



IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Gregory S. Samorajski, CFA
Chief Executive Officer

Kim Reynolds
Governor

AGENDA

Monday, October 28, 2024

1:00 p.m.

BENEFITS ADVISORY COMMITTEE

IPERS Board Room or

Conference Telephone #: 646-558-8656

Meeting ID: 854 5196 6960

- 1) Call to Order / 1:00 p.m.
 - a) Approval of Minutes – August 26, 2024
- 2) CEO Report – Greg Samorajski
 - a) FY2026 Contribution Rates
 - b) NIRS Membership Renewal
 - c) 2025 Legislative Session
- 3) November Dividend Adjustment – David Martin
- 4) Administrative Rules – Elizabeth Hennessey
- 5) IPERS Staff Reports
 - a) Benefits Update – David Martin
 - b) Investment Update – Sriram Lakshminarayanan
- 6) Other Business
- 7) Public Comments
- 8) Future Meeting dates
 - a) Investment Board and BAC Meeting – Friday, December 6, 2024
 - b) BAC Meeting – Monday, January 27, 2025
 - c) BAC Meeting – Monday, February 24, 2025



BENEFITS ADVISORY COMMITTEE MEETING MINUTES

IPERS Board Room

7401 Register Drive, Des Moines, Iowa

August 26, 2024

The following people attended the IPERS Benefits Advisory Committee (BAC) meeting held on Monday, August 26, 2024.

Members of the Benefits Advisory Committee - Present

Lowell Dauenbaugh, Chair

Matt Carver, Vice Chair

Susanna Cave

Len Cockman

John Hieronymus

Richard Hoffman

Steve Hoffman

Connie Kuennen

Erin Mullenix

Melissa Peterson

Adam Steen

Members of the Benefits Advisory Committee - Absent

Susanna Cave

Todd Copley

Andrew Hennessey

IPERS Administration and Staff

Greg Samorajski, Chief Executive Officer

David Martin, Chief Benefits Officer

Melinda McElroy, Executive Assistant

Elizabeth Hennessey, General Counsel

Sriram Lakshminarayanan, Chief Investment Officer

Shawna Lode, Chief Strategy Officer

Tara Hagan, Chief Financial Officer

Rick Hindman, Deputy Executive Director

Jan Hawkins, Deputy Chief Benefits Officer

Call to Order

Len Cockman, chair, called the meeting to order at 1:00 p.m.

Election of Officers

Len Cockman nominated Lowell Dauenbaugh as chair of the Benefits Advisory Committee and Matt Carver as vice chair. Matt Carver seconded the nomination. The nominations carried by unanimous voice vote.

Approval of July 31, 2023, Meeting Minutes

Len Cockman moved to approve the meeting minutes from the March 25, 2024, and July 8, 2024, BAC meetings. Brian McDonough seconded; the motion carried by unanimous voice vote.

CEM Performance Measurement Presentation – Christopher Doll

Christopher Doll of CEM Benchmarking presented IPERS' Pension Administration Benchmarking results for FY2023.

CEO Report – Greg Samorajski

Greg Samorajski addressed the results of the CEM pension administration benchmarking study. He noted that CEM changed their methodology significantly in favor of member services, including electronic access, automation, and modernized processes. IPERS' FY2026 budget and policy proposals prioritize improvement in these areas, including increasing digital communication/tools and improve service delivery. The contract for IPERS' current pension administration software expires in 2026. The vendor will no longer support the current on-premises software. IPERS expects to spend approximately \$60 million over 10 years to acquire new cloud-based software.

FED/ SAAM Programs – Greg Samorajski

Len Cockman moved that the BAC support IPERS' FY2026 policy proposal to eliminate the FED / SAAM programs and to expand the November Dividend program to include members who retired before July 1, 2005. Matt Carver seconded; the motion carried by roll call vote.

Ayes: Lowell Dauenbaugh, Matt Carver, Len Cockman, Richard Hoffman, Brian McDonough, Melissa Peterson

Nays: Erin Mullenix

Absent: Todd Copley, Adam Steen

MOTION PASSED

Actuarial Cost Study Results – Cavanaugh Macdonald

Bryan Hoge of Cavanaugh Macdonald presented the cost study results for benefit enhancements for non-retired Protection Occupation members and non-retired Regular members. The study for non-retired Protection Occupation members included increasing the benefit multiplier, adding a permanent and automatic cost-of-living adjustment, adding the option to retire at age 50 with 22 years of service, and changing the member and employer contribution rate to a 50% equal split. The study for non-retired Regular members included increasing the benefit multiplier and adding a permanent and automatic cost-of-living adjustment.

