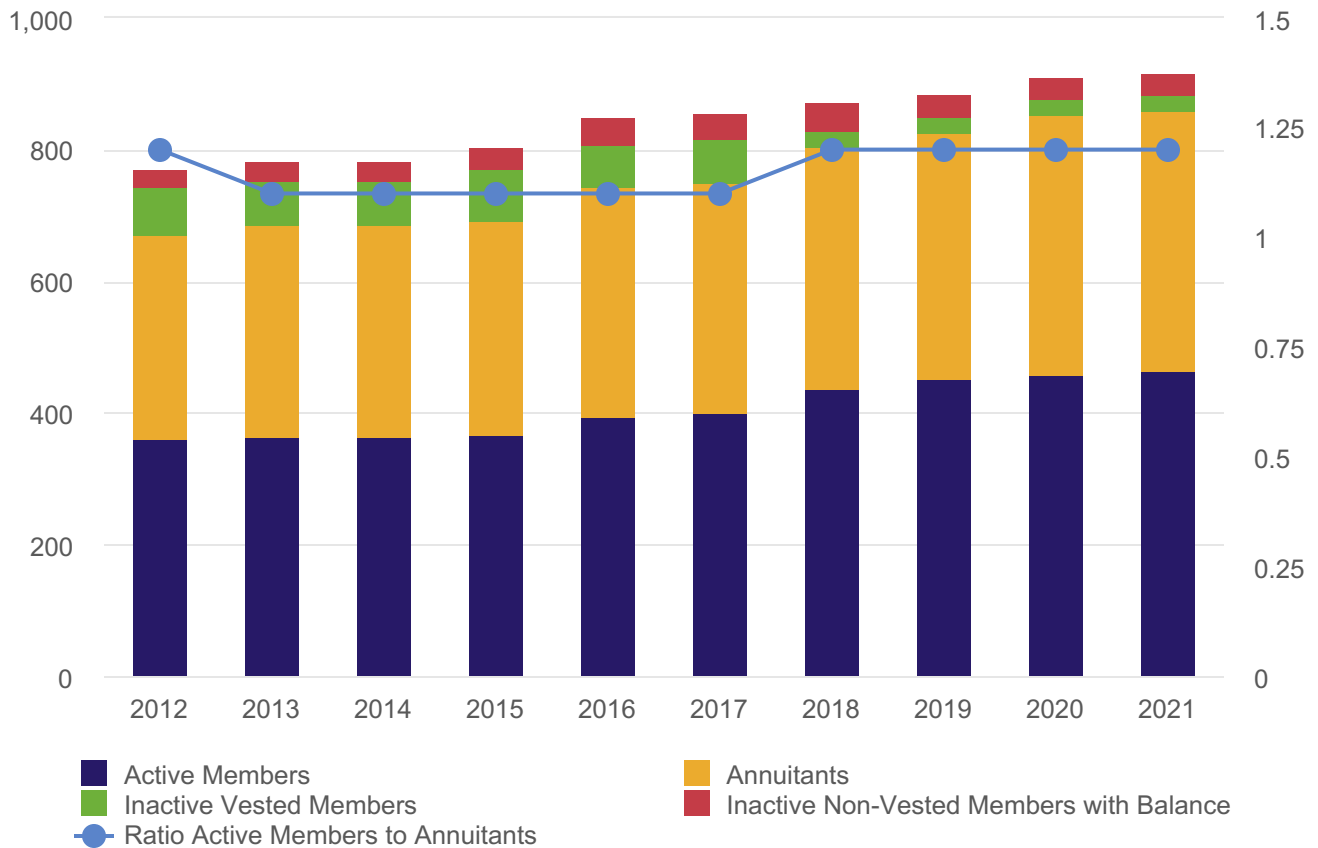
### Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)	2016	2015	2014	2013	2012
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 437,352</b>	<b>\$ 432,730</b>	<b>\$ 375,752</b>	<b>\$ 262,326</b>	<b>\$ 256,986</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	16,946	21,020	20,895	111,419	18,896
Member Contributions	3,239	3,292	2,856	2,631	2,468
Member Reassignment Income	—	—	4	121	257
Miscellaneous Income	—	9	6	5	2
<b>Total Contributions and Other</b>	<b>20,185</b>	<b>24,321</b>	<b>23,761</b>	<b>114,176</b>	<b>21,623</b>
Pension Benefits	(18,194)	(16,613)	(15,819)	(15,115)	(16,569)
Disability Benefits	(90)	(230)	(134)	(193)	(158)
Survivor Benefits	(2,627)	(2,578)	(2,574)	(2,218)	—
Distributions of Contributions and Interest	(11)	(11)	—	(53)	(19)
Administrative Expenses	(148)	(165)	(146)	(126)	(132)
<b>Total Benefits and Expenses</b>	<b>(21,070)</b>	<b>(19,597)</b>	<b>(18,673)</b>	<b>(17,705)</b>	<b>(16,878)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(885)</b>	<b>4,724</b>	<b>5,088</b>	<b>96,471</b>	<b>4,745</b>
Net Investment Income / (Loss)	5,323	(102)	51,890	16,955	595
<b>Net Increase / (Decrease)</b>	<b>4,438</b>	<b>4,622</b>	<b>56,978</b>	<b>113,426</b>	<b>5,340</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 441,790</b>	<b>\$ 437,352</b>	<b>\$ 432,730</b>	<b>\$ 375,752</b>	<b>\$ 262,326</b>

# Judges' Retirement System, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	Ratio Active Members to Annuitants
2021	465	394	24	34	917	1.2
2020	458	396	24	33	911	1.2
2019	453	375	22	36	886	1.2
2018	439	365	26	42	872	1.2
2017	402	350	67	39	858	1.1
2016	394	351	65	41	851	1.1
2015	368	326	78	32	804	1.1
2014	365	321	67	32	785	1.1
2013	365	321	67	32	785	1.1
2012	361	311	72	28	772	1.2





## Judges' Retirement System, continued

### Schedule of Benefit Recipients by Type of Benefit Option For the Year Ended June 30, 2021

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option			Total Benefit Recipients
	Retirees	Survivors	Disability	
\$ 1 - 500	—	—	—	—
501 - 1,000	—	—	—	—
1,001 - 1,500	—	21	—	21
1,501 - 2,000	—	11	—	11
2,001 - 3,000	7	30	—	37
Over 3,000	281	42	2	325
<b>Total</b>	<b>288</b>	<b>104</b>	<b>2</b>	<b>394</b>

**Retirees** — Provides a monthly benefit for the retiree's life. Upon the death of the retiree, the qualified designated survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. For the Judges' Retirement System, there is no minimum creditable service requirement.

# Judges' Retirement System, continued

## Schedule of Average Benefit Payments

### For the Years Ended June 30

	Years of Credited Service						Total
	< 10	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2021</b>							
Average Monthly Defined Benefit	\$ 2,191	\$ 4,949	\$ 5,918	\$ 6,680	\$ 6,694	\$ 6,795	\$ 5,685
Average Final Average Salary	\$ 107,521	\$ 125,235	\$ 130,524	\$ 132,271	\$ 117,330	\$ 128,801	\$ 126,968
Number of Benefit Recipients	38	90	92	101	40	33	394
<b>2020</b>							
Average Monthly Defined Benefit	\$ 2,035	\$ 4,804	\$ 5,807	\$ 6,565	\$ 6,651	\$ 6,739	\$ 5,532
Average Final Average Salary	\$ 108,475	\$ 123,809	\$ 128,881	\$ 131,607	\$ 117,627	\$ 128,801	\$ 126,008
Number of Benefit Recipients	43	89	88	102	41	33	396
<b>2019</b>							
Average Monthly Defined Benefit	\$ 2,017	\$ 4,500	\$ 5,619	\$ 6,279	\$ 6,775	\$ 6,541	\$ 5,288
Average Final Average Salary	\$ 107,961	\$ 122,249	\$ 126,629	\$ 128,644	\$ 117,627	\$ 125,976	\$ 123,747
Number of Benefit Recipients	44	90	79	92	41	29	375
<b>2018</b>							
Average Monthly Defined Benefit	\$ 2,035	\$ 4,437	\$ 5,613	\$ 6,180	\$ 6,640	\$ 6,656	\$ 5,168
Average Final Average Salary	\$ 108,346	\$ 120,668	\$ 124,939	\$ 126,707	\$ 116,646	\$ 125,976	\$ 122,254
Number of Benefit Recipients	51	85	74	86	40	29	365
<b>2017</b>							
Average Monthly Defined Benefit	\$ 2,095	\$ 4,416	\$ 5,589	\$ 5,945	\$ 6,804	\$ 6,788	\$ 5,130
Average Final Average Salary	\$ 98,954	\$ 117,996	\$ 120,010	\$ 121,926	\$ 113,184	\$ 124,489	\$ 117,814
Number of Benefit Recipients	52	81	72	81	37	27	350
<b>2016</b>							
Average Monthly Defined Benefit	\$ 2,158	\$ 4,308	\$ 5,125	\$ 5,959	\$ 6,695	\$ 6,707	\$ 4,989
Average Final Average Salary	\$ 98,226	\$ 117,568	\$ 119,378	\$ 120,551	\$ 113,184	\$ 123,658	\$ 117,193
Number of Benefit Recipients	57	79	71	80	37	27	351
<b>2015</b>							
Average Monthly Defined Benefit	\$ 2,046	\$ 4,145	\$ 5,297	\$ 5,479	\$ 6,555	\$ 6,558	\$ 4,749
Average Final Average Salary	\$ 59,251	\$ 116,014	\$ 117,354	\$ 114,577	\$ 112,207	\$ 122,815	\$ 114,494
Number of Benefit Recipients	57	75	61	69	38	26	326
<b>2014</b>							
Average Monthly Defined Benefit	\$ 3,519	\$ 4,090	\$ 5,039	\$ 5,544	\$ 6,538	\$ 6,545	\$ 4,796
Average Final Average Salary	\$ 108,307	\$ 113,994	\$ 113,254	\$ 114,783	\$ 111,708	\$ 122,579	\$ 114,885
Number of Benefit Recipients	88	66	47	62	34	24	321
<b>2013</b>							
Average Monthly Defined Benefit	\$ 3,519	\$ 4,090	\$ 5,039	\$ 5,544	\$ 6,538	\$ 6,545	\$ 4,796
Average Final Average Salary	\$ 108,307	\$ 113,994	\$ 113,254	\$ 114,783	\$ 111,708	\$ 122,579	\$ 114,885
Number of Benefit Recipients	88	66	47	62	34	24	321
<b>2012</b>							
Average Monthly Defined Benefit	\$ 2,508	\$ 4,006	\$ 4,999	\$ 5,265	\$ 6,212	\$ 6,230	\$ 4,478
Average Final Average Salary	\$ 73,561	\$ 114,043	\$ 112,826	\$ 114,625	\$ 111,708	\$ 122,579	\$ 112,885
Number of Benefit Recipients	74	67	48	63	34	25	311

