

FY2025

Annual Comprehensive Financial Report

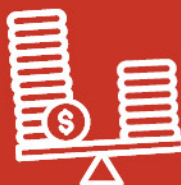
A Fiduciary Component Unit of the State of Iowa for the Fiscal Year Ended June 30, 2025



FY2025

Annual Comprehensive Financial Report

A Fiduciary Component Unit of the State of Iowa for the Fiscal Year Ended June 30, 2025



Prepared by Iowa Public Employees' Retirement System
Gregory S. Samorajski, Chief Executive Officer

Fiscal Year 2025 Highlights

Membership

Active Members	186,221
Inactive Members	99,935
Retired Members*	137,833
Total	423,989

Contributions

Employee	\$664,692,466
Employer	\$989,685,304
Service Purchases	\$3,994,288

Distributions

Benefits Paid	\$2,758,999,376
Refunds Paid	\$74,844,123

Investments

Net Investment and Securities Lending Income	\$4,273,036,152
Investment Rate of Return	9.87%

Financial

Total Pension Liability	\$49,063,230,575
Fiduciary Net Position	\$46,740,552,174
Net Pension Liability	\$2,322,678,401
Ratio of Fiduciary Net Position to Total Pension Liability	95.27%

Funding

Ratio of Actuarial Assets to Actuarial Liabilities	92.17%
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**Unless specifically noted, references to retirees throughout this report include beneficiaries and retired reemployed members.*

Table of Contents

<u>Introduction</u>	1	<u>Actuarial</u>	71
Letter of Transmittal	3	Actuary's Certification Letter	73
Professional Awards	7	Principal Valuation Results	81
Administration	8	Actuarial Balance Sheet	82
Investment Board	9	Solvency Test	83
Benefits Advisory Committee	10	Retirees and Beneficiaries – Changes in Rolls	84
Professional and Consulting Services	11	Schedule of Active Member Valuation Data	85
		Schedule of Funding Progress	85
<u>Financial</u>	13	Actuarial Assumptions and Methods	86
Independent Auditor's Report	15	Contribution Rate Funding Policy	96
Management's Discussion and Analysis	18	Iowa Code Section 97D.5 Certification	99
Basic Financial Statements	21		
Statement of Fiduciary Net Position	21	<u>Statistical</u>	103
Statement of Changes in Fiduciary Net Position	22	Statistical Overview	105
Notes to Financial Statements	23	Membership and Trust Fund Summary	106
Required Supplementary Information	42	Changes in Fiduciary Net Position	106
Schedule of Changes in the Employers' Net Pension Liability and Related Ratios	42	Changes to Membership and Net Position	107
Schedule of Employers' Contributions	44	Membership by Group	108
Schedule of Investment Returns	45	Active Membership Summary	109
Schedule of IPERS' Proportionate Share of the Total OPEB Liability	45	Active Membership Statistics	109
Notes to Required Supplementary Information	45	Analysis of Change in Active Membership	109
Supplementary Information	47	Retiree and Benefit Payment Statistics	110
Schedule of Administrative Expenses	47	New Retirees by Employer Type	110
Schedule of Professional Services Payments	47	Average Benefit Payments for Retirees	111
Schedule of Investment-Related Expenses	48	Schedule of Benefit Payments by Type of Benefit	112
		Schedule of Retired Members by Type of Benefit	112
<u>Investments</u>	49	Retired Members by Benefit Option	113
Investment Overview	51	Benefit Payment Summary	113
Investment Results	53	Benefit Payments by Iowa County	114
Rates of Return	54	Benefit Payments by State	116
Public Equity Portfolio: Top Ten Holdings	57	Summary of Principal Employers	117
Fixed-Income Portfolio: Top Ten Holdings	59	Principal Participating Employers	117
Schedule of Investment Fees	63	Investment Statistics	118
Schedule of Brokerage Commissions Paid	63	Growth of Net Investment Portfolio Assets	118
Investment Policy and Goal Statement	64	Investment Returns	118





INTRODUCTION

Introduction

Letter of Transmittal

Professional Awards

Administration

Investment Board

Benefits Advisory Committee

Professional and Consulting Services



Letter of Transmittal



Gregory S. Samorajski, CFA
Chief Executive Officer

Kim Reynolds
GOVERNOR

Chris Cournoyer
LT. GOVERNOR

December 19, 2025

To Governor Kim Reynolds, the General Assembly of the State of Iowa and IPERS members:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Iowa Public Employees' Retirement System (IPERS, System or plan) for the fiscal year ended June 30, 2025 (FY2025). This report presents a thorough discussion of IPERS' activities and financial status.

This publication fulfills the requirements set forth in Iowa Code section 97B.4(4)(a). The preparation of this report and the financial statements are the result of the combined effort of the System's staff under the direction of the management and CEO, who are responsible for the contents of the report.

IPERS' objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements because the cost of internal control should not exceed the benefits obtained. To that end, IPERS' administration maintains an internal accounting control system. It ensures transactions are executed as intended by the administration, assets are accounted for and the records of transactions are sufficient to permit preparation of the financial statements. Financial statements must be consistent with generally accepted accounting principles (GAAP) for governmental accounting and reporting. GAAP are pronounced or adopted by the Governmental Accounting Standards Board (GASB).

The Auditor of State is required by the Iowa Code to conduct an annual audit of the financial statements. The audit has been completed in accordance with generally accepted auditing standards, state law, Government Auditing Standards and an unmodified (clean) opinion was issued. The Auditor's report is contained in the Financial section.

The Financial section also contains Management's Discussion and Analysis. This is intended to satisfy the GASB requirement that the System provide a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal complements Management's Discussion and Analysis and should be read in conjunction with it.

Membership numbers in the Actuarial section differ from those in other sections as the Actuarial section reflects projections of future costs. Therefore, member deaths that occurred during the last month of the fiscal year are not counted in the membership numbers of that section. However, because there is a financial obligation for some of these members, they are included in the membership numbers in the remainder of this report.

System Overview

IPERS was established by the Iowa Legislature on July 4, 1953, to replace the Iowa Old-Age and Survivors' Insurance System (IOASI). At that time, the legislature also voted to include Iowa's public employees in the federal Social Security plan retroactive to 1951.

Iowa Code chapter 97B was the chapter created to govern IPERS and the IPERS Trust Fund (the Fund). The Code establishes IPERS as an independent agency within the executive branch of state government. The Governor and the Iowa Legislature, as creators of the plan, are the plan sponsors.

Initially, IPERS was a money purchase system that calculated benefits based on contributions. Today, IPERS is a cost-sharing, contributory defined benefit plan with benefits based on a formula using a member's years of service, average salary and a multiplier. IPERS is diligent in maintaining its tax qualification under the Internal Revenue Code. IPERS' benefits are designed to provide an adequate retirement income when combined with Social Security benefits and individual savings.

Most public employees in Iowa become members of IPERS when they start employment with a covered employer, which includes schools, state agencies, counties, cities, townships and other public entities. Public employees not covered by IPERS are judges, peace officers in the Iowa Department of Public Safety, police and fire personnel covered by the Municipal Fire and Police Retirement System of Iowa (MFPRSI) and university and community college personnel who elect other coverage.

As a multiple-employer, cost-sharing pension plan with 423,989 members, IPERS is the largest public pension system in Iowa. In FY2025, the IPERS Trust Fund paid \$2.759 billion in benefits. Of that, \$2.442 billion was paid to members living in Iowa. One in 10 Iowans is an IPERS member.

Major Initiatives

In FY2025, IPERS implemented several initiatives that align with the goals outlined in its FY2025-FY2030 Strategic Plan, including the following.

To modernize and enhance service delivery, IPERS employed a variety of methods including in-person, virtual and digital services. As part of this initiative, IPERS restructured its Benefits Division to form the Member Operations Division. This new division now includes the Performance Management, Retirement Automation and Member Services Bureaus.

In late 2024, IPERS announced the transition to digital document delivery via My Account, discontinuing ground mail delivery for most documents. Members who prefer to receive documents by mail can update their preference accordingly. IPERS also focused on bolstering its business processes to ensure member data security and payment accuracy.

To align with the state’s centralized IT structure, IPERS transferred its Information Technology Division to the Iowa Department of Management. It also began planning the purchase of an enhanced pension administration system, designed to incorporate modern architecture, improved security and best-in-class technologies. During the 2025 legislative session, IPERS received a one-time, 10-year Trust Fund appropriation of \$60 million to support this effort.

In early 2025, IPERS selected participants for its inaugural Leadership, Empowerment and Development (LEAD) program. The year-long program aims to support the professional growth of IPERS’ emerging leaders and aids in succession planning.

Membership Services

Members and employers have access to information online, over the phone and in print. IPERS’ website contains news and announcements, publications, forms and videos. Members have secure online access to their benefits statements, which are updated quarterly, and other information. Members and employers can stay in touch with IPERS and learn about benefits on IPERS’ Facebook page.

IPERS publishes easy-to-read booklets to explain benefits at various career stages as well as a comprehensive Member Handbook. IPERS also offers one-on-one retirement counseling to members preparing to retire.

IPERS’ 1,949 employers receive training and assistance to comply with IPERS’ requirements. Employers also receive newsletters, a handbook of procedures and reporting requirements and a help guide about the online employer reporting system. IPERS’ compliance officers conduct frequent employer audits.

Fiscal Year 2025

Preretirement counseling sessions	6,526
Phone inquiries	70,098
Benefit estimates prepared	21,315
Service purchase cost quotes prepared	268
Service purchases made	64

Investments

IPERS manages a large and diversified investment portfolio using external and internal investment advisors. IPERS’ long-term horizon allows it to maximize investment returns and lower transaction costs on behalf of its members in a way an individual investor cannot.

A staff of professional investment officers oversees IPERS’ investments. These investment officers, most of whom have earned the respected Chartered Financial Analyst (CFA) designation, oversee all asset classes in which IPERS invests. IPERS’ investment officers and investment consultant make recommendations concerning asset allocation, investment policies, investment strategies and contractor selection to the IPERS Investment Board, which makes the final decisions. For more information, see the Investment Policy and Goal Statement beginning on page 64.

IPERS’ investment staff also manages the competitive selection process, negotiates detailed service contracts and monitors contractors’ compliance with their IPERS service agreements. The investment management firms select individual investments in the IPERS portfolio. See page 48 in the Financial section for information on expenses related to these investment management firms and page 63 in the Investments section for the Schedule of Investment Fees and the Schedule of Brokerage Commissions Paid.

Financial Highlights

Total Net Position

Total net position restricted for pensions increased from \$43.661 billion on June 30, 2024, to \$46.741 billion on June 30, 2025. These assets consist of capital assets (see page 33) owned by IPERS and net investment portfolio assets. An overview and analysis of IPERS' financial activities for FY2025 is in Management's Discussion and Analysis, which begins on page 18 in the Financial section of this report.

In FY2025, employee and employer contributions, including service purchases, totaled \$1.658 billion, while total member benefits equaled \$2.834 billion (monthly benefits, lump-sum retirement benefits, death benefits, refunds and dividend payments). The resulting \$1.175 billion contribution shortfall was funded with earnings and sales proceeds from the investment portfolio.

Investment Portfolio Assets

Investment portfolio assets are based on fair value but are calculated according to industry standards that are different from the financial statement reporting requirements of GASB Statement No. 67, *Financial Reporting for Pension Plans*, which reports the investments at fair value as shown in the Financial section of this report. In FY2025, IPERS' investment expenses were 0.13 percent of the portfolio's total quarterly average fair value.

At the close of FY2025, IPERS' net investment portfolio assets had a fair value of \$46.682 billion. The change in fair value represents an increase of \$3.070 billion from the \$43.612 billion investment asset fair value as of June 30, 2024. IPERS' 9.87 percent net investment return for the fiscal year was the main reason for the increase in fair value.

IPERS' 9.87 percent investment return for the fiscal year beat the policy benchmark return of 9.85 percent, the actuarial assumed investment return of 7 percent and the fiscal year's Consumer Price Index (CPI) return of 2.75 percent.

Funding

The ultimate test of any pension system's financial soundness is whether it is funding all its promised benefits payable today and in the decades ahead. Funding progress is typically expressed as a funded ratio of actuarial assets to actuarial liabilities. The goal of a funding plan is to steer toward a funded ratio of 100 percent or more. However, because a funding plan utilizes assumptions of future performance and experience, the plan's actual experience is annually reviewed and variances from assumptions are taken into account in the annual valuation process. As a result, the funded ratio will vary from year to year. In addition to determining the funded ratio as a measurement of progress toward full funding, the annual valuation process also determines the required contribution rates that, together with investment earnings, will keep the funding plan on track.

Periodically, the Investment Board engages the System's actuary to review the assumptions used in the valuation process and adjust as needed. In FY2022, IPERS completed its regularly scheduled quadrennial experience study, covering the four year period ending June 30, 2021. Based on the findings in the experience study, the System's actuary recommended changes to the actuarial assumptions that were then adopted by the Investment Board. As shown in the 2025 valuation report, IPERS experienced a \$506 million actuarial gain on the actuarial value of assets and a net actuarial loss of \$241 million from demographic experience, primarily due to unfavorable retirement experience and higher salary increases than expected according actuarial assumptions. In addition to the actuarial gain from favorable experience, the required contribution rates for FY2025 were higher than the actuarial contribution rates which further decreased the unfunded actuarial liability by \$188 million. The overall funded ratio increased to 92.17 percent from 90.75 percent.

The annual valuation also determines a minimum actuarial contribution rate for each membership group for the fiscal year following the presentation of the valuation; in the present case, for FY2027. Applying the System's Contribution Rate Funding Policy, the required contributions for Regular and Protection Occupation members will not change and continue to be above the minimum actuarial contribution rates. The required contribution rates for Sheriffs and Deputies increased 0.24 percent to equal the actuarial contribution rate. This supports staying on the path to full funding and provides stability in contribution rates. IPERS remains on schedule to be 100 percent funded in 19 years or less.

Independent Performance Evaluations

To maintain a focus on effectively administering the plan, IPERS completed voluntary reviews of its performance during FY2025. CEM Benchmarking Inc., an independent company that reviews pension systems worldwide, conducted a benchmarking study on IPERS' benefits administration for the previous year. For the 17th consecutive year, IPERS was lowest in costs when compared to its peers, while continuing to receive acceptable ratings for its services.

CEM also conducted a benchmarking study of IPERS' investment program that compared the Fund's costs and investment performance to results for peers in CEM's extensive pension fund database. The study covered a 5-year period that ended December 31, 2024, and employs CEM's proprietary calculation methodology to compare equitably across a multitude of investment programs in the country. IPERS' investment program was rated by CEM as a low-cost program, and IPERS' net value added was 0.8 percent for the 5-year period, which was 0.1 percent greater than peer public pension funds.

Wilshire, IPERS' investment consultant, reviews IPERS' investment performance against a peer group of U.S. public pension funds. IPERS' one-year investment return for FY2025 ranked in the 59th percentile of funds in the Investment Metrics' Universe of All Public Funds > \$1 Billion Index, while IPERS' 10-year return ranked in the 10th percentile. However, investment returns alone do not tell the whole story because they do not account for how much risk was taken in pursuit of those returns. Wilshire's data shows that IPERS' Sharpe ratio (a risk-adjusted measure of return used to evaluate a portfolio's performance) ranked in the top 15th percentile versus its peers in the Investment Metrics' Universe of All Public Funds > \$1 Billion Index for the 10-year period ended June 30, 2025.

Professional Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to IPERS for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. A Certificate of Achievement is valid for only one year; this was the 32nd consecutive year IPERS has earned this prestigious award. To receive a Certificate of Achievement, a governmental entity must publish an easy-to-read and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements. We believe this ACFR meets the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, IPERS' Summary Annual Financial Report for FY2024 earned the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting. This was the eighth consecutive year IPERS received the award, which is valid for a period of one year only. We are preparing our current summary report in alignment with the award requirements and intend to apply for the award again this year.

Lastly, IPERS has proudly earned the Public Pension Standards Award for the fiscal year ending June 30, 2025, from the Public Pension Coordinating Council (PPCC). This achievement highlights our dedication to upholding professional standards for plan funding and administration for the 17th consecutive year. The PPCC is a coalition comprising the National Association of State Retirement Administrators (NASRA), the National Conference on Public Employee Retirement Systems (NCPERS) and the National Council on Teacher Retirement (NCTR).

Acknowledgments

This report is available online. A hard copy is available by request. It is provided to the Governor, legislators, IPERS Investment Board members, IPERS Benefits Advisory Committee members and state fiscal staff in the executive and legislative branches. IPERS also publishes an annual summary of the information contained in this report, which is offered to members, employers, policymakers and others.

This report is intended to provide complete and reliable information as a basis for management decisions, legal compliance and stewardship of the System's assets. We appreciate the dedication and commitment of IPERS' Board members and staff to provide the highest possible level of service to members and retirees.

Respectfully submitted,



Gregory S. Samorajski
Chief Executive Officer



Amanda Schwarz
Chief Financial and Administrative Officer

Professional Awards

Government Finance Officers Association (GFOA)
2024 Certificate of Achievement for Excellence in Financial Reporting

Public Pension Coordinating Council (PPCC)
2025 Public Pension Standards Award for Funding and Administration

Government Finance Officers Association (GFOA)
2024 Award for Outstanding Achievement in Popular Annual Financial Reporting



Administration

IPERS’ primary purposes are to provide a secure core retirement benefit to Iowa’s former and current public employees and to attract and retain quality employees in public service. The activities of the administration are designed to accomplish these purposes and include:

- Offering counseling services and retirement information to active and retired members.
- Paying retirement, disability and death benefits to members and beneficiaries.
- Providing refunds to members, which may be rolled over to other IRS-qualified retirement plans.
- Collecting employer contributions, employee contributions and employee wage information in accordance with state law and IPERS’ administrative rules.
- Making recommendations to the Governor and General Assembly on plan design adjustments.
- Overseeing the investment of the System’s funds in accordance with the Investment Policy and Goal Statement adopted by the Investment Board.

IPERS Leadership Team

As of Publication

Gregory S. Samorajski
Chief Executive Officer

Rick Hindman
Deputy Executive Director

Finance and Administration Division
Amanda Schwarz, Chief Financial and Administrative Officer

Legal Division
Elizabeth Hennessey, General Counsel

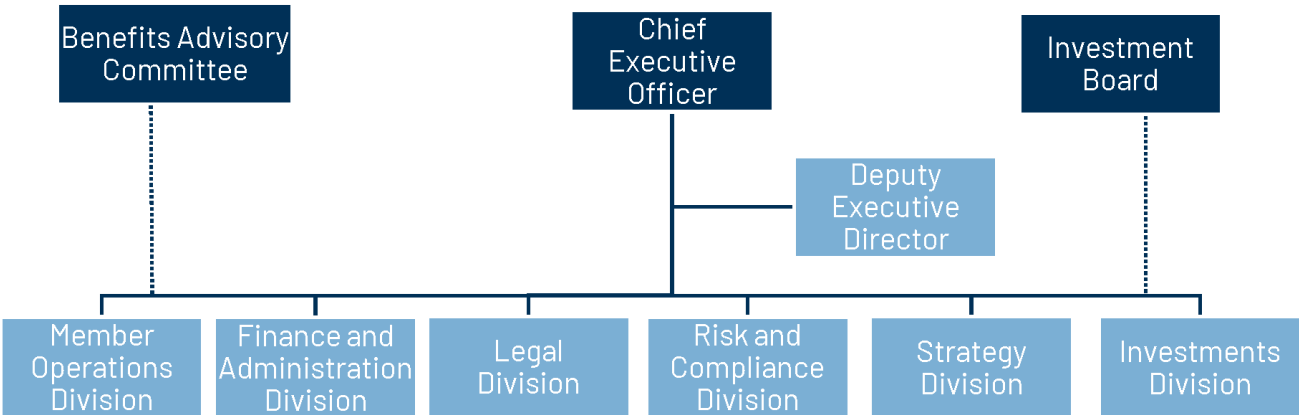
Investments Division
Sriram Lakshminarayanan, Chief Investment Officer

Member Operations Division
Steven Herbert, Chief Benefits Officer

Risk and Compliance Division
Linda Guffey, Chief Risk and Compliance Officer

Strategy Division
Shawna Lode, Chief Strategy Officer

Table of Organization



Investment Board

The IPERS Investment Board is designated as the Fund's trustee. The Board has eleven members: seven voting members and four nonvoting members. The following voting members serve six-year terms:

- Three public members appointed by the Governor and confirmed by the Iowa Senate.
- Three members of the System appointed by the Governor and confirmed by the Iowa Senate.

The State Treasurer is an ex officio voting member.

The nonvoting members include two state representatives and two state senators.

APPOINTED BY THE GOVERNOR:

William (Bill) Bemis, Chairperson

Public Member

Term Ends: April 30, 2027

Kris Rowley, Vice Chairperson

Active IPERS Member

Term Ends: April 30, 2031

Tami Loge

Retired IPERS Member

Term Ends: April 30, 2028

Brent Mathisen

Public Member

Term Ends: April 30, 2031

Sara Meinders

Active Educational Member

Term Ends: April 30, 2029

Matthew Watters

Public Member

Term Ends: April 30, 2029

EX OFFICIO MEMBER:

Roby Smith

State Treasurer

APPOINTED BY THE HOUSE SPEAKER AND MINORITY LEADER:

Representative Michael Bergan

State Representative

Term Ends: January 10, 2027

Representative Elizabeth Wilson

State Representative

Term Ends: January 10, 2027

APPOINTED BY THE SENATE MAJORITY AND MINORITY LEADERS:

Senator Molly Donahue

State Senator

Term Ends: January 10, 2027

Senator Mark Lofgren

State Senator

Term Ends: January 10, 2027

Benefits Advisory Committee

The IPERS Benefits Advisory Committee (BAC) members represent major member, employer and retiree associations and have extensive experience in education, public safety, workforce development, human resources and other disciplines. While Iowa law names the constituent groups to serve on the BAC, each association chooses its BAC representative.

Lowell Dauenbaugh, Chairperson
Public Member

Matt Carver, Vice Chairperson
Member Representative
School Administrators of Iowa

Susanna Cave
Member Representative
State Police Officers Council

Len Cockman
Employer Representative
Iowa Association of School Boards

Todd Copley
Member Representative
American Federation of State, County and Municipal Employees

Andrew Hennesy
Member Representative
IPERS Improvement Association

John Hieronymus
Member Representative
Retired School Personnel Association

Richard Hoffman
Member Representative
International Brotherhood of Teamsters

Steve Hoffman
Member Representative
Iowa State Sheriffs and Deputies Association

Connie Kuennen
Employer Representative
Iowa Association of Community College Trustees

Brian McDonough
Employer Representative
Iowa State Association of Counties

Erin Mullenix
Employer Representative
Iowa League of Cities

Melissa Peterson
Member Representative
Iowa State Education Association

Adam Steen, Director
Ex Officio Employer Representative
Iowa Department of Administrative Services

Professional and Consulting Services

Actuary

- Cavanaugh Macdonald Consulting LLC

Legal Counsel

- BrownWinick Law Firm
- Foster Garvey PC
- Ice Miller LLP

Securities Litigation Monitoring Counsel

- Barrack, Rodos & Bacine
- Cohen Milstein Sellers & Toll PLLC
- Kessler Topaz Meltzer Check, LLP
- Robbins Geller Rudman & Dowd LLP

Investment Management Consultant

- Wilshire

Master Custodian

- The Bank of New York Mellon

Securities Lending Agent

- Deutsche Bank AG

Overlay Management Services

- Parametric Portfolio Associates LLC

Liquid Absolute Return Strategies Administrator (LARS)

- New Hyde Park Alternative Funds LLC

Information Technology Consultant

- Linea Solutions Inc.
- Vitech Systems Group Inc.

Benchmarking Consultant

- CEM Benchmarking Inc.

Investment Managers

Domestic Equity

- BlackRock Institutional Trust Company NA
- Mellon Investments Corporation

International Equity

- BlackRock Institutional Trust Company NA
- Mellon Investments Corporation
- PanAgora Asset Management Inc.
- Wellington Management Company LLP

Global Smart Beta Equity

- UBS Asset Management (Americas) Inc.

Core Fixed Income

- BlackRock Institutional Trust Company NA
- Man Solutions Limited
- Mellon Investments Corporation
- Mesirow Financial Investment Management, Inc.
- PGIM Inc.

Public Credit

- Aegon USA Investment Management LLC
- PGIM Inc.

Private Credit

- Ares Management LLC
- ArrowMark Asset Management LLC
- Audax Management Company (NY) LLC
- Crestline Management LP
- Heitman Core Real Estate Debt Income Trust LP
- IFM USIDF (US) A, LP
- ITE Rail Fund-IA, LP
- JP Morgan Asset Management (Europe) SAR
- Kayne Anderson Capital Advisors LP
- KKR Goldfinch LP
- Marathon Asset Management LP
- Monroe Capital Private Credit Fund I LP
- Oaktree Capital Management LP
- Pathway Capital Management LP
- PGIM Real Estate Global Debt LP
- Principal Real Estate Debt Fund II LP
- Tennenbaum Capital Partners LLC

Private Equity

- Pathway Capital Management LP

Private Real Assets

- Brookfield Asset Management Private Institutional Capital Adviser (Canada) LP
- Clarion Partners LLC
- Forest Investment Associates LP
- INVESCO Advisers Inc.
- Kayne Anderson Capital Advisors, LP
- Macquarie Infrastructure Partners Inc.
- RREEF America LLC
- UBS Farmland Investors LLC
- UBS Realty Investors LLC

Liquid Absolute Return Strategies

- Aspect Capital Limited
- DCM Systematic
- Graham Capital Management LP
- Pacific Investment Management Company LLC
- P/E Global LLC
- Welton Investment Partners LLC

Transition Management Services

- BlackRock Institutional Trust Company NA
- Northern Trust Investments Inc.
- Russell Investments Implementation Services LLC





FINANCIAL

Financial

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Statement of Fiduciary Net Position

Statement of Changes in Fiduciary Net Position

Notes to Financial Statements

Required Supplementary Information

Supplementary Information





OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

Independent Auditor's Report

To the Members of the Iowa Public Employees' Retirement System Investment Board:

Report on the Audit of the Financial Statements

Opinion

We have audited the Statement of Fiduciary Net Position of the Iowa Public Employees' Retirement System (IPERS) as of June 30, 2025, and the related Statement of Changes in Fiduciary Net Position for the year then ended and the related Notes to Financial Statements, which collectively comprise IPERS' basic financial statements listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective fiduciary net position of IPERS as of June 30, 2025 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of IPERS, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Note 1, the financial statements present the financial position and the changes in financial position of only that portion of the reporting entity of the State of Iowa that is attributable to the transactions of IPERS. They do not purport to, and do not, present fairly the financial position of the State of Iowa as of June 30, 2025 and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the financial statements of IPERS for the year ended June 30, 2024, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about IPERS' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 IPERS' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about IPERS' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, the Schedule of Employer's Contributions, the Schedule of Investment Returns and the Schedule of IPERS' Proportionate Share of the Total OPEB Liability and Notes on pages 18 through 20 and 42 through 46 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise IPERS' basic financial statements. Supplementary information included on pages 47 and 48, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introduction, Investments, Actuarial and Statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

Our report on IPERS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters required by Government Auditing Standards will be issued under separate cover. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of IPERS' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering IPERS' internal control over financial reporting and compliance.



Brian R. Brustkern, CPA
Deputy Auditor of State

December 18, 2025

Management's Discussion and Analysis

This discussion and analysis of the Iowa Public Employees' Retirement System provides an overview of the System's financial activities for the fiscal year ended June 30, 2025. It is intended to be used in conjunction with the transmittal letter and IPERS' financial statements and notes, which begins on page [21](#) of this report.

Using This Financial Report

This Annual Comprehensive Financial Report reflects the activities of the Iowa Public Employees' Retirement System as reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position (see pages [21](#) - [22](#)). These statements are presented on an accrual basis and reflect all Fund activities as incurred. The Notes to Financial Statements section is an integral part of the financial statements and includes additional information essential to understanding the basic financial statements. The Required Supplementary Information and Supplementary Information following the Notes to Financial Statements provide historical information and additional details considered useful in evaluating the condition of the plan. Investment data in the Financial section is presented at fair value. See the Actuarial section of this report for a detailed discussion of the actuarial value of assets and liabilities and the funded ratio.

Financial Highlights

IPERS' net position restricted for pensions increased by \$3.079 billion during FY2025. On June 30, 2025, total plan assets (including capital assets of \$12.8 million) were \$47.950 billion. These assets, along with deferred outflows of resources of \$272,024, exceeded total liabilities of \$1.209 billion and deferred inflows of resources of \$676,910, resulting in a net position restricted for pensions of \$46.741 billion.

- FY2025 covered wages, from which both employee and employer contributions are calculated, increased \$523.0 million, or 5.23 percent, over the last fiscal year and totaled \$10.525 billion. In comparison, FY2024 wages totaled \$10.002 billion, a 4.31 percent increase over the prior fiscal year's wages of \$9.588 billion.
- Additions from employee and employer contributions totaled \$1.654 billion in FY2025, an increase of 4.96 percent. In comparison, FY2024 saw a 4.65 percent increase in contributions. Growth in covered payroll increased contributions in both years. While the contribution rates for Regular members have held steady since FY2019, the rates

for each Special Service group decreased in each of those years.