BAC's FY2025 Budget – Tara Hagan

Tara Hagan reviewed the results of the BAC's FY2024 budget and their projected FY2025 budget. Len Cockman moved to approve the budget. Matt Carver seconded; motion carried by unanimous voice vote.

Staff Reports

Benefits Update – David Martin reported that IPERS again exhibited at the Iowa State Fair and many IPERS members visited the booth. The staff's goal was to acquire or update member email addresses in advance of IPERS' transition to digital delivery of most documents.

Investment Update – Sriram Lakshminaryanan gave a brief investment market update and reported IPERS' Trust Fund balance at \$44.89 billion.

Appeals Update – Elizabeth Hennessey reviewed the Appeals Status report as of August 2024.

Other Business

None

Public Comments

None

Future Meeting Dates

The next BAC meeting is scheduled for Monday, October 28, 2024. With no further business to come before the committee, Matt Carver moved to adjourn. Len Cockman seconded; the motion carried by unanimous voice vote. The meeting adjourned at 2:51 p.m.



IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Gregory S. Samorajski, CFA
Chief Executive Officer

Kim Reynolds
Governor

October 24, 2023

TO: IPERS Benefits Advisory Committee Members

FR: Greg Samorajski

RE: Membership Renewal in National Institute of Retirement Security

Recommendation: That the BAC authorize the expenditure of \$7,300 to renew IPERS membership in the National Institute on Retirement Security (NIRS).

Background:

NIRS is a not-for-profit organization created in 2007 through a joint effort of the Council of Institutional Investors, the National Association of State Retirement Administrators and the National Council on Teacher Retirement. These organizations saw the need for a separate organization dedicated to conducting research and education on public policies that enhance retirement security in America.

NIRS produces several high-quality research products that contribute to the public debate on retirement policy. The research program focuses on the role and value of defined benefit pension plans for employers, employees, and the public at large. NIRS disseminates its research findings to the public, policy makers, and the media by distributing reports, conducting briefings and webinars, and participating in conferences and other public forums.

I strongly urge each of you to explore the many materials available on the [NIRS website](https://www.nirsonline.org). Whether you are looking for statistical reports on retirement readiness in America or looking for an easy reference of pension plan basics for use in a discussion with your constituents, you will find it at www.nirsonline.org.

Since 2008 the BAC has recognized that the research and education provided by NIRS supports its mission and has authorized the payment of the annual NIRS membership dues from the BAC budget. Fees are based on plan size as determined by assets under management.

Invoice

National Institute on Retirement Security - INVOICE

Invoice number: 2024218
Issued: September 28, 2024
[View invoice online](#)

Bill to:
Iowa Public Employees Retirement System
Greg Samorajski
greg.samorajski@ipers.org
7401 Register Drive
Des Moines Iowa 50321

Item	Amount
Membership renewal. Level: Associate (AUM between \$20-50b). Renew to January 01, 2026	\$7,300.00

Total: \$7,300.00
Balance Due: \$7,300.00

Please note: NIRS recently switched to operating as a 501(c)(3), which requires the use of a different bank account. Our updated payment information can be found below. If you wish to pay by ACH payment, please contact us at membership@nirsonline.org

Please make checks payable to:
NIRS Research and Education Fund
1612 K St. NW, Suite 500
Washington, D.C. 20006