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# Excise, Gaming and Conservation Officers' Retirement Fund

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2021	2020	2019	2018	2017
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 146,358</b>	<b>\$ 142,115</b>	<b>\$ 131,491</b>	<b>\$ 120,016</b>	<b>\$ 111,329</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	7,083	6,742	6,982	6,175	5,691
Member Contributions	1,333	1,298	1,368	1,172	1,102
Miscellaneous Income	—	—	—	10	—
<b>Total Contributions and Other</b>	<b>8,416</b>	<b>8,040</b>	<b>8,350</b>	<b>7,357</b>	<b>6,793</b>
Pension Benefits	(6,939)	(6,726)	(6,705)	(6,288)	(6,223)
Disability Benefits	(49)	(49)	(49)	(49)	(49)
Survivor Benefits	(639)	(495)	(495)	(483)	(437)
Distributions of Contributions and Interest	(109)	(97)	(76)	(115)	(117)
Administrative Expenses	(94)	(107)	(112)	(136)	(123)
Member Reassignment Expenses	—	—	—	—	(26)
<b>Total Benefits and Expenses</b>	<b>(7,830)</b>	<b>(7,474)</b>	<b>(7,437)</b>	<b>(7,071)</b>	<b>(6,975)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>586</b>	<b>566</b>	<b>913</b>	<b>286</b>	<b>(182)</b>
Net Investment Income / (Loss)	37,370	3,677	9,711	11,189	8,869
<b>Net Increase / (Decrease)</b>	<b>37,956</b>	<b>4,243</b>	<b>10,624</b>	<b>11,475</b>	<b>8,687</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 184,314</b>	<b>\$ 146,358</b>	<b>\$ 142,115</b>	<b>\$ 131,491</b>	<b>\$ 120,016</b>

# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)	2016	2015	2014	2013	2012
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 110,038</b>	<b>\$ 110,657</b>	<b>\$ 97,019</b>	<b>\$ 76,543</b>	<b>\$ 75,305</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	5,367	5,215	5,359	19,740	5,054
Member Reassignment Income	—	—	—	—	—
Miscellaneous Income	—	—	—	—	—
<b>Total Contributions and Other</b>	<b>6,383</b>	<b>6,219</b>	<b>6,378</b>	<b>20,746</b>	<b>6,026</b>
Pension Benefits	(5,639)	(6,068)	(5,379)	(4,393)	(4,656)
Disability Benefits	(58)	(60)	(92)	(64)	(61)
Survivor Benefits	(435)	(395)	(367)	(342)	—
Distributions of Contributions and Interest	(113)	(85)	(100)	(37)	(100)
Administrative Expenses	(139)	(159)	(141)	(121)	(131)
Member Reassignment Expenses	(21)	—	—	(15)	—
<b>Total Benefits and Expenses</b>	<b>(6,405)</b>	<b>(6,767)</b>	<b>(6,079)</b>	<b>(4,972)</b>	<b>(4,948)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(22)</b>	<b>(548)</b>	<b>299</b>	<b>15,774</b>	<b>1,078</b>
Net Investment Income / (Loss)	1,313	(71)	13,339	4,702	160
<b>Net Increase / (Decrease)</b>	<b>1,291</b>	<b>(619)</b>	<b>13,638</b>	<b>20,476</b>	<b>1,238</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 111,329</b>	<b>\$ 110,038</b>	<b>\$ 110,657</b>	<b>\$ 97,019</b>	<b>\$ 76,543</b>

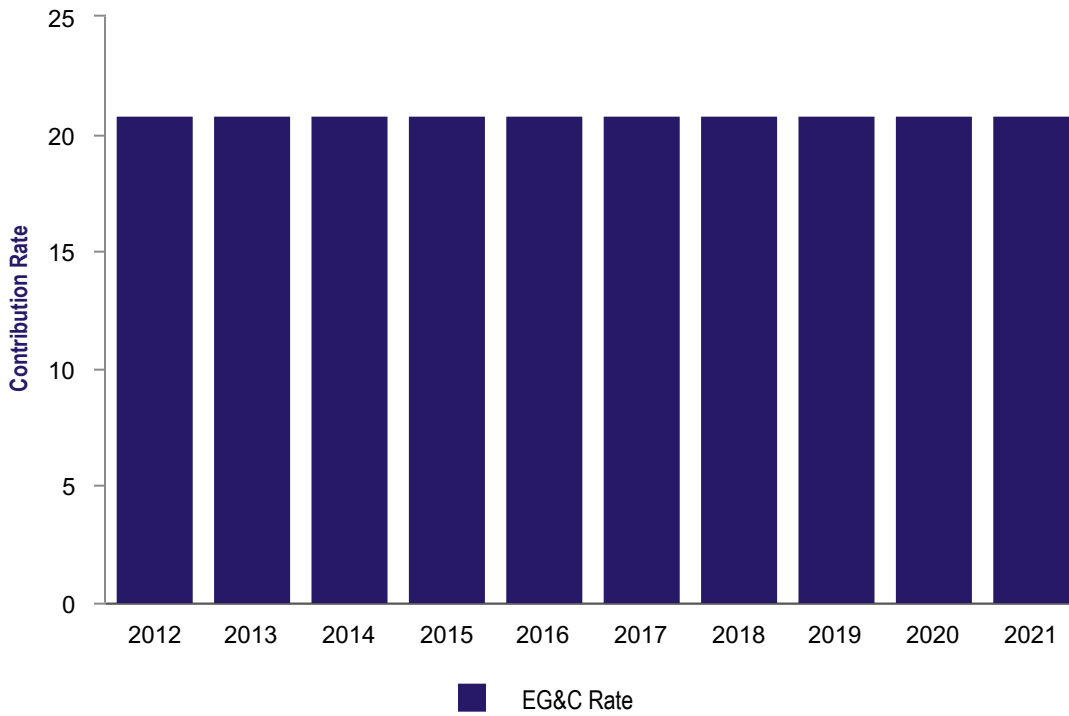
# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Schedule of Historical Contribution Rates For the Years Ended June 30

	<u>EG&amp;C Rate</u>
2021	20.75 %
2020	20.75
2019	20.75
2018	20.75
2017	20.75
2016	20.75
2015	20.75
2014	20.75
2013	20.75
2012	20.75

Memo:

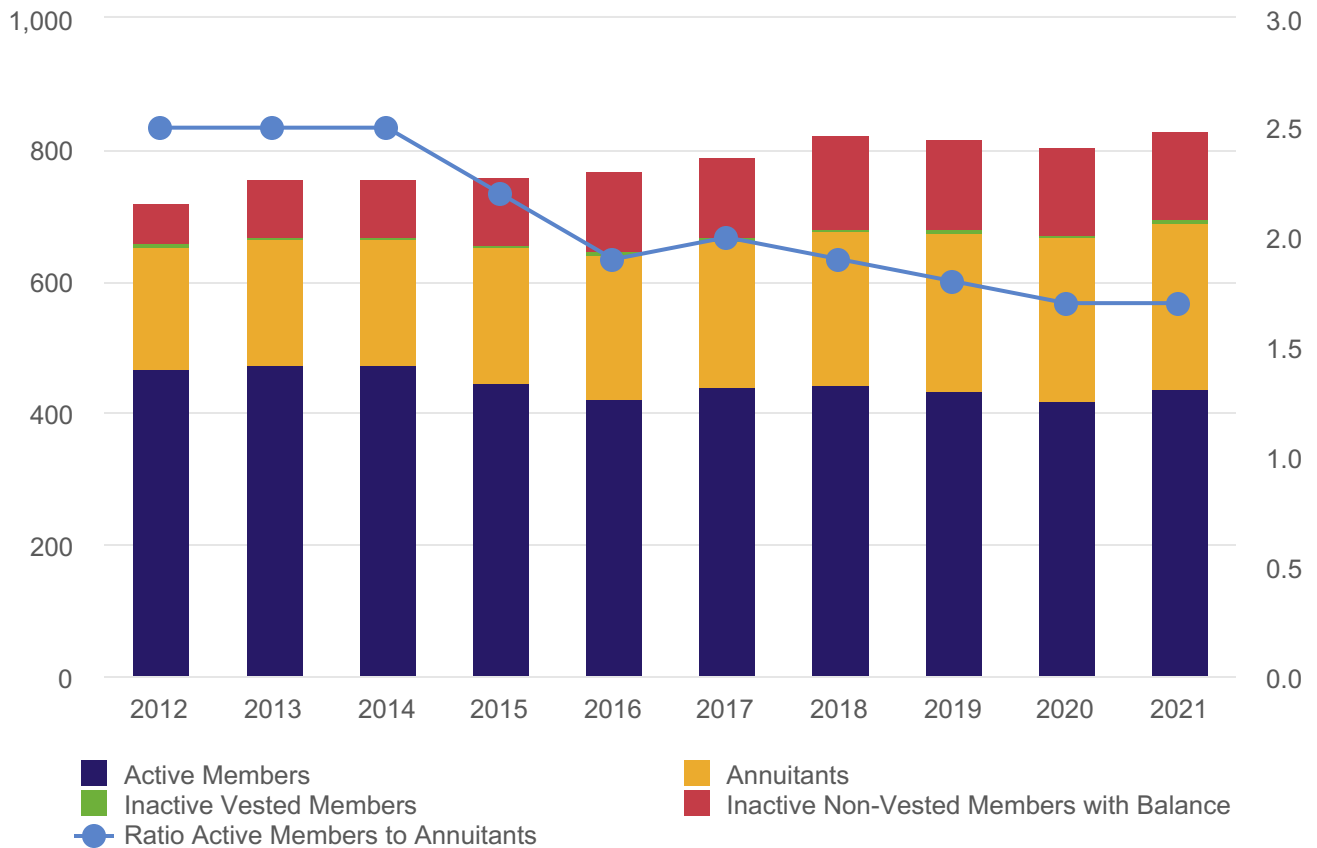
Effective Date            January 1



# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	Ratio Active Members to Annuitants
2021	439	252	5	134	830	1.7
2020	420	248	4	133	805	1.7
2019	436	240	4	137	817	1.8
2018	443	234	5	141	823	1.9
2017	440	223	6	120	789	2.0
2016	421	220	7	121	769	1.9
2015	448	207	3	101	759	2.2
2014	473	193	4	87	757	2.5
2013	473	193	4	87	757	2.5
2012	468	187	4	61	720	2.5