- Service purchase contributions for FY2025 were \$4.0 million, an 88.34 percent increase from FY2024 service purchase contributions of \$2.1 million. FY2024 saw a 59.72 percent decrease from the FY2023 amount of \$5.3 million.
- Net investment and securities lending income, after all investment-related expenses, saw a gain of \$4.273 billion in FY2025, \$3.632 billion in FY2024 and \$2.151 billion in FY2023. These differences are explained by variances in IPERS' investment returns – the FY2025 return was 9.87 percent, while the returns for FY2024 and FY2023 were 9.07 percent and 5.41 percent, respectively.
- Investment management expenses were \$58.9 million for FY2025. In comparison, investment management expenses were \$92.9 million for FY2024 and \$69.1 million for FY2023. The System's ratio of investment management expenses to the portfolio's quarterly average fair value of assets under management was 0.13 percent for FY2025, down from the ratios of 0.21 percent for FY2024 and 0.17 percent for FY2023.
- Total contributions, investments and other income resulted in a increase to the Fund of \$5.931 billion in FY2025. This compares to an increase of \$5.210 billion in FY2024 and an increase of \$3.663 billion in FY2023.
- FY2025 benefit payments increased \$99.5 million and refunds decreased \$4.9 million. Benefit payments increased due to an increased number of retirees, as well as higher average monthly payments to new retirees. Benefit and refund payments increased from \$2.634 billion in FY2023, to \$2.739 billion in FY2024, to \$2.834 billion in FY2025.
- Capital assets were \$12.8 million in FY2025, down from \$14.3 million in FY2024 and \$14.1 million in FY2023 mainly due to depreciation. See page [33](#) in the Financial section for more detailed information on capital assets.

Analysis of Net Position

The investment rates of return for the current and preceding two fiscal years were 9.87 percent, 9.07 percent and 5.41 percent, respectively. In FY2025, IPERS' total net position increased by 7.05 percent following an increase of 5.96 percent in FY2024 and 2.52 percent in FY2023. The increase in FY2025, FY2024 and FY2023 was driven by market conditions. The following table contains the FY2025 performance of each asset class and its respective benchmark, as well as the Fund's allocation to each asset class as a percentage of total Fund fair value at June 30, 2025.

(See also the Investments section of this report beginning on page [49](#) for more information on rates of return.)

Investment Returns and Allocations

Fiscal Year Ended June 30, 2025

Asset Class	Return (%)	Benchmark (%)	Allocation (%)
Domestic equity	14.82	15.30	21.79
International equity	18.16	17.72	13.53
Global smart beta equity	15.87	16.08	5.21
Core fixed income	6.23	6.08	25.51
Public credit	10.74	10.03	3.04
Cash	-4.28	4.68	1.05
Private equity	4.22	4.22	16.89
Private real assets	3.06	3.06	6.85
Private credit	7.89	7.89	6.13
Total Fund	9.87	9.85	100.00

The two tables on the next page present condensed summaries of IPERS' net position and a breakdown of the changes in the net position with comparison to the previous two fiscal years.

A large percentage of total assets, 97 percent, is represented by investments held to provide retirement, death and disability benefits to qualified members and their beneficiaries. Other assets, including cash and cash equivalents, receivables from employee and employer contributions, receivables from investment-related transactions, and capital assets, make up 3 percent of total assets.

Total liabilities in the following table represent current liabilities and do not reflect the actuarial liabilities discussed in other sections of this report. These current liabilities chiefly consist of amounts owed for investment-related transactions, including the value of rebates and collateral due back to borrowers of securities at the conclusion of securities lending transactions, amounts owed to members or their beneficiaries and amounts owed to contractors and vendors. Total liabilities decreased by \$1.502 billion from FY2024 to FY2025. In comparison, liabilities increased by \$2.172 billion between FY2023 and FY2024. These fluctuations are primarily related to investment payables.

Benefits paid out exceeded contributions received by \$1.175 billion, \$1.161 billion and \$1.122 billion for FY2025, FY2024 and FY2023, respectively. This excess of benefits paid relative to contributions received is characteristic of a mature pension plan such as IPERS.

Fiduciary Net Position

(Dollar Values Expressed in Thousands)
Fiscal Years Ended June 30

	2025	2024	2025/2024 Percentage Change	2023	2024/2023 Percentage Change
Cash and investments at fair value	\$46,773,203	\$43,937,030	6.5	\$41,275,627	6.4
Receivables	1,163,649	2,420,119	(51.9)	454,280	432.7
Capital assets	12,850	14,324	(10.3)	14,103	1.6
Other assets	—	731	(100.0)	1,282	(43.0)
Total assets	47,949,702	46,372,204	3.4	41,745,292	11.1
Deferred outflows of resources	272	347	(21.6)	264	31.4
Total liabilities	1,208,745	2,710,841	(55.4)	538,760	403.2
Deferred inflows of resources	677	587	15.3	483	21.5
Total net position	\$46,740,552	\$43,661,123	7.1	\$41,206,314	6.0

Changes in Fiduciary Net Position

(Dollar Values Expressed in Thousands)
Fiscal Years Ended June 30

	2025	2024	2025/2024 Percentage Change	2023	2024/2023 Percentage Change
Beginning net position	\$43,661,123	\$41,206,314	6.0	\$40,191,542	2.5
Additions					
Contributions and service purchases	1,658,372	1,578,350	5.1	1,511,423	4.4
Net investment and securities lending income	4,273,036	3,632,025	17.6	2,151,173	68.8
Total additions	5,931,408	5,210,375	13.8	3,662,596	42.3
Deductions					
Benefits and refunds	2,833,843	2,739,174	3.5	2,633,901	4.0
Administrative expenses	18,136	16,391	10.6	13,922	17.7
Total deductions	2,851,979	2,755,565	3.5	2,647,823	4.1
Increase in net position	3,079,429	2,454,810	25.4	1,014,772	141.9
Ending net position	\$46,740,552	\$43,661,123	7.1	\$41,206,314	6.0

Request for Information

This financial report is designed to provide the Governor and Iowa Legislature (plan sponsors), the Investment Board, the Benefits Advisory Committee, as well as the System's members, contributors, taxpayers and creditors with a general overview of the System's finances and to demonstrate the System's accountability for the money it manages. Questions about this report or requests for additional financial information should be directed to the Iowa Public Employees' Retirement System by e-mail at info@ipers.org, by phone at 515-281-0020 or 800-622-3849 or by mail at P.O. Box 9117, Des Moines, IA 50306-9117.

Basic Financial Statements

Statement of Fiduciary Net Position

As of June 30, 2025, with Comparative Totals as of June 30, 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$502,013,945	\$538,102,730
Receivables		
Contributions	89,128,933	93,867,885
Accrued interest and dividends	70,895,595	51,331,284
Investment sales	78,682,606	398,773,894
Foreign exchange contracts	924,941,717	1,876,145,982
Miscellaneous	—	98
Total receivables	1,163,648,851	2,420,119,143
Investments at fair value		
Core fixed income	11,907,520,147	11,133,936,975
Public credit	1,401,736,086	1,285,040,222
Domestic equity	10,169,499,915	9,256,517,088
International equity	6,245,153,679	5,663,339,838
Global smart beta equity	2,414,851,484	2,126,783,907
Private real assets	3,198,567,364	3,085,008,935
Private credit	2,843,742,624	2,578,425,525
Private equity	7,872,905,607	8,015,118,674
Total investments at fair value	46,053,976,906	43,144,171,164
Securities lending collateral pool	217,212,444	254,756,519
Capital assets		
Depreciable assets, net of accumulated depreciation/amortization	12,349,695	13,823,707
Nondepreciable assets: land	500,000	500,000
Total capital assets	12,849,695	14,323,707
Other assets	—	731,273
Total assets	47,949,701,841	46,372,204,536
DEFERRED OUTFLOWS OF RESOURCES		
Other postemployment benefits	272,024	346,869
LIABILITIES		
Accounts payable and accrued expenses	21,267,510	66,815,943
Investment purchases payable	45,074,706	513,207,121
Rebates and collateral payable	217,140,102	254,653,603
Foreign exchange contracts payable	925,262,464	1,876,164,427
Total liabilities	1,208,744,782	2,710,841,094
DEFERRED INFLOWS OF RESOURCES		
Other postemployment benefits	676,910	587,011
Net position restricted for pensions		
(Note 7, page 41)	\$46,740,552,174	\$43,661,123,300

Notes to Financial Statements begin on page [23](#).

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2025, with Comparative Totals for the Fiscal Year Ended June 30, 2024

	2025	2024
ADDITIONS		
Contributions		
Employer contributions	\$989,685,304	\$942,935,006
Employee contributions	664,692,466	633,294,030
Service purchases	3,994,288	2,120,730
Total contributions	1,658,372,058	1,578,349,766
Investments		
Interest	405,390,638	393,771,060
Dividends ¹	75,878,503	74,670,642
Real assets and private equity	104,783,015	108,245,705
Net appreciation in fair value of investments	3,744,812,004	3,147,312,861
Recaptured commissions	(98)	791
Investment management expenses	(58,866,105)	(92,867,872)
Net investment income	4,271,997,957	3,631,133,187
Securities lending		
Securities lending income	14,521,737	16,312,113
Securities lending expenses	(13,483,542)	(15,420,525)
Net securities lending income	1,038,195	891,588
Total net investment income	4,273,036,152	3,632,024,775
Total additions	5,931,408,210	5,210,374,541
DEDUCTIONS		
Benefit payments	2,758,999,376	2,659,459,458
Member refunds	74,844,123	79,714,549
Administrative expenses	18,135,837	16,391,495
Total deductions	2,851,979,336	2,755,565,502
Net increase	3,079,428,874	2,454,809,039
Net position restricted for pensions, beginning of year	43,661,123,300	41,206,314,261
Net position restricted for pensions		
(Note 7, page 41)	\$46,740,552,174	\$43,661,123,300

¹Dividends earned by commingled funds from their underlying investments are reinvested and are, therefore, reported as increases to the net asset value of the funds, and reflected in "net appreciation in fair value of investments" rather than as dividends.

Notes to Financial Statements begin on page [23](#).

Notes to Financial Statements

June 30, 2025 and 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

IPERS, a public employee retirement system, was created by the Iowa Legislature. IPERS is an integral part of the primary government of the state of Iowa and, accordingly, is included as a pension trust fund in the Iowa Annual Comprehensive Financial Report and has its own stand-alone ACFR. The state's ACFR may be viewed on the Iowa Department of Administrative Services' website.

For financial reporting purposes, IPERS considers all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with IPERS is such that exclusion would cause IPERS' financial statements to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. These criteria are (1) whether IPERS could appoint a voting majority of an organization's governing body, (2) the ability of IPERS to impose its will on that organization and (3) the potential for the organization to provide specific benefits to or impose specific financial burdens on IPERS. IPERS has no component units that meet the GASB criteria.

A. Basis of Accounting

IPERS' financial statements have been prepared using the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental accounting for fiduciary funds. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Actual amounts could differ from those estimates.

The System is funded through a combination of employee and employer contributions and investment income. Additions are recognized when they are earned and become measurable. Employee contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide them.

Deductions are recognized when the liability is incurred. Benefits and refunds are recognized when due and payable according to the terms of the plan.

Investment sales and purchases are recorded as of their trade date. All investments are reported at fair value. The determination of fair value is generally based on published market prices and quotations from

major investment brokers. Investments without quoted market prices are valued based on yields and maturities currently available on comparable securities of similar issue. Fair values for real estate investments are based on periodic assessments or appraisals of the underlying investments. Private equities and all private credit investments are valued based on March 31 net asset values plus or minus purchases, sales and cash flows from April 1 through June 30 of the reporting year. Futures contracts are valued daily with the resulting adjustments recorded as realized gains/losses arising from the daily settlement of the variation margin.

B. Cash and Cash Equivalents

For the purpose of financial reporting, cash and cash equivalents represent cash and money market investments with an original maturity of three months or less held by the System's administration, and cash allocated to the System's investment managers for investment.

C. Foreign Exchange Contracts

The System's investment managers enter into forward foreign exchange contracts to obtain or short an exposure to foreign currencies or to minimize the short-term impact of currency fluctuations on their foreign investments. The gains or losses on these contracts are recorded in the period in which the exchange rates change.

D. Investments

Iowa Code section 97B.7 requires the IPERS Investment Board to establish investment policies. These policies are documented in the Investment Policy and Goal Statement and reviewed at least annually by the Investment Board. The Investment Policy and Goal Statement in effect on June 30, 2025, begins on page [64](#).

On September 26, 2024, the Investment Board reviewed potential de-risking options but chose to maintain the current asset allocation and made no changes to the Investment Policy and Goal Statement.

The investment activities of the System are designed to provide a return on the Fund that, when coupled with the periodic contributions of the membership and employers, will meet or exceed the funding requirements of the plan over time while staying within the Investment Board's tolerance for risk as expressed in the Investment Policy and Goal Statement.

Maintaining adequate funding to provide for the payment of the plan's benefits over time is of primary consideration. The following are the Investment Board's adopted long term, asset allocation targets as of June 30, 2025.

Target Allocations

As of June 30, 2025

Asset Class	Target Allocation
Domestic equity	21.0%
International equity	13.0%
Global smart beta equity	5.0%
Core fixed income	25.0%
Public credit	3.0%
Cash	1.0%
Private equity	17.0%
Private real assets	9.0%
Private credit	6.0%

For the fiscal year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 9.81 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The Treasurer of State is the statutory custodian of the System, and in this capacity, has arranged to have the custodial bank account collateralized or covered by the State Sinking Fund. The Treasurer of State selected the Bank of New York Mellon, a bank rated AA by Fitch Ratings, to serve as the custodian bank for IPERS.

Consistent with the System's investment policy, all of IPERS' investment securities are held by the System's custodial bank in the System's name, except for securities and cash held at brokers as collateral for derivative instruments, investment securities on loan with brokers for cash collateral, investments in mutual and commingled funds, real estate properties and limited partnerships. Investments in the Short-Term Investment Funds (STIF) are held in a collective trust fund offered through the System's custodial bank. The fair value of the position in the trust fund equals the value of the fund shares.

IPERS has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

Where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest-level input that is significant to the valuation. The System's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The table on page 25 shows the fair value level of the investments for the System.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest, which approximates fair value. Debt, equity and derivative instrument securities classified in Level 1 are valued using prices quoted in active markets for those securities. Derivative instrument securities classified in Level 2 are securities whose values are either derived daily from associated traded securities or are determined by using a market approach that considers benchmark interest rates.

Debt and debt derivative instrument securities classified in Level 2 and Level 3 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 2 debt securities have nonproprietary information that is readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Level 3 debt securities are solely composed of bank loans and these investments use proprietary information or single-source pricing.

Other real assets and private real estate separate accounts classified in Level 3 are investments generally valued using one or a combination of the following accepted valuation approaches: market, cost or income. Independent third-party appraisals are required every three years. Annual appraisals are done internally by the advisors, and all portfolios have audited financials completed at fiscal year-end.

Fair Value Hierarchy Levels

Level 1	Unadjusted quoted prices for identical instruments in active markets.
Level 2	Quoted prices for similar instruments 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 derived from valuation techniques in which significant inputs are unobservable.

Investments and Derivative Instruments Measured at Fair Value

(Dollar Values Expressed in Thousands)

June 30, 2025

Investment Type	Fair Value Measurements Using			
	Total Fair Value	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Collateral at broker	\$65,326	—	\$65,326	—
Cash equivalents	(95)	—	(95)	—
Equity investments				
Common stocks	3,054,769	\$3,053,401	1,368	—
Real estate investment trusts	78,410	78,410	—	—
Preferred stock	15,500	8,830	4,015	\$2,655
Total equity investments	3,148,679	3,140,641	5,383	2,655
Fixed-income investments				
U.S. Treasuries	114,100	114,100	—	—
Agencies	2,552	—	2,552	—
Collateralized mortgage-backed securities	7,285	—	7,285	—
Other government fixed income	259,840	—	259,840	—
Corporate bonds	267,930	—	227,044	40,886
Private placements	808,559	—	808,559	—
State and local obligations	1,898	—	1,898	—
Other fixed income	898,589	136,141	—	762,448
Total fixed-income investments	2,360,753	250,241	1,307,178	803,334
Other investments				
Private real estate separate accounts	2,380,428	—	—	2,380,428
Other real assets	819,112	—	—	819,112
Total other investments	3,199,540	—	—	3,199,540
Total investments by fair value level	\$8,774,203	\$3,390,882	\$1,377,792	\$4,005,529
Investments measured at the net asset value				
Equity commingled funds				
Developed markets	\$14,067,035			
Emerging markets	1,519,348			
Invested securities lending collateral				
Money market funds	130,088			
Overnight repurchase agreements	87,044			
Fixed-income commingled funds	10,596,991			
Pooled funds and mutual funds	864,492			
Private equity funds	7,882,030			
Private credit funds	2,854,133			
Total investments measured at the NAV	\$38,001,161			
Total investments measured at fair value	\$46,775,364			
Investment derivative instruments				
Futures	\$5,767	\$5,767	—	—
Options	(795)	(795)	—	—
Swaps				
Credit default	838	—	\$838	—
Interest rate	4,257	—	4,257	—
Total investment derivative instruments	\$10,067	\$4,972	\$5,096	—

The valuation method for investments measured at the net asset value per share, or equivalent, is presented in the table below.

Investments Measured at the Net Asset Value

(Dollar Values Expressed in Thousands)

June 30, 2025

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Equity commingled funds				
Developed markets ¹	\$14,067,035		Daily	2 days
Emerging markets ¹	1,519,348		Daily, Monthly	2-3 days
Invested securities lending collateral				
Money market funds	130,088		Daily	NA
Overnight repurchase agreements	87,044		NA	NA
Fixed-income commingled funds ¹	10,596,991		Daily, Monthly	2 days
Pooled funds and mutual funds	864,492		Daily	NA
Private equity funds ²	7,882,030	\$2,485,410		
Private credit funds ³	2,854,133	769,126		
Total investments measured at the NAV	\$38,001,161	\$3,254,536		

¹Consists of various collective trust funds where assets are commingled for investment purposes. Each are valued at the net asset value of the units held at the end of the period based upon the fair value of the underlying investments.

²IPERS' private equity portfolio consists of 99 active partnerships within a legacy program and a fund-of-one investment that invests primarily in buyout, venture capital, special situations and distressed debt funds. The fair values of these funds and the fund-of-one have been determined using net assets valued one quarter in arrears plus current quarter cash flows. These funds are not eligible for redemption. As underlying investments within the funds are liquidated, which on average can occur over the span of 5 to 10 years, distributions are received.

³IPERS' private credit portfolio consists of 22 partnerships. All of the funds determine fair value by utilizing net asset values from one quarter in arrears plus current quarter cash flows. None of the private credit funds are eligible for redemption. As underlying investments within the funds are liquidated, which on average can occur over the span of 3 to 7 years, distributions are received.

Invested Assets

(Dollar Values Expressed in Thousands)
June 30, 2025

Investment Type	Total Fair Value	Fair Value on Loan
Cash	\$20,940	—
Cash collateral at broker	71,849	—
Pooled funds and mutual funds	864,492	—
Short-term investments	864,492	—
Common stocks	3,054,769	\$47,373
Real estate investment trusts	78,410	2,058
Preferred stock	15,500	—
Equity investments	3,148,679	49,431
U.S. Treasury notes	92,468	—
U.S. Treasury bonds	21,632	—
Fannie Mae	2,552	—
Collateralized mortgage-backed securities	7,285	—
Other government fixed income	259,840	4,787
Corporate bonds	267,930	37,242
Private placements	808,559	143,653
State and local obligations	1,898	—
Other fixed income	898,589	—
Fixed-income investments	2,360,753	185,682
Derivative Instruments	10,067	—
Equity commingled funds	15,586,383	—
Fixed-income commingled funds	10,596,991	—
Commingled funds	26,183,374	—
Special equity	7,570,904	—
Venture capital	311,126	—
Private equity	7,882,030	—
Private real assets	3,199,540	—
Private credit	2,854,133	—
Total	\$46,595,857	\$235,113
Cash in managers' accounts	(541,880)	
Investments on Statement of Fiduciary Net Position	\$46,053,977	

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, addresses common deposit and investment risks related to credit risk, concentration of credit risk, custodial credit risk, interest rate risk and foreign currency risk. Each risk identified in GASB 40, as it relates to the System, is discussed in the remainder of this note. No System-wide formal policy exists specific to investment-related risks identified in GASB 40. Each portfolio is managed in accordance with an investment contract that identifies and seeks to control the various types of investment-related risks.

Prior-year disclosures for investment type, credit risk quality ratings and effective duration have not been included because the information is not believed to be of continuing significance.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to IPERS. Credit risk associated with all fixed-income holdings, including collateral for repurchase agreements and securities lending collateral, is included in this report.

The tables summarize IPERS' fixed-income portfolio exposure levels and credit quality ratings. The following table includes \$4.691 billion of U.S. Treasury obligations. These securities are explicitly guaranteed by the U.S. government and represent 33.9 percent of the total Fund's fixed-income exposure. Therefore, as of June 30, 2025, IPERS' fixed-income assets that are not explicitly government-guaranteed represented 66.1 percent of the fixed-income portfolio.

As a matter of practice, there are no overarching limitations or policies for credit risk exposures within the overall fixed-income portfolio. Each fixed-income portfolio is managed in accordance with an investment contract that is specific about permissible credit quality ranges and the average credit quality of the overall portfolios. In circumstances where downgrades occurred after the purchase, investment managers are permitted to hold a downgraded security if the manager believes it is prudent to do so. Credit risk for derivative instruments held by the System results from counterparty risk assumed by IPERS. This is essentially the risk the counterparty will be unable to meet its obligation. Information regarding IPERS' credit risk related to derivative instruments is found under the derivative instrument disclosures beginning on page 30. Policies related to credit risk pertaining to IPERS' securities lending program are found under the securities lending disclosures on page 32.

Credit Risk: S&P Quality Ratings

(Dollar Values Expressed in Thousands)

June 30, 2025

Investment Type	Total	TSY	AAA	AA	A	BBB	BB	B	CCC & Below	NR
Pooled and mutual funds	\$864,492	—	—	—	\$405	—	—	—	—	\$864,087
Short-term investments	864,492	—	—	—	405	—	—	—	—	864,087
U.S. Treasury notes	92,468	\$92,468	—	—	—	—	—	—	—	—
U.S. Treasury bonds	21,632	21,632	—	—	—	—	—	—	—	—
Fannie Mae*	2,552	—	—	\$2,552	—	—	—	—	—	—
Collateralized mortgage-backed securities	7,285	—	—	—	—	—	—	—	—	7,285
Other govt fixed income	259,840	—	—	6,677	5,376	\$74,966	\$68,282	\$19,171	\$22,785	62,582
Corporate bonds	267,930	—	\$142	5,062	549	64,098	94,279	52,484	18,317	32,999
Private placements	808,559	—	4,567	2,956	2,957	55,732	325,236	271,153	82,723	63,236
State & local obligations	1,898	—	200	1,637	60	—	—	—	—	—
Other fixed income	898,589	—	—	—	—	—	—	—	—	898,589
Fixed-income investments	2,360,753	114,100	4,909	18,884	8,942	194,796	487,797	342,808	123,825	1,064,691
Commingled bond funds	10,596,991	4,576,840	386,790	3,110,217	1,229,251	1,293,893	—	—	—	—
Total	\$13,822,236	\$4,690,940	\$391,699	\$3,129,101	\$1,238,598	\$1,488,689	\$487,797	\$342,808	\$123,825	\$1,928,778

*Fannie Mae mortgage pools consist of thousands of mortgages. Because of the complexity of these pools, hiring ratings agencies to rate each pool is cost-prohibitive. With no explicit ratings given to the pools, investors consider the ratings to be the same as the issuer's long-term rating and the pools are reported as such in this table.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of investment in a single issuer. IPERS' guidelines for each investment manager establish limits on investments in any corporate entity. The System has no separate account investment in any specific stock or bond issues of any commercial or industrial organization other than the U.S. government and its instrumentalities whose fair value exceeds 5 percent of IPERS' net position restricted for pensions.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the System will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in IPERS' name and are held by either the counterparty or the counterparty's trust department or agent. IPERS' cash investments are required to be collateralized under Iowa law. Securities lent are also required to be fully collateralized. See securities lending section on page [32](#).

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a fixed-income investment. This risk is measured using the effective duration (or option-adjusted) methodology. The methodology takes into account optionality on bonds and scales the risk of price changes on bonds depending upon the degree of change in rates and the slope of the yield curve.

There are no organization-wide policies for interest rate risk exposure within the overall fixed-income portfolio. The System's core fixed-income investment contracts generally require the effective duration of the manager's portfolio to remain between 80 and 120 percent of the effective duration measure of a specific fixed-income index. However, all of IPERS' core fixed income managers have authority under their contracts to reduce the interest rate sensitivity of their portfolios to less than 80 percent of the benchmark's effective duration (up to zero effective duration) if the managers forecast a period of rising interest rates. For high-yield bond portfolios, the effective duration must remain between 75 and 125 percent of the benchmark's effective duration. The reporting of effective duration found in the following table quantifies to the fullest extent possible the interest rate risk of the System's fixed-income assets. Interest rate risks associated with swaps and other derivative instruments are found in the derivative instrument disclosures beginning on page [30](#). No interest rate futures or options positions

will be established that affect the duration or weighted average maturity of a fixed-income managed account by more than one year.

Effective Duration

(Dollar Values Expressed in Thousands)

June 30, 2025

Investment Type	Fair Value	Effective Duration in Years
Pooled funds and mutual funds	\$864,492	0.08
Short-term investments	864,492	0.08
U.S. Treasury notes	92,468	3.60
U.S. Treasury bonds	21,632	13.79
Fannie Mae	2,552	6.58
Collateralized mort-backed secs.	7,285	2.88
Other government fixed income	259,840	6.36
Corporate bonds	267,930	3.43
Private placements	808,559	3.18
State and local obligations	1,898	11.02
Other fixed income	898,589	5.85
Fixed-income investments	2,360,753	3.82
Commingled bond funds	10,596,991	6.28
Total	13,822,236	5.62

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of investments. IPERS' currency policy allows its investment managers the discretion to hedge their foreign currency exposures. IPERS generally does not allow its managers to enter into currency positions greater than 100 percent or less than 0 percent of the underlying asset exposure in their respective portfolios. Exceptions are (1) as it relates to specific cross-hedging activity, which may be permitted in certain investment manager contracts, and (2) in liquid absolute return strategies (LARS) where the managers are permitted to tactically allocate across several asset classes and strategies, including currency. The net foreign currency exposure of the LARS managers was less than one percent of the System's total foreign currency exposure on June 30, 2025.

The following foreign currency risk table does not include foreign currency exposure in collective investment trusts.

Foreign Currency Risk by Investment Type

(Dollar Values Expressed in Thousands)

June 30, 2025

Currency	Total	Cash & Cash Equivalents	Derivative Instruments	Equity	Fixed Income
Australian Dollar	\$85,928	\$484	(\$1,483)	\$86,927	—
Brazilian Real	15,366	(15,931)	—	31,578	(\$281)
British Pound	150,208	2,528	(1,619)	149,299	—
Canadian Dollar	39,477	(141)	(620)	40,238	—
Chilean Peso	6,395	517	—	5,834	44
Chinese Yuan Renminbi	31,083	6,813	—	24,270	—
Chinese Yuan	(28,889)	(28,889)	—	—	—
Colombian Peso	7,499	6,938	—	561	—
Czech Koruna	40,719	39,812	—	953	(46)
Danish Krone	16,132	2,082	—	14,050	—
Egyptian Pound	504	6	—	498	—
Euro	414,904	(9,839)	156	405,207	19,380
Hong Kong Dollar	99,304	963	(1,726)	100,067	—
Hungarian Forint	4,327	(6,515)	—	10,777	65
Indian Rupee	203,878	113,415	—	90,463	—
Indonesian Rupiah	53,321	44,313	—	9,008	—
Israeli Shekel	38,175	10,615	—	27,560	—
Japanese Yen	322,043	8,100	141	313,802	—
Kuwaiti Dinar	1,063	11	—	1,052	—
Malaysian Ringgit	9,873	54	(13)	9,832	—
Mexican Peso	30,148	10,313	—	18,155	1,680
New Zealand Dollar	6,634	24	—	6,610	—
Norwegian Krone	16,841	170	—	16,671	—
Philippine Peso	7,358	3,095	—	4,263	—
Polish Zloty	8,559	4,581	—	3,990	(12)
Qatari Riyal	4,496	—	—	4,496	—
Romanian Leu	6,782	6,782	—	—	—
Russian Ruble	45	45	—	—	—
Saudi Arabian Riyal	9,468	10	—	9,458	—
Singapore Dollar	28,026	(1,998)	—	30,024	—
South African Rand	25,856	1,908	(3)	23,761	190
South Korean Won	40,458	(18,604)	363	58,672	27
Swedish Krona	47,788	972	185	46,631	—
Swiss Franc	76,559	3,812	—	72,747	—
Taiwanese Dollar	120,167	33,676	—	86,491	—
Thai Baht	4,687	(2,884)	(51)	7,613	9
Turkish Lira	8,256	2	—	8,254	—
United Arab Emirates Dirham	13,914	115	—	13,799	—
Total	\$1,967,352	\$217,355	(\$4,670)	\$1,733,611	\$21,056

Derivative Instruments

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, requires the fair value of financial arrangements called “derivative instruments” to be reported in the financial statements of state and local governments. The statement further requires derivative instruments to be categorized as either hedging derivative instruments or investment derivative instruments. All of the System’s derivative

instrument exposures at June 30, 2025, are categorized as investment derivative instruments, and therefore the hedge accounting provisions of GASB 53 are not applicable. Additionally, no derivatives held by IPERS contain contingent features as defined by GASB 53.