Phone: 202-457-8190
EIN #32-0279201

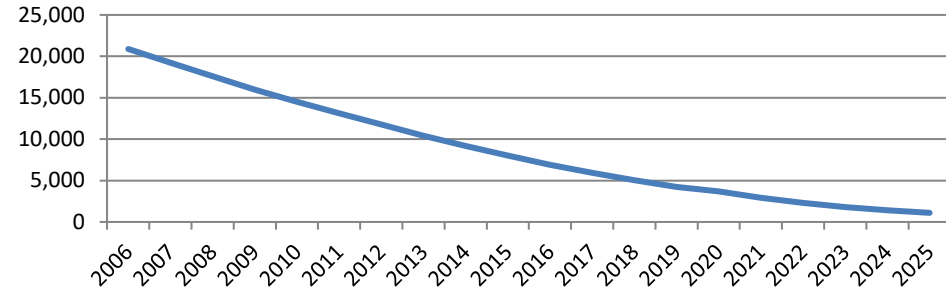


November Dividend Adjustment

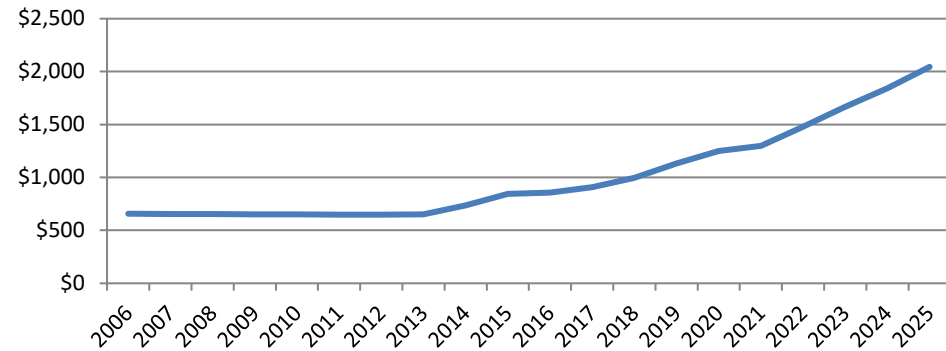
Paid In Fiscal Year	November Dividend	Number of Payments	%
2006	\$16,542,558	20,870	0.00
2007	\$15,231,083	19,227	0.00
2008	\$13,937,278	17,604	0.00
2009	\$12,613,373	15,982	0.00
2010	\$11,407,690	14,496	0.00
2011	\$10,265,166	13,098	0.00
2012	\$9,187,585	11,755	0.00
2013	\$8,104,939	10,395	0.00
2014	\$8,084,275	9,157	1.80
2015	\$8,094,092	8,011	2.10
2016	\$7,001,350	6,893	0.10
2017	\$6,386,575	5,936	1.00
2018	\$5,953,829	5,037	1.60
2019	\$5,743,688	4,251	2.60
2020	\$5,377,133	3,680	1.60
2021	\$4,406,218	2,912	0.65
2022	\$3,951,296	2,296	3.00
2023	\$3,505,040	1,792	3.00
2024	\$3,052,735	1,407	2.97
2025*	\$2,619,431	1,098	2.97

*Estimate

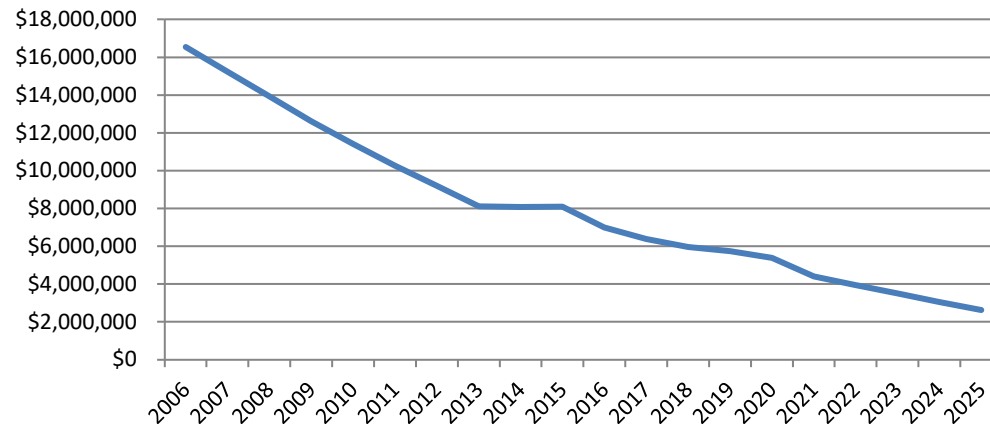
Dividend Recipients



Median Payment



Payment



IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Notice of Intended Action

Proposing rulemaking related to contribution rates and Member birth proof at retirement.

The Iowa Public Employees' Retirement System (IPERS) hereby proposes to amend Chapter 4, "Employers," and Chapter 11, "Application for, Modification of, and Termination of Benefits , Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 97B.4 and 97B.15.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 97B.

Purpose and Summary

This proposed rulemaking is intended to conform rules with other rules and statutes or rescind rules that are outdated, redundant, inconsistent, or no longer in effect to meet the requirements of the statutory five-year review of rules for Chapters 11 through 15 and Executive Order 10 (January 10, 2023); implement contribution rates for employers, regular members, and special service members beginning July 1, 2025, to reflect FY 2026 rates; and remove from the Member the extra burden of providing birth proof with their retirement application, if they have done so previously.

Fiscal Impact

This rulemaking has TBA fiscal impact to the state of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the for a waiver of the discretionary provisions, if any, pursuant to .