## Excise, Gaming and Conservation Officers' Retirement Fund, continued

### Schedule of Benefit Recipients by Type of Benefit Option For the Year Ended June 30, 2021

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option			Total Benefit Recipients
	Retirees	Survivors	Disability	
\$ 1 - 500	2	8	1	11
501 - 1,000	11	19	—	30
1,001 - 1,500	24	13	1	38
1,501 - 2,000	11	3	—	14
2,001 - 3,000	84	2	1	87
Over 3,000	72	—	—	72
<b>Total</b>	<b>204</b>	<b>45</b>	<b>3</b>	<b>252</b>

**Retirees** — Provides a monthly benefit for the retiree's life. Upon the death of the retiree, the qualified designated survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. For EG&C, there is no minimum creditable service requirement.



# Excise, Gaming and Conservation Officers' Retirement Fund, continued

## Schedule of Average Benefit Payments

### For the Years Ended June 30

	Years of Credited Service						Total
	< 10	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2021</b>							
Average Monthly Defined Benefit	\$ 1,509	\$ 1,483	\$ 586	\$ 1,064	\$ 2,292	\$ 2,872	\$ 2,308
Average Final Average Salary	\$ 51,086	\$ 66,864	\$ 33,707	\$ 39,323	\$ 54,691	\$ 58,086	\$ 55,049
Number of Benefit Recipients	3	15	17	19	76	122	252
<b>2020</b>							
Average Monthly Defined Benefit	\$ 851	\$ 1,386	\$ 602	\$ 1,064	\$ 2,249	\$ 2,860	\$ 2,285
Average Final Average Salary	\$ 51,086	\$ 65,326	\$ 33,535	\$ 39,323	\$ 54,691	\$ 57,745	\$ 54,522
Number of Benefit Recipients	2	11	18	19	78	120	248
<b>2019</b>							
Average Monthly Defined Benefit	\$ 851	\$ 1,366	\$ 594	\$ 1,064	\$ 2,177	\$ 2,830	\$ 2,231
Average Final Average Salary	\$ 51,086	\$ 64,944	\$ 33,535	\$ 39,323	\$ 53,322	\$ 57,149	\$ 53,507
Number of Benefit Recipients	2	7	21	19	75	116	240
<b>2018</b>							
Average Monthly Defined Benefit	\$ 851	\$ 1,421	\$ 561	\$ 1,020	\$ 2,162	\$ 2,814	\$ 2,224
Average Final Average Salary	\$ 51,086	\$ 67,123	\$ 29,132	\$ 39,323	\$ 52,606	\$ 56,496	\$ 52,758
Number of Benefit Recipients	2	4	20	20	73	115	234
<b>2017</b>							
Average Monthly Defined Benefit	\$ 504	\$ 1,386	\$ 615	\$ 999	\$ 2,101	\$ 2,810	\$ 2,209
Average Final Average Salary	\$ 33,205	\$ 66,535	\$ 26,878	\$ 37,858	\$ 51,105	\$ 56,019	\$ 51,549
Number of Benefit Recipients	15	1	7	19	68	113	223
<b>2016</b>							
Average Monthly Defined Benefit	\$ 504	\$ —	\$ 589	\$ 983	\$ 2,073	\$ 2,746	\$ 2,144
Average Final Average Salary	\$ 33,205	\$ —	\$ 26,025	\$ 37,093	\$ 50,468	\$ 54,912	\$ 50,294
Number of Benefit Recipients	15	—	8	21	66	110	220
<b>2015</b>							
Average Monthly Defined Benefit	\$ 504	\$ —	\$ 562	\$ 983	\$ 2,031	\$ 2,729	\$ 2,097
Average Final Average Salary	\$ 33,205	\$ —	\$ 26,025	\$ 37,093	\$ 48,424	\$ 54,007	\$ 49,010
Number of Benefit Recipients	15	—	9	21	59	103	207
<b>2014</b>							
Average Monthly Defined Benefit	\$ 2,141	\$ —	\$ 439	\$ 886	\$ 1,816	\$ 2,571	\$ 2,015
Average Final Average Salary	\$ 58,827	\$ —	\$ 22,436	\$ 36,499	\$ 45,830	\$ 52,650	\$ 47,776
Number of Benefit Recipients	14	—	11	22	54	92	193
<b>2013</b>							
Average Monthly Defined Benefit	\$ 2,141	\$ —	\$ 439	\$ 886	\$ 1,816	\$ 2,571	\$ 2,015
Average Final Average Salary	\$ 58,827	\$ —	\$ 22,436	\$ 36,499	\$ 45,830	\$ 52,650	\$ 47,776
Number of Benefit Recipients	14	—	11	22	54	92	193
<b>2012</b>							
Average Monthly Defined Benefit	\$ 1,498	\$ —	\$ 439	\$ 923	\$ 1,791	\$ 2,593	\$ 1,984
Average Final Average Salary	\$ —	\$ —	\$ 22,436	\$ 37,858	\$ 45,830	\$ 52,589	\$ 47,203
Number of Benefit Recipients	7	—	11	23	55	91	187

# Prosecuting Attorneys' Retirement Fund

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2021	2020	2019	2018	2017
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 67,876</b>	<b>\$ 65,523</b>	<b>\$ 61,019</b>	<b>\$ 55,575</b>	<b>\$ 52,792</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	4,402	4,232	3,216	3,014	1,486
Member Contributions	1,459	1,440	1,307	1,294	1,357
Miscellaneous Income	—	—	—	—	—
<b>Total Contributions and Other</b>	<b>5,861</b>	<b>5,672</b>	<b>4,523</b>	<b>4,308</b>	<b>2,843</b>
Pension Benefits	(4,766)	(4,528)	(3,985)	(3,575)	(3,390)
Disability Benefits	(128)	(102)	(97)	(97)	(97)
Survivor Benefits	(254)	(179)	(152)	(181)	(137)
Distributions of Contributions and Interest	(141)	(166)	(199)	(142)	(445)
Administrative Expenses	(71)	(74)	(75)	(87)	(158)
<b>Total Benefits and Expenses</b>	<b>(5,360)</b>	<b>(5,049)</b>	<b>(4,508)</b>	<b>(4,082)</b>	<b>(4,227)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>501</b>	<b>623</b>	<b>15</b>	<b>226</b>	<b>(1,384)</b>
Net Investment Income / (Loss)	17,492	1,730	4,489	5,218	4,167
<b>Net Increase / (Decrease)</b>	<b>17,993</b>	<b>2,353</b>	<b>4,504</b>	<b>5,444</b>	<b>2,783</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 85,869</b>	<b>\$ 67,876</b>	<b>\$ 65,523</b>	<b>\$ 61,019</b>	<b>\$ 55,575</b>