Some of the System’s external investment managers may use derivative instruments, subject to the System’s derivative instruments policy contained in its

Investment Policy and Goal Statement. Derivative instruments are contracts or securities whose returns are derived from the returns of other securities, indexes or derivative instruments. This definition includes the most common type of derivative instrument, collateralized mortgage obligations (which typically make up a portion of the System's fixed-income portfolio), it also includes (but is not limited to) futures, forwards, options, options on futures, swaps and swaptions. The System's managers are not permitted to utilize derivative instruments for speculative purposes, but may use them to efficiently access desired markets and to control and manage portfolio risk. Examples of appropriate applications of derivative instrument strategies include hedging interest rate and currency risk, maintaining exposure to a desired asset class while effecting asset allocation changes, managing duration risk, augmenting index fund performance through index arbitrage and implementing portable alpha strategies, including liquid absolute return strategies.

The various derivative instruments utilized by the System's investment managers are described below. Although the notional values associated with these derivative instruments are not recorded in the financial statements, the fair value amounts of exposure (unrealized gains/losses) are reported in the Statement of Fiduciary Net Position. The total changes in fair value for the year are included as net appreciation in fair value of investments in the Statements of Changes in Fiduciary Net Position. For FY2025, the change in fair value in the swap contracts resulted in a gain of \$2.5 million of investment income. The change in fair value in the futures contracts resulted in a gain of \$3.1 million of investment income. IPERS holds investments in limited partnerships and commingled investment funds, which may occasionally utilize derivative instruments for hedging purposes; however, any derivative instruments held by these types of investment vehicles are not included in this Note. IPERS could be exposed to risk if the counterparties to derivative instrument contracts are unable to meet the terms of the contracts (credit risk). IPERS' investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, exposure monitoring procedures and in some cases the collateralization of gains or losses. IPERS anticipates the counterparties will be able to satisfy their obligations under the contracts. Limited partnerships and commingled investment vehicles in which IPERS invests may also have exposure to counterparty risk from the use of derivative instruments for hedging purposes.

Futures and Options Contracts

IPERS had investments in various futures and options in FY2025. The Statement of Fiduciary Net Position

reports these contracts at fair value. A summary of contracts by sector that were outstanding at June 30, 2025, follows. Futures and options can potentially offer lower-cost, more efficient alternatives to buying the underlying securities or currency. They can also serve to minimize certain unwanted risks within the portfolio. The market, currency and credit risk of the futures were the same as if IPERS had owned the underlying securities or currency.

Futures Exposure Summary

(Dollar Values Expressed in Thousands)

June 30, 2025

	Number of Contracts	Notional Value	Fair Value	% of Total Fund NAV
Long Futures				
Agriculture	3,592	\$74,943	(\$1,853)	(0.00397)
Currency	1,687	113,785	1,542	0.00330
Energy	16,910	396,028	(3,025)	(0.00648)
Index	2,197	330,617	1,895	0.00406
Interest	5,992	975,661	5,757	0.01233
Metal	3,448	214,926	3,417	0.00732
Total	33,826	\$2,105,960	\$7,733	0.01658
Short Futures				
Agriculture	(7,126)	(\$115,250)	\$2,965	0.00635
Currency	(2,445)	(234,644)	(5,014)	(0.01074)
Energy	(14,452)	(355,639)	6,717	0.01439
Index	(648)	(118,765)	(262)	(0.00056)
Interest	(2,911)	(229,809)	(1,980)	(0.00424)
Metal	(2,469)	(175,244)	(4,392)	(0.00941)
Total	(30,051)	(\$1,229,351)	(\$1,966)	(0.00421)

Options Exposure Summary

(Dollar Values Expressed in Thousands)

June 30, 2025

	Fair Value	% of Total Fund NAV
Options Written		
Agriculture	(\$19)	(0.00004)
Energy	(585)	(0.00125)
Metal	(196)	(0.00042)
Total	(\$801)	(0.00172)
Options Purchased		
Agriculture	6	0.00001
Total	\$6	0.00001

Credit Default Swaps

The System had investments in credit default swaps during the year. These credit default swaps are derivative instruments used to hedge or to replicate investments in debt obligations of corporate bond issuers. The risk of the credit default swap is comparable to the credit risk of the reference security.

At June 30, 2025, the net notional value of the credit default swaps held in the System's fixed-income portfolio was \$62.5 million. The credit default swaps are reported at a fair value of \$838,000 in the Statement of Fiduciary Net Position.

Interest Rate Swaps

Interest rate swaps are transactions between two parties in which interest payments from different indexes are swapped. Interest rate swaps are often used to alter the portfolios' exposure to interest rate fluctuations by swapping fixed-rate obligations for floating-rate obligations or vice versa. By utilizing interest rate swaps, IPERS' investment managers are able to alter their interest rate exposure and bring it in line with their strategic objectives for interest rate risk. At June 30, 2025, the net notional value of the interest rate swaps held in the System's fixed-income portfolio was \$461.7 million. All interest rate swaps held by the System are reported at a fair value of \$4.3 million in the Statement of Fiduciary Net Position.

Mortgage-Backed Securities

The System invests in mortgage-backed securities, which are reported in the Statement of Fiduciary Net Position at fair value based on estimated future cash flows from the interest and principal payments of the underlying mortgages. Mortgage-backed securities prices are sensitive to prepayments by mortgagees, a scenario that is more likely in declining-interest-rate environments. The System invests in mortgage-backed securities to diversify the portfolio and earn the return premium associated with prepayment risk. Details on interest rate risks for these investments are included in the interest rate risk disclosures on page 29.

Securities Lending

IPERS participates in the securities lending program administered by the Treasurer of State, as authorized by Iowa Code section 12.8. Deutsche Bank serves as the lending agent for IPERS' securities lending program. In this capacity, Deutsche Bank is responsible for operating the program and is permitted to lend IPERS' securities to broker-dealers and other entities in exchange for collateral.

Deutsche Bank is permitted to accept collateral in the form of cash in U.S. dollars, U.S. government

securities or irrevocable letters of credit. A borrower is required to initially deliver collateral in an amount equal to 102 percent of the fair value of any U.S. securities lent or 105 percent of the fair value of any non-U.S. securities lent. Borrowers are required to provide additional collateral anytime the value of the collateral drops below 100 percent of the value of the security lent plus accrued investment income.

At fiscal year end, IPERS did not have any exposure, where the amount on loan by IPERS exceeds the amount owed to IPERS. The contract with Deutsche Bank requires it to indemnify IPERS only if (1) a borrower becomes insolvent, or (2) a loss is incurred from an investment of collateral in an overnight repurchase agreement.

The securities lending contract does not allow IPERS to pledge or sell any collateral securities unless the borrower defaults. As of June 30, 2025, IPERS had securities on loan, including accrued interest income, with a fair value (carrying value) of \$235.1 million. Cash and non-cash collateral for said securities, including borrower rebate, have total fair values (carrying values) of \$217.1 million and \$30.5 million respectively.

The majority of securities loans are open loans, that is, one-day maturity, where the rebate rate due to the borrower is renegotiated daily. Either IPERS or the borrower can terminate all securities loans on demand.

Cash collateral received from borrowers is invested in a cash collateral investment account, which is managed by Deutsche Bank in accordance with investment guidelines established by the Treasurer of State and reviewed by IPERS. The investment guidelines do not require a matching of investment maturities with loan maturities, but do establish minimum levels of liquidity and other investment restrictions designed to minimize the risks associated with not matching the maturity of the investments with the maturity of the loans. The effective duration of the cash collateral account at June 30, 2025, was 0.00. Credit quality and years-to-maturity statistics for the cash collateral account at June 30, 2025, are shown in the following table.

Securities Lending Cash Collateral Account

(Dollar Values Expressed in Thousands)

June 30, 2025

Investment Type	Fair Value	Credit Risk: S&P Quality Rating			Investment Maturity (Years)
		AAA	AA	Not Rated	
Money market funds	\$130,088	\$130,088	—	—	Less than 1
Overnight repurchase agreements	87,044	—	—	\$87,044	Less than 1
Total	\$217,132	\$130,088	—	\$87,044	

E. Capital Assets

The IPERS headquarters at 7401 Register Drive, Des Moines, Iowa is held as a capital asset. Building and land are recorded at cost, including the costs of acquisition and remodeling. IPERS has set a capitalization threshold of \$5,000 to determine if purchases should be capitalized and depreciated over their useful lives or expensed as incurred. The building is being depreciated using the straight-line method and a useful life of 39 years. Land, a nonexhaustible asset, is not depreciated. The capitalization threshold for land improvements is \$50,000. Other capital assets consist primarily of office equipment, data processing equipment and software.

All purchased equipment is recorded at cost with capitalization thresholds of \$5,000 for equipment and \$500,000 for intangible assets such as software. Depreciation on equipment is computed using the straight-line method based on estimated useful lives ranging from 3 to 10 years. Software is depreciated over 15 to 25 years.

Total depreciation/amortization expense for the year ended June 30, 2025, was \$3.5 million. Of that amount, \$239,508 was reclassified as an investment-related expense on the Schedule of Investment-Related Expenses on page 48. In FY2025, capital asset additions of \$2.1 million were capitalized.

Summary of Capital Assets

As of June 30, 2025 and 2024

Capital Assets	Land	Building and Improvements	Land Improvements	Furniture, Equipment and Software	Right-to-Use Assets	Total Capital Assets
Balances as of June 30, 2024	\$500,000	\$7,738,724	\$485,697	\$31,512,111	\$5,169,926	\$45,406,458
Additions	—	935,814	—	1,120,182	—	2,055,996
Deletions	—	—	—	(465,306)	—	(465,306)
Balances as of June 30, 2025	500,000	8,674,538	485,697	32,166,987	5,169,926	46,997,148
Accumulated Depreciation/Amortization						
Balances as of June 30, 2024	—	4,009,407	158,403	23,897,885	3,017,056	31,082,751
Depreciation/amortization expense	—	255,228	15,728	2,182,618	1,076,435	3,530,009
Deletions	—	—	—	(465,306)	—	(465,306)
Balances as of June 30, 2025	—	4,264,635	174,131	25,615,197	4,093,491	34,147,454
Net capital assets as of June 30, 2025	\$500,000	\$4,409,903	\$311,566	\$6,551,790	\$1,076,435	\$12,849,695

Right-to-Use Assets

Right-to-use assets consist of subscription-based software. The intangible right-to-use assets and related liabilities are recorded under GASB Statement No. 96, *Subscription-Based Information Technology Arrangement*. The capitalized value of right-to-use assets and subscription liabilities has been calculated based on the future subscription payments, discounted to present value.

Accounting standards require organizations to determine their discount rate based on their incremental borrowing costs. As an institutional investor, treasury rates were the primary factor IPERS used to determine a discount rate for measuring present value of the right-to-use assets and subscriptions liabilities. IPERS used the Incremental Borrowing Rate of 1.76 percent as a discount rate to calculate the present value of the subscription liabilities recognized during the fiscal year June 30, 2023. IPERS did not have any new right-to-use assets or subscription liabilities in FY2025.

The difference between the liability booked to record the present value of these future payment obligations, and the actual subscription payments, is reported as interest expense. The recording of these liabilities resulted in a future minimum subscription commitment, as follows:

Fiscal Year	Principal	Imputed Interest	Total
2026	1,202,636	21,166	1,223,802

F. Compensated Absences

IPERS staff members, as state of Iowa employees, participate in the benefits available to all state of Iowa employees. Expenses related to accumulated vacation and sick leave earned by IPERS employees are recorded when earned.

IPERS has recorded liabilities of \$841,478 related to the Sick Leave Insurance Program (SLIP). The SLIP calculates a dollar value based on the unused sick leave balance to be credited to a retiree's account and used to pay the employer's share of the selected state group health insurance premium.

G. Other Postemployment Benefits (OPEB)

IPERS has recorded liabilities for OPEB provided through the State of Iowa OPEB Plan (State OPEB Plan). These accrued liabilities are included in accounts payable and accrued expenses in the Statement of Fiduciary Net Position on page [21](#).

Plan Description

The State OPEB Plan is a cost-sharing, multiple-employer defined benefit plan administered by the state of Iowa. At June 30, 2025, there were 88 active and seven retired IPERS participants in the plan.

The state of Iowa provides access to postretirement medical benefits to all retirees as required by Iowa Code section 509A.13. Although the retirees generally must pay 100 percent of the premium rate, GASB 75 requires that employers recognize the implicit rate subsidy that exists in postretirement medical plans provided by governmental employers.

Implicit rate subsidy refers to the concept that retirees under the age of 65, who are not eligible for Medicare, generate higher claims on average than active participants. When a medical plan is self-insured or fully insured through a third-party administrator, a premium is usually determined by analyzing the claims of the entire population in the plan and adjusting for administrative costs. The resulting premium is called a blended premium because it blends the claims of active and retired participants. Since individuals generally have more and higher claims as they age, the blended premium paid for retirees is lower than their expected claims. Another way of considering this is if the retirees were removed from the plan, the premium for the active group would be lower; therefore, the retirees' premiums are being subsidized by the active group. Since the employer generally pays a large portion or all of the premiums for the active group, this subsidy creates a liability for the employer. The difference between the expected claims for the retiree group and the blended premium is called the implicit rate subsidy.

Plan Benefits

The State OPEB Plan currently offers three plans to participants: the Iowa Choice Plan, the National Choice Plan and the State Police Officers Council Plan.

The contribution requirements of the plan participants are established and may be amended by the Iowa Legislature. The state currently finances the retiree benefit plan on a pay-as-you-go basis.

Liability, Expense, Deferred Outflows and Deferred Inflows of Resources

At June 30, 2025, IPERS reported a liability of \$668,079 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2025, determined by an actuarial valuation, using generally accepted actuarial principles and a modified roll-forward approach. IPERS' proportion of the total OPEB liability was based on the ratio of IPERS' active employees in relation to all active employees of the state of Iowa OPEB Plan. At June 30, 2025, IPERS' proportion was 0.40 percent.

For the year ended June 30, 2025, IPERS' proportionate share of the total OPEB expense was \$38,856. At June 30, 2025, IPERS reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources (\$000)	Deferred Inflows of Resources (\$000)
Differences between expected and actual experience	\$153	\$64
Changes in proportion and differences in employer contributions and IPERS' proportionate share of contributions	99	224
Assumption changes	20	388
Total	\$272	\$676

The net -\$404,886 reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in pension expense, with -\$47,176 recognized in FY2026, -\$49,800 recognized in FY2027, -\$49,142 recognized in FY2028, -\$50,458 recognized in FY2029, -\$50,582 recognized in FY2030, and the remaining -\$157,728 recognized thereafter.

Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2025, measurement was determined using the following actuarial assumptions and inputs, applied to all periods included in the measurement.

Actuarial cost method	Entry age normal
Discount rate	5.20%
Inflation rate	3.25%
Healthcare cost trend rates	Medical: 3.00%, then 6.75% trending down to 4.50% over 9 years; RX: -5.14%, then 8.75% trending down to 4.50% over 17 years

The discount rate is based on the Bond Buyer 20-Bond Municipal Index as of the end of June 2025.

The majority of State of Iowa employees are participants in IPERS. For this reason, the economic and demographic assumptions used in the OPEB valuation were based on the results of an actuarial experience study prepared for IPERS covering the period of July 1, 2017 – June 30, 2021. Other assumptions were determined by the actuary.

Changes in the Total OPEB Liability

There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB 75.

	Increase/(Decrease) (\$000)
Total OPEB liability at June 30, 2024	\$837
Service cost	55
Interest	30
Assumption changes	(211)
Implicit employer contributions	(43)
Net changes in total OPEB liability	(169)
Total OPEB liability at June 30, 2025	\$668

Sensitivity of IPERS' Total OPEB Liability to Changes in the Discount Rate

GASB 75 requires the disclosure of the sensitivity of the total OPEB liability to changes in the discount rate. The table below shows the total OPEB liability if it were calculated using discount rates of 4.20 percent and 6.20 percent, which are 1 percentage point lower and 1 percentage point higher than the current discount rate.

1% Decrease: 4.20% (\$000)	Current Discount Rate: 5.20% (\$000)	1% Increase: 6.20% (\$000)
\$715	\$668	\$624

Sensitivity of IPERS' Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The proportionate share of the total OPEB liability was calculated using healthcare cost trend rates of Medical: 3.00%, trending down to 4.50% over 9 years and Rx: -5.14%, trending down to 4.50% over 17 years. The sensitivity of the proportionate share of the total OPEB liability to changes in the healthcare cost trend rates is shown in the table below.

1% Decrease in Healthcare Cost Trend Rates: (\$000)	Current Healthcare Cost Trend Rates: (\$000)	1% Increase in Healthcare Cost Trend Rates: (\$000)
\$597	\$668	\$751

Payables to the OPEB Plan

There were no amounts due to the State OPEB Plan at June 30, 2025.

(2) PLAN DESCRIPTION

A. Administration

IPERS is a cost-sharing, multiple-employer, contributory defined benefit public employee retirement system. Administrative expenses are appropriated each year by the Iowa Legislature and paid from the Trust Fund.

The Governor and Iowa Legislature are the plan sponsors and have the authority to establish and amend IPERS' benefit provisions.

The IPERS Investment Board is designated as the Fund's trustee. It sets investment policies and oversees the System's actuarial program. The Board holds public meetings regularly to review actuarial findings and investment performance and to formalize policies with the administration.

Eleven members serve on the Investment Board: seven voting members and four nonvoting members.

The voting members include:

- Three public members, appointed by the Governor, who have substantial institutional investment or financial experience and are not IPERS members.
- Three members, appointed by the Governor, who are members of IPERS: an active member who is an employee of a school district, area education agency or merged area; an active member who is not an employee of a school; and a retired member of IPERS.
- The Treasurer of State.

The nonvoting members include:

- Two state representatives (one appointed by the speaker of the Iowa House of Representatives and one appointed by the minority leader of the Iowa House).
- Two state senators (one appointed by the majority leader of the Iowa Senate and one appointed by the minority leader of the Iowa Senate).

Gubernatorial appointees serve six-year terms and must be confirmed by the Iowa Senate.

The IPERS Benefits Advisory Committee is statutorily charged to make benefit and service recommendations to IPERS and the General Assembly.

The Committee is composed of representatives of constituent groups concerned with the System and includes representatives of all major employer groups and major active and retired member associations.

B. Membership

IPERS participation is mandatory for most employees of the state of Iowa and its political subdivisions, including public school systems. Exceptions include those employees covered by a retirement system at least partially supported by public contributions, other than Social Security. Membership is optional for the members of the Iowa General Assembly and certain other individuals.

At June 30, 2025, IPERS had 186,221 contributing (active) members, employed by 1,949 public employers. The number of active members increased by 1.54 percent in FY2025. The following Plan Membership tables and pie charts provide further information.

Plan Membership

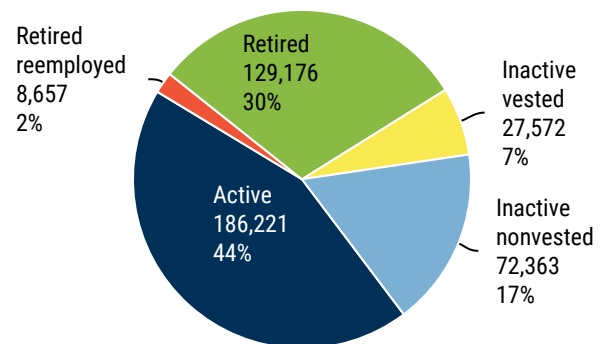
Fiscal Years Ended June 30

Members	2025	2024
Retirees and beneficiaries	137,833	136,060
Active vested	104,431	103,175
Inactive vested	27,572	27,133
Active nonvested	81,790	80,214
Inactive nonvested	72,363	67,590
Total	423,989	414,172

Note: Retired reemployed members are included in the number of retirees and beneficiaries. Retired reemployed members consist of all retirees who have at any time returned to covered employment but have not subsequently requested a refund or a benefit recalculation.

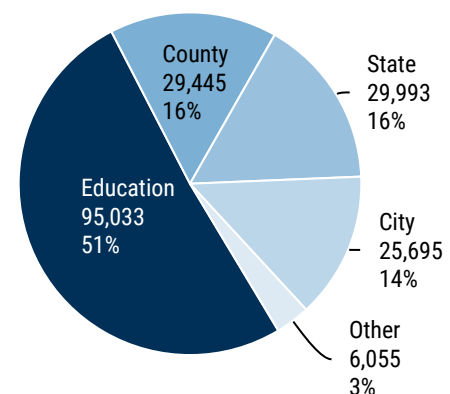
Employer Type	2025		2024	
	Number of Entities	Covered Wages	Number of Entities	Covered Wages
City	958	\$1,443,829,709	958	\$1,361,960,300
Education	355	5,288,945,845	351	5,056,474,936
County	350	1,980,838,792	351	1,853,491,318
Other	156	186,481,896	154	180,991,358
Utilities	129	153,046,232	130	144,076,379
State	1	1,471,896,780	1	1,405,040,683
Total	1,949	\$10,525,039,254	1,945	\$10,002,034,974

Membership Status



Note: Due to rounding, chart may not equal 100%

Active Members by Major Employer Type



C. Benefit Plan

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is for general informational purposes only. The plan documents contain more information.

Vesting

Regular members who complete seven years of covered service or reach the age of 65 while in IPERS-covered employment become vested. Special Service members who complete four years of covered service or reach the age of 55 while in IPERS-covered employment become vested.

Service Purchases

At retirement, members who have reached the years-of-service requirement for vesting may purchase service. These members may restore (buy back) previously refunded member service, purchase (buy in) IPERS service credit for employment elsewhere or time spent away from work or convert (buy up) Regular service credit to Special Service credit.

Refunds

IPERS members who terminate public employment for any reason may request a full refund of their accumulated contributions. Vested members requesting a refund also receive a portion of their accumulated employer contributions. Acceptance of the refund automatically terminates IPERS membership and all claims to future benefits. If an employee works in covered employment for less than six months, the employer may file a wage adjustment and the applicable IPERS contributions will be refunded to the individual and employer.

Eligibility for Pensions

A Regular member may receive retirement benefits when the member is vested, is no longer working for an IPERS-covered employer, is at least 55 years old and has reached a normal retirement age.

Normal retirement age, when a permanent early-retirement reduction no longer applies, is one of the following, whichever comes first:

- Years of service plus age equals at least 88
- Age 62 with 20 or more years of service
- Age 65

Members who are age 70 and working for an IPERS-covered employer may apply to begin receiving IPERS retirement benefits while still employed.

Protection Occupation members are eligible for retirement benefits when the member is vested, is no

longer working for an IPERS-covered employer and is at least 55 years old.

Sheriffs and Deputies are eligible for retirement benefits when the member is vested, is no longer working for an IPERS-covered employer and is at least 50 years old with 22 years of service. Members with fewer than 22 years of service are not eligible for retirement benefits before age 55.

Pension Benefit Formula

The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)
- An early-retirement reduction, only if the first benefit is paid before the member reaches normal retirement age.

If a Regular member receives benefits before normal retirement age, a permanent early-retirement reduction will apply. For service earned before July 1, 2012, a reduction of 3 percent a year is applied for each year the benefit is paid before normal retirement age. For service earned after June 30, 2012, the reduction is 6 percent for each year of retirement before age 65.

The formula used to calculate a Special Service member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest three-year average salary.

Benefit Options

Upon retirement, an IPERS member may choose from six benefit options. Each of the six options provides a lifetime benefit for the IPERS member. The amount of the member's benefits and the amount and availability of death benefits vary according to the option selected.

Option 1

A member receives a lifetime monthly benefit. At retirement, the member specifies a lump-sum death benefit amount, in an increment of \$1,000, to be paid to a designated beneficiary upon the death of the member. The death benefit cannot exceed the member's accumulated contributions. The death benefit cannot lower the monthly benefit as calculated under Option 2 by more than 50 percent.

Option 2

A member receives a lifetime monthly benefit. When the member dies, the designated beneficiary receives a lump-sum refund of the excess, if any, of the member's accumulated contributions minus the amount of all retirement benefits paid to the member prior to death.

Option 3

A member receives the maximum lifetime monthly benefit. No payment is made to a beneficiary upon the member's death.

Option 4

A member receives a lifetime monthly benefit actuarially reduced to provide for a lifetime monthly benefit to the contingent annuitant upon the member's death. The age of the contingent annuitant can affect the cost of the lifetime payments to the member based on actuarial tables. The contingent annuitant can receive 100 percent, 75 percent, 50 percent or 25 percent of the member's monthly benefit. The choice in percentages is limited if the contingent annuitant is not the member's spouse and is more than 10 years younger than the member.

Option 5

A member receives a lifetime benefit with a 10-year guarantee. If the member dies before 10 full years have passed (120 monthly payments are made), the member's designated beneficiary will receive a monthly benefit for the remainder of the 10 years. If the beneficiary dies before the 10 years expire, the beneficiary's estate will receive a commuted lump-sum settlement. If the member designates more than one beneficiary, payments will be made in a lump sum only. Members who are age 90 as of the first month of entitlement are not allowed to select this option.

Option 6

The member receives a reduced monthly benefit so that a lifetime monthly benefit may be provided after the member's death to the person named by the member as the contingent annuitant. In addition, the monthly amounts are reduced to pay for a pop-up feature. The pop-up feature provides that if the contingent annuitant dies before the member, the member's benefit will pop back up to what it would have been under IPERS Option 2, and death benefits may be payable to the member's designated beneficiary if certain conditions are met.

Level Payment Options

Special Service members may choose to apply a level payment feature to Options 1 – 5. Level payment options provide for a lifetime monthly benefit that will be permanently reduced when the member reaches age 62. Level payment options allow members to receive approximately equal payments before and after they begin receiving Social Security benefits. The death benefit provisions for each level payment option match the provisions of the corresponding "normal" option.

Dividend Payments

Once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's life.

However, for retirees who began receiving benefits prior to July 1990, a guaranteed dividend is included with the November benefit payment. The dividend payable in any given year is the sum of the dollar amount of the dividend payable in the previous November and a dividend adjustment. The dividend adjustment, established in Iowa Code section 97B.49F(1)(b), is calculated by multiplying the total of the retiree's monthly benefit payments and the dividend payable to the retiree in the previous calendar year by the applicable percentage, up to 3 percent.

For retirees who began receiving benefits after June 30, 1990, a Favorable Experience Dividend (FED) may be paid if there are funds in the FED reserve account. There are currently no funds in the FED reserve account. Pursuant to Iowa Code section 97B.49F(2)(c)(5), IPERS cannot transfer additional funds to the FED reserve account until the Fund is fully funded and would remain so after the transfer.

Sheriffs and Deputies who retire on or after July 1, 2024, are not eligible for a FED payment. Instead, those who terminate employment as a sheriff or deputy sheriff on or after that date, and who are at least age 50 with 22 or more years of combined special service receive an automatic annual 1.5 percent compound cost-of-living adjustment (COLA). This COLA is payable each July 1, as established in Iowa Code section 97B.49C(2)(a).

Disability Benefits

Vested members who are awarded federal Social Security disability or Railroad Retirement disability benefits are eligible for IPERS disability benefits. Disability benefits are not reduced for early retirement.

Special Service members who retire because of a disability may meet the requirements for IPERS Regular or Special Service disability benefits.

Death Benefits

Preretirement Death Benefits

If an IPERS member dies before retirement, the member's designated beneficiary may receive a lump-sum payment based on the greater of the following two formulas:

Death benefit = The actuarial present value of the member's accrued benefit as of date of death

$$\text{Death benefit} = \text{Member's accumulated contributions} + \left[\text{Member's highest annual covered wage} \times \frac{\text{Years of service}}{30^*} \right]$$

*The denominator is 22 for all Special Service members.

If the member's designated beneficiary is a sole individual, the beneficiary will be offered a choice between a lump sum or a lifetime annuity.

Postretirement Death Benefits

If an IPERS member dies after retirement, payment is made to the beneficiary according to the option selected by the member at the time of retirement.

(3) ACTUARIAL CONTRIBUTIONS COMPARED TO CONTRIBUTIONS PAID

Each year, IPERS' actuary performs a valuation of the liabilities and assets of the IPERS Trust Fund in accordance with Iowa Code section 97B.4(4)(d). The actuary also calculates an actuarial contribution rate for each membership group, which is the contribution rate necessary to fully fund the benefits provided under Iowa Code chapter 97B.

IPERS' Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the entry age normal actuarial cost method and the actuarial assumptions and methods approved by the Investment Board. The actuarial contribution rate covers normal cost plus an unfunded actuarial liability payment. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the actuarial amortization method adopted by the Investment Board.

Although the actuarial contribution rates are calculated each year for all three membership groups, the contribution rates for the Regular membership were set in law through June 30, 2012. From FY2002 through FY2013, the rate allowed by statute was less than the actuarial rate, in spite of rate increases passed by the Iowa Legislature in 2006 and 2010. Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and actuarial amortization method. Statute limits the amount rates can vary each year to 1 percentage point for Regular members.