Public Comment

Any interested person may submit comments concerning this proposed rulemaking. Written comments in response to this rulemaking must be received by the no later than 4:30 p.m. on . Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows: TBA

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Amend subrule 495.4(6) as follows:

Contribution rates are updated annually per Iowa Code; this amendment fulfills that obligation. The updated rates are expected to be received soon; until that time, they are listed as TBA.

495—4.6(97B) Contribution rates. The following contribution rate schedule, payable on the covered wage of the member, is determined by the position or classification and the occupation class code of the member.

4.6(1) Contribution rates for regular class members.

a. The following contribution rates were established by the Iowa legislature for all regular class members for the indicated periods:

	Effective July 1, 2007	Effective July 1, 2008	Effective July 1, 2009	Effective July 1, 2010	Effective July 1, 2011
Combined rate	9.95%	10.45%	10.95%	11.45%	13.45%
Employer	6.05%	6.35%	6.65%	6.95%	8.07%
Employee	3.90%	4.10%	4.30%	4.50%	5.38%

b. Effective July 1, 2012, and every year thereafter, the contribution rates for regular members shall be publicly declared by IPERS staff no later than the preceding December as determined by the annual valuation of the preceding fiscal year. The public declaration of contribution rates will be followed by rulemaking that will include a notice and comment period and that will become effective July 1 of the next fiscal year. Contribution rates for regular members are as follows.

	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	<u>Effective July 1, 2025</u>
Combined rate	15.73%	15.73%	15.73%	15.73%	15.73%	<u>TBA</u>
Employer	9.44%	9.44%	9.44%	9.44%	9.44%	<u>TBA</u>
Employee	6.29%	6.29%	6.29%	6.29%	6.29%	<u>TBA</u>

ws4.6(2) Contribution rates for sheriffs and deputy sheriffs are as follows.

	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	<u>Effective</u> <u>July 1,</u> <u>2025</u>
Combined rate	18.52%	18.02%	17.52%	17.02%	17.02%	<u>TBA</u>
Employer	9.26%	9.01%	8.76%	8.51%	8.51%	<u>TBA</u>
Employee	9.26%	9.01%	8.76%	8.51%	8.51%	<u>TBA</u>

4.6(3) Contribution rates for protection occupations are as follows.

	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	<u>Effective</u> <u>July 1,</u> <u>2024</u>	<u>Effective</u> <u>July 1,</u> <u>2025</u>
Combined rate	16.02%	15.52%	15.52%	15.52%	15.52%	<u>TBA</u>
Employer	9.61%	9.31%	9.31%	9.31%	9.31%	<u>TBA</u>
Employee	6.41%	6.21%	6.21%	6.21%	6.21%	<u>TBA</u>

ITEM 2. Amend paragraph 11.11(1)“a” as follows:

This change is proposed to reduce the burden on the Member who has previously provided their birth proof to the System, specifically supporting the expansion and ease of use of the e-filing process.

495—11.1(97B) Application for benefits.

11.1(1) Form used. It is the responsibility of the member to notify IPERS of the intention to retire. This should be done 60 days before the expected retirement date. The application for

monthly retirement benefits is obtainable from IPERS, 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117. The printed application form shall be completed by each member applying for benefits and shall be mailed, sent by fax or brought in person to IPERS. An application that is incomplete or incorrectly completed will be returned to the member. To be considered complete, an application must include the following:

a. Proof of date of birth for the member- , if not previously verified by the System.

b. Option selected, and

(1) If Option 1 is selected, the death benefit amount.

(2) If Option 4 or 6 is selected, the contingent annuitant's name, social security number, proof of date of birth, and relationship to member. The member must designate the survivor benefit percentage, which shall be limited to one of the following:

1. One hundred percent of the member's benefit amount.

2. Seventy-five percent of the member's benefit amount.

3. Fifty percent of the member's benefit amount.

4. Twenty-five percent of the member's benefit amount.

(3) If Option 1, 2, or 5 is selected, a list of beneficiaries.

c. If the member has been terminated less than one year, or is applying for disability benefits, the employer certification page must be completed by the employer unless the employer has provided the termination date and date of the last paycheck on the monthly wage reports.

d. Signature of member and spouse.

e. If the member has no spouse, "NONE" must be designated.

f. If the member is applying for regular disability benefits, a copy of the award letter from the Social Security Administration or railroad retirement.

g. An indication whether the member is a U.S. citizen, resident alien, or non-U.S. citizen.

A retirement application is deemed to be valid and binding on the date the first payment is paid. Members shall not cancel their applications, change their option choice, or change an IPERS option containing contingent annuitant benefits after that date.