## Prosecuting Attorneys' Retirement Fund, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued

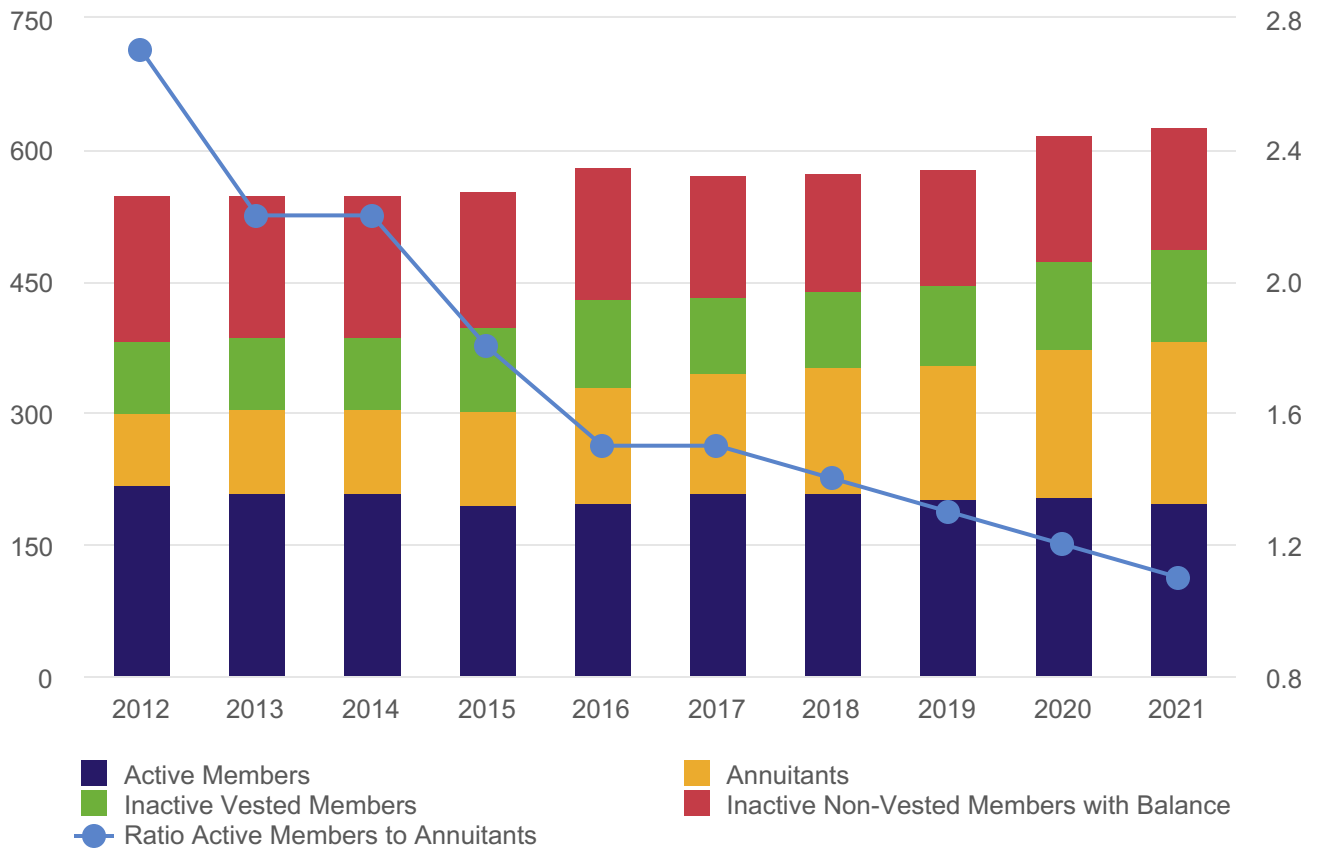
#### For the Years Ended June 30

(dollars in thousands)	2016	2015	2014	2013	2012
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 53,424</b>	<b>\$ 54,507</b>	<b>\$ 47,920</b>	<b>\$ 27,689</b>	<b>\$ 26,478</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	1,440	1,063	1,174	19,443	1,839
Member Contributions	1,279	1,269	1,334	1,271	1,277
Miscellaneous Income	—	—	4	—	—
<b>Total Contributions and Other</b>	<b>2,719</b>	<b>2,332</b>	<b>2,512</b>	<b>20,714</b>	<b>3,116</b>
Pension Benefits	(3,270)	(2,898)	(2,283)	(1,982)	(1,783)
Disability Benefits	(136)	(19)	(20)	(19)	(19)
Survivor Benefits	(87)	(78)	(44)	(39)	—
Distributions of Contributions and Interest	(254)	(259)	(51)	(195)	(63)
Administrative Expenses	(193)	(127)	(108)	(145)	(82)
<b>Total Benefits and Expenses</b>	<b>(3,940)</b>	<b>(3,381)</b>	<b>(2,506)</b>	<b>(2,380)</b>	<b>(1,947)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(1,221)</b>	<b>(1,049)</b>	<b>6</b>	<b>18,334</b>	<b>1,169</b>
Net Investment Income / (Loss)	589	(34)	6,581	1,897	42
<b>Net Increase / (Decrease)</b>	<b>(632)</b>	<b>(1,083)</b>	<b>6,587</b>	<b>20,231</b>	<b>1,211</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 52,792</b>	<b>\$ 53,424</b>	<b>\$ 54,507</b>	<b>\$ 47,920</b>	<b>\$ 27,689</b>

# Prosecuting Attorneys' Retirement Fund, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Total Members	Ratio Active Members to Annuitants
2021	198	185	104	141	628	1.1
2020	205	169	101	142	617	1.2
2019	203	152	92	132	579	1.3
2018	209	145	87	134	575	1.4
2017	209	138	87	138	572	1.5
2016	198	133	100	151	582	1.5
2015	196	107	97	153	553	1.8
2014	210	95	83	162	550	2.2
2013	210	95	83	162	550	2.2
2012	219	81	84	165	549	2.7



## Prosecuting Attorneys' Retirement Fund, continued

### Schedule of Benefit Recipients by Type of Benefit Option For the Year Ended June 30, 2021

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option			Total Benefit Recipients
	Retirees	Survivors	Disability	
\$ 1 - 500	7	4	—	11
501 - 1,000	21	8	—	29
1,001 - 1,500	25	5	—	30
1,501 - 2,000	21	2	1	24
2,001 - 3,000	42	—	1	43
Over 3,000	47	—	1	48
<b>Total</b>	<b>163</b>	<b>19</b>	<b>3</b>	<b>185</b>

**Retirees** — Provides a monthly benefit for the retiree's life. Upon the death of the retiree, the qualified designated survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. For PARF, five or more years of creditable service is required to be eligible for a disability benefit.

# Prosecuting Attorneys' Retirement Fund, continued

## Schedule of Average Benefit Payments For the Years Ended June 30

	Years of Credited Service						Total
	< 10	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2021</b>							
Average Monthly Defined Benefit	\$ 1,396	\$ 1,834	\$ 2,354	\$ 2,713	\$ 3,049	\$ 2,463	\$ 2,225
Average Final Average Salary	\$ 83,138	\$ 73,878	\$ 86,973	\$ 95,024	\$ 117,542	\$ 127,002	\$ 88,414
Number of Benefit Recipients	16	65	41	34	17	12	185
<b>2020</b>							
Average Monthly Defined Benefit	\$ 1,432	\$ 1,805	\$ 2,321	\$ 2,802	\$ 3,030	\$ 2,463	\$ 2,214
Average Final Average Salary	\$ 76,775	\$ 74,449	\$ 83,521	\$ 94,117	\$ 115,215	\$ 127,002	\$ 86,535
Number of Benefit Recipients	12	64	38	29	14	12	169
<b>2019</b>							
Average Monthly Defined Benefit	\$ 1,193	\$ 1,776	\$ 2,284	\$ 2,705	\$ 2,977	\$ 2,307	\$ 2,134
Average Final Average Salary	\$ 73,391	\$ 72,191	\$ 81,704	\$ 91,833	\$ 108,040	\$ 124,231	\$ 83,509
Number of Benefit Recipients	12	57	34	27	11	11	152
<b>2018</b>							
Average Monthly Defined Benefit	\$ 1,277	\$ 1,802	\$ 2,202	\$ 2,651	\$ 2,977	\$ 2,307	\$ 2,154
Average Final Average Salary	\$ 69,684	\$ 71,503	\$ 81,176	\$ 92,089	\$ 108,040	\$ 124,231	\$ 83,440
Number of Benefit Recipients	9	51	36	27	11	11	145
<b>2017</b>							
Average Monthly Defined Benefit	\$ 1,013	\$ 1,735	\$ 2,128	\$ 2,704	\$ 2,977	\$ 2,423	\$ 2,098
Average Final Average Salary	\$ 64,922	\$ 69,798	\$ 77,790	\$ 91,342	\$ 108,040	\$ 126,756	\$ 81,499
Number of Benefit Recipients	10	50	32	25	11	10	138
<b>2016</b>							
Average Monthly Defined Benefit	\$ 1,013	\$ 1,729	\$ 2,136	\$ 2,665	\$ 2,901	\$ 2,423	\$ 2,088
Average Final Average Salary	\$ 64,922	\$ 68,303	\$ 77,439	\$ 90,943	\$ 108,734	\$ 126,756	\$ 80,869
Number of Benefit Recipients	10	47	31	24	11	10	133
<b>2015</b>							
Average Monthly Defined Benefit	\$ 1,163	\$ 1,498	\$ 1,969	\$ 2,467	\$ 2,589	\$ 1,693	\$ 1,865
Average Final Average Salary	\$ 83,896	\$ 62,194	\$ 73,614	\$ 86,752	\$ 99,686	\$ 113,499	\$ 76,315
Number of Benefit Recipients	8	38	27	20	8	6	107
<b>2014</b>							
Average Monthly Defined Benefit	\$ 1,694	\$ 1,445	\$ 1,875	\$ 2,340	\$ 2,626	\$ 2,187	\$ 1,843
Average Final Average Salary	\$ 77,001	\$ 54,908	\$ 71,821	\$ 83,707	\$ 103,220	\$ 110,167	\$ 72,709
Number of Benefit Recipients	28	22	22	14	5	4	95
<b>2013</b>							
Average Monthly Defined Benefit	\$ 1,694	\$ 1,445	\$ 1,875	\$ 2,340	\$ 2,626	\$ 2,187	\$ 1,843
Average Final Average Salary	\$ 77,001	\$ 54,908	\$ 71,821	\$ 83,707	\$ 103,220	\$ 110,167	\$ 72,709
Number of Benefit Recipients	28	22	22	14	5	4	95
<b>2012</b>							
Average Monthly Defined Benefit	\$ 1,541	\$ 1,421	\$ 1,874	\$ 2,283	\$ 2,488	\$ 2,496	\$ 1,821
Average Final Average Salary	\$ 63,714	\$ 54,908	\$ 72,709	\$ 83,534	\$ 103,220	\$ 110,167	\$ 72,130
Number of Benefit Recipients	17	21	21	13	5	4	81

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# Legislators' Defined Benefit Fund

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2021	2020	2019	2018	2017
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 2,924</b>	<b>\$ 3,026</b>	<b>\$ 2,942</b>	<b>\$ 2,865</b>	<b>\$ 2,919</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	208	208	269	237	135
Nonemployer Contributing Entity	30	—	—	—	—
Total Contributions and Other	238	208	269	237	135
Pension Benefits	(291)	(293)	(302)	(303)	(304)
Disability Benefits	—	—	(3)	—	—
Survivor Benefits <sup>1</sup>	(50)	(56)	(51)	(56)	(53)
Administrative Expenses	(35)	(38)	(38)	(64)	(53)
Total Benefits and Expenses	(376)	(387)	(394)	(423)	(410)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(138)</b>	<b>(179)</b>	<b>(125)</b>	<b>(186)</b>	<b>(275)</b>
Net Investment Income / (Loss)	729	77	209	263	221
<b>Net Increase / (Decrease)</b>	<b>591</b>	<b>(102)</b>	<b>84</b>	<b>77</b>	<b>(54)</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 3,515</b>	<b>\$ 2,924</b>	<b>\$ 3,026</b>	<b>\$ 2,942</b>	<b>\$ 2,865</b>

<sup>1</sup> See Introduction to Statistical Information.