In FY2014 and FY2019, the contribution rate for Regular members equaled the actuarial rate and in FY2015 – FY2018 and FY2020 – FY2025, it exceeded the actuarial rate. According to the Contribution Rate Funding Policy, the contributions paid will not decline

to a lowered actuarial contribution rate unless two conditions are met: the funded ratio is at least 95 percent, and the actuarial contribution rate is at least 50 basis points lower than the contribution rate paid in the previous year.

Iowa statute authorizes the contribution rates for the Special Service groups to be set pursuant to the Contribution Rate Funding Policy. Therefore, these groups have paid the rates needed to fully fund their benefits each year through FY2014 and again in FY2019. In FY2015 – FY2018 and FY2020 – FY2025, the rates for the Special Service members exceeded the actuarial rates.

Contribution Rates

Fiscal Year 2025

	Employee	Employer	Total
Regular	6.29%	9.44%	15.73%
Sheriffs and Deputies	8.51%	8.51%	17.02%
Protection Occupation	6.21%	9.31%	15.52%

Contributions are remitted by participating employers. IPERS, as a participating employer, is subject to paying contributions at the Regular membership rate.

Wages were covered up to the Internal Revenue Code section 401(a)(17) compensation limits of \$345,000 for calendar year 2024 and \$350,000 for calendar year 2025. A detailed Schedule of Employers' Contributions encompassing 10 years can be found on page 44 in the Required Supplementary Information following these notes.

(4) NET PENSION LIABILITY

As a result of IPERS' 9.87 percent investment return for FY2025, the plan fiduciary net position was less than the total pension liability, resulting in a net pension liability at June 30, 2025. The calculation of the net pension liability (NPL) is shown in the following table:

Total pension liability	\$49,063,230,575
Plan fiduciary net position	\$46,740,552,174
Employers' net pension liability	\$2,322,678,401
Plan fiduciary net position as a percentage of the total pension liability	95.27%

The total pension liability (TPL) was determined by an actuarial valuation as of June 30, 2025. Actuarial valuations involve projections of benefit payments, contributions and other amounts decades into the future. These projections are based on actuarial assumptions and methods adopted by the IPERS Investment Board.

Assumptions such as salary increases, investment rates of return, retirement and disability rates, mortality rates and inflation rates are compared against actual experience in actuarial experience studies conducted every four years. These studies assist IPERS in evaluating the accuracy with which the assumptions predict actual experience. An actuarial experience study covering the period of July 1, 2017 – June 30, 2021, was presented to the Investment Board in June 2022.

Several factors are considered in evaluating the actuarial assumed investment return including long-term historical data, estimates inherent in current market data, along with estimates of variability and correlations for each asset class, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) were developed by the System's investment consultant. These ranges were combined to develop the actuarial assumed investment return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The actuarial assumed investment return reflects the anticipated returns on current and future plan assets and provides a discount rate to determine the present value of future benefit payments.

The Investment Board adopted and approved the use of the assumptions and methods shown in the following table. These are the assumptions the actuary used to comply with GASB 67. Additional methods and assumptions used in the actuarial valuation for funding purposes are listed in the Actuarial section of this report.

Actuarial Methods and Assumptions

Actuarial cost method	Entry age normal
Assumed investment return	7%
Projected salary increases	3.25% – 16.25%, including inflation, depending on years of service
Mortality tables	PubG-2010 Employee and Healthy Annuitant Tables using MP-2021 generational adjustments
Inflation rate	2.6%
Payroll increase	3.25%

Best estimates of geometric real rates of return for each major asset class included in IPERS' target asset allocation as of June 30, 2025, are shown in the following table.

Target Allocations and Long-Term Expected Real Rates of Return

As of June 30, 2025

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	3.33%
International equity	13.0%	4.99%
Global smart beta equity	5.0%	3.87%
Core fixed income	25.0%	2.84%
Public credit	3.0%	4.21%
Cash	1.0%	1.24%
Private equity	17.0%	7.68%
Private real assets	9.0%	4.62%
Private credit	6.0%	6.23%

A. Discount Rate

The discount rate used to calculate the TPL is 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employees and employers will be made at the contractually required rates, which are set by the Contribution Rate Funding Policy and derived from the actuarial valuation. Based on those assumptions, IPERS' fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the actuarial assumed investment return was applied to all periods of projected benefit payments to determine the TPL.

B. Net Pension Liability Sensitivity

GASB 67 requires the disclosure of the sensitivity of the NPL to changes in the discount rate. The table below shows the NPL if it were calculated using discount rates 1 percentage point lower and 1 percentage point higher than the actuarial assumed investment return of 7 percent.

1% Decrease:	Current Discount Rate:	1% Increase:
6%	7%	8%
\$8,363,272,754	\$2,322,678,401	(\$2,731,829,574)

C. Proportioning the Net Pension Liability

Many of IPERS-covered employers implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in FY2015. This standard requires employers following U.S. generally accepted accounting principles (GAAP) to record, on their financial statements, several measures related to

IPERS and any other defined benefit pension plans administered through trusts in which they participate.

GASB 68 requires employers to report their proportionate share of IPERS' Net Pension Liability (NPL), a measure of pension expense, deferred inflows of resources and deferred outflows of resources. GASB 68 also requires additional note disclosures, as well as tables and related notes in the Required Supplementary Information. Previously, employers reported only their pension plan contributions paid.

IPERS, in association with the Auditor of State, provides information necessary for employers to comply with GASB 68. Employers with a June 30 fiscal year-end employ a one-year lag by using IPERS' June 30, 2024, information for their June 30, 2025, reporting, as allowed by the GASB. The FY2025 NPL of \$2.323 billion will be apportioned to employers for their FY2026 financial reporting. The NPL is apportioned based on the amount of contributions paid by each employer in FY2025, expressed as a percentage of the total amount of employer contributions received by IPERS during the year.

(5) LITIGATION AND CONTINGENCIES

IPERS monitors, evaluates and takes the necessary actions related to litigation for or against IPERS. This includes, but is not limited to, federal and state court actions and defending administrative appeals filed against IPERS. IPERS employs outside legal counsel, utilizes the legal services of Iowa's Office of the Attorney General and utilizes in-house legal counsel to assert and defend claims for IPERS.

IPERS participates in federal securities class actions as the lead plaintiff, co-lead plaintiff, a named plaintiff or a member of the class action. In FY2025, IPERS made 70 recoveries benefiting the Trust Fund in the amount of \$932,647. The recoveries are reflected in the financial statements for the year ended June 30, 2025.

(6) COMMITMENTS

At June 30, 2025, IPERS had commitments to fund an additional \$2.485 billion to various private equity/debt partnerships, \$197.0 million to real estate debt, \$158.4 million to corporate debt, \$413.7 million to opportunistic credit partnerships and \$140.2 million to private real assets.

(7) NET POSITION RESTRICTED FOR PENSIONS

There is only one IPERS Trust Fund where all investment income, employee contributions and employer contributions are pooled. However, IPERS' three distinct membership groups are characterized by different benefit levels and occupation types. Because of these varied characteristics, each group has its own contribution rate. To calculate contribution rates, it is necessary to separately identify the liabilities and assets associated with each group. Assets of members with service in more than one membership group are aggregated in a single group, as noted on the "transfers between groups" line in the following table. The end result is a closer match of liabilities with assets and therefore more refined contribution rates.

Allocation of Net Position Restricted for Pensions

Fiscal Year Ended June 30, 2025

	Regular Members	Sheriffs and Deputies	Protection Occupation Members	Total
Net position as of June 30, 2024	\$40,278,253,030	\$993,742,968	\$2,389,127,302	\$43,661,123,300
Additions				
Contributions	1,546,763,525	27,964,141	79,650,105	1,654,377,770
Service purchases	3,938,182	—	56,105	3,994,288
Investment and miscellaneous income	3,995,114,186	98,828,830	237,959,240	4,331,902,257
Total additions	5,545,815,893	126,792,971	317,665,450	5,990,274,315
Deductions				
Benefit payments	2,588,407,332	49,254,505	121,337,539	2,758,999,376
Member refunds	69,001,850	1,097,869	4,744,404	74,844,123
Administrative expenses	17,316,410	142,781	676,647	18,135,837
Investment expenses	54,289,501	1,342,982	3,233,622	58,866,105
Total deductions	2,729,015,092	51,838,136	129,992,212	2,910,845,440
Preliminary net position	43,095,053,831	1,068,697,803	2,576,800,541	46,740,552,174
Transfers between groups	(10,235,980)	6,797,280	3,438,700	—
Adjusted net position as of June 30, 2025	\$43,084,817,851	\$1,075,495,083	\$2,580,239,241	\$46,740,552,174

Required Supplementary Information

Schedule of Changes in the Employers' Net Pension Liability and Related Ratios

Last 10 Fiscal Years

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	\$1,137,075,487	\$1,081,890,679	\$1,011,777,571	\$962,108,032	\$930,439,635
Interest	3,213,676,367	3,106,148,943	2,987,252,626	2,891,002,885	2,791,843,382
Benefit term changes	—	108,974,885	—	—	—
Differences between expected and actual experience	243,702,563	24,799,715	385,136,127	146,527,929	168,748,951
Assumption changes	—	—	—	(42,533,419)	—
Benefit payments, including member refunds	(2,833,843,499)	(2,739,174,007)	(2,633,901,493)	(2,532,039,573)	(2,418,810,758)
Net change in total pension liability	1,760,610,918	1,582,640,215	1,750,264,831	1,425,065,856	1,472,221,210
Total pension liability – beginning	47,302,619,657	45,719,979,439	43,969,714,606	42,544,648,750	41,072,427,540
Total pension liability – ending	\$49,063,230,575	\$47,302,619,657	\$45,719,979,439	\$43,969,714,606	\$42,544,648,750
Plan fiduciary net position					
Employer contributions	\$989,685,304	\$942,935,006	\$901,016,540	\$853,201,521	\$817,561,450
Employee contributions	664,692,466	633,294,030	605,140,748	573,027,225	549,090,640
Service purchases	3,994,288	2,120,730	5,265,391	4,610,315	5,220,222
Net investment income, including net securities lending income ¹	4,273,036,152	3,632,024,775	2,151,172,914	(1,583,545,876)	9,902,973,985
Benefit payments, including member refunds	(2,833,843,499)	(2,739,174,007)	(2,633,901,490)	(2,532,039,573)	(2,418,810,758)
Administrative expenses	(18,135,837)	(16,391,495)	(13,921,915)	(13,587,221)	(13,851,969)
Net change in plan fiduciary net position	3,079,428,874	2,454,809,039	1,014,772,188	(2,698,333,609)	8,842,183,570
Plan fiduciary net position – beginning²	43,661,123,300	41,206,314,261	40,191,542,073	42,889,875,682	34,047,692,112
Plan fiduciary net position – ending	\$46,740,552,174	\$43,661,123,300	\$41,206,314,261	\$40,191,542,073	\$42,889,875,682
Net pension liability/(asset) – ending³	\$2,322,678,401	\$3,641,496,357	\$4,513,665,180	\$3,778,148,347	(\$345,226,932)
Plan fiduciary net position as a percentage of the total pension liability	95.27%	92.30%	90.13%	91.40%	100.81%
Covered payroll	\$10,525,039,253	\$10,002,034,975	\$9,588,339,001	\$9,018,019,950	\$8,648,783,536
Employers' net pension liability/(asset) as a percentage of covered payroll	22.07%	36.41%	47.07%	41.90%	(3.99%)

Continued on page 43

¹IPERS received the final settlement payment from the Westridge Capital fraud case, CFTC / SEC v. WG, in FY2021. This payment resulted in an extraordinary item that is included in the net investment income, including net securities lending income line for purposes of this schedule.

²Due to implementing GASB 75 requirements, the beginning net position for FY2018 has been restated by -\$178,615.

³Due to implementing GASB 96 requirements, the ending net position for FY2022 has been restated by \$24,186.

Schedule of Changes in the Employers' Net Pension Liability and Related Ratios

Last 10 Fiscal Years

Continued from page 42

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$906,211,617	\$882,446,881	\$862,716,803	\$822,363,095	\$801,587,441
Interest	2,706,296,570	2,628,521,116	2,548,179,239	2,523,074,401	2,433,180,831
Benefit term changes	—	—	—	—	—
Differences between expected and actual experience	(22,277,226)	(129,806,972)	(131,727,462)	36,106,061	(95,355,071)
Assumption changes	—	—	34,635,401	1,432,643,482	—
Benefit payments, including member refunds	(2,319,142,218)	(2,222,655,881)	(2,111,352,357)	(1,993,554,157)	(1,889,982,785)
Net change in total pension liability	1,271,088,743	1,158,505,144	1,202,451,624	2,820,632,882	1,249,430,416
Total pension liability – beginning	39,801,338,797	38,642,833,653	37,440,382,029	34,619,749,147	33,370,318,731
Total pension liability – ending	\$41,072,427,540	\$39,801,338,797	\$38,642,833,653	\$37,440,382,029	\$34,619,749,147
Plan fiduciary net position					
Employer contributions	\$792,016,980	\$771,782,308	\$716,752,781	\$704,766,114	\$684,664,998
Employee contributions	531,934,462	518,344,451	481,405,756	473,354,932	459,854,052
Service purchases	3,913,118	4,311,722	4,629,646	4,271,054	32,147,862
Net investment income, including net securities lending income ¹	1,041,873,426	2,640,007,063	2,458,968,900	3,279,743,723	624,853,651
Benefit payments, including member refunds	(2,319,142,218)	(2,222,655,881)	(2,111,352,357)	(1,993,554,157)	(1,889,982,785)
Administrative expenses	(13,584,387)	(15,697,527)	(14,753,842)	(15,898,996)	(14,938,951)
Net change in plan fiduciary net position	37,011,381	1,696,092,136	1,535,650,884	2,452,682,670	(103,401,173)
Plan fiduciary net position – beginning²	34,010,680,731	32,314,588,595	30,778,937,711	28,326,433,656	28,429,834,829
Plan fiduciary net position – ending	\$34,047,692,112	\$34,010,680,731	\$32,314,588,595	\$30,779,116,326	\$28,326,433,656
Net pension liability/(asset) – ending	\$7,024,735,428	\$5,790,658,066	\$6,328,245,058	\$6,661,265,703	\$6,293,315,491
Plan fiduciary net position as a percentage of the total pension liability	82.90%	85.45%	83.62%	82.21%	81.82%
Covered payroll	\$8,391,856,350	\$8,151,043,468	\$7,983,219,527	\$7,863,160,443	\$7,556,515,720
Employers' net pension liability/(asset) as a percentage of covered payroll	83.71%	71.04%	79.27%	84.71%	83.28%

¹IPERS received the final settlement payment from the Westridge Capital fraud case, CFTC / SEC v. WG, in FY2021. This payment resulted in an extraordinary item that is included in the net investment income, including net securities lending income line for purposes of this schedule.

²Due to implementing GASB 75 requirements, the beginning net position for FY2018 has been restated by –\$178,615.

³Due to implementing GASB 96 requirements, the ending net position for FY2022 has been restated by \$24,186.

Schedule of Employers' Contributions

Last 10 Fiscal Years

Fiscal Year	Membership Group	Actuarial Contributions	Contributions Paid*	Contribution Deficiency (Excess)	Covered Payroll	Contributions Paid as a Percentage of Covered-Employee Payroll
2025	Regular	\$819,499,505	\$927,923,542	(\$108,424,037)	\$9,846,931,651	9.42%
	Sheriffs and Deputies	13,801,339	13,983,030	(181,691)	164,219,394	8.51%
	Protection Occupation	47,235,797	47,778,732	(542,935)	513,888,208	9.30%
	Total	\$880,536,641	\$989,685,304	(\$109,148,663)	\$10,525,039,253	9.40%
2024	Regular	\$785,425,047	\$884,878,205	(\$99,453,158)	\$9,365,735,167	9.45%
	Sheriffs and Deputies	13,120,156	13,308,541	(188,385)	156,014,073	8.53%
	Protection Occupation	44,152,687	44,748,260	(595,573)	480,285,735	9.32%
	Total	\$842,697,890	\$942,935,006	(\$100,237,116)	\$10,002,034,975	9.43%
2023	Regular	\$760,252,955	\$845,637,735	(\$85,384,780)	\$8,985,128,672	9.41%
	Sheriffs and Deputies	12,391,207	12,822,804	(431,597)	146,213,713	8.77%
	Protection Occupation	41,962,267	42,556,001	(593,734)	456,996,615	9.31%
	Total	\$814,606,429	\$901,016,540	(\$86,410,111)	\$9,588,339,000	9.40%
2022	Regular	\$791,572,690	\$802,174,389	(\$10,601,699)	\$8,468,458,536	9.47%
	Sheriffs and Deputies	11,352,563	12,090,552	(737,989)	132,983,997	9.09%
	Protection Occupation	38,794,548	38,936,580	(142,032)	416,577,417	9.35%
	Total	\$841,719,801	\$853,201,521	(\$11,481,720)	\$9,018,019,950	9.46%
2021	Regular	\$753,395,571	\$767,476,814	(\$14,081,243)	\$8,123,447,535	9.45%
	Sheriffs and Deputies	10,720,930	11,762,537	(1,041,607)	126,886,204	9.27%
	Protection Occupation	36,727,006	38,322,099	(1,595,093)	398,449,797	9.62%
	Total	\$800,843,507	\$817,561,450	(\$16,717,943)	\$8,648,783,536	9.45%
2020	Regular	\$741,160,205	\$742,552,855	(\$1,392,650)	\$7,887,362,749	9.41%
	Sheriffs and Deputies	10,570,255	11,614,457	(1,044,202)	122,072,903	9.51%
	Protection Occupation	35,771,734	37,849,668	(2,077,934)	382,420,698	9.90%
	Total	\$787,502,194	\$792,016,980	(\$4,514,786)	\$8,391,856,350	9.44%
2019	Regular	\$722,765,827	\$722,765,827	—	\$7,667,747,786	9.43%
	Sheriffs and Deputies	11,468,737	11,468,737	—	117,564,234	9.76%
	Protection Occupation	37,547,744	37,547,744	—	365,731,448	10.27%
	Total	\$771,782,308	\$771,782,308	—	\$8,151,043,468	9.47%
2018	Regular	\$641,386,156	\$671,598,096	(\$30,211,940)	\$7,519,889,472	8.93%
	Sheriffs and Deputies	9,753,998	10,564,954	(810,956)	112,757,464	9.37%
	Protection Occupation	33,724,988	34,589,731	(864,743)	350,572,591	9.87%
	Total	\$684,865,142	\$716,752,781	(\$31,887,639)	\$7,983,219,527	8.98%
2017	Regular	\$628,387,062	\$659,859,251	(\$31,472,189)	\$7,403,850,371	8.91%
	Sheriffs and Deputies	9,507,927	10,464,153	(956,226)	108,818,023	9.62%
	Protection Occupation	33,623,646	34,442,710	(819,064)	350,492,049	9.83%
	Total	\$671,518,635	\$704,766,114	(\$33,247,479)	\$7,863,160,443	8.96%
2016	Regular	\$618,051,508	\$640,913,485	(\$22,861,977)	\$7,117,418,476	9.00%
	Sheriffs and Deputies	9,427,481	10,407,096	(979,615)	104,042,502	10.00%
	Protection Occupation	32,612,466	33,344,417	(731,951)	335,054,742	9.95%
	Total	\$660,091,455	\$684,664,998	(\$24,573,543)	\$7,556,515,720	9.06%

*Contributions paid and recognized by the System are the same as the contractually required contributions.

Schedule of Investment Returns

Last 10 Fiscal Years

Fiscal Year	Annual money-weighted rate of return, net of investment expense
2025	9.81%
2024	8.85%
2023	5.44%
2022	-3.74%
2021	29.56%
2020	3.11%
2019	8.30%
2018	8.12%
2017	11.77%
2016	2.23%

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

Schedule of IPERS' Proportionate Share of the Total OPEB Liability

(Dollar Values Expressed in Thousands)

Last 8 Fiscal Years

Fiscal Year	Proportion of total OPEB liability	Share of total OPEB liability	Covered payroll	Share of total OPEB liability as a % of covered payroll
2025	0.40%	668	\$8,839	7.56%
2024	0.45%	837	7,931	10.56%
2023	0.40%	820	7,329	11.19%
2022	0.43%	963	7,473	12.89%
2021	0.44%	939	7,109	13.21%
2020	0.41%	875	6,531	13.40%
2019	0.41%	820	6,242	13.14%
2018	0.42%	790	6,207	12.73%

Note: Schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

Notes to Required Supplementary Information

Benefit terms, funding policies, actuarial assumptions and methods all affect the actuarial contribution rates. Changes over the past 10 years that had a significant impact on the actuarial contribution rates are summarized below. More detail may be obtained from the annual valuation reports.

(1) CHANGES IN BENEFIT TERMS

Legislation passed in 2024 modified benefit terms for current Sheriffs and Deputies. The benefit enhancements:

- Increased the benefit multiplier from 1.5 percent to 2.5 percent for years of service between 22 and 30, thereby increasing the maximum benefit from 72 percent to 80 percent of average salary.
- Granted an automatic 1.5 percent compound cost-of-living adjustment (COLA) for members who retire as a sheriff or deputy sheriff on or after July 1, 2024, who are at least age 50 when they terminate employment and have at least 22 years of Special Service. This COLA is provided in lieu of any Favorable Experience Dividend that future retirees would have otherwise been eligible for.

(2) CHANGES IN ACTUARIAL ASSUMPTIONS AND METHODS

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

The 2018 valuation incorporated the following refinements after a demographic assumption study:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation incorporated the following refinements after an economic assumption study:

- Decreased the inflation assumption from 3.00 percent to 2.60 percent per year.
- Decreased the assumed rate of interest on member accounts from 3.75 percent to 3.50 percent per year.
- Decreased the investment return assumption from 7.50 percent to 7.00 percent.
- Decreased the wage growth assumption from 4.00 percent to 3.25 percent.
- Decreased the payroll growth assumption from 4.00 percent to 3.25 percent.

(3) FUNDING POLICIES

The difference between the actuarial contribution rates and contributions paid through FY2013 was due entirely to statutorily set contributions that differed from the actuarial contribution rates. Special Service members have always paid at least the actuarial contribution rates.

Contribution rates for Regular members were set in statute at 9.45 percent from 1979 to 2007. In 2006, legislation allowed a 0.50 percentage point increase for each of the following four years, leading to a rate of 11.45 percent effective for FY2011. In 2010, an additional contribution rate increase to 13.45 percent, effective in FY2012, was passed by the Legislature.

The same legislation authorized IPERS to change the contribution rates by 1 percentage point each year, to bring them closer in line with the actuarial contribution rates, starting in FY2013. The FY2013 required contribution rate for Regular members was capped at 14.45 percent because of the statutory restriction. In FY2014 and FY2019, the contribution rate for Regular members equaled the actuarial contribution rate and in FY2015 – FY2018 and FY2020 – FY2025, the rate exceeded the actuarial contribution rate.

The Contribution Rate Funding Policy adopted by the IPERS Investment Board establishes procedures for setting the contribution rates for all membership groups. The actuarial contributions in the Schedule of Employers' Contributions are calculated annually on each valuation date (June 30), and apply one year after the valuation. Accordingly, the actuarial methods and assumptions shown in the following table are from the June 30, 2023, actuarial valuation, which established the actuarially determined employer contributions for FY2025.

FY2023 Actuarial Methods and Assumptions

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	2016 experience: 13 years 2017 experience: 14 years 2018 experience: 15 years 2019 experience: 16 years 2020 experience: 17 years 2021 experience: 18 years 2022 experience: 19 years 2023 experience: 20 years
Asset valuation method	Expected value plus 25% of difference between fair value and expected value
Inflation rate	2.6%
Payroll increase	3.25%
Projected salary increases	3.25% – 16.25%, including inflation, depending on years of service
Assumed investment return	7% compounded annually, net of investment expense and including inflation
Mortality tables	PubG-2010 Employee and Healthy Annuitant Tables with MP-2021 generational adjustments, with age setbacks and age set-forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Projection Scale AA. Different adjustments apply to preretirement, postretirement and postdisability mortality tables.

(4) OPEB IMPLICIT RATE SUBSIDY

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay the related benefits.

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. Discount rates of 5.20 percent, 3.93 percent and 3.65 percent, were used for the years ended June 30, 2025, 2024 and 2023, respectively.

Supplementary Information

Schedule of Administrative Expenses

Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
Personnel		
Salaries and wages	\$8,913,449	\$8,446,311
Travel	102,964	69,902
Professional and technical services		
Professional	1,044,782	928,680
Actuary	149,697	192,370
Computer support services	3,177,044	2,600,352
Auditing	222,060	201,689
Communications		
Telephone	165,962	165,248
Printing	101,686	197,579
Other expenses		
Supplies	761,086	724,793
Utilities	66,518	57,763
Depreciation/Amortization	3,290,501	2,619,660
Miscellaneous	140,088	187,148
Total administrative expenses	\$18,135,837	\$16,391,495

Note: Administrative expenses related to investments do not appear in the table above but are included in the investment expenses reported in the Schedule of Investment-Related Expenses on the next page.

Schedule of Professional Services Payments

Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
Brown Winnick Law Firm	\$41,557	\$27,914
Cavanaugh Macdonald Consulting LLC	149,697	192,370
CEM Benchmarking Inc.	103,000	85,175
Foster Garvey PC	140,156	115,086
Gartner, Inc.	—	88,137
Ice Miller LLP	39,441	50,673
Gallup Inc.	25,449	—
Linea Solutions, Inc.	43,547	344,972
State of Iowa Office of Auditor of the State	222,060	201,689
Total Professional Fees	\$764,907	\$1,106,016

Note: The table above includes both Administrative and Investment-Related professional services payments.

