Start with IPPERS

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Presented by Donna M. Mueller
CEO
August 1, 2019
IEPRS’ Mission

Administer a cost-efficient retirement plan that provides lifetime pension payments to public employees and serves to attract and retain a quality workforce.
How Does it Work?

Contributions + Investments = Benefits + Expenses

Investment earnings represent 70% of benefits paid.
Defined Benefit Program

- Benefits based on a formula
  - Age
  - Years of service
  - Highest average salary
- Benefits guaranteed for life
- Benefits are not dependent on stock market performance

*Early-retirement reduction applies only to the benefits of Regular members who retire before normal retirement age.
IPERS Trust Fund

The largest public retirement system in Iowa.

- Trust Fund Value: $32 billion
- Total Benefit Payments Paid: $2.1 billion
- The Average IPERS Retiree:
  - Annual Benefit: $17,000
  - Retirement Age: 61
  - Years of Service: 23

All data is FY18
Closing the Shortfall

Pension Reform
Investment Return Lowered to 7.0%
Key Funding Measurements (FY18)

• Ratio of actuarial asset to liabilities 82.36% (up from 81.4%)

• Unfunded actuarial liability decreased by $142 million

• Deferred investment gain of $487 million
Investment Performance (FY18)

*A benchmark composed of market indexes with weightings reflective of IPERS’ asset allocation targets.

**Trust Universe Comparison Service (TUCS) Public Funds with Total Market Value > $1 Billion Index.

Note: 10-, 20-, and 30-year results are annualized returns.
IPERS’ total pension administration cost per member remains significantly below its peer group year after year.
Membership Groups

Educators are the largest employee sector with 89,713 members. Educators are regular members.
IPERS Members

Active Members by Major Employer Type

- Education: 89,713 (53%)
- County: 27,050 (16%)
- State: 24,489 (14%)
- City: 23,446 (14%)
- Other: 5,680 (3%)

By Status

- Active: 170,378 (47%)
- Retired: 110,387 (31%)
- Reemployed: 10,600 (3%)
- Inactive vested: 25,664 (7%)
- Inactive nonvested: 44,383 (12%)
Shared Risk Plan

• IPERS’ contribution rate funding policy requires:
  – Employee contributions (40 percent)
  – Employer contributions (60 percent)

• 2012 pension reform:
  – Allows IEPRS to adjust contribution rates
  – Reduced future accruals for active and new members
## Contribution Rates

<table>
<thead>
<tr>
<th></th>
<th>Member Share</th>
<th>Employer Share</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td><strong>Regular Members</strong></td>
<td></td>
<td></td>
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<tr>
<td>7/1/18 – 6/30/19 and 7/1/19 – 6/30/20</td>
<td>6.29%</td>
<td>9.44%</td>
<td>15.73%</td>
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<tr>
<td><strong>Sheriffs and Deputy Sheriffs</strong></td>
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<tr>
<td>7/1/18 – 6/30/19 and 7/1/19 – 6/30/20</td>
<td>9.76%</td>
<td>9.76%</td>
<td>19.52%</td>
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<tr>
<td><strong>Protection Occupations</strong></td>
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<tr>
<td>7/1/18 – 6/30/19 and 7/1/19 – 6/30/20</td>
<td>6.81%</td>
<td>10.21%</td>
<td>17.02%</td>
</tr>
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Bona Fide Retirement

• Returning to work
  – To qualify for bona fide retirement:
    • End all service with an IPERS-covered employer, **including non-covered employment**, with no written or verbal contract to return.
    • Not return to employment with an IPERS-covered employer before you have filed your IPERS benefit application.

**IMPORTANT:** There is a financial penalty for violating this requirement.
Bona Fide Retirement

• No bona fide retirement if a member:
  – Enters into a verbal or written arrangement to perform duties for their former employer(s) as an independent contractor prior to or during their first month of entitlement; or
  – Performs any duties for their former employer(s) as an independent contractor prior to receiving four months of retirement benefits.
Education

- Individual counseling (in Des Moines and statewide)
- Webinars
- Creating a Secure Retirement (in Des Moines and statewide)
My Account

• View your updated benefits statement
• Explore pension projection scenarios
• Generate a service purchase estimate
• Update your beneficiary
• Update your contact information
• View a record of your IPERS contributions
Connect With Us

Iowa Public Employees' Retirement System
@IPERSInfo

Have You Tried My Account?
With My Account you can view your benefit statement, explore pension projection scenarios and update your beneficiary and contact information. To learn more about all the features of My Account, visit our website or call 800-623-3849 (select option 2).

Need help logging into My Account? Check out our new video with helpful instructions.

Visit Us at the Iowa State Fair!
IPERS is gearing up to participate in the fair again this year. You’ll find us in the Varied Industries building where we can answer questions or help you access My Account. Make plans to visit us!

We Take IPERS on the Road!
To see when we are coming to your area, visit our website to view our calendar.

Updated Contribution Rates
As of July 1, contribution rates were updated for Protection Occupation and Sheriffs/Dputies classifications. For list of current contribution rates, visit our website.

Going through a Divorce?
Ask Your Attorney These 5 Questions
Members experiencing divorce are best assisted by attorneys with expertise in the often-technical aspects of dividing marital assets. Make sure to ask your attorney these questions about how divorce may impact your IPERS benefits.

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Contact Us

info@ipers.org

www.ipers.org

515-281-0070

800-622-3849

Monday – Friday

7:30 am to 5:00 pm
Thank you!