## Legislators' Defined Benefit Fund, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

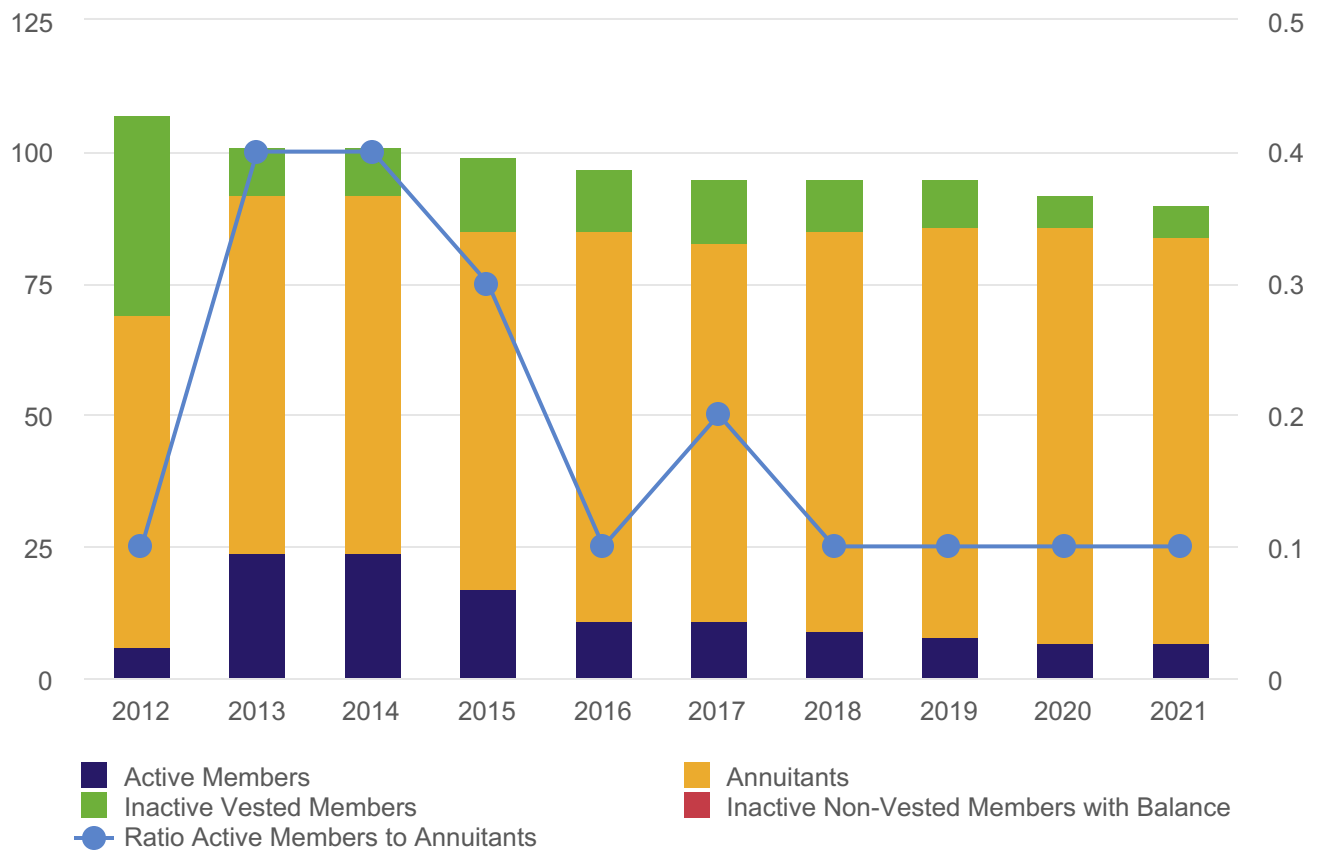
(dollars in thousands)	2016	2015	2014	2013	2012
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 3,174</b>	<b>\$ 3,489</b>	<b>\$ 3,337</b>	<b>\$ 3,385</b>	<b>\$ 3,645</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	138	131	138	150	112
Nonemployer Contributing Entity	—	—	—	—	—
Total Contributions and Other	138	131	138	150	112
Pension Benefits	(311)	(331)	(324)	(321)	(335)
Disability Benefits	—	—	(2)	(3)	(3)
Survivor Benefits <sup>1</sup>	(48)	(39)	(37)	(41)	—
Administrative Expenses	(61)	(71)	(62)	(34)	(37)
Total Benefits and Expenses	(420)	(441)	(425)	(399)	(375)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(282)</b>	<b>(310)</b>	<b>(287)</b>	<b>(249)</b>	<b>(263)</b>
Net Investment Income / (Loss)	27	(5)	439	201	3
<b>Net Increase / (Decrease)</b>	<b>(255)</b>	<b>(315)</b>	<b>152</b>	<b>(48)</b>	<b>(260)</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 2,919</b>	<b>\$ 3,174</b>	<b>\$ 3,489</b>	<b>\$ 3,337</b>	<b>\$ 3,385</b>

<sup>1</sup> See Introduction to Statistical Information.

# Legislators' Defined Benefit Fund, continued

## Ratio of Active Members to Annuitants For the Years Ended June 30

	Active Members	Annuitants	Inactive Vested Members	Inactive Non-Vested Members with Balance	Inactive Vested Members	Ratio Active Members to Annuitants
2021	7	77	6	—	90	0.1
2020	7	79	6	—	92	0.1
2019	8	78	9	—	95	0.1
2018	9	76	10	—	95	0.1
2017	11	72	12	—	95	0.2
2016	11	74	12	—	97	0.1
2015	17	68	14	—	99	0.3
2014	24	68	9	—	101	0.4
2013	24	68	9	—	101	0.4
2012	6	63	38	—	107	0.1



## Legislators' Defined Benefit Fund, continued

### Schedule of Benefit Recipients by Type of Benefit Option For the Year Ended June 30, 2021

Amount of Monthly Benefit (in dollars)	Number of Benefit Recipients by Benefit Option			Total Benefit Recipients
	Retirees	Survivors	Disability	
\$ 1 - 500	39	16	—	55
501 - 1,000	20	1	—	21
1,001 - 1,500	1	—	—	1
1,501 - 2,000	—	—	—	—
2,001 - 3,000	—	—	—	—
Over 3,000	—	—	—	—
<b>Total</b>	<b>60</b>	<b>17</b>	<b>—</b>	<b>77</b>

**Retirees** — Provides a monthly benefit for the retiree's life. Upon the death of the retiree, the qualified designated survivor receives 50 percent of the member's monthly benefit for the remainder of the survivor's life.

**Survivors** — Members receiving a survivor benefit in accordance with the applicable statute. The benefit ceases upon the death of the survivor.

**Disability** — Members receiving a disability benefit in accordance with the applicable statute. For LE DB, five or more years of creditable service is required to be eligible for a disability benefit.

# Legislators' Defined Benefit Fund, continued

## Schedule of Average Benefit Payments For the Years Ended June 30

	Years of Credited Service						Total
	< 10	10 - 14	15 - 19	20 - 24	25 - 29	30+	
<b>2021</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 208	\$ 382	\$ 624	\$ 1,008	\$ 577	\$ —	\$ 377
Average Final Average Salary	\$ 23,450	\$ 26,330	\$ 24,244	N/A	N/A	N/A	\$ 24,477
Number of Benefit Recipients	33	25	16	2	1	—	77
<b>2020</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 206	\$ 388	\$ 640	\$ 1,008	\$ 577	\$ 784	\$ 384
Average Final Average Salary	\$ 23,833	\$ 26,330	\$ 24,244	N/A	N/A	N/A	\$ 24,630
Number of Benefit Recipients	34	25	16	2	1	1	79
<b>2019</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 186	\$ 393	\$ 646	\$ 1,008	\$ 577	\$ 784	\$ 389
Average Final Average Salary	\$ 24,040	\$ 26,330	\$ 24,244	N/A	N/A	N/A	\$ 24,709
Number of Benefit Recipients	31	26	17	2	1	1	78
<b>2018</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 191	\$ 388	\$ 646	\$ 1,008	\$ 577	\$ 784	\$ 392
Average Final Average Salary	\$ 24,040	\$ 26,330	\$ 24,244	N/A	N/A	N/A	\$ 24,709
Number of Benefit Recipients	30	25	17	2	1	1	76
<b>2017</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 247	\$ 451	\$ 667	\$ 1,008	\$ 577	\$ 784	\$ 413
Average Final Average Salary	\$ 25,847	\$ 22,383	\$ 24,244	N/A	N/A	N/A	\$ 24,709
Number of Benefit Recipients	37	16	15	2	1	1	72
<b>2016</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 250	\$ 451	\$ 667	\$ 1,008	\$ 577	\$ 784	\$ 410
Average Final Average Salary	\$ 25,932	\$ 22,383	\$ 24,244	N/A	N/A	N/A	\$ 24,785
Number of Benefit Recipients	39	16	15	2	1	1	74
<b>2015</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 255	\$ 443	\$ 679	\$ 1,008	\$ 577	\$ 1,568	\$ 448
Average Final Average Salary	\$ 25,872	\$ 22,383	\$ 24,244	N/A	N/A	N/A	\$ 24,781
Number of Benefit Recipients	31	17	16	2	1	1	68
<b>2014</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 386	\$ 351	\$ 459	\$ 629	\$ 472	\$ 669	\$ 447
Average Final Average Salary	\$ 12,154	\$ 19,636	\$ 29,430	\$ 32,868	\$ 27,614	\$ 31,870	\$ 24,372
Number of Benefit Recipients	17	21	14	7	2	7	68
<b>2013</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 386	\$ 351	\$ 459	\$ 629	\$ 472	\$ 669	\$ 447
Average Final Average Salary	\$ 12,154	\$ 19,636	\$ 29,430	\$ 32,868	\$ 27,614	\$ 31,870	\$ 24,372
Number of Benefit Recipients	17	21	14	7	2	7	68
<b>2012</b>							
Average Monthly Defined Benefit <sup>1</sup>	\$ 341	\$ 356	\$ 458	\$ 629	\$ 699	\$ 669	\$ 461
Average Final Average Salary	\$ 7,078	\$ 19,636	\$ 27,391	\$ 32,868	\$ 27,614	\$ 31,870	\$ 27,195
Number of Benefit Recipients	8	22	16	7	3	7	63

<sup>1</sup> Benefit calculations for the LE DB benefit recipients are based on years of service, not final average salary.