Schedule of Investment-Related Expenses

Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
Aegon USA Investment Management LLC – Public credit	\$542,645	\$490,853
Ares Management LLC – Private credit	963,567	978,724
Audax Management Company (NY) LLC – Private credit	665,868	555,860
BlackRock Institutional Trust Company NA – Core fixed income	–	3,570,160
BlackRock Institutional Trust Company NA – Domestic equity	195,174	12,277,988
BlackRock Institutional Trust Company NA – International equity	646,953	9,677,320
Brookfield Asset Management Adviser LP – Private real assets	2,476,915	3,102,302
Blackstone Real Estate Debt Strategies II LP – Private Credit	(15)	–
Clarion Partners LLC – Private real assets	–	714,392
Crestline II – Private credit	477,698	–
Crestline Opportunistic Credit – Private credit	2,334,888	2,371,780
Forest Investment Associates LP – Private real assets	1,353,227	1,475,977
Heitman Core Real Estate Debt Income Trust LP – Private credit	782,402	612,563
IFM USIDF (US) A LP – Private credit	422,091	319,254
ITE Rail Fund-IA LP – Private credit	545,830	574,961
INVESCO Advisers Inc. – Private real assets	4,158,599	3,739,416
JP Morgan Asset Management (Europe) SARL – Private credit	1,040,544	761,402
Kayne Anderson Capital Advisers LP – Private credit	939,341	883,035
Kayne Anderson Real Estate Partners VII – private real assets	625,000	–
KKR Goldfinch LP – Private credit	2,501,761	2,300,065
LARS Investments – Liquid absolute return strategies	1,503,926	4,735,607
MacKay Shields LLC – Core fixed income	42	74
Marathon Asset Management LP – Private credit	2,356,130	1,240,444
Mellon Investments Corporation – Core fixed income	(274,292)	(403,715)
Mellon Investments Corporation – Domestic equity	(130,499)	(182,198)
Mellon Investments Corporation – International equity	133,761	(12,896)
Monroe Capital Private Credit Fund I LP – Private credit	2,291,856	3,848,456
Oaktree Capital Management LP – Private credit	267,328	25,885
PanAgora Asset Management Inc – International equity	1,064,343	3,322,121
Parametric Portfolio Associates LLC – Overlay management services	156,720	142,531
Pathway Capital Management LP – Private credit	1,086,348	615,821
Pathway Capital Management LP – Private equity	8,234,449	11,568,888
PGIM Real Estate Global Debt LP – Private credit	1,479,467	1,400,736
PGIM, Inc. – Public credit	1,388,963	561,981
Principal Global Investors LLC – Core fixed income	106,805	–
Principal Open End Debt Fund – Private credit	43,945	–
Principal Real Estate Debt Fund II LP – Private credit	26,266	91,115
RREEF America LLC – Private real assets	3,448,430	3,338,154
Tennenbaum Capital Partners LLC – Private credit	2,946,706	3,300,868
UBS Asset Management (Americas) Inc. – Global smart beta equity	746,259	681,880
UBS Farmland Investors LLC – Private real assets	932,751	879,120
UBS Realty Investors LLC – Private real assets	1,999,071	2,104,830
Wellington Management Company LLP – International equity	524,314	2,245,548
Total investment management fees	51,005,577	83,911,302
Wilshire – Investment consultant	210,000	365,000
The Bank of New York Mellon – Custodian	697,130	681,398
Treasurer of State – Custodian	418,942	217,911
Commission expenses	2,486,119	3,174,817
Investment staff and Board expenses	2,666,367	2,658,913
Miscellaneous expenses	1,381,970	1,858,531
Total other investment fees	7,860,528	8,956,570
Total investment-related expenses	\$58,866,105	\$92,867,872
Securities lending expenses		
Securities lending borrower rebates	\$13,367,761	\$15,321,454
Securities lending management fees	115,781	99,071
Total securities lending expenses	\$13,483,542	\$15,420,525



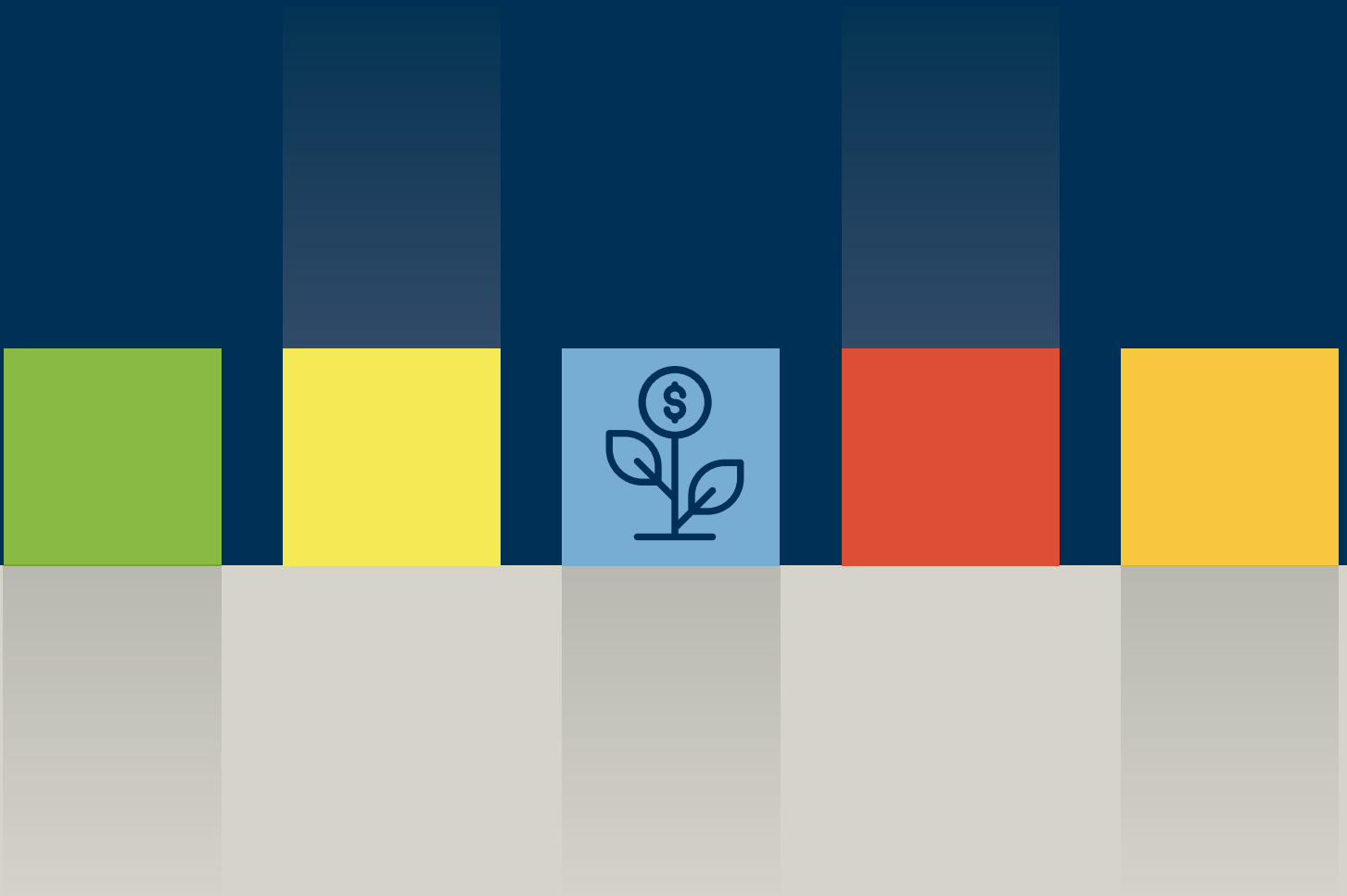
INVESTMENTS

Investments

Investment Overview

Investment Results

Investment Policy and Goal Statement



Investment Overview

This section of the ACFR was compiled by IPERS' investment staff using information provided by Wilshire and the Bank of New York Mellon. Except where noted otherwise, investment returns are based on investment asset fair value and calculated using time-weighted return calculation methodologies.

Investment returns play an important role in the funded ratio of the IPERS Trust Fund. The Investment Board has adopted an Investment Policy and Goal Statement with the objective to benefit IPERS members by maximizing the total rate of return on investments within prudent risk parameters. IPERS' overall investment performance goal is to achieve an annualized rate of return which, when combined with employee and employer contributions, will meet or exceed the benefits and administrative funding requirements of the System. (See the Investment Policy and Goal Statement at the end of this section for more information about IPERS' investment return objectives.)

The System's investments are managed internally and by professional investment management firms based upon statutory investment authority, the investment policies adopted by the Investment Board and a detailed service contract with each manager. The investment staff coordinates and monitors the investment of the Fund's assets and assists the Investment Board in the formulation and implementation of investment policies and long-term investment strategy.

IPERS' net investment portfolio fair values reported in this section, and used as the basis for calculating investment returns, differ from those shown in the Financial and Actuarial sections of this report. The values used in this section are the appropriate industry standard basis for investment return calculation. Unlike the fair values shown in this report's Financial and Actuarial sections, the values reflected in this section are gross of investment receivables and cash in investment manager accounts and net of payables and securities lending collateral.

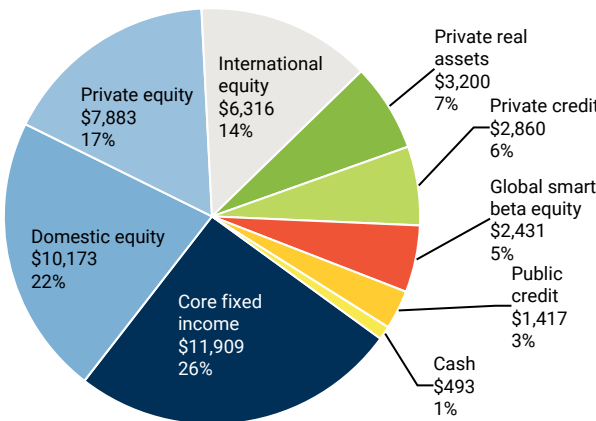
Asset Allocation and Diversification

Asset allocation is a process designed to construct an optimal long-term asset mix that achieves a specific set of investment objectives. The Investment Policy and Goal Statement establishes the System's asset allocation policy as designed to meet those objectives.

The asset allocation policy is adopted to provide for diversification of assets in an effort to maximize the investment return to IPERS consistent with prudent levels of market and economic risks. Of all the components of investment strategy formulation, the determination of asset allocation targets is the most important decision. The chart below illustrates the actual allocation to each type of investment as of June 30, 2025.

Summary of Investments by Asset Class

(Fair Values in Millions)
As of June 30, 2025



Note: Due to rounding, chart does not equal 100%

Risk is further diversified by utilizing active and passive management and using multiple investment management firms with a variety of investment styles. The investment performance at the total Fund level is not dependent upon the success of one particular investment style or manager.

The System also requires its investment managers to diversify their portfolios at the security level.

Managers are required to diversify across sectors, industries and individual securities. IPERS develops specific contractual investment guidelines for each manager that control the risk of high concentrations in a particular sector, industry or security.

Diversification of the System's assets among various asset classes, investment management styles and individual securities mitigates risk and enhances the potential of the IPERS investment portfolio to achieve its long-term objectives.

Capital Markets Commentary

Fiscal year 2025 saw capital markets experience a combination of positive returns with volatility from trade frictions, regional wars and election outcomes. Global equity markets experienced a boost, powered by a weak U.S. dollar, which in turn strengthened European and Emerging Market indices. Domestic equities continued their strong performance driven primarily by large tech companies with a surge in sectors tied to artificial intelligence spending. The IPERS portfolio delivered a return of 9.87 percent during the fiscal year, with domestic equities returning 14.82 percent and international equities returning 18.16 percent.

In fixed income, government bond yields were relatively stable, with a slight decrease in U.S. Treasury yields. The U.S. Federal Reserve initiated its much-anticipated easing cycle at the end of calendar year 2024. However, due to concerns over tariff-induced inflation, it kept interest rates steady for the remainder of fiscal year 2025. Credit spreads narrowed slightly over the fiscal year but widened significantly during April's Liberation Day. During the fiscal year, the 10-year Treasury yield was volatile between 3.6 and 4.8 percent, settling at 4.23 percent by the end of the fiscal year. The Federal Reserve remains dedicated to achieving its dual mandate of maximum employment and maintaining stable prices. Considering the Fed's ongoing position, the overall bond market, as measured by the Bloomberg Aggregate Index, stabilized with an annual return of 6.08 percent. IPERS' core fixed-income composite experienced a return of 6.23 percent during the fiscal year, while the public credit composite returned 10.74 percent.

IPERS' private equity portfolio experienced a somewhat muted fiscal year return, in comparison to public equities, recording a rate of 4.22 percent. On the other hand, private credit demonstrated resilience by generating a return of 7.89 percent. The private real assets within IPERS' portfolio rebounded, with a return of 3.06 percent. The cash composite clocked a return of -4.28 percent, primarily due to the underperformance of the liquid absolute return strategies (LARS) program and the internal alternative risk premia (ARP) program.

Investment Portfolio Assets

At the close of FY2025, IPERS' net investment portfolio assets had a fair value of \$46.682 billion. This represents an increase of \$3.070 billion from the \$43.612 billion investment asset fair value as of June 30, 2024. IPERS' 9.87 percent net investment return for the fiscal year was the main reason for the increase in fair value.

Investment Results

IPERS posted a total portfolio net-of-fees investment return of 9.87 percent for the fiscal year ended June 30, 2025. This return exceeded the 9.85 percent return of IPERS' policy benchmark, a set of market indexes and weightings to those indexes that reflect IPERS' asset class targets. The performance of IPERS' portfolio slightly exceeded the policy benchmark largely due to the outperformance of the international equity, core fixed income and public credit composites offsetting the underperformance by domestic equities and cash/LARS composites.

IPERS' 9.87 percent return outperformed the actuarial assumed investment return of 7 percent by 2.87 percent, the policy benchmark by 0.02 percent and the Consumer Price Index (CPI) + 3 percent benchmark of 4.12 percent. The annual rate of inflation, as measured by CPI was 2.75 percent for the fiscal year.

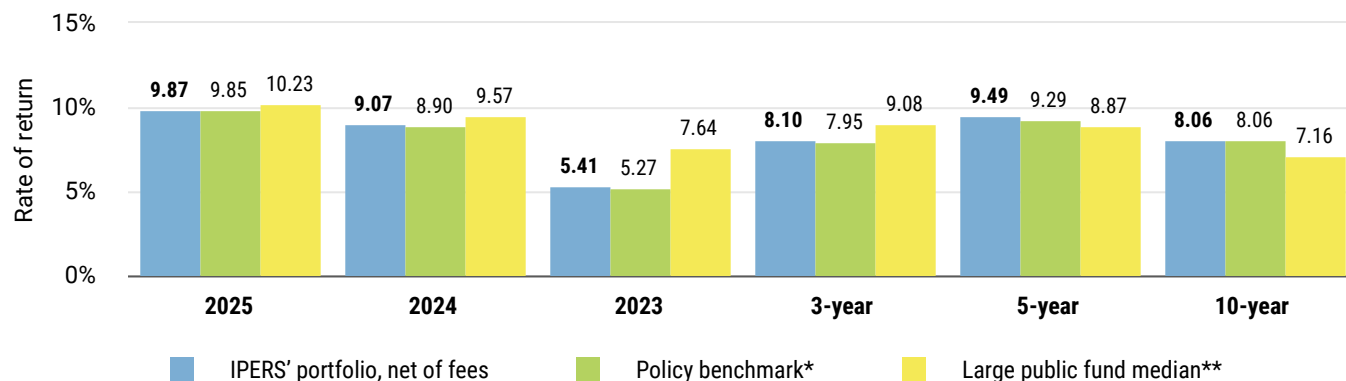
The following tables provide a historical perspective of IPERS' investment returns and performance over the last 10 years. IPERS' net-of-fees investment returns are shown for the total portfolio and for each asset class over various time periods. For comparison purposes, the benchmark for each asset class is also shown. International equities was the highest-returning asset class in FY2025 at 18.16 percent, while the private real assets portfolio had the lowest return of 3.06 percent.

On September 26, 2024, the Investment Board reviewed potential de-risking options but chose to maintain the current asset allocation and made no changes to the Investment Policy and Goal Statement.

The total return an investment portfolio achieves over the long term is largely determined by the level of risk the investor is willing to accept. In general, the greater the risk, the higher the return has to be over long time periods to compensate the investor for accepting that risk. A pension fund's willingness to accept additional risk is often the result of its need to achieve or maintain an actuarially sound funded ratio. Given the disparities in funding levels and the resulting differences in asset allocation that exist among pension funds, it is often difficult, if not impossible, to make meaningful comparisons of a pension system's investment performance based solely on returns.

Investment Performance Summary

For Periods Ended June 30



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

**Investment Metrics' Universe of All Public Funds > \$1 Billion Index, sourced by Wilshire.

Note: 3-, 5- and 10-year results are annualized returns.

Rates of Return

For Periods Ended June 30, 2025¹

Asset Class	Annualized Returns (%)			
	1-Year	3-Year	5-Year	10-Year
Total Fund				
IPERS	9.87	8.10	9.49	8.06
Policy benchmark ²	9.85	7.95	9.29	8.06
CPI + 3 percentage points	5.75	5.96	7.72	6.15
Actuarial assumed investment return	7.00	7.00	7.00	7.05
All Public Plans > \$1 Billion Index median	10.23	9.08	8.87	7.16
Domestic equity				
IPERS	14.82	19.12	16.27	12.95
Benchmark ³	15.30	19.08	16.18	13.18
International equity				
IPERS	18.16	15.04	10.90	6.42
Benchmark ³	17.72	13.99	10.13	6.28
Global smart beta equity				
IPERS	15.87	14.29	12.68	NA
Benchmark ³	16.08	14.52	12.89	NA
Core fixed income				
IPERS	6.23	2.77	-0.39	2.11
Benchmark ³	6.08	2.86	-0.39	1.99
Public credit				
IPERS	10.74	9.82	5.46	4.85
Benchmark ³	10.03	9.38	4.58	4.66
Cash				
IPERS	-4.28	1.12	3.90	3.45
Benchmark ³	4.68	4.56	2.76	1.96
Private equity				
IPERS	4.22	1.46	16.76	15.12
Benchmark ⁴	4.22	1.46	16.76	15.12
Private real assets				
IPERS	3.06	-3.40	6.65	NA
Benchmark ⁴	3.06	-3.40	6.65	NA
Private credit				
IPERS	7.89	7.32	8.08	NA
Benchmark ⁴	7.89	7.32	8.08	NA

¹All returns are time-weighted returns. All returns beyond one year are annualized.

²The policy benchmark on June 30, 2025, consisted of 21 percent Russell 3000, 13 percent MSCI ACWI ex U.S., 5 percent global smart beta equity custom benchmark; 25 percent Bloomberg Aggregate, 3 percent custom public credit benchmark, 1 percent Treasury bills, 17 percent IPERS private equity portfolio, 9 percent IPERS private real assets and 6 percent IPERS private credit benchmark. The composition of the policy benchmark has changed over the 10-year period.

³See the descriptions for each asset class in this Investments section for the specific benchmarks for each asset class.

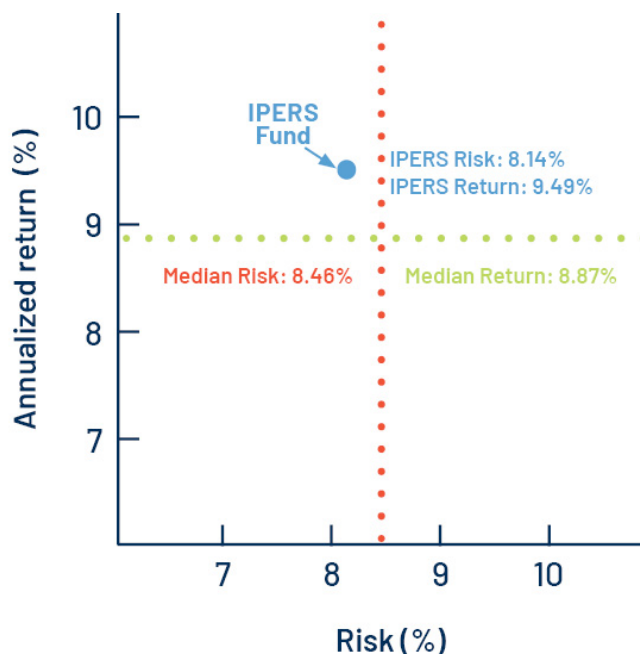
⁴The benchmark index for each private market asset class is the return of the portfolio itself. See Section IV of the Investment Policy and Goal Statement at the end of this Investments section for an explanation of private market benchmarking.

A more meaningful peer comparison is when returns are compared on the basis of how much return is earned for each unit of risk taken, where risk is measured by the volatility (standard deviation) of returns.

The following graph provides a comparison of IPERS' investment return per unit of risk taken for the last 5 years against Investment Metrics' Universe of All Public Funds > \$1 Billion Index, sourced by Wilshire. The vertical line represents the median level of risk experienced by this universe of funds. The horizontal line represents the median rate of return earned by the group of funds. As shown in the graph, the return on IPERS' investments for the 5 years ended June 30, 2025, was higher than the median large public pension fund return and was earned with less risk.

Risk vs. Total Return

5 Years Ended June 30, 2025

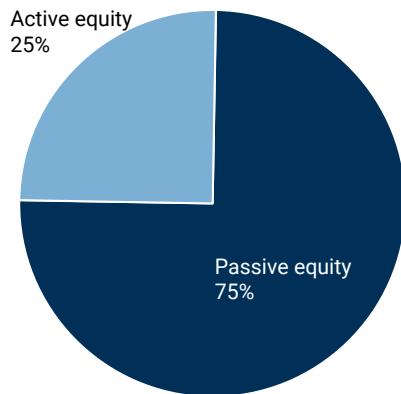


Domestic Equity

At June 30, 2025, 21.79 percent of IPERS’ total portfolio was invested in domestic equities (U.S. stocks). The fair value of the domestic equity portfolio was \$10.173 billion. The portfolio is widely diversified across various equity market sectors and industries. The portfolio takes mainly a passive approach to the efficient U.S. stock market with 75.26 percent invested in passive investment strategies.

Domestic Equity Portfolio

June 30, 2025



Active Equity

IPERS utilizes active management in small- and large-capitalization stock strategies. The active portfolio is primarily invested in systematic strategies that attempt to be uncorrelated with traditional factor betas. The systematic investment strategies are expected to exceed the core benchmark over a full market cycle.

Passive Equity

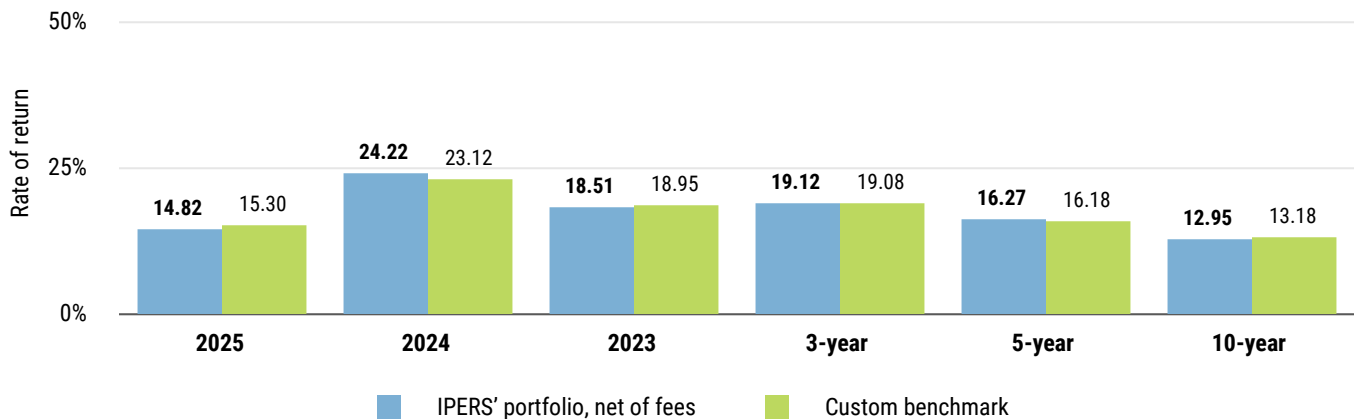
The passive component is divided into large-cap and small-cap strategies for management purposes and consists primarily of investments in commingled index funds, index futures and short-term securities. The return objective for each passive strategy is to track, within a certain range, the returns of a broad market index. The passive component is designed to add diversity to the full portfolio while complementing the active investment styles of IPERS’ other domestic equity portfolios. The passive component constitutes an efficient, low-cost means of obtaining market exposure to the domestic stock markets.

Results

For the year ended June 30, 2025, IPERS’ domestic equity portfolio delivered a return of 14.82 percent, compared to 15.30 percent for its benchmark, the Russell 3000 Index. The underperformance was primarily driven by active systematic strategies within the portfolio.

Domestic Equity Performance

For Periods Ended June 30



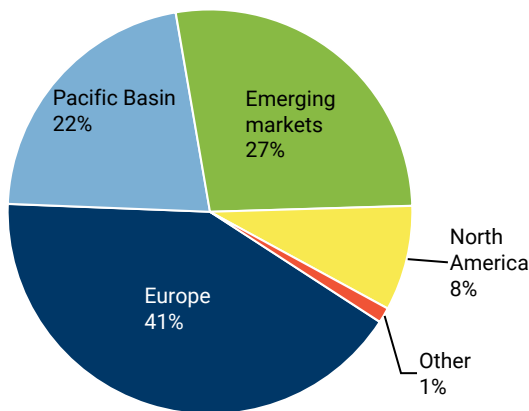
Note: 3-, 5- and 10-year results are annualized returns.

International Equity

At June 30, 2025, the international equity portfolio had a fair value of \$6.316 billion, representing 13.53 percent of the total IPERS portfolio. IPERS’ international equity portfolio is composed primarily of publicly traded common stocks or equity commingled funds, foreign exchange contracts and cash. The portfolio assets are allocated across developed and emerging markets. Market weights are maintained in the same proportions as reflected in the MSCI All Country World ex U.S. asset class benchmark. The international equity portfolio utilizes both active and passive management strategies. On June 30, 2025, 41.25 percent of the portfolio was active strategies and 58.75 percent was in passive strategies.

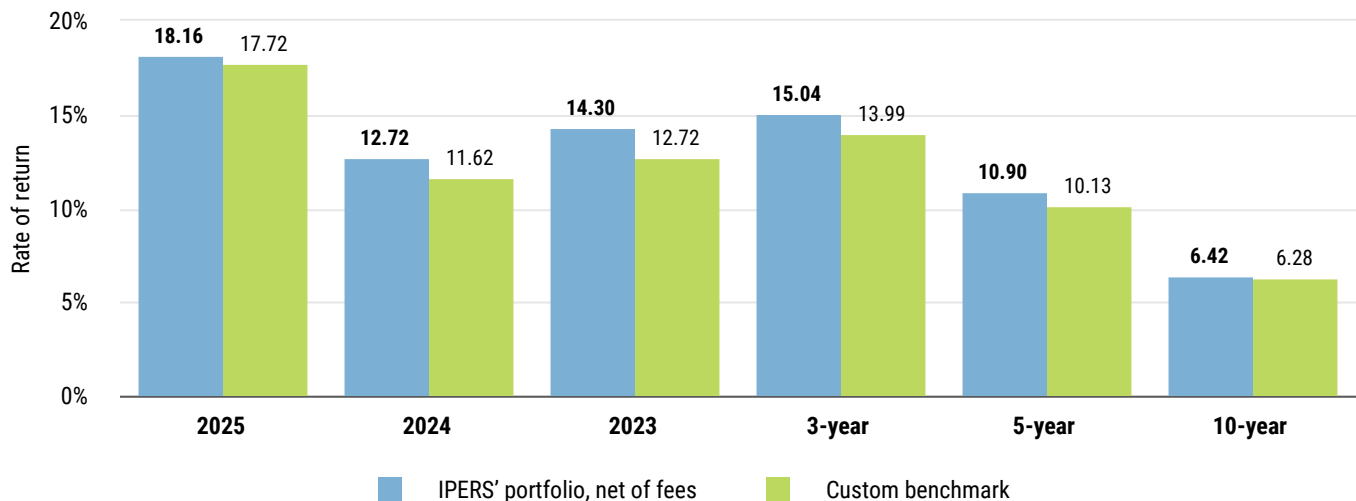
International Equity Portfolio

June 30, 2025



International Equity Performance

For Periods Ended June 30



Note: 3-, 5- and 10-year results are annualized returns.

Active Equity

This component is an actively managed diversified portfolio consisting primarily of equity securities issued by foreign companies in both developed and emerging countries. The active equity portfolio’s performance objective is to exceed the return of the MSCI All Country World ex U.S. Index.

Passive Equity

This component is a passively managed diversified portfolio consisting of commingled index fund investments in Canadian, EAFE (European, Australasian and Far East) and global emerging market countries’ corporate equity securities. The objective of the passive equity portfolios is to track the performance of the respective MSCI indexes for each region.

Results

The international equity market, as measured by the MSCI All Country World ex U.S. Index in U.S. dollars, returned 17.72 percent for the fiscal year ended June 30, 2025. IPERS’ international equity portfolio outperformed its benchmark in FY2025, returning 18.16 percent net of fees. The outperformance was due to strong returns from active management in both emerging markets and developed markets.

PUBLIC EQUITY PORTFOLIO: TOP TEN HOLDINGS

The top 10 holdings within the public equity portfolio (domestic and international combined) at June 30, 2025, follow. The list includes IPERS' pro rata share of holdings within commingled funds. A complete list of holdings is available upon request.

Ten Largest Holdings at June 30, 2025	Fair Value (\$000)	% of Total Portfolio
Microsoft Corporation	\$559,089	2.96
Nvidia Corporation	554,404	2.93
Apple, Inc.	458,472	2.42
Amazon.com, Inc	324,832	1.72
Alphabet Inc.	286,766	1.52
Meta Platforms Inc.	242,879	1.28
Taiwan Semiconductor Manufacturing Company Ltd	214,666	1.13
Broadcom Inc.	188,764	1.00
Tesla Inc.	128,362	0.68
Berkshire Hathaway Inc	124,013	0.66
Total	\$3,082,247	16.30

Global Smart Beta Equity

At June 30, 2025, the global smart beta equity portfolio had a fair value of \$2.431 billion, representing 5.21 percent of the total IPERS portfolio. The program seeks to maintain regional weights of 60 percent U.S., 30 percent developed ex-U.S. and 10 percent emerging markets. The program creates a portfolio of stocks within each regional mandate that have positive exposures to a set of desired factors that have demonstrated a persistent ability to add value over long periods of time.

The global smart beta equity asset class was created in policy at the start of FY2018. Since the program is implemented passively, minimizing the tracking errors to the respective benchmark indexes is also critical. The Russell 1000 Comprehensive Factor Index is the benchmark for the U.S. region, the FTSE Developed Ex-U.S. Comprehensive Factor Index is the benchmark for the developed ex-U.S. region and the FTSE Emerging Markets Comprehensive Factor Index is the benchmark for the emerging markets region.

For FY2025 the program posted a 15.87 percent return, net of fees, versus its custom benchmark return of 16.08 percent. The program returned 14.29 percent for the three years ended June 30, 2025, versus 14.52 percent for its benchmark and 17.35 percent for the MSCI All Country World (Net) Index.

Fixed Income

IPERS has a significant allocation to fixed-income securities. At fiscal year-end, IPERS’ core portfolio was 25.51 percent of total Fund assets and the public credit portfolio was 3.04 percent of total Fund assets. The total return for the consolidated fixed-income portfolio (core and public credit portfolios combined) for the year ended June 30, 2025, was 6.71 percent. The consolidated fixed-income portfolio fair value was \$13.327 billion and the average bond rating for the portfolio was “AA.”

Core Fixed Income

The objective of the core fixed-income portfolio is to generate a return above the return of the U.S. fixed-income market. The portfolio is primarily allocated to a passively managed “core” investment in an index fund designed to earn the return of the Bloomberg U.S. Aggregate Index (Aggregate Index), an index consisting of high-quality U.S. investment-grade fixed-income securities. The secondary component of the composite is a fixed income relative value composite.