# Public Employees' Defined Contribution Account

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2021	2020	2019	2018 <sup>1</sup>
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 2,977,454</b>	<b>\$ 2,927,470</b>	<b>\$ 2,867,731</b>	<b>\$ —</b>
<b>Contributions / (Benefits and Expenses)</b>				
Member Contributions	189,245	183,685	178,108	88,052
Transfer from Defined Benefit	—	—	—	2,849,380
Miscellaneous Income	4	—	—	—
<b>Total Contributions and Other</b>	<b>189,249</b>	<b>183,685</b>	<b>178,108</b>	<b>2,937,432</b>
Distributions of Contributions and Interest	(286,367)	(224,990)	(230,340)	(106,749)
Administrative Expenses	(7,420)	(7,514)	(7,186)	(3,839)
Miscellaneous Expenses	(45)	(135)	(155)	(50)
<b>Total Benefits and Expenses</b>	<b>(293,832)</b>	<b>(232,639)</b>	<b>(237,681)</b>	<b>(110,638)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(104,583)</b>	<b>(48,954)</b>	<b>(59,573)</b>	<b>2,826,794</b>
Net Investment Income / (Loss)	589,525	98,938	119,312	40,937
<b>Net Increase / (Decrease)</b>	<b>484,942</b>	<b>49,984</b>	<b>59,739</b>	<b>2,867,731</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 3,462,396</b>	<b>\$ 2,977,454</b>	<b>\$ 2,927,470</b>	<b>\$ 2,867,731</b>

<sup>1</sup> PERF DC was split from PERF DB as of January 1, 2018. 2018 represents only a half year of activity.

## Membership Data

	PERF DC		PERF MC DC	
	Active Members	Inactive Vested Members	Active Members	Inactive Vested Members
2021	127,517	95,956	4,323	2,860
2020	131,581	89,896	4,166	2,071
2019	131,765	86,698	3,390	1,359
2018	127,189	87,128	1,489	1,846

# Public Employees' Defined Contribution Account, continued

## Schedule of Historical Contribution Rates For the Years Ended June 30

	PERF Hybrid Member Rate	PERF MC DC		
		State and Political Subdivision Member Rate	State Employer Rate	Political Subdivision <sup>1</sup> Employer Rate
2021	3.0%	3.0%	3.2%	4.0%
2020	3.0	3.0	3.0	3.8
2019	3.0	3.0	3.4	4.2
2018	3.0	3.0	3.4	4.1
2017	3.0	3.0	3.3	4.0
2016	3.0	3.0	4.6	5.8
2015	3.0	3.0	4.6	N/A
2014	3.0	3.0	4.7	N/A
2013	3.0	3.0	4.7	N/A
2012	3.0	3.0	N/A	N/A

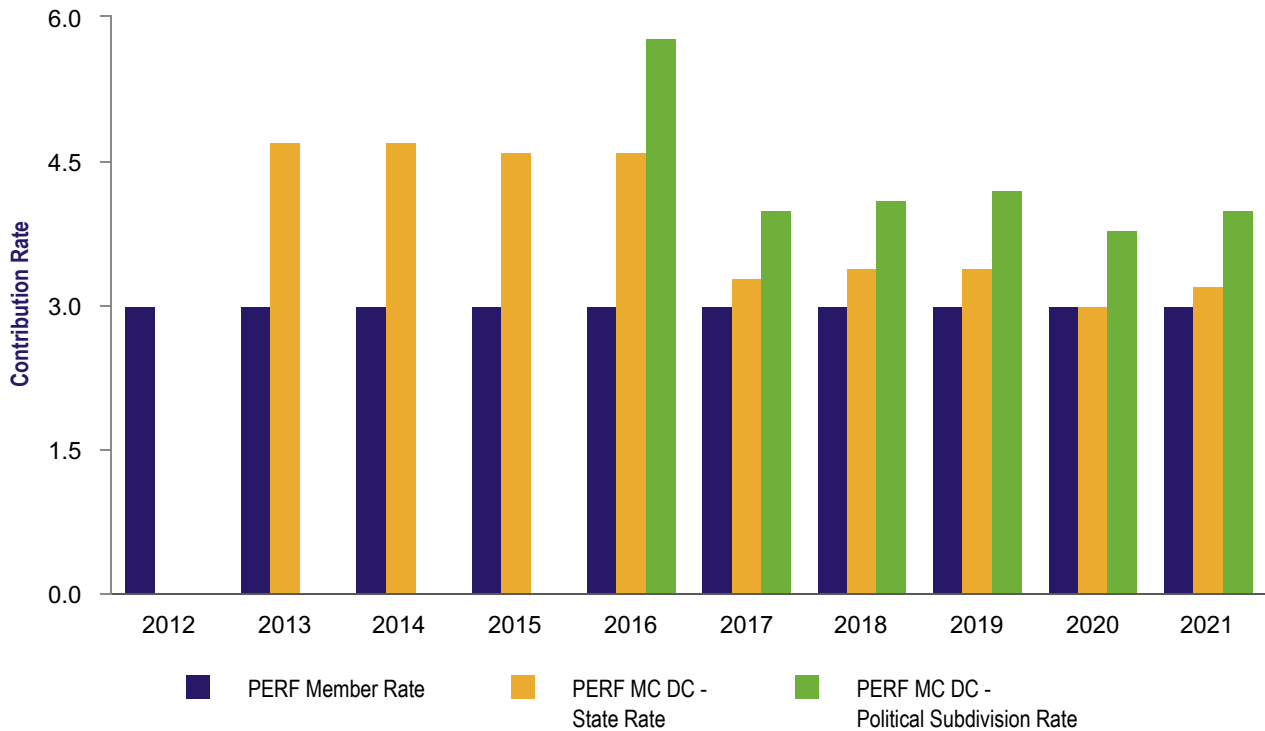
Memo:

Effective Date

July 1

January 1

<sup>1</sup> Represents the maximum rate employers may provide their members.



# Teachers' Defined Contribution Account

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2021	2020	2019	2018 <sup>1</sup>
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 2,812,991</b>	<b>\$ 2,784,126</b>	<b>\$ 2,744,103</b>	<b>\$ —</b>
<b>Contributions / (Benefits and Expenses)</b>				
Member Contributions	134,314	129,252	123,437	63,026
Transfer from Defined Benefit	—	—	—	2,674,819
Miscellaneous Income	11	—	—	—
<b>Total Contributions and Other</b>	<b>134,325</b>	<b>129,252</b>	<b>123,437</b>	<b>2,737,845</b>
Distributions of Contributions and Interest	(285,134)	(193,711)	(209,642)	(37,514)
Administrative Expenses	(3,125)	(3,158)	(3,127)	(1,652)
Miscellaneous Expenses	(24)	(62)	(70)	(22)
<b>Total Benefits and Expenses</b>	<b>(288,283)</b>	<b>(196,931)</b>	<b>(212,839)</b>	<b>(39,188)</b>
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(153,958)</b>	<b>(67,679)</b>	<b>(89,402)</b>	<b>2,698,657</b>
Net Investment Income / (Loss)	696,239	96,544	129,425	45,446
<b>Net Increase / (Decrease)</b>	<b>542,281</b>	<b>28,865</b>	<b>40,023</b>	<b>2,744,103</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 3,355,272</b>	<b>\$ 2,812,991</b>	<b>\$ 2,784,126</b>	<b>\$ 2,744,103</b>

<sup>1</sup> TRF DC was split from the TRF Pre-'96 DB and TRF '96 DB plans as of January 1, 2018, therefore 2018 represents only a half year of activity.

## Membership Data

	TRF DC		TRF MC DC	
	Active Members	Inactive Vested Members	Active Members	Inactive Vested Members
2021	68,137	28,212	1,295	174
2020	69,214	27,133	703	58
2019	69,193	25,218	—	—

# Teachers' Defined Contribution Account, continued

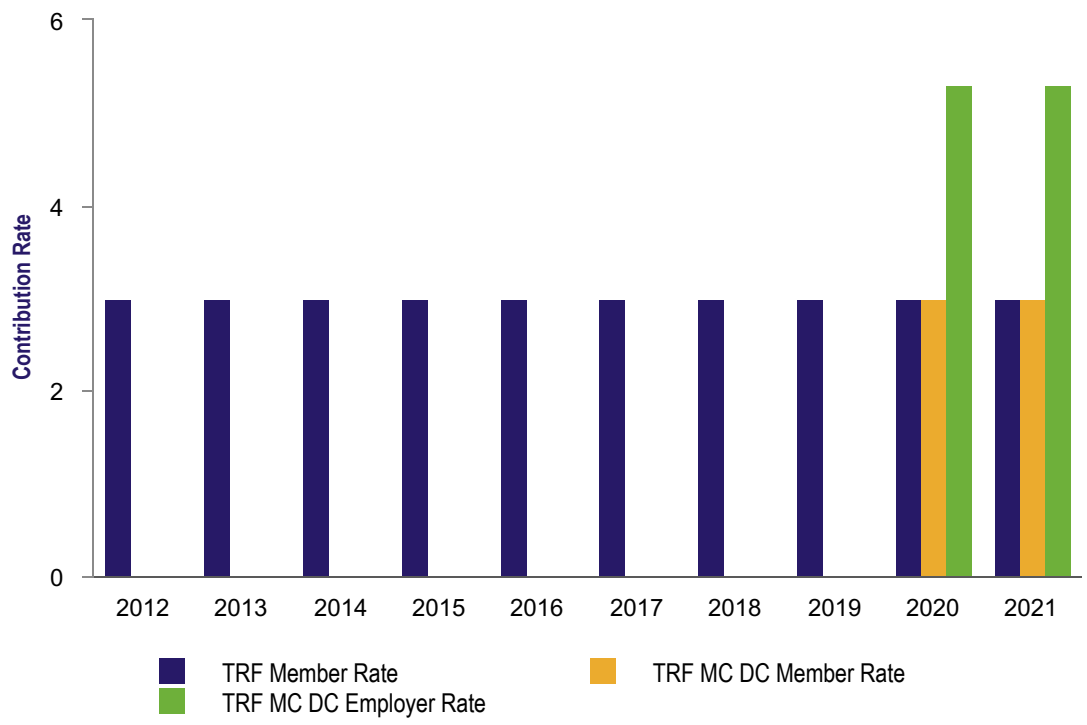
## Schedule of Historical Contribution Rates

For the Years Ended June 30

	TRF MC DC		
	TRF Hybrid Member Rate	Member Rate	Employer Rate
2021	3.0%	3.0%	5.3%
2020	3.0	3.0	5.3
2019	3.0	N/A	N/A
2018	3.0	N/A	N/A
2017	3.0	N/A	N/A
2016	3.0	N/A	N/A
2015	3.0	N/A	N/A
2014	3.0	N/A	N/A
2013	3.0	N/A	N/A
2012	3.0	N/A	N/A

Memo:

Effective Date                      July 1                      July 1                      July 1





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# Legislators' Defined Contribution Fund

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)

	2021	2020	2019	2018	2017
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 35,649</b>	<b>\$ 33,897</b>	<b>\$ 33,596</b>	<b>\$ 30,772</b>	<b>\$ 28,410</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	1,507	1,419	1,483	1,334	1,395
Member Contributions	456	424	407	392	388
Miscellaneous Income	17	23	25	18	18
Total Contributions and Other	1,980	1,866	1,915	1,744	1,801
Distributions of Contributions and Interest	(5,216)	(1,656)	(3,228)	(1,794)	(2,504)
Administrative Expenses	(7)	(7)	(8)	(12)	(7)
Total Benefits and Expenses	(5,223)	(1,663)	(3,236)	(1,806)	(2,511)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(3,243)</b>	<b>203</b>	<b>(1,321)</b>	<b>(62)</b>	<b>(710)</b>
Net Investment Income / (Loss)	9,392	1,549	1,622	2,886	3,072
<b>Net Increase / (Decrease)</b>	<b>6,149</b>	<b>1,752</b>	<b>301</b>	<b>2,824</b>	<b>2,362</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 41,798</b>	<b>\$ 35,649</b>	<b>\$ 33,897</b>	<b>\$ 33,596</b>	<b>\$ 30,772</b>

## Legislators' Defined Contribution Fund, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)	2016	2015	2014	2013	2012
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 28,288</b>	<b>\$ 29,103</b>	<b>\$ 25,322</b>	<b>\$ 25,579</b>	<b>\$ 24,755</b>
<b>Contributions / (Benefits and Expenses)</b>					
Employer Contributions	—	—	—	—	—
Member Contributions	1,763	1,715	1,590	1,463	1,303
Miscellaneous Income	14	36	40	42	49
Total Contributions and Other	1,777	1,751	1,630	1,505	1,352
Distributions of Contributions and Interest	(1,794)	(3,100)	(1,452)	(3,616)	(1,033)
Administrative Expenses	(12)	(6)	(5)	(4)	(22)
Total Benefits and Expenses	(1,806)	(3,106)	(1,457)	(3,620)	(1,055)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(29)</b>	<b>(1,355)</b>	<b>173</b>	<b>(2,115)</b>	<b>297</b>
Net Investment Income / (Loss)	151	540	3,608	1,858	527
<b>Net Increase / (Decrease)</b>	<b>122</b>	<b>(815)</b>	<b>3,781</b>	<b>(257)</b>	<b>824</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 28,410</b>	<b>\$ 28,288</b>	<b>\$ 29,103</b>	<b>\$ 25,322</b>	<b>\$ 25,579</b>

# Legislators' Defined Contribution Fund, continued

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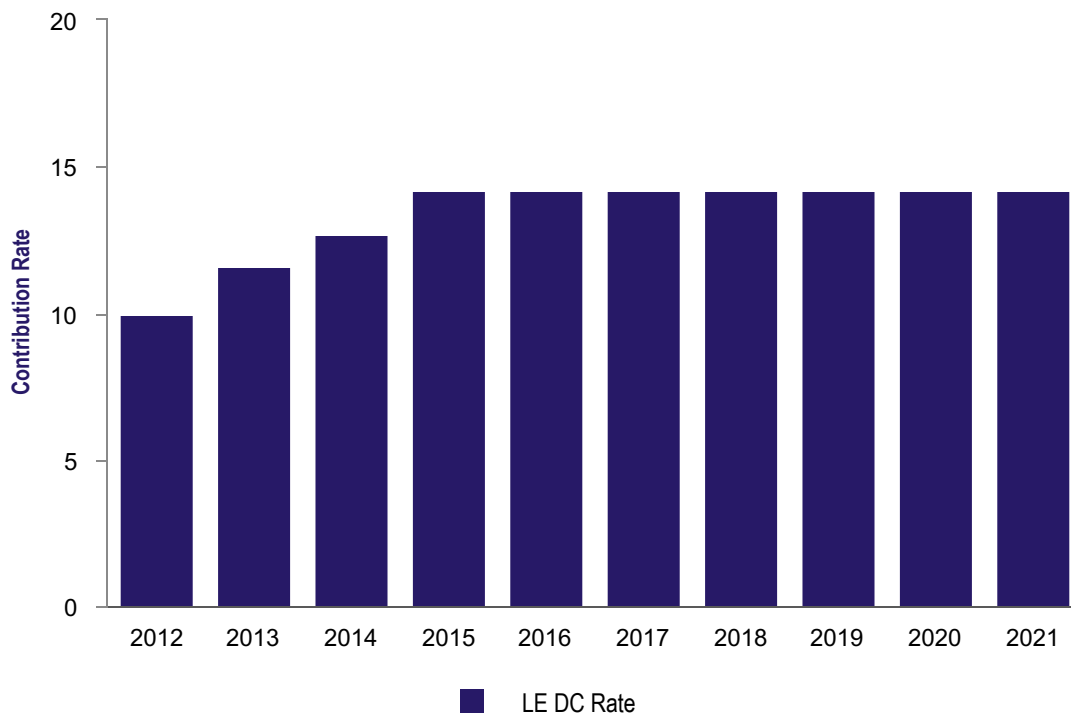
## Schedule of Historical Contribution Rates

For the Years Ended June 30

	LE DC Rate
2021	14.2%
2020	14.2
2019	14.2
2018	14.2
2017	14.2
2016	14.2
2015	14.2
2014	12.7
2013	11.6
2012	10.0

Memo:

Effective Date                      January 1



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# Special Death Benefit Fund

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30 <sup>1</sup>

(dollars in thousands)

	2021	2020	2019	2018	2017
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 15,705</b>	<b>\$ 15,233</b>	<b>\$ 14,779</b>	<b>\$ 15,098</b>	<b>\$ 14,651</b>
<b>Contributions / (Benefits and Expenses)</b>					
Nonemployer Contributing Entity	393	457	515	506	564
Total Contributions and Other	393	457	515	506	564
Special Death Benefits	(1,950)	(1,000)	(1,050)	(750)	(100)
Administrative Expenses	(31)	(32)	(1)	—	—
Total Benefits and Expenses	(1,981)	(1,032)	(1,051)	(750)	(100)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(1,588)</b>	<b>(575)</b>	<b>(536)</b>	<b>(244)</b>	<b>464</b>
Net Investment Income / (Loss)	10	1,047	990	(75)	(17)
<b>Net Increase / (Decrease)</b>	<b>(1,578)</b>	<b>472</b>	<b>454</b>	<b>(319)</b>	<b>447</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 14,127</b>	<b>\$ 15,705</b>	<b>\$ 15,233</b>	<b>\$ 14,779</b>	<b>\$ 15,098</b>

<sup>1</sup> Effective July 1, 2017, the State Employees' Death Benefit and the Public Safety Officers' Special Death Benefit Fund were merged into the new Special Death Benefit Fund. The death benefit of the Local Public Safety Pension Relief Fund was also transferred to the Special Death Benefit Fund.

## Special Death Benefit Fund, continued

### Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30 <sup>1</sup>

(dollars in thousands)	2016	2015	2014	2013	2012
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 13,609</b>	<b>\$ 13,091</b>	<b>\$ 12,336</b>	<b>\$ 12,366</b>	<b>\$ 11,105</b>
<b>Contributions / (Benefits and Expenses)</b>					
Nonemployer Contributing Entity	611	506	525	544	716
Total Contributions and Other	611	506	525	544	716
Special Death Benefits	(150)	(150)	(150)	(650)	(50)
Administrative Expenses	—	—	—	—	—
Total Benefits and Expenses	(150)	(150)	(150)	(650)	(50)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>461</b>	<b>356</b>	<b>375</b>	<b>(106)</b>	<b>666</b>
Net Investment Income / (Loss)	581	162	380	76	595
<b>Net Increase / (Decrease)</b>	<b>1,042</b>	<b>518</b>	<b>755</b>	<b>(30)</b>	<b>1,261</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 14,651</b>	<b>\$ 13,609</b>	<b>\$ 13,091</b>	<b>\$ 12,336</b>	<b>\$ 12,366</b>

<sup>1</sup> Effective July 1, 2017, the State Employees' Death Benefit and the Public Safety Officers' Special Death Benefit Fund were merged into the new Special Death Benefit Fund. The death benefit of the Local Public Safety Pension Relief Fund was also transferred to the Special Death Benefit Fund.