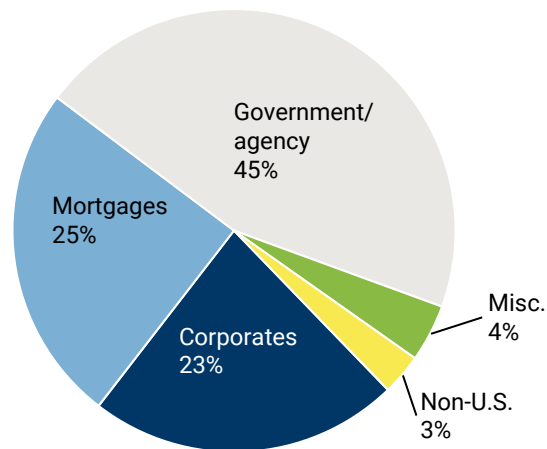
The core portfolio is a diversified portfolio of fixed-income securities, utilizing cash and cash equivalents, forward foreign exchange contracts, swaps, currency options, financial futures, government and government agency bonds, eurobonds, nondollar bonds, nonconvertible preferred stock, options on fixed-income instruments, mortgage-backed bonds, corporate bonds, commercial mortgage-backed securities, private placement corporate bonds and asset-backed securities. The relative value portion of the portfolio consists of portable-alpha strategies in traditional fixed income that includes arbitrage,

systematic, macroeconomic, emerging market debt and currency strategies. The relative value composite outperformed the policy index with a return of 6.87 percent versus the Mellon Aggregate Index.

IPERS’ core fixed-income portfolio return of 6.23 percent outperformed the Bloomberg U.S. Aggregate Index return of 6.08 percent for the fiscal year ended June 30, 2025. The outperformance was mainly due to emerging market debt and portable-alpha strategies.

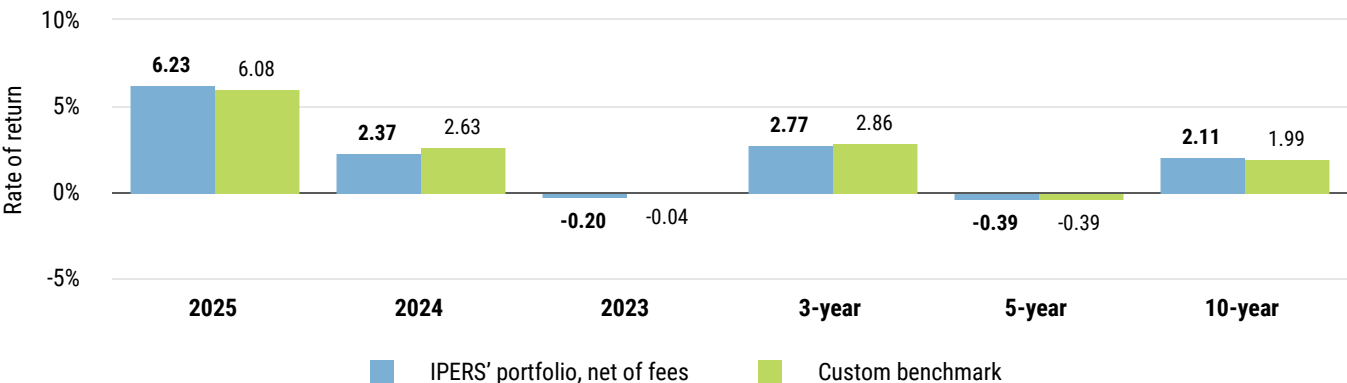
Passive Core Fixed-Income Portfolio

June 30, 2025



Core Fixed-Income Performance

For Periods Ended June 30



Note: 3-, 5- and 10-year results are annualized returns.

Public Credit Fixed Income

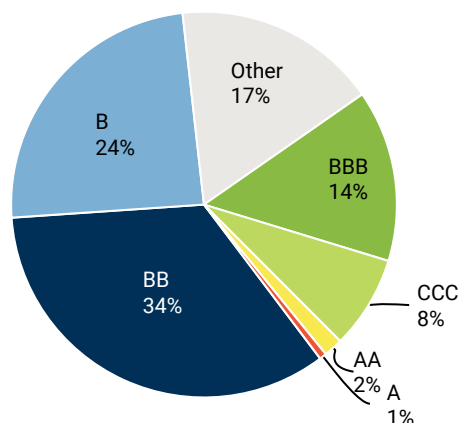
The objective of the public credit fixed-income portfolio is to enhance the long-term returns of the Fund, to provide current income and to provide diversification benefits. Approximately two-thirds of the public credit portfolio is invested in high-yield securities, while approximately one-third is invested in emerging market debt securities.

IPERS' public credit fixed-income portfolio generated a return of 10.74 percent for FY2025 versus its custom benchmark return of 10.03 percent.

The benchmark is defined as 67 percent Bloomberg U.S. High Yield 2% Issuer Capped Index + 33 percent JP Morgan EMBI Global Index. The high-yield portion of the portfolio provided a return of 10.87 percent, outperforming the benchmark return of 10.29 percent. The emerging market debt portion of the portfolio generated a return of 10.50 percent through June 30, 2025, outperforming the JP Morgan EMBI Global Index return of 9.51 percent.

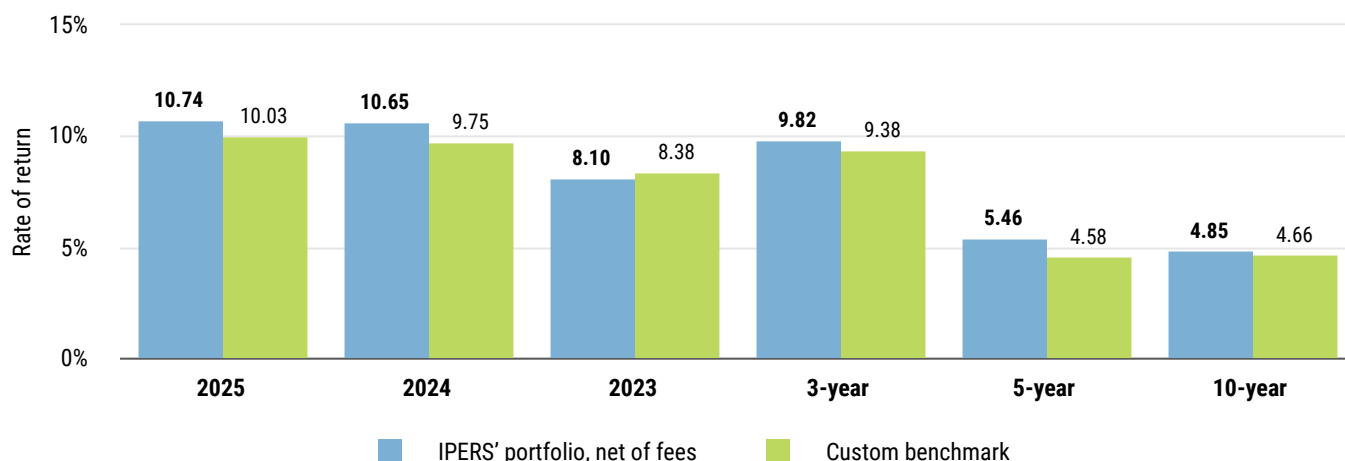
Public Credit Fixed-Income Portfolio

June 30, 2025



Public Credit Fixed-Income Performance

For Periods Ended June 30



Note: 3-, 5- and 10-year results are annualized returns.

FIXED-INCOME PORTFOLIO: TOP TEN HOLDINGS

The top 10 holdings within the consolidated fixed-income portfolio (core and public credit combined) at June 30, 2025, are provided in the following table. The list includes IPERS' pro rata share of holdings within commingled funds. A complete list of holdings is available upon request.

Ten Largest Holdings at June 30, 2025

U.S. Treasury Note - 4.625%, 2/15/35
U.S. Treasury Note - 4.000%, 2/15/34
U.S. Treasury Note - 4.250%, 11/15/34
U.S. Treasury Bond - 4.375%, 5/15/34
U.S. Treasury Note - 4.500%, 11/15/33
U.S. Treasury Note - 1.625%, 5/15/31
U.S. Treasury Note - 3.875%, 8/15/34
U.S. Treasury Note - 4.125%, 11/15/32
U.S. Treasury Note - 3.500%, 2/15/33
U.S. Treasury Note - 0.625%, 8/15/30

Total

Fair Value (\$000)	% of Total Portfolio
\$49,164	0.37
45,327	0.34
45,243	0.34
43,470	0.33
42,708	0.32
41,202	0.31
41,080	0.31
38,541	0.29
38,086	0.29
37,250	0.28
\$422,071	3.18

Private Equity

At June 30, 2025, IPERS’ private equity/debt portfolio had a fair value of \$7.883 billion, representing 16.89 percent of the total IPERS portfolio. From the inception of the private equity/debt portfolio through June 30, 2025, the System has committed \$16.605 billion to 271 partnerships and one fund-of-one investment. During FY2025, IPERS committed a total of \$727.8 million to the fund-of-one investment. At June 30, 2025, commitments of \$2.485 billion remained to be called for investment.

IPERS seeks to minimize the risk associated with private equity by investing in a variety of top-tier partnerships with different investment styles and objectives. The portfolio is also diversified by industry focus, geographic location and, most importantly, vintage year, which means that capital is committed to partnerships over the full course of the business cycle and not concentrated in any one year.

IPERS’ goal for the private equity/debt portfolio is to exceed the internal rate of return (IRR) of the Russell 3000 Index by 3 percentage points (net of investment management fees) over rolling 10-year periods. The internal rate of return is used because private equity investments are generally illiquid and cash inflows and outflows can be controlled by the general partner of the private equity partnership, making time-weighted returns inappropriate. Private equity investments typically span 10 years or more, so a longer evaluation time horizon is appropriate.

The private equity/debt portfolio returned 15.53 percent (net IRR) versus its benchmark return of 15.75 percent for the 10-year period ended June 30, 2025. Since inception in 1985, IPERS’ total private equity/debt portfolio has returned 14.37 percent, slightly underperforming the 14.86 percent asset class benchmark for private equity (switched from Wilshire 5000 plus 3 percentage points to Russell 3000 plus 3 percentage points on October 1, 2022).

“Distributions to paid-in capital” (DPI) ratios, which measure the ratio of cumulative distributions to cumulative paid-in capital for the time period, is another metric for evaluating private equity performance. Since 1985, the total private equity/debt portfolio’s DPI was 1.32.

The MSCI All Regions Private Equity Composite performance database includes data from thousands of partnerships and makes it possible to compare a portfolio to a universe of private equity partnerships that raised capital over the same time period. As explained in the Summary of Significant Accounting Policies in the Financial section of this report, IPERS utilizes a one-quarter valuation lag for its private equity/debt investments. All MSCI information is as of October 2025, with data current for reporting periods ended March 31, 2025 (that is, it is also lagged

by one quarter). Data is continuously updated and is therefore subject to change.

The following table compares the IRR and DPI of IPERS’ private equity/debt portfolio to those calculated for all private equity partnerships in the MSCI database for the period 1985–2025.

Vintage Years 1985 – 2025	IRR	DPI
IPERS’ private equity/debt portfolio	14.37%	1.32
MSCI All Regions Private Equity Composite	13.58%	0.96

Private Real Assets

Private real assets consist of investments in private equity real estate and other real assets (infrastructure, timberland and farmland). The real assets portfolio serves three distinct purposes for IPERS: diversification, income production and inflation protection. At June 30, 2025, \$3.200 billion, or 6.85 percent, of IPERS' total portfolio at fair value was invested in private real assets. There were \$140.2 million in outstanding commitments at fiscal year-end within the private real assets portfolio.

IPERS' primary return objective for the private real assets program is to exceed the National Council of Real Estate Investment Fiduciaries' Open-End Diversified Core Index (ODCE) net of investment management fees, calculated on a time-weighted basis over rolling 10-year periods. As of June 30, 2025, the private real assets composite did not have 10 years of performance history. The composite inception was October 1, 2016. For FY2025, the portfolio posted a return of 3.06 percent versus the objective of 2.67 percent.

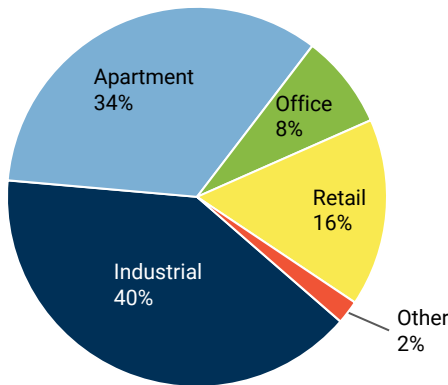
Real Estate

IPERS' real estate portfolio had a fair value of \$2.410 billion at June 30, 2025. To mitigate risk, the real estate portfolio is diversified by both geographic location and property type, as shown in the following charts.

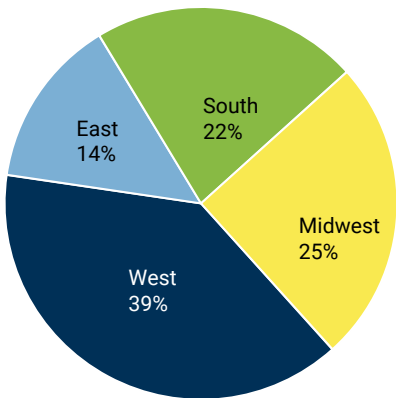
Real Estate Portfolio

June 30, 2025

By Property Type



By Property Location



The IPERS real estate portfolio benchmark is the ODCE Index. For the fiscal year, IPERS' real estate portfolio posted a return of 3.20 percent versus the benchmark return of 2.67 percent. As with the private equity/debt portfolio, the real estate program invests in assets with long holding periods and should be evaluated over a longer time horizon. For the 10 years ended June 30, 2025, the real estate portfolio returned 7.16 percent, net of fees, versus the portfolio's benchmark of 4.42 percent.

Other Real Assets

The other real assets portfolio had a fair value of \$789.1 million at June 30, 2025. The portfolio is diversified by asset class (infrastructure, timberland and farmland), as well as by geography and markets within each asset class.

The primary objective for the other real assets portfolio is to exceed the ODCE Index. For the fiscal year, IPERS' other real assets portfolio posted a return of 2.48 percent versus the primary benchmark return of 2.67 percent. Over the 10 years, the portfolio returned 4.98 percent versus the primary benchmark return of 4.42 percent.

The secondary objective for IPERS' other real assets portfolio is to achieve a 5 percent real return after inflation and management fees over rolling 10-year periods. For the 10 years ended June 30, 2025, the other real assets portfolio returned 4.98 percent, net of fees, versus 8.21 percent for the portfolio's secondary objective.

Private Credit

IPERS' private credit portfolio consists of investments in opportunistic credit funds, real asset debt funds and direct lending funds. The funds are structured as partnerships and are illiquid.

At June 30, 2025, the fair value of the private credit portfolio was \$2.860 billion, or 6.13 percent of IPERS' total portfolio at fair value. There were unfunded commitments of \$769.1 million at fiscal year end. The portfolio produced a time-weighted return of 7.89 percent for the fiscal year versus the program objective of 8.36 percent.

The long-term return objective for IPERS' private credit portfolio is to exceed the Morningstar LSTA Leveraged Loan Index plus 1 percentage point, net of investment management fees, calculated on an internal rate of return basis over rolling 5-year periods. The private credit portfolio returned 8.08 percent (net IRR) versus its benchmark return of 8.85 percent for the 5-year period ended June 30, 2025.

Cash

IPERS' cash allocation is invested in a liquidity account and a cash overlay account.

Liquidity Account

The liquidity account invests in the custodian bank's short-term investment fund (similar to a money market fund) and provides the cash needed to make benefit payments, fund investment purchases and pay investment and administrative expenses. The liquidity account also receives deposits of employee and employer contributions, investment income distributions and investment sales proceeds. The IPERS investment staff use cash flow forecasting and periodic withdrawals from other asset classes to raise cash as needed to pay bills when they come due.

At June 30, 2025, the fair value of the combined liquidity account and the cash overlay account was \$492.8 million and earned a net-of-fees investment return of -4.28 percent.

Cash Overlay Account

IPERS uses a cash overlay investment program with the objectives of adding incremental return to the Fund and diversifying IPERS' investment strategies. The liquid absolute return strategies (LARS) program is a multi-advisor-managed futures "fund" that allocates and reallocates its capital to different trading advisors implementing various trading programs primarily using futures and options on futures. IPERS created its own managed account platform within a limited liability structure (LARS Liquid Assets, LLC) to control custody risk. IPERS acts as the investment manager for LARS and in such capacity directs the

allocation of assets to the trading advisors. As of June 30, 2025, LARS had allocated capital across five different external trading advisors and an internally managed alternative risk premia portfolio. The fair value of the LARS program was \$191.9 million. The LARS program produced a net-of-fees investment return of -20.36 percent for FY2025, below the 4.68 percent return of the 90-day Treasury bill.

Beta Management

IPERS' beta management overlay program is a systematic approach to rebalancing the public markets investment portfolio back to asset allocation targets using exchange-traded futures. The beta management overlay manager must rebalance the public markets portfolio back to its specified targets whenever a predefined deviation from a target allocation occurs. The gains or losses from this systematic rebalancing activity are recorded in each respective public market asset class, and therefore the investment returns for each asset class reflect any gains or losses from beta management rebalancing activity.

Investment Fees and Brokerage Commissions

Schedule of Investment Fees

Fiscal Year Ended June 30, 2025

	Amount Paid	Average Quarterly Fair Value
Domestic equity	\$64,675	\$9,692,978,679
International equity	2,369,371	6,011,632,601
Core fixed income	(167,445)	11,576,078,361
Public credit	1,931,608	1,396,216,075
Global smart beta equity	746,259	2,307,488,954
Cash	1,660,646	506,710,258
Private equity	8,234,449	7,916,446,758
Private real assets	14,993,993	3,096,177,410
Private credit	21,172,021	2,791,985,105
Total	\$51,005,577	\$45,295,714,201

Note: Collective investment trust fees are net of securities lending rebates. See Schedule of Investment-Related Expenses on page 48 for fees by manager.

Schedule of Brokerage Commissions Paid

Fiscal Year Ended June 30, 2025

PUBLIC EQUITY	Amount Paid	Shares Traded	Average Per Share
Brokerage Firm			
Instinet	\$134,272	20,198,309	\$0.007
UBS Securities	110,862	19,635,499	0.006
Morgan Stanley & Co. Inc	86,769	68,323,718	0.001
J.P. Morgan	85,505	31,033,988	0.003
Goldman Sachs & Co.	43,590	49,718,416	0.001
Merrill Lynch	40,178	21,253,289	0.002
Citigroup	34,956	32,859,578	0.001
Credit Lyonnais	14,711	26,955,569	0.001
Macquarie Bank	13,962	14,869,701	0.001
HSBC	11,446	13,866,663	0.002
Jefferies & Co. Inc	8,781	3,133,846	0.003
RBC Capital Markets	4,256	5,154,799	0.001
BNP Paribas	3,578	1,308,528	0.003
Bank of America	3,517	988,636	0.004
Arqmaead Capital Ltd.	3,182	1,972,650	0.002
IM Trust	3,120	482,271	0.006
Societe Generale	2,961	1,070,049	0.003
Scotia Capital	2,529	436,798	0.006
Barclays Bank	2,469	742,190	0.003
Bank of Montreal	1,848	119,096	0.016
Arqaam Securities LLC	1,703	3,485,232	—
ICICI Brokerage Services	1,181	56,021	0.021
Liquidnet, Inc	956	94,579	0.010
Dillon, Read & Co.	862	101,196	0.009
Banco Itau	758	133,400	0.006
All Others (includes 22 brokerage firms)	4,497	1,309,517	0.003
Total Public Equity	\$622,449	319,303,538	\$0.002
FUTURES AND OPTIONS	Amount Paid	Contracts Traded	Average Per Contract
Brokerage Firm			
Morgan Stanley & Co. Inc.	\$909,049	33,184	\$27.39
Societe Generale	954,621	111,085	8.59
Total Futures and Options	\$1,863,670	144,269	\$12.92
Total Commissions	\$2,486,119		

Note: Brokerage commissions do not include commissions paid by external managers utilizing commingled fund structures.

Investment Policy and Goal Statement

The following excerpt from the Iowa Public Employees' Retirement System's Investment Policy and Goal Statement, as adopted by the IPERS Investment Board and last revised in January 2025, includes all Policy text, but excludes the addenda referenced in the Policy. IPERS' current investment policies are available online at www.ipers.org.

I. INTRODUCTION

The Iowa Public Employees' Retirement System (IPERS or System) is governed by Iowa Code chapter 97B. System assets are held in trust and invested for the exclusive purposes of providing benefits to participants and their beneficiaries, minimizing contributions, and defraying reasonable expenses of administering the System. The investment activities of the System are governed by the "prudent person" rules as defined in §97B.7A. The investment policy and the investment strategies will be periodically reviewed to ensure they conform to §§97B.7A and 97B.8A.

The Investment Board (Board) is the trustee of the IPERS Trust Fund (Fund). The Board shall establish the System's tolerance for investment risk, and shall diversify the System's investments to minimize the risk of unacceptable large losses and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so. The Board also adopts the actuarial assumptions and methods, approves the retention of service providers in matters relating to the actuarial valuation of the System's assets and liabilities, and adopts the System's contribution rate funding policy. A list of the statutory and administrative duties of Board and staff is provided in Appendix A.

The chief investment officer (CIO), under the supervision of the chief executive officer (CEO), is responsible for the administration of the System's investment program pursuant to the policies of the Board.

II. INVESTMENT OBJECTIVES

The investment activities will be designed to provide a return on the Fund that, when coupled with the periodic contributions of the membership and employers, will meet or exceed the benefit funding requirements of the plan over time while staying within the Board's tolerance for risk expressed in this policy.

The objective of the CIO is to execute the asset allocation policy established by the Board (the policy benchmark defined in this policy), and to attempt to add value relative to the policy benchmark while staying within the Board's tolerance for active risk.

III. DECISION MAKING

The Board is responsible for establishing broad policy guidelines and benchmarks that will enable the Fund to achieve its investment objectives. Board decisions are required in the following areas:

1. Establish asset allocation targets through adoption of a policy benchmark
2. Establish acceptable ranges around the policy benchmark targets
3. Establish the Fund- and program-level benchmarks
4. Establish the active risk budget

Beyond these broad policy decisions, the Board delegates to the CIO all other decision-making relating to the investment of IPERS assets, subject to the guidelines established in this policy and any statutory requirements or prohibitions.

The Board may utilize the services of investment consultants to assist them in their decision-making. Such services include, but are not limited to, conducting asset-liability and asset allocation studies, investment performance reviews, policy reviews and topical studies.

IV. ASSET ALLOCATION

The Board's asset allocation policy is established in the policy benchmark and the asset class ranges specified in Appendix B. The policy benchmark weights set the Board's target exposure to each asset class, measured on a market value basis, while the asset class ranges establish the ranges within which actual weights may fluctuate. Positioning within a specified asset class range is acceptable and constitutes compliance with the policy benchmark.

IPERS' assets are divided into two groups for allocation purposes: *private markets* and *public markets*. Private market assets are generally illiquid, infrequently priced investments with long horizons. The Board has established a private markets investment policy specifying investment objectives, benchmarks, etc. for these types of assets. (See Appendix C)

It is the responsibility of the CIO to manage the allocation weights within the public market asset class ranges and keep them close to target, unless the CIO decides to tactically over- or under-weight a particular public market asset class. However, staff cannot quickly rebalance private markets to target weights due to the illiquid nature of private market assets, so any excess or deficiency between actual and target allocation for private market assets as a whole will be proportionately reallocated across all public market asset classes when rebalancing occurs.

The policy benchmark return is the sum of the products of the policy benchmark weights and the respective policy benchmark index returns for the period, with the exception that IPERS' actual weights and actual returns for each private market asset class shall be used in the calculation. If staff utilizes derivatives for rebalancing or tactical allocation decisions, the notional amount of derivatives contracts shall be used in calculating compliance with policy benchmark weights and asset class ranges.

V. ACTIVE RISK ALLOCATION AND MANAGEMENT

"Alpha" is the excess return resulting from active management decisions. IPERS believes positive alpha can be earned by employing a combination of active strategies that have low return correlation with one another, exhibit low correlation with beta returns and higher correlation to liability returns.

The Board has established an active risk budget in Appendix B as a means of controlling the active risk in the IPERS Trust Fund. The active risk budget consists of two components: risk allocated for external active management and risk allocated for internal active management through tactical allocation decisions. Active risk is measured as tracking error, which is the standard deviation of excess returns.

IPERS will seek to maintain a diversified alpha portfolio, and may utilize any strategy that in the discretion of the CIO will enhance the risk-adjusted return of the alpha portfolio, including but not limited to traditional long-only, long/short, portable alpha, derivative overlay and leveraged strategies. The CIO must formally authorize any tactical allocation decisions, and each decision shall be documented and tracked for performance evaluation purposes. Tactical allocation decisions by staff shall not result in allocations that would violate the asset class ranges set by the Board.

IPERS' investment in an investment manager's actively managed strategies shall not exceed 20 percent of the manager's total actively managed assets under management. The CIO shall have discretion to determine what types of similar products offered by a manager can be included in the definition of "actively managed strategies" for purposes of this calculation.

Cost efficiency is important, and the CIO should seek to implement active strategies with a high conversion ratio of active return (after fees) to the risk deployed. Active strategies shall use performance incentive fee structures, where appropriate, to ensure the economic interests of IPERS and the manager are properly aligned.

Investment staff has authority to buy and sell exchange-traded futures contracts and exchange traded funds (ETFs) for the purpose of implementing risk management or tactical asset allocation strategies. Investment staff is also authorized to invest in swaps for an Alternative Risk Premia internal investment program (the "ARP Program"), and may create or utilize limited liability corporations (LLCs) for the purpose of implementing the ARP Program.

VI. EXTERNAL INVESTMENT MANAGEMENT

The Board shall approve the hiring of investment management and investment consulting services. The CIO has full authority to terminate investment manager contracts provided the Board is notified of the termination prior to the effective date of the termination. The CIO also has full authority to negotiate and renegotiate contract terms and fees.

The CIO is responsible for ensuring that adequate due diligence is being performed in the evaluation of potential and existing investment managers. The CIO may hire operational due diligence consultants, attorneys, auditors and other service providers as needed to assist in the due diligence and performance evaluation of external investment management firms.

External investment managers shall have full discretion to direct and manage the investment and reinvestment of assets allocated to their accounts in accordance with this document, applicable federal and state statutes and regulations, and the executed contracts. Each contract for a public market active management strategy shall clearly define investment objectives, permitted investments, concentration limits, risk budgeting parameters and performance benchmarks.

Investment managers shall have full discretion to establish and execute trades through accounts with one or more securities broker/dealers as the managers may select. However, the System may require investment managers to clear trades through clearing brokers that are under contract to IPERS in order to control risk and costs. Investment managers will attempt to obtain “best execution” with respect to all transactions. Best execution is defined as the process and price that results in the best overall performance impact, taking into account market conditions at the time of the trade. IPERS will generally discourage a manager’s use of soft dollar arrangements for IPERS’ account, but may allow it if the usage is regularly monitored for reasonableness.

The CIO will provide the Board a summary of active management performance at least quarterly, and will highlight any concerns regarding performance, personnel turnover, or changes in the organization or investment process. The investment consultant will provide the Board semi-annual performance reviews of total Fund, asset class, and manager performance. To the extent possible, investment results will be reviewed in the context of risk-adjusted returns.

Any voting rights of securities held in any separate account, or any collective, common, or pooled fund will be exercised by the manager, trustees, or agents of said account or fund in accordance with their own proxy voting policies, provided that such policies have been reviewed by the System and deemed to be in the best economic interests of IPERS. The System shall periodically review each investment manager’s proxy voting policy and its compliance with such policies.

VII. RISK MANAGEMENT

The Fund’s risk management objectives are to: (1) maintain the asset allocation as close to the policy benchmark as possible through rebalancing, and (2) manage the active risk of the alpha portfolio such that its tracking error does not exceed the upper limit established in the active risk budget in Appendix B.

The CIO and Chief Risk Officer (CRO) shall develop appropriate policies and procedures for the measurement, monitoring, management and reporting of risk to the Board, CEO and staff. The CRO is responsible for obtaining and/or developing the appropriate systems, models, tools and reporting processes that will allow for the timely and efficient management of investment risk. The CRO shall report any breach of risk limits established in this policy to the Board as soon as possible after the discovery of any material breach.

VIII. CUSTODY

The Treasurer of the State of Iowa (Treasurer) is the custodian of the Fund. The Treasurer will hold the System’s assets in a custody/recordkeeping account in a master custody bank located in a national money center and in the international sub-custodian banks under contract to the custodian bank. The Treasurer shall consult with the Board prior to selecting the master custody bank. A formal written agreement shall be established between the

Treasurer and any third-party custodian. The custodian bank agreement shall be reviewed periodically by the CIO and Board.

Certain strategies involving derivatives may require the use of a prime broker or clearing broker who will hold the System's cash or securities per the terms of a collateral agreement or futures clearing agreement. IPERS shall seek to ensure that such brokers do not require IPERS to post margin amounts that materially exceed the minimum required margin amounts set by an exchange or the terms of a collateral agreement.

IX. SECURITIES LENDING

The primary objective of the securities lending program shall be to safely generate income from lending the System's securities to qualified borrowers. The program will only utilize lending agents that agree to indemnification provisions in the event of a counterparty insolvency.

Cash collateral received against loans of securities shall be prudently invested in a low-risk investment strategy that invests only in: (1) commingled funds or money market funds managed in accordance with the regulations and criteria specified in Rule 2(a)(7) promulgated under the Investment Company Act of 1940, or (2) separate accounts that have investment guidelines identical to those required of a 2(a)(7) fund, or (3) overnight repurchase agreements collateralized with obligations issued by the United States Treasury or obligations issued by agencies or government-sponsored entities of the United States government. The key investment objectives for investing the cash collateral shall be to: (1) safeguard principal; (2) maintain adequate liquidity; and (3) consistent with the foregoing objectives, optimize the spread between the collateral earnings and the rebate paid to the borrower of securities.

The Investment Board may select its own securities lending agent or authorize the Treasurer to manage the securities lending program in accordance with the risk guidelines established herein. Staff shall execute a formal written agreement between any lending agent (or the Treasurer, as the case may be) and IPERS stipulating the risk parameters and performance benchmarks of the program, which shall be in accordance with these guidelines. The securities lending program will be annually reviewed by the Board, and the ongoing operation of such program shall be subject to periodic reauthorization by the Board.

X. DERIVATIVE INSTRUMENTS

The System recognizes that derivative instruments can be useful tools in portfolio and risk management, but can also introduce unique risks. The CIO shall develop written policies and procedures to control the risks associated with derivatives, but at a minimum such procedures shall require: (1) a counterparty credit rating equivalent to at least "A" for over-the-counter derivatives; (2) payment netting arrangements; (3) daily marking-to-market; and (4) collateralization of net amounts owed under the contracts after meeting minimum threshold for transfers.

The CIO shall ensure that the derivatives policies and procedures are addressed in any external management services contract, as necessary. The CIO shall develop procedures for monitoring the use and exposure of derivatives within an investment manager's account. Mortgage-backed and asset-backed securities are not derivatives for the purpose of this policy.

XI. OTHER POLICIES

A. Social Investing

As fiduciaries, the IPERS Investment Board, staff and investment managers must perform their duties for the exclusive benefit and in the best economic interest of the System's members and beneficiaries. The System and the Board will not support investment policies or strategies which seek to promote specific social issues or agendas through investment or divestment of IPERS' assets. To act otherwise could be construed as a violation of fiduciary duty and could endanger the System's tax-exempt status.

B. Securities Monitoring and Litigation

IPERS has a fiduciary duty to preserve trust assets to meet the retirement promises made to its members. Included in this duty is the obligation to recover investments in public securities that incur losses as a result

of corporate mismanagement and/or fraud. To preserve trust assets, the Board has adopted a securities monitoring and litigation policy to guide the System's involvement in and monitoring of securities litigation. (See Appendix D)

C. Confidential Investment Information

Iowa Code §22.7 and §97B.17(2)e provide that certain records and information in IPERS' possession are considered confidential and thus are exceptions to Iowa's Open Records (chapter 22) laws. Included in the exceptions is information which, if released:

1. Could result in a loss to the System or to the provider of the information.
2. Would give advantage to competitors and serve no public purpose.
3. Would violate trade secrets which are recognized and protected by law.

While the staff shall provide the Board with all essential information about the investment program, communication of information that is confidential under the above Iowa Code provisions will be identified as such in the communication.

Iowa Code §97B.8A(5), an explicit exception to Iowa's Open Meetings (chapter 21) laws, reinforces the need and obligation to maintain the confidentiality of such information by expressly authorizing the Board to hold closed sessions for discussion of this information.

D. Ethics

Fiduciaries of the System must exercise the highest standards of care in acting for the exclusive benefit of the plan participants. IPERS has adopted an ethics policy to govern the activities of Board members, staff, consultants and managers as it relates to the System. (See Appendix E)

If the CEO, CIO, CRO, any investment officer, or any IPERS attorney is in possession of information which would lead a reasonable person familiar with such matters to conclude that an investment, a commitment to an investment, or a decision to engage or terminate a contracted service provider, contradicts the fiduciary duties of the party or parties having the final authority to take such actions, it is the Board's expectation that the issue will be placed on a Board meeting agenda for review.

E. Leverage

The CIO may utilize leverage within staff tactical decisions up to the maximum negative allocation allowed by the asset class ranges for cash as specified in Appendix B. The CIO may also allow the use of leverage within external active investment management strategies and products consistent with the active risk budget. The private markets investment policy in Appendix C addresses the use of leverage for private market investments.

F. Board Meetings

Board meeting dates for the the fiscal year shall be set by members of the Board at the first meeting of the fiscal year. At the first meeting in each fiscal year, the voting Board members shall elect a chair and vice chair.

Parties wishing to present items for the Board's next meeting agenda shall file a written request with the chair at least five business days prior to the meeting. To the extent there is no law, statute, or administrative rule governing a procedure, Board meetings shall be governed by the procedural rules established in the latest version of *Robert's Rules of Order*.

APPENDIX A

STATUTORY RESPONSIBILITIES OF THE INVESTMENT BOARD AND STAFF

1. The Board shall annually adopt an Investment Policy and Goal Statement. *Iowa Code §§97B.7A and 97B.8A*
2. The Board shall at least annually conduct a review of the investment policies and procedures utilized by the System. *Iowa Code §97B.8A.2(a)*
3. The Board shall at least annually conduct a public meeting to review the policies and the investment performance of the Fund. *Iowa Code §97B.8A.2(a)*
4. With the approval of the Board, the Treasurer of State may conduct a program of lending securities in the IPERS portfolio. *Iowa Code §12.8.3*
5. The Board shall review and approve the hiring of each investment manager and investment consultant. *Iowa Code §97B.4.3(f)*
6. The Board shall select the actuary for the System, and shall adopt the mortality tables and actuarial assumptions and methods the actuary will use for the annual actuarial valuation. *Iowa Code §§97B.4.3(c) and 97B.8A.3*
7. The CEO will consult with the Board prior to employing a CIO. *Iowa Code §97B.4.3(a)*
8. The Board shall participate in the annual performance evaluation of the CIO. *Iowa Code §97B.8A.2(c)*
9. The CEO shall consult with the Board on the budget program for the System. *Iowa Code §97B.4.2(c)*
10. The Treasurer of State shall consult with the Board prior to selecting any bank or other third party for purposes of investment asset safekeeping, other custody, or settlement services. *Iowa Code §97B.7.2*
11. The Board shall consist of seven voting members and four nonvoting members. Four voting members of the Board shall constitute a quorum. *Iowa Code §97B.8A*
12. Staff shall provide advance notice to the public of the time, date, tentative agenda and place of each Board meeting in compliance with Iowa Code chapter 21.
13. The Board shall set the salary of the CEO. *Iowa Code §97B.3.1*

APPENDIX B

ASSET ALLOCATION POLICY AND ACTIVE RISK BUDGET

I. Asset Allocation Policy¹

Asset Class	Asset Class Ranges	Policy Benchmark Weights	Policy Benchmark Index
Equities		39%	
Domestic Equities	+ / - 3%	21%	Russell 3000
International Equities	+ / - 3%	13%	MSCI ACWI ex-U.S. (Net)
Global Smart Beta Equities	+ / - 3%	5%	Custom Index ²
Fixed Income		28%	
Core Fixed Income	+ / - 3%	25%	Bloomberg U.S. Aggregate
Public Credit	+ / - 3%	3%	Custom Index ³
Cash	+ / - 3%	1%	Merrill Lynch 91-Day T-Bill
TOTAL PUBLIC MARKETS		68%	

Asset Class	Asset Class Targets	Policy Benchmark Weights	Policy Benchmark Index
Private Equity	17%	Actual ⁴	Portfolio ⁵
Private Credit	6%	Actual ⁴	Portfolio ⁵
Private Real Assets	9%	Actual ⁴	Portfolio ⁵
TOTAL PRIVATE MARKETS		31.5	

¹On September 17, 2020, September 22, 2022, and September 28, 2023, the Investment Board revised the Asset Allocation Policy, as reflected in the table below. However, the Board stipulated that core fixed income assets should be reduced as needed to fund new allocations to the private markets. Therefore, beginning October 1, 2020, and revised as of October 1, 2022, and October 1, 2023, the target weight for private equity will be increased to 17 percent and core fixed income will be lowered to 22.5 percent, with target weights being adjusted quarterly in the future to reflect the progress in funding the increased allocations to private credit and private real assets.

Asset Class	Previous Target Weight	New Target Weight
Core Fixed Income	25%	22.5%
Private Credit	6%	8%
Private Real Assets	9%	9.5%

²This benchmark index is defined as 60 percent Russell 1000 Comprehensive Factor Index + 30 percent FTSE Developed ex U.S. Comprehensive Factor Index + 10 percent FTSE Emerging Comprehensive Factor Index.

³This benchmark index is defined as 67 percent Bloomberg U.S. High Yield 2% Issuer Capped Index + 33 percent JP Morgan EMBI Global Index.

⁴The benchmark weight for each private market asset class is the actual percentage of each asset class relative to the total fund portfolio.

⁵The benchmark index for each private market asset class is the return of the portfolio itself.

II. Active Risk Budget

	Target ⁶	Upper Limit ⁶
Total Fund	1.50%	3.00%
External Managers	1.00%	2.50%
Investment Staff	1.00%	2.50%

⁶Measured as tracking error (the standard deviation of excess return) at the Total Fund level.



ACTUARIAL

Actuarial

Actuary's Certification Letter

Principal Valuation Results

Actuarial Balance Sheet

Solvency Test

Retirees and Beneficiaries — Changes in Rolls

Schedule of Active Member Valuation Data

Schedule of Funding Progress

Actuarial Assumptions and Methods

Contribution Rate Funding Policy

Iowa Code Section 97D.5 Certification



November 21, 2025

This report presents the results of the June 30, 2025 actuarial valuation of the Iowa Public Employees' Retirement System (IPERS), a cost-sharing multiple employer defined benefit plan. The primary purposes of performing the annual valuation are as follows:

- to determine the Actuarial Contribution Rate (ACR) and the Required Contribution Rate (RCR) for the Regular membership, Sheriffs and Deputies, and the Protection Occupation group (all public safety members other than Sheriffs and Deputies) in accordance with IPERS' Contribution Rate Funding Policy,
- to evaluate the funded status of the System and disclose various asset and liability measures as of June 30, 2025,
- to determine the actuarial experience of the System since the last valuation,
- to assess and disclose the key risks associated with funding the System, and
- to analyze and report on trends in System contributions, assets, and liabilities over the past several years.

There have been no changes to the actuarial assumptions or methods since the prior valuation. However, there was a change to the plan provisions for the Sheriffs and Deputies and the Protection Occupation groups because of the passage of House File 969, which broadened the cancer and infectious disease definition to include all cancers and increased the members' share of the Required Contribution Rate by a fixed rate of 0.125%, effective July 1, 2025. Due to the small impact this change is expected to have on accidental disabilities in the active membership, the underlying disability assumption was not changed. Therefore, House File 969 did not impact the actuarial liability or the unfunded actuarial liability in the July 1, 2025 actuarial valuation.

The actuarial valuation results provide a "snapshot" view of the System's financial condition on June 30, 2025. The valuation results reflect net favorable experience for the past plan year as demonstrated by an unfunded actuarial liability (UAL) that was less than expected. The total UAL on June 30, 2025, for all three membership groups covered by IPERS, is \$3.841 billion while the expected UAL was \$4.106 billion. The favorable experience was the net result of an experience gain of \$506 million on the actuarial value of assets and an experience loss of \$241 million on System liabilities, primarily due to unfavorable retirement experience and higher salary increases than expected according to actuarial assumptions. In addition to the favorable experience, the System also received contributions above the Actuarial Contribution Rate, which further lowered the June 30, 2025 UAL by \$188 million.

Based on the Contribution Rate Funding Policy and the valuation results, the Required Contribution Rate for Regular members remains unchanged at 15.73% of pay. The Required Contribution Rate for the Sheriffs and Deputies group increased by 0.24% from last year, from 24.18% to 24.42%. The Required Contribution Rate for the Protection Occupation group also remains unchanged from last year at 15.52%. **The Required Contribution Rate is above the Actuarial Contribution Rate for Regular members and Protection Occupation, resulting in a contribution margin, as shown in the following table.**



Contribution Rate for FY 2027			
	Regular Membership	Sheriffs and Deputies	Protection Occupation
1. Normal Cost Rate	10.63%	20.10%	15.42%
2. Amortization of UAL	<u>2.47</u>	<u>4.32%</u>	<u>0.00%</u>
3. Actuarial Contribution Rate	13.10	24.42%	15.42%
4. Required Contribution Rate	15.73%	24.42%	15.52%
5. Shortfall/(Margin) (3) – (4)	(2.63)	0.00%	(0.10%)
6. Employee Contribution Rate	6.29%	12.335%	6.335%
7. Employer Contribution Rate (4) – (6)	9.44%	12.085%	9.185%
8. Unfunded Actuarial Liability (\$M)	\$3,843	\$104	(\$107)
9. Funded Ratio	91.56%	90.94%	104.47%

Actuarial Value of Net Assets

For financial statement purposes, the System's assets are reported at current fair values. For purposes of this section, fair value equals market value. For actuarial purposes, the assets are valued using a technique which dampens the volatility in the fair value and the resulting value is called the actuarial value of assets. Specifically, the assets are valued at their expected value at the valuation date (based on the assumed rate of investment return) plus 25% of the difference between the fair value and the expected value on the valuation date. The actuarial value of assets must fall within a corridor of 80% to 120% of fair value. Based on this methodology, there was an actuarial gain on assets of \$506 million. Between June 30, 2024 and June 30, 2025, the actuarial value of assets increased by \$2.3 billion. This represented an approximate rate of return of 8.20%, which was higher than the actuarial assumed rate of return of 7.00%.

Liabilities

The actuarial liability is that portion of the present value of future benefits that will not be paid by future normal costs for active members. The difference between this liability and the actuarial value of assets at the same date is called the unfunded actuarial liability. The dollar amount of UAL will be reduced if the contributions to the System exceed the normal cost for the year plus interest on the prior year's UAL, assuming that all actuarial assumptions are met.



The unfunded actuarial liability by group is shown as of June 30, 2025 in the following table:

(\$ Millions)	Regular Membership	Sheriffs & Deputies	Protection Occupation	Total
Actuarial Liability	\$45,527	\$1,150	\$2,386	\$49,063
Actuarial Value of Assets	<u>41,683</u>	<u>1,046</u>	<u>2,493</u>	<u>45,222</u>
Unfunded Actuarial Liability*	\$3,843	\$104	(\$107)	\$3,841
Funded Ratio	91.56%	90.94%	104.47%	92.17%

* May not add due to rounding.

Changes in the UAL occur for various reasons. The net decrease in the UAL from June 30, 2024 to June 30, 2025 was \$534 million, largely due to favorable investment experience. The components of the net change in the UAL are shown in the following table (in millions):

Unfunded Actuarial Liability, June 30, 2024	\$ 4,375
• Expected increase from amortization method	(19)
• Expected decrease from contributions above actuarial rate	(188)
• Investment experience	(506)
• Liability experience*	241
• Other	(62)
Unfunded Actuarial Liability, June 30, 2025	\$ 3,841
• FED transfer for favorable experience	0
Unfunded Actuarial Liability, June 30, 2025	\$ 3,841

* Liability experience is 0.49% of the expected actuarial liability.

As can be observed above, various factors impacted the amount of the UAL as of June 30, 2025. Actuarial gains (losses), which result from actual experience that is more (less) favorable than anticipated based on the actuarial assumptions, are reflected in the UAL. They are measured as the difference between the expected unfunded actuarial liability and the actual unfunded actuarial liability, after taking into account any changes due to actuarial assumptions and methods or benefit provision changes. Overall, the System experienced a net actuarial gain of \$265 million which may be explained by considering the separate experience of assets and liabilities. As discussed earlier, there was a \$506 million actuarial gain on the actuarial value of assets and a net actuarial loss of \$241 million from demographic, primarily due to unfavorable retirement experience and higher salary increases than expected according to actuarial assumptions. In addition to the actuarial gain from favorable experience, the Required Contribution Rates for the System were higher than the Actuarial Contribution Rates for FY 2025, which further decreased the UAL as of June 30, 2025 by \$188 million. Finally, when covered payroll is higher than expected, more contribution dollars are received, which decreases the UAL. This is the main driver of the \$62 million decrease in UAL due to other factors.

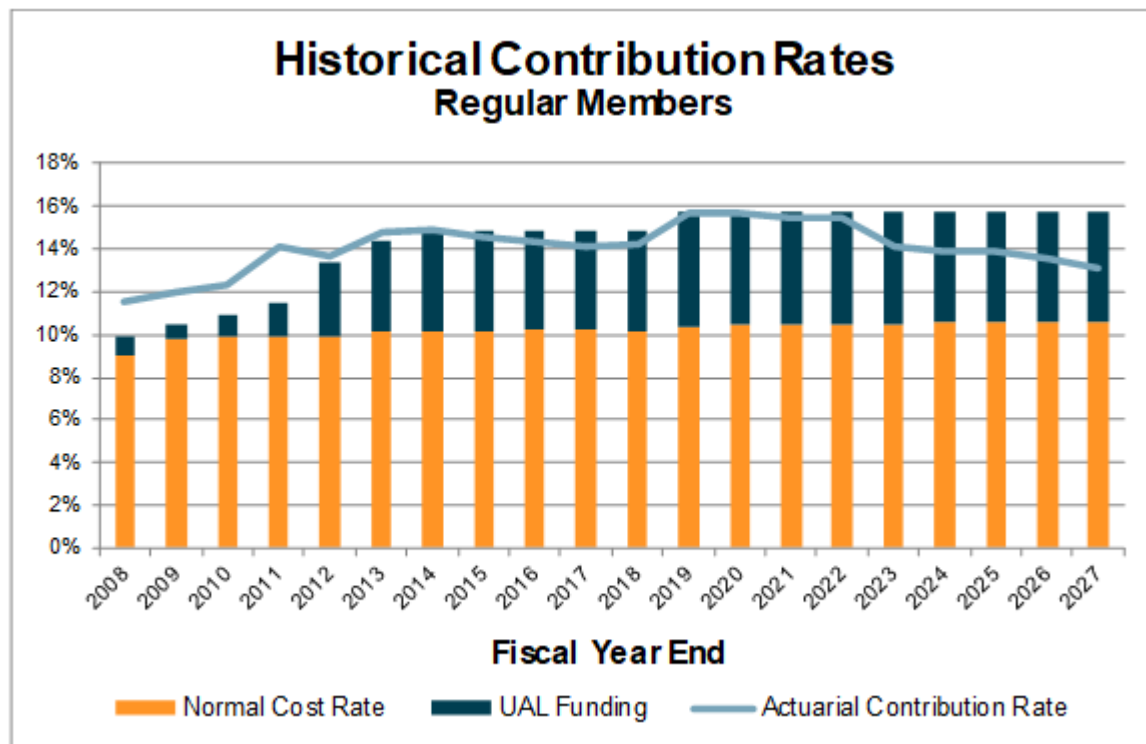


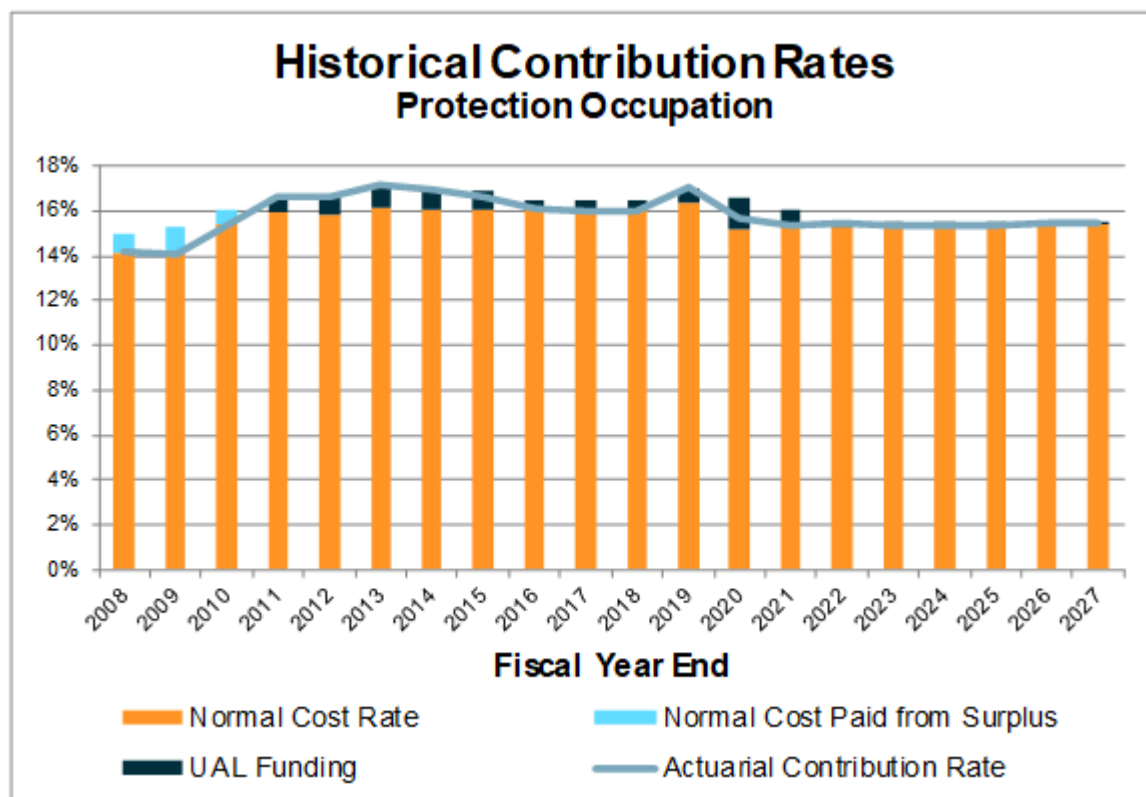
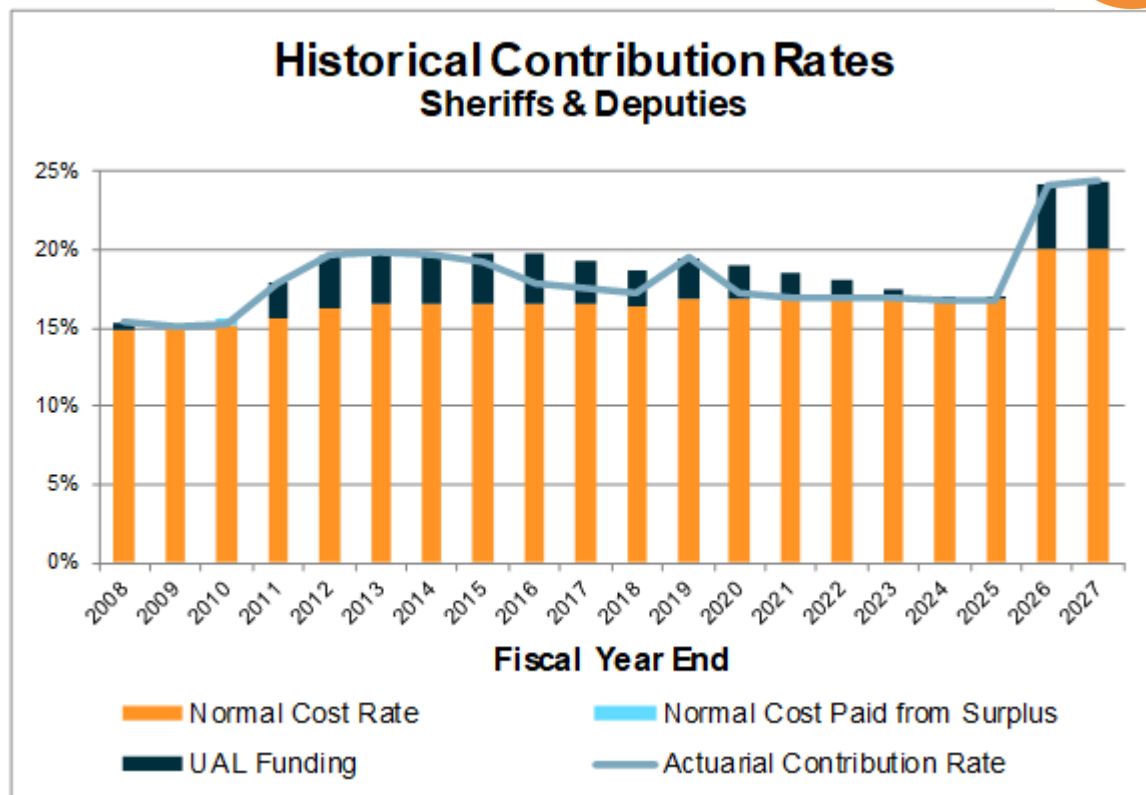
Contribution Rate

As with most public sector retirement systems, one important funding policy objective is to fund the plan in a manner that keeps contribution rates approximately level from generation to generation. A funding method that is specifically designed to maintain annual costs that are level as a percent of covered payroll is the Entry Age Normal (EAN) cost method. It is for this reason that the EAN cost method was selected by the Investment Board to be used in the actuarial valuation. Under the EAN cost method, the actuarial contribution rate consists of two components:

- a "normal cost" for the portion of projected liabilities allocated by the actuarial cost method to the service of active members during the year following the valuation date, and
- an "unfunded actuarial liability contribution" for the excess of the portion of projected liabilities allocated to service to date over the actuarial value of assets.

Beginning with the 2011 valuation (which applied to FY 2013), the Investment Board was given the authority to set the Required Contribution Rate for Regular members subject to certain statutory limitations. The Sheriffs and Deputies group and the Protection Occupation group have historically contributed the full Actuarial Contribution Rate, which was subject to change each year. A historical summary of the actual contribution rate, split between the normal cost rate and the remaining amount available to fund the UAL, and the Actuarial Contribution Rate is shown in the following graphs:







There were several factors that impacted the contribution rates in the 2025 valuation. The contribution rates are summarized in the following table:

Contribution Rate for FY 2027	Regular Membership	Sheriffs & Deputies	Protection Occupation
1. Actuarial Contribution Rate	13.10%	24.42%	15.42%
2. Required Contribution Rate	15.73%	24.42%	15.52%
3. Employee Contribution Rate	6.29%	12.335%	6.335%
4. Employer Contribution Rate (2) – (3)	9.44%	12.085%	9.185%
5. Shortfall/(Margin) (1) – (2)	(2.63%)	0.00%	(0.10%)

Based on the results of this valuation and the Contribution Rate Funding Policy adopted by the Investment Board, the Required Contribution Rate for the fiscal year ending June 30, 2027 for the Regular members is 15.73%, which is greater than the Actuarial Contribution Rate by 2.63% of pay. The Actuarial Contribution Rate has increased by 0.24% for the Sheriffs and Deputies group while it decreased by 0.01% for the Protection Occupation group. **As a result, the FY 2027 Required Contribution Rate for Sheriffs and Deputies has increased by 0.24% since last year to equal the FY 2027 Actuarial Contribution Rate.** For Protection Occupation, the FY 2027 Actuarial Contribution Rate is 0.10% below the FY 2026 Required Contribution Rate. While Protection Occupation also has a funded ratio greater than 95%, the difference between the Required Contribution Rate and the Actuarial Contribution Rate is not greater than 0.50%. **Therefore, the FY 2027 Required Contribution Rate for the Protection Occupation group will remain unchanged.**

The Actuarial Contribution Rate is determined based on the snapshot of the System taken on the valuation date, June 30, 2025, and applies only for the fiscal year beginning July 1, 2026. The Actuarial Contribution Rate in future years will change each year as the deferred actuarial investment experience is recognized and other experience (both investment and demographic) impacts the System. The Required Contribution Rate will be set in each future year based on the Actuarial Contribution Rate for that year and the Contribution Rate Funding Policy.

Summary

The investment return on the fair value of assets for FY 2025 was 9.87%, as reported by IPERS. This favorable investment experience, combined with unrecognized investment gains in last year's valuation, led to an investment return on the actuarial value of assets of 8.20%. Since that return is above the assumed investment return of 7.00%, there was an experience gain on the actuarial value of assets of \$506 million. This was partially offset by an experience loss on the System's liabilities of \$241 million. The System's total experience for FY 2025 was a net experience gain of \$265 million, resulting in a smaller unfunded actuarial liability than was expected. In addition, contributions above the Actuarial Contribution Rate also served to decrease the June 30, 2025 UAL by \$188 million.

Based on the Contribution Rate Funding Policy adopted by the Investment Board, the Required Contribution Rate remained the same for Regular members and Protection Occupation, while Sheriffs and Deputies experienced an increase of 0.24% from the prior valuation.



The Required Contribution Rate for FY 2027 remains higher than the Actuarial Contribution Rate for Regular members and Protection Occupation members.

The Actuarial Contribution Rate is determined based on the snapshot of the System taken on the valuation date, June 30, 2025, and applies only for the fiscal year beginning July 1, 2026. The Actuarial Contribution Rate in future years will change each year as the deferred actuarial investment experience is recognized and as other experience (both investment and demographic) impacts the System. While the Required Contribution Rate can vary each year, the annual change to the rate for Regular members is limited to 1.0% and the Contribution Rate Funding Policy also limits the decrease in the rate. Therefore, depending on actual experience in future years, the Required Contribution Rate may vary from the Actuarial Contribution Rate.

The long-term financial health of IPERS is heavily dependent on two key items: (1) future investment returns and (2) systematic contributions to the System at the full actuarially determined rate. Given the System's current funded status, the Actuarial Contribution Rate, and the Required Contribution Rate, the System's funded ratio is expected to improve over the long term, assuming all actuarial assumptions are met in the future and contributions are made according to the current Contribution Rate Funding Policy.