# Special Death Benefit Fund, continued

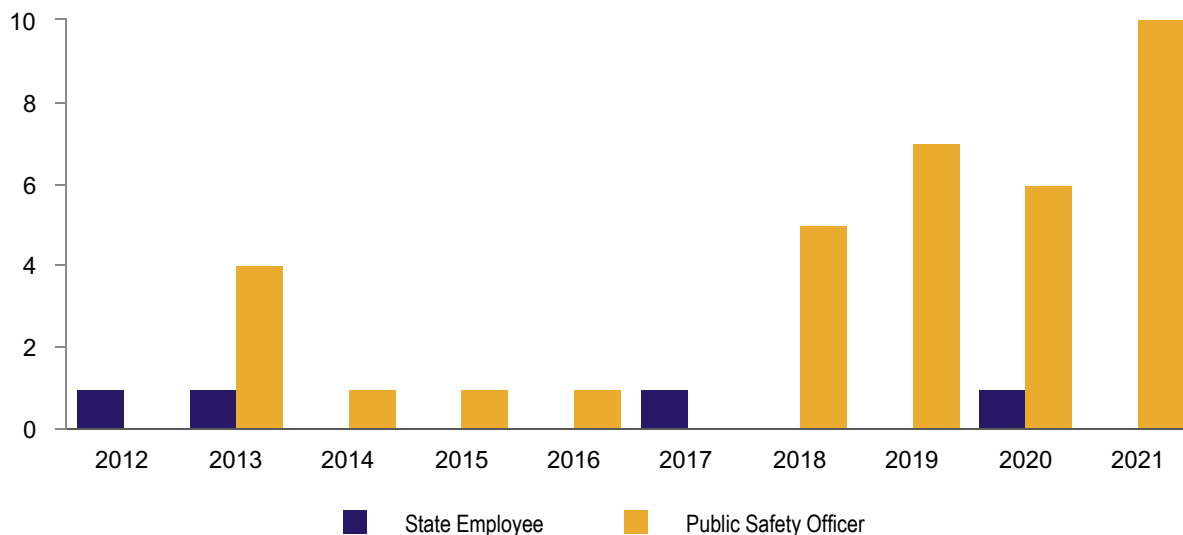
## Schedule of Average Death Benefit Payments

<u>For the Year Ended June 30, 2021</u>	<u>State Employee <sup>1</sup></u>	<u>Public Safety Officer <sup>2</sup></u>	<u>For the Year Ended June 30, 2016</u>	<u>State Employee <sup>1</sup></u>	<u>Public Safety Officer <sup>2</sup></u>
Average Death Benefit	\$ —	\$ 195,000	Average Death Benefit	\$ —	\$ 150,000
Number of Benefit Recipients	—	10	Number of Benefit Recipients	—	1
<u>For the Year Ended June 30, 2020</u>			<u>For the Year Ended June 30, 2015</u>		
Average Death Benefit	\$ 100,000	\$ 150,000	Average Death Benefit	\$ —	\$ 150,000
Number of Benefit Recipients	1	6	Number of Benefit Recipients	—	1
<u>For the Year Ended June 30, 2019</u>			<u>For the Year Ended June 30, 2014</u>		
Average Death Benefit	\$ —	\$ 150,000	Average Death Benefit	\$ —	\$ 150,000
Number of Benefit Recipients	—	7	Number of Benefit Recipients	—	1
<u>For the Year Ended June 30, 2018</u>			<u>For the Year Ended June 30, 2013</u>		
Average Death Benefit	\$ —	\$ 150,000	Average Death Benefit	\$ 50,000	\$ 150,000
Number of Benefit Recipients	—	5	Number of Benefit Recipients	1	4
<u>For the Year Ended June 30, 2017</u>			<u>For the Year Ended June 30, 2012</u>		
Average Death Benefit	\$ 100,000	\$ —	Average Death Benefit	\$ 50,000	\$ —
Number of Benefit Recipients	1	—	Number of Benefit Recipients	1	—

<sup>1</sup> Lump sum death benefit of \$100,000 paid to the surviving spouse or child(ren) of a state employee who dies in the line of duty as defined in statute (IC 5-10-11).

<sup>2</sup> Lump sum death benefit of \$225,000 paid to the surviving spouse or child(ren) of a member of the '77 Fund who dies in the line of duty after June 30, 2020. A lump sum death benefit of \$150,000 will be paid in the member died in the line of duty before July 1, 2020, as defined in statute (IC 36-8-8-20). If there is no surviving spouse or child(ren), the benefit is paid to the parent(s).

Number of Death Benefit Recipients





# Retirement Medical Benefits Account Plan

## Schedule of Changes and Growth in Fiduciary Net Position For the Year Ended June 30

(dollars in thousands)	2021	2020
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 448,914</b>	<b>\$ —</b>
<b>Contributions / (Benefits and Expenses)</b>		
Employer	28,136	27,666
Transfer from SOI	—	435,947
Miscellaneous Income	17	23
Total Contributions and Other	28,153	463,636
Retiree Health Benefits	(16,658)	(17,306)
Retiree Health Forfeitures	(10,722)	(18,969)
Administrative Expenses	(577)	(573)
Miscellaneous Expenses	—	(17)
Total Benefits and Expenses	(27,957)	(36,865)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>196</b>	<b>426,771</b>
Net Investment Income / (Loss)	649	22,143
<b>Net Increase / (Decrease)</b>	<b>845</b>	<b>448,914</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 449,759</b>	<b>\$ 448,914</b>

(values in ones)

Average Reimbursement Amount	537	528
Number of Reimbursements	30,994	32,761

# Local Public Safety Pension Relief Fund

## Schedule of Changes and Growth in Fiduciary Net Position For the Years Ended June 30

(dollars in thousands)	2021	2020	2019	2018	2017
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 10,360</b>	<b>\$ 17,619</b>	<b>\$ 27,353</b>	<b>\$ 32,248</b>	<b>\$ 28,127</b>
<b>Contributions / (Benefits and Expenses)</b>					
Nonemployer Contributing Entity	201,476	201,135	200,710	206,408	216,995
Total Contributions and Other	201,476	201,135	200,710	206,408	216,995
Special Death Benefits	—	—	—	—	(300)
Distributions of Custodial Funds	(205,821)	(209,167)	(212,239)	(212,634)	(213,256)
Administrative Expenses	(124)	(128)	—	(2)	(31)
Miscellaneous Expenses	(1)	(23)	(37)	(25)	(13)
Total Benefits and Expenses	(205,946)	(209,318)	(212,276)	(212,661)	(213,600)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(4,470)</b>	<b>(8,183)</b>	<b>(11,566)</b>	<b>(6,253)</b>	<b>3,395</b>
Net Investment Income / (Loss)	14	924	1,832	1,358	726
<b>Net Increase / (Decrease)</b>	<b>(4,456)</b>	<b>(7,259)</b>	<b>(9,734)</b>	<b>(4,895)</b>	<b>4,121</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 5,904</b>	<b>\$ 10,360</b>	<b>\$ 17,619</b>	<b>\$ 27,353</b>	<b>\$ 32,248</b>

# Local Public Safety Pension Relief Fund, continued

## Schedule of Changes and Growth in Fiduciary Net Position, continued For the Years Ended June 30

(dollars in thousands)	2016	2015	2014	2013	2012
<b>Fiduciary Net Position Restricted - Beginning of Year</b>	<b>\$ 31,390</b>	<b>\$ 15,073</b>	<b>\$ 32,375</b>	<b>\$ 13,890</b>	<b>\$ 48,172</b>
<b>Contributions / (Benefits and Expenses)</b>					
Nonemployer Contributing Entity	212,322	234,543	202,437	238,588	190,047
Total Contributions and Other	212,322	234,543	202,437	238,588	190,047
Special Death Benefits	—	(600)	(300)	(300)	(150)
Distributions of Custodial Funds	(215,816)	(217,663)	(219,440)	(219,814)	(224,220)
Administrative Expenses	(33)	(30)	(48)	(57)	(35)
Miscellaneous Expenses	—	—	—	—	—
Total Benefits and Expenses	(215,849)	(218,293)	(219,788)	(220,171)	(224,405)
<b>Net Contributions / (Benefits and Expenses)</b>	<b>(3,527)</b>	<b>16,250</b>	<b>(17,351)</b>	<b>18,417</b>	<b>(34,358)</b>
Net Investment Income / (Loss)	264	67	49	68	76
<b>Net Increase / (Decrease)</b>	<b>(3,263)</b>	<b>16,317</b>	<b>(17,302)</b>	<b>18,485</b>	<b>(34,282)</b>
<b>Fiduciary Net Position Restricted - End of Year</b>	<b>\$ 28,127</b>	<b>\$ 31,390</b>	<b>\$ 15,073</b>	<b>\$ 32,375</b>	<b>\$ 13,890</b>

# Local Public Safety Pension Relief Fund, continued

## Schedule of Average Death Benefit Payments <sup>1</sup>

<u>For the Year Ended June 30, 2021 <sup>2</sup></u>		<u>For the Year Ended June 30, 2016</u>	
Average Death Benefit	N/A	Average Death Benefit	\$ —
Number of Benefit Recipients	N/A	Number of Benefit Recipients	—
<u>For the Year Ended June 30, 2020 <sup>2</sup></u>		<u>For the Year Ended June 30, 2015</u>	
Average Death Benefit	N/A	Average Death Benefit	\$ 150,000
Number of Benefit Recipients	N/A	Number of Benefit Recipients	4
<u>For the Year Ended June 30, 2019 <sup>2</sup></u>		<u>For the Year Ended June 30, 2014</u>	
Average Death Benefit	N/A	Average Death Benefit	\$ 150,000
Number of Benefit Recipients	N/A	Number of Benefit Recipients	2
<u>For the Year Ended June 30, 2018 <sup>2</sup></u>		<u>For the Year Ended June 30, 2013</u>	
Average Death Benefit	N/A	Average Death Benefit	\$ 150,000
Number of Benefit Recipients	N/A	Number of Benefit Recipients	2
<u>For the Year Ended June 30, 2017</u>		<u>For the Year Ended June 30, 2012</u>	
Average Death Benefit	\$ 150,000	Average Death Benefit	\$ 150,000
Number of Benefit Recipients	2	Number of Benefit Recipients	1

<sup>1</sup> Lump sum death benefit of \$225,000 paid to the surviving spouse or child(ren) of a member of the '77 Fund who dies in the line of duty after June 30, 2020. A lump sum death benefit of \$150,000 will be paid in the member died in the line of duty before July 1, 2020, as defined in statute (IC 36-8-8-20). If there is no surviving spouse or child(ren), the benefit is paid to the parent(s).

<sup>2</sup> Effective July 1, 2017 the death benefit was combined into the Special Death Benefit Fund.

**Number of Death Benefit Recipients**