In performing the valuation, we have relied upon membership and financial data reported to us by the System. We did not verify the accuracy of the information but did review it for reasonableness in relation to the data submitted for previous years. We provided the Principal Valuation Results, the Actuarial Balance Sheet, the Schedule of Funding Progress, and the Solvency Test in the Actuarial section. We also provided some information in the Financial Section, including the calculation of the Total Pension Liability, the Schedule of Changes in the Employers' Net Pension Liability, and the sensitivity analysis on the Net Pension Liability. In addition, we provided the contribution rates used to calculate the actuarially determined contributions reflected in the Schedule of Employers' Contributions found in the Required Supplementary Information.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this information is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board and the applicable Guides to Professional Conduct, amplifying Opinions, and supporting Recommendations of the American Academy of Actuaries.

We certify that all costs, liabilities, and other factors for the System have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer our best estimate of anticipated experience affecting the System. 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. The Investment Board has the final decision regarding the appropriateness of the assumptions and adopted them as of the dates shown for each assumption.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results. Actuarial computations presented in the 2025 actuarial valuation report are for purposes of determining the recommended funding amounts for the System. The calculations have been made on a basis consistent with our understanding of the System's funding requirements and goals. Determinations for purposes other than meeting these requirements may be significantly different from the results shown in the June 30, 2025 actuarial funding valuation report.



We have also prepared actuarial computations as of June 30, 2025 for purposes of fulfilling financial accounting requirements for the System under Governmental Accounting Standard No. 67 (GASB 67) based on the results of the June 30, 2024 actuarial valuation. The actuarial assumptions used in the funding valuation were also used for the GASB 67 reporting. The assumptions include an assumed long-term rate of return of 7.00%, net of investment expenses, which is used to determine the actuarial liability in the funding valuation as well as the discount rate used to determine the Total Pension Liability for GASB 67 reporting. In addition, as noted earlier, the Entry Age Normal actuarial cost method, which is required to be used under GASB 67, is also used in the funding valuation. These computations reflect the benefit provisions described on pages 35-39 of this Annual Comprehensive Financial Report.

An experience study is performed for IPERS every four years, as required by statute. In June 2022, the results of the experience analysis of the System's actuarial assumptions were presented to the Investment Board. Based on this information, the Investment Board adopted certain changes to the set of actuarial assumptions which were first reflected in the June 30, 2022 actuarial valuation. The actuarial assumptions and methods used for funding purposes meet the parameters set by Actuarial Standards of Practice, as issued by the Actuarial Standards Board, and generally accepted accounting principles (GAAP) applicable in the United States of America as promulgated by the Governmental Accounting Standards Board.

In conclusion, on the following page we present comparative statistics and actuarial information on both the June 30, 2025 and June 30, 2024 valuations. All figures shown include the Regular members, Sheriffs and Deputies and the Protection Occupation groups. The membership counts reflect the data as of June 30, appropriate for valuation purposes, and may differ from other reporting numbers.

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 was prepared in accordance with standards of practice promulgated by the Actuarial Standards Board. The actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system and on actuarial assumptions that are internally consistent and reasonable based on the actual experience of the System. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Respectfully Submitted,

CAVANAUGH MACDONALD CONSULTING, LLC

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PRINCIPAL VALUATION RESULTS

	June 30, 2025	June 30, 2024	% Chg
SYSTEM MEMBERSHIP			
1. Active Membership			
- Number of Members (excluding Retired/Reemployed)			
i) Regular	176,413	173,788	1.5
ii) Sheriffs & Deputies	1,729	1,738	(0.5)
iii) Protection Occupation	8,032	7,822	2.7
iv) Total	186,174	183,348	1.5
- Projected Payroll for Upcoming Fiscal Year	\$10,878M	\$10,338M	5.2
- Average Projected Salary	\$58,427	\$56,384	3.6
2. Inactive Membership			
- Number Not in Pay Status	98,148	93,266	5.2
- Number of Retirees/Beneficiaries	137,650	135,770	1.4
- Average Annual Benefit	\$19,938	\$19,528	2.1
ASSETS AND LIABILITIES			
1. Net Assets (excluding FED reserve)			
- Market Value	\$46,741M	\$43,661M	7.1
- Actuarial Value	45,222M	42,927M	5.3
2. Present Value of Future Benefits			
- Retired Members	\$26,513M	\$25,754M	2.9
- Inactive Members	1,636M	1,522M	7.5
- Active Members	31,744M	30,287M	4.8
- Total Present Value of Future Benefits*	\$59,893M	\$57,563M	4.0
3. Actuarial Liability*	\$49,063M	\$47,303M	3.7
4. Unfunded Actuarial Liability	\$3,841M	\$4,375M	(12.2)
5. Funded Ratio			
a. Actuarial Value Assets/Actuarial Liability	92.17%	90.75%	1.6
b. Market Value Assets/Actuarial Liability	95.27%	92.30%	3.2
SYSTEM CONTRIBUTIONS			
Required Contribution Rate, Regular Members**	15.73%	15.73%	0.0
Employer Contribution Rate	9.44%	9.44%	0.0
Employee Contribution Rate	6.29%	6.29%	0.0
Total Actuarial Contribution Rate	13.10%	13.54%	(3.2)
Contribution Rate Shortfall/(Margin)	(2.63%)	(2.19%)	20.1

Note: Totals may not add due to rounding

M = (\$)Millions

* Difference between measures is the Present Value of Future Normal Costs

** Contribution rates for FY 2027 for Sheriffs and Deputies are 12.085% for employers, 12.335% for employees
Contribution rates for FY 2027 for Protection Occupation are 9.185% for employers, 6.335% for

Note: For valuation purposes, the data provided by IPERS was reclassified by CavMac into the membership category that would most accurately reflect the actuarial liability of the individual member on the valuation date. As a result, the counts shown in this exhibit may vary from those shown in other sections of this report.



ACTUARIAL BALANCE SHEET as of June 30, 2025

	Regular Membership	Sheriffs & Deputies	Protection Occupation	Total
<u>ASSETS</u>				
Actuarial value of assets	\$41,683,371,605	\$1,046,260,643	\$2,492,691,754	\$45,222,324,002
Present value of future normal costs	9,686,486,144	358,296,455	784,638,847	10,829,421,446
Present value of future contributions to amortize unfunded actuarial liability	<u>3,843,397,466</u>	<u>104,200,506</u>	<u>(106,691,399)</u>	<u>3,840,906,573</u>
Total Net Assets	\$55,213,255,215	\$1,508,757,604	\$3,170,639,202	\$59,892,652,021
<u>LIABILITIES</u>				
Present Value of Future Benefits:				
Retired Members and Beneficiaries	\$ 24,708,548,717	\$547,782,427	\$1,256,894,593	\$26,513,225,737
Active Members	28,999,436,360	939,620,255	1,804,581,217	31,743,637,832
Inactive Members	<u>1,505,270,138</u>	<u>21,354,922</u>	<u>109,163,392</u>	<u>1,635,788,452</u>
Total Liabilities	\$ 55,213,255,215	\$1,508,757,604	\$3,170,639,202	\$59,892,652,021



SOLVENCY TEST

A short-term solvency test, which is one means of determining a system's progress under its funding program, compares the plan's present assets with: 1) the liability for active member contributions on deposit; 2) the liability for future benefits to present retirees; and (3) the liability for service already rendered by active members. In a system that has been following the level percent of payroll financing discipline, the obligation for active member contributions on deposit (Item 1) and the liabilities for future benefits to present retired lives (Item 2) will be fully covered by present assets with the exception of rare circumstances. The obligation for service already rendered by active members (Item 3) will be partially covered by the remainder of present assets. Absent any significant benefit changes, if the system has been using level cost financing, the funded portion of Item 3 usually will increase over a period of time.

Actuarial Valuation	Active Member Contributions	Retirees and Beneficiaries	Active Members Employer	Actuarial Value of Assets	Portions of Liabilities Covered by Assets		
	(1)	(2)	(3)		(1)	(2)	(3)
2025	\$6,242,450,293	\$26,513,225,737	\$16,307,554,545	\$45,222,324,002	100%	100%	76%
2024	5,907,873,137	25,754,371,133	15,640,375,387	42,927,257,062	100%	100%	72%
2023	5,582,696,391	24,938,672,578	15,198,610,470	41,012,524,216	100%	100%	69%
2022	5,364,065,009	24,154,298,284	14,451,351,313	39,354,232,379	100%	100%	68%
2021	5,247,068,871	23,243,536,718	14,054,043,161	37,584,987,296	100%	100%	65%
2020	5,058,909,592	22,406,283,053	13,607,234,895	34,485,656,745	100%	100%	52%
2019	4,883,842,179	21,505,868,873	13,411,627,745	33,324,327,606	100%	100%	52%
2018	4,667,977,892	20,659,565,531	13,315,290,230	31,827,755,864	100%	100%	49%
2017	4,508,869,822	19,334,772,904	13,596,739,303	30,472,423,914	100%	100%	49%
2016	4,344,382,843	17,657,404,813	12,617,961,491	29,033,696,587	100%	100%	56%

Note: The combined accrued liabilities in columns 1, 2, and 3 are based on the entry age normal cost method.

RETIREES AND BENEFICIARIES – CHANGES IN ROLLS

Schedule of Retirees Added to and Removed From Rolls

Fiscal Year	Added to Rolls		Removed From Rolls		Rolls at Year-End		Percentage Change in Annual Allowances	Average Annual Allowances
	Number*	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
2025	5,583	\$139,033,939	3,999	\$29,509,632	129,314	\$2,777,910,333	4.10	\$21,482
2024	5,793	142,444,266	3,878	27,209,639	127,730	2,668,386,026	4.51	20,891
2023	5,709	138,610,414	3,886	27,105,989	125,815	2,553,151,399	4.57	20,293
2022	6,206	145,727,288	3,885	25,365,942	123,992	2,430,620,263	5.21	19,603
2021	6,084	135,015,654	4,088	26,673,788	121,671	2,310,258,917	4.92	18,988
2020	6,081	131,126,907	3,513	20,684,399	119,675	2,201,917,051	5.28	18,399
2019	5,891	133,719,897	3,363	18,728,888	117,107	2,091,474,543	5.82	17,860
2018	6,252	125,728,823	3,327	18,301,104	114,579	1,976,483,534	5.75	17,250
2017	6,307	127,297,430	3,325	17,353,866	111,654	1,869,055,815	6.25	16,740
2016	5,958	120,723,975	3,123	15,826,861	108,672	1,759,112,251	6.34	16,187

Schedule of Beneficiaries Added to and Removed From Rolls

Fiscal Year	Added to Rolls		Removed From Rolls		Rolls at Year-End		Percentage Change in Annual Allowances	Average Annual Allowances
	Number*	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
2025	712	\$11,924,537	442	\$2,466,221	8,676	\$134,593,543	7.56	\$15,513
2024	779	11,513,497	440	2,380,448	8,406	125,135,227	7.87	14,886
2023	760	11,284,747	425	1,962,354	8,067	116,002,178	8.74	14,380
2022	774	11,276,390	397	1,756,086	7,732	106,679,785	9.80	13,797
2021	832	10,472,129	402	2,055,686	7,355	97,159,481	9.48	13,210
2020	626	8,817,344	374	1,646,795	6,925	88,743,038	8.79	12,815
2019	643	8,671,702	378	1,738,104	6,673	81,572,489	9.29	12,224
2018	626	8,257,415	323	1,530,533	6,408	74,638,891	9.91	11,648
2017	591	7,319,937	305	1,208,986	6,105	67,912,009	9.89	11,124
2016	543	6,736,612	255	1,277,504	5,819	61,801,058	9.69	10,621

*The number of retirees and beneficiaries added to rolls in these tables does not equal the number of new retirees reported elsewhere in the ACFR. This is because all retirees who died during the fiscal year have been removed from the retiree table and their beneficiaries have been added to the beneficiary table.

Note: Tables on pages [84](#) – [85](#) are provided by IPERS.

Schedule of Active Member Valuation Data

Fiscal Years Ended June 30	Participating Employers*	Active Members	Annual Covered Payroll	Annual Average Pay	Percentage Change in Average Pay
2025	1,949	186,221	\$10,525,039,254	\$56,519	3.63
2024	1,945	183,389	10,002,034,975	54,540	2.33
2023	1,947	179,903	9,588,339,000	53,297	4.13
2022	1,943	176,186	9,018,019,950	51,185	2.50
2021	1,943	173,186	8,648,783,536	49,939	1.39
2020	1,944	170,380	8,391,856,350	49,254	4.12
2019	1,948	172,304	8,151,043,468	47,306	0.96
2018	1,956	170,378	7,983,219,527	46,856	1.25
2017	1,956	169,910	7,863,160,443	46,278	3.11
2016	1,960	168,372	7,556,515,720	44,880	2.53

*GASB 67 requires employers within the same financial reporting entity to be counted as a single employer, even if the employers are legally separate.

Schedule of Funding Progress

Fiscal Years Ended June 30	Actuarial Value of Assets	Actuarial Liability	Percentage Funded	Unfunded Actuarial Liability (UAL)	Annual Covered Payroll*	UAL as a Percentage of Covered Payroll
2025	\$45,222,324,002	\$49,063,230,575	92.17	\$3,840,906,573	\$10,525,039,254	36.49
2024	42,927,257,062	47,302,619,657	90.75	4,375,362,595	10,002,034,975	43.74
2023	41,012,524,216	45,719,979,439	89.70	4,707,455,223	9,588,339,000	49.10
2022	39,354,232,379	43,969,714,606	89.50	4,615,482,227	9,018,019,950	51.18
2021	37,584,987,296	42,544,648,750	88.34	4,959,661,454	8,648,783,536	57.35
2020	34,485,656,745	41,072,427,540	83.96	6,586,770,795	8,391,856,350	78.49
2019	33,324,327,606	39,801,338,797	83.73	6,477,011,191	8,151,043,468	79.46
2018	31,827,755,864	38,642,833,653	82.36	6,815,077,789	7,983,219,527	85.37
2017	30,472,423,914	37,440,382,029	81.39	6,967,958,115	7,863,160,443	88.62
2016	29,033,696,587	34,619,749,147	83.86	5,586,052,560	7,556,515,720	73.92

*Annual covered payroll is the amount of wages subject to contributions to IPERS, not to exceed the federal covered wage limit in effect at the time the wages are paid.

Note: See the 10-year Schedule of Employers' Contributions in the Required Supplementary Information on page [44](#) for information on actuarial contributions and required contributions paid.



ACTUARIAL ASSUMPTIONS AND METHODS

ECONOMIC ASSUMPTIONS:

Rate of Inflation (effective June 30, 2017)

2.60% per annum

Rate of Crediting Interest on Contribution Balances (effective June 30, 2017)

3.50% per annum, compounded annually

Rate of Investment Return (effective June 30, 2017)

7.00% per annum, compounded annually, net of expenses.

Wage Growth Assumption (effective June 30, 2017)

3.25% per annum based on 2.60% inflation assumption and 0.65% real wage inflation.

Payroll Increase Assumption (effective June 30, 2017)

3.25% per year

Cost of Living Adjustments Assumption (effective June 30, 2017)

2.60% for members who retired before July 1, 1990.



DEMOGRAPHIC ASSUMPTIONS:

Rates of Mortality

Pre-Retirement (effective June 30, 2022)

State

Male	PubG-2010 Employee Table, Generational using MP-2021, 2 Year age setback
Female	PubG-2010 Employee Table, Generational using MP-2021, 2 Year age setback

School

Male	PubG-2010 Employee Table, Generational using MP-2021, 4 Year age setback
Female	PubG-2010 Employee Table, Generational using MP-2021, 8 Year age setback

Other

Male	PubG-2010 Employee Table, Generational using MP-2021, 4 Year age setback
Female	PubG-2010 Employee Table, Generational using MP-2021, 8 Year age setback

Sheriffs/Deputies and Protection Occupation

Male	PubG-2010 Employee Table, Generational using MP-2021, 4 Year age setback
Female	PubG-2010 Employee Table, Generational using MP-2021, 2 Year age setback

5% of active deaths are assumed to be service related for non-regular members.



Post-Retirement (effective June 30, 2022)

State	PubG-2010 Healthy Annuitant, Generational using MP-2021
Male	2 Year age set forward, 8% increase below age 75, 5% decrease above age 75
Female	2 Year age set forward, 20% increase below age 75, 10% decrease above age 75
School	PubG-2010 Healthy Annuitant, Generational using MP-2021
Male	No age adjustment, 20% decrease in rates below age 75
Female	1 Year age setback, 10% increase below age 75, 6% increase above age 75
Other	PubG-2010 Healthy Annuitant, Generational using MP-2021
Male	2 Year age set forward, 3% decrease at all ages
Female	No age adjustment, 4% decrease at all ages
Sheriffs/Deputies and Protection Occupation	PubS-2010 Healthy Annuitant, Generational using MP-2021
Male	3 Year age set forward
Female	2 Year age set forward, 4% decrease at all ages
Beneficiaries:	Same as members
Disabled Members	
Regular	PubG-2010 Disabled Mortality, Generational using MP-2021
Male	7 Year age set forward
Female	5 Year age set forward
Sheriffs/Deputies and Protection Occupation	PubG-2010 Disabled Mortality, Generational using MP-2021
Male	3 Year age set forward
Female	3 Year age set forward



Retirement Rates (effective June 30, 2022)

Upon meeting the requirements for early retirement, the following rates apply to Regular Members:

<u>Age</u>	Assumed Retirement Rates – Early		
	<u>State</u>	<u>School</u>	<u>Other</u>
55	4.0%	5.0%	4.0%
56	4.0%	5.0%	4.0%
57	4.0%	5.0%	4.0%
58	4.0%	5.0%	4.0%
59	4.0%	7.0%	4.0%
60	5.0%	10.0%	5.0%
61	15.0%	10.0%	8.0%
62	15.0%	13.0%	11.0%
63	15.0%	13.0%	11.0%
64	15.0%	15.0%	11.0%

Upon reaching the requirements for normal retirement (unreduced benefits), the following rates apply:

<u>Age</u>	Assumed Retirement Rates – Select Unreduced		
	<u>State</u>	<u>School</u>	<u>Other</u>
55	25.0%	26.0%	19.0%
56	20.0%	26.0%	19.0%
57	20.0%	26.0%	19.0%
58	20.0%	26.0%	19.0%
59	20.0%	26.0%	19.0%
60	20.0%	26.0%	19.0%
61	20.0%	33.0%	19.0%
62	30.0%	35.0%	27.0%
63	35.0%	30.0%	20.0%
64	30.0%	30.0%	25.0%
65	30.0%	30.0%	40.0%



**Assumed Retirement Rates – Ultimate
Unreduced**

<u>Age</u>	<u>State</u>	<u>School</u>	<u>Other</u>
56	15.0%	20.0%	12.0%
57	15.0%	20.0%	12.0%
58	15.0%	20.0%	12.0%
59	15.0%	21.0%	12.0%
60	15.0%	23.0%	15.0%
61	20.0%	28.0%	20.0%
62	35.0%	35.0%	27.0%
63	30.0%	30.0%	20.0%
64	30.0%	30.0%	25.0%
65	30.0%	45.0%	40.0%
66	30.0%	35.0%	30.0%
67	20.0%	25.0%	20.0%
68	20.0%	25.0%	20.0%
69	35.0%	40.0%	40.0%
70	100.0%	100.0%	100.0%

Assumed Retirement Rates

<u>Age</u>	<u>Sheriffs and Deputies</u>	<u>Protection Occupation</u>
50	17.0%	
51	15.0%	
52	15.0%	
53	15.0%	
54	15.0%	
55	15.0%	25.0%
56	15.0%	10.0%
57	15.0%	10.0%
58	15.0%	10.0%
59	15.0%	10.0%
60	15.0%	10.0%
61	15.0%	15.0%
62	30.0%	30.0%
63	30.0%	25.0%
64	30.0%	25.0%
65	100.0%	100.0%

Terminated vested members are assumed to retire at age 62 (55 for Sheriffs/Deputies and Protection Occupation groups).

For Regular membership, retired reemployed members are assumed to retire at a rate of 25% per year until age 80 when all are assumed to retire.

All retirees are assumed to elect a modified cash refund annuity (Option 2).



Rates of Disablement (effective June 30, 2022)

<u>Age</u>	Assumed Rates					
	Males			Females		
	<u>State</u>	<u>School</u>	<u>Other</u>	<u>State</u>	<u>School</u>	<u>Other</u>
27	0.017%	0.018%	0.016%	0.016%	0.018%	0.016%
32	0.017%	0.018%	0.016%	0.016%	0.018%	0.016%
37	0.026%	0.031%	0.024%	0.024%	0.027%	0.024%
42	0.043%	0.050%	0.040%	0.032%	0.036%	0.032%
47	0.085%	0.088%	0.088%	0.056%	0.063%	0.058%
52	0.153%	0.128%	0.208%	0.144%	0.117%	0.126%
57	0.221%	0.207%	0.400%	0.248%	0.171%	0.224%
62	0.289%	0.286%	0.576%	0.400%	0.234%	0.320%

Assumed Rates
Sheriffs/Deputies
Protection Occupation*

<u>Age</u>	<u>Rate</u>
27	0.130%
32	0.130%
37	0.130%
42	0.150%
47	0.200%
52	0.240%
57	0.320%
62	0.430%

* 66.67% of disabilities are assumed to be in-service disabilities.

Rates of Termination of Employment (effective June 30, 2022)

Regular Membership

<u>Years of Service</u>	Male			Female		
	<u>State</u>	<u>School</u>	<u>Other</u>	<u>State</u>	<u>School</u>	<u>Other</u>
1	14.00%	14.20%	17.50%	14.20%	14.20%	19.99%
5	5.25%	6.60%	7.00%	6.60%	6.60%	8.35%
10	2.40%	2.70%	3.75%	3.25%	2.70%	4.93%
15	1.60%	1.70%	2.55%	2.00%	1.70%	3.36%
20	1.10%	1.20%	1.90%	1.30%	1.20%	2.66%
25	1.00%	1.00%	1.40%	1.00%	1.00%	1.98%
30	1.00%	1.00%	1.00%	1.00%	1.00%	1.30%



Sheriffs/Deputies and Protection Occupation

<u>Years of Service</u>	<u>Sheriffs/Deputies</u>	<u>Protection Occupation</u>
1	6.00%	11.50%
5	2.50%	6.50%
10	1.15%	3.75%
15	1.00%	2.35%
20	1.00%	1.60%
25	1.00%	1.25%
30	1.00%	1.25%

Probability of Electing a Deferred Vested Benefit (effective June 30, 2018)

<u>Years of Service</u>	<u>Regular Membership</u>					
	<u>Male</u>			<u>Female</u>		
	<u>State</u>	<u>School</u>	<u>Other</u>	<u>State</u>	<u>School</u>	<u>Other</u>
5	62.0%	74.0%	62.0%	56.0%	80.0%	70.0%
10	71.0%	79.0%	71.0%	62.0%	80.0%	73.0%
15	76.0%	84.0%	76.0%	72.0%	85.0%	80.0%
20	81.0%	89.0%	81.0%	82.0%	90.0%	85.0%
25	86.0%	94.0%	86.0%	92.0%	95.0%	90.0%
30	90.0%	95.0%	90.0%	100.0%	100.0%	90.0%

Sheriffs/Deputies and Protection Occupation

<u>Years of Service</u>	<u>Rate</u>
5	53.0%
10	65.0%
15	85.0%
20	95.0%
25	100.0%
30	100.0%



Rates of Salary Increase* (effective June 30, 2018)

Years of Service	Annual Increase				Sheriffs/Deputies and Protection Occupation
	<u>State</u>	<u>School</u>	<u>Other</u>		
1	14.25%	16.25%	14.25%		16.25%
5	7.75%	5.75%	5.35%		5.75%
10	5.50%	4.55%	4.55%		4.55%
15	4.45%	3.75%	4.05%		4.05%
20	3.85%	3.40%	3.75%		3.75%
25	3.60%	3.25%	3.65%		3.75%
30	3.35%	3.25%	3.65%		3.25%
35+	3.25%	3.25%	3.25%		3.25%

* Includes 3.25% wage growth

Marriage Assumption

100% of members are assumed to be married, with males 3 years older than females.



ACTUARIAL COST METHOD (adopted 1996)

The actuarial cost method is a procedure for allocating the actuarial present value of pension plan benefits and expenses to time periods. The method used for the valuation is known as the entry age normal actuarial cost method. Under this method, a total contribution rate is determined which consists of two parts: (i) the normal cost rate and (ii) the unfunded actuarial liability (UAL) rate. The entry age normal cost method has the following characteristics:

- (i) The annual normal costs for each individual active member are sufficient to accumulate the value of the member's pension at time of retirement.
- (ii) Each annual normal cost is a constant percentage of the member's year by year projected compensation rates.

The entry age normal actuarial cost method allocates the actuarial present value of each member's projected benefits on a level basis over the member's compensation rates between the entry age of the member and the assumed exit ages.

ACTUARIAL AMORTIZATION METHOD (adopted 2013)

The portion of the actuarial present value of benefits allocated to the valuation year is called the normal cost. The portion of the actuarial present value of benefits not provided for by the actuarial present value of future normal costs is called the actuarial liability. Deducting the actuarial value of assets from the actuarial liability determines the unfunded actuarial liability (UAL). The one-year lag between the valuation date and the date the contribution rate is effective is reflected in calculating the corresponding amortization payment. The UAL is amortized according to the Actuarial Amortization Method adopted by the Investment Board and summarized below:

1. Amortization payments will be calculated as a level percentage of payroll.
2. For the actuarial valuation prepared as of June 30, 2013, the amortization period of the UAL shall be 30-year open for all membership groups.
3. For the actuarial valuation prepared as of June 30, 2014:
4. The UAL for each membership group shall be amortized over a 30-year closed period.
5. This will be designated as the initial UAL base for subsequent valuations and it will be amortized over the remaining years of the 30-year closed period set on June 30, 2014.
6. For each valuation subsequent to June 30, 2014, annual net experience gains/losses for each membership group will be amortized over a new, closed 20-year period.
7. Subsequent plan amendments or changes in actuarial assumptions or methods that create a change in the UAL will be amortized over a demographically appropriate period selected by the Investment Board at the time that the change is incurred.
8. The dollar amount of the UAL payment for purposes of computing the UAL component of the actuarial and required contribution rate will be the sum of the amortization payments for each amortization schedule divided by the total projected payroll. Unless the plan has been 110 percent funded for the current and prior two years, a negative amortization payment shall be ignored.
9. If the valuation shows that the group has surplus, the prior amortization bases will be eliminated and one base equal to the amount of surplus shall be established. The amortization period of a surplus shall be a 30-year open period for all groups.



Please note that the use of closed amortization periods, coupled with employers contributing the full actuarial required contribution each year, will result in the System being fully funded at the end of the amortization period, if all actuarial assumptions are met. Based on the current valuation, the full funded date is the 2046 valuation. In our opinion, the amortization policy meets the requirements of Actuarial Standard of Practice Number 4.

Due to the remaining amortization period of the legacy UAAL, the expected contributions in the next year are greater than the normal cost plus interest on the UAAL. In our professional judgement, the funding policy adopted by the Investment Board produces a reasonable actuarial required contribution as defined in Actuarial Standard of Practice Number 4. Contributions are developed with the intent of being level as a percentage of covered payroll, assuming the number of active members remains stable. Furthermore, the funding policy is expected to accumulate sufficient assets to make all future benefit payments as they become due, if all assumptions are met.

ACTUARIAL VALUE OF ASSETS SMOOTHING METHOD (adopted 2007)

The market value of assets, representing a fair value of System assets, may not necessarily be the best measure of the System's ongoing ability to meet its obligations.

To arrive at a suitable value for the actuarial valuation, a technique for determining the actuarial value of assets is used which dampens volatility in the market value while still indirectly recognizing market value. The specific technique follows:

- Step 1:** Determine the expected value of plan assets at the current valuation date using the actuarial assumption for investment return applied to the prior actuarial value and the actual receipts and disbursements of the fund for the previous 12 months.
- Step 2:** Subtract the expected value determined in Step 1 from the total market value of the Fund at the current valuation date.
- Step 3:** Multiply the difference between market and expected values determined in Step 2 by 25%.
- Step 4:** Add the expected value of Step 1 and the product of Step 3 to determine the actuarial value of assets.
- Step 5:** Verify the preliminary actuarial value of assets in Step 4 is not more than 120% of the market value of assets nor less than 80% of the market value. If it is, adjust the actuarial value of assets so it falls within the 80% - 120% corridor.



CONTRIBUTION RATE FUNDING POLICY

Background:

IPERS is charged with setting a “Required Contribution Rate” for each membership category within IPERS that will discharge its liabilities. Iowa Code §97B.11(3)(d) provides the basic framework for implementing this charge by stating:

The Required Contribution Rate that is set by the system for a membership category shall be the contribution rate the system actuarially determines, based upon the most recent actuarial valuation of the system and using the actuarial methods, assumptions, and funding policy approved by the Investment Board, is the rate required by the system to discharge its liabilities as a percentage of the covered wages of members in that membership category. However, the Required Contribution Rate set by the system for members in regular service for a fiscal year shall not vary by more than one percentage point from the Required Contribution Rate for the prior fiscal year.

Goal:

To establish policy and procedures in setting contribution rates that combined with investment income will fund the benefits specified in Chapter 97B of the Iowa Code.

To move towards fully funding the benefits (100 percent or greater funded ratio) in as expeditious manner as is reasonable within the guidelines acknowledged herein.

Procedure:

The Investment Board shall retain a consulting actuary to conduct an annual actuarial valuation of assets and liabilities. The consulting actuary shall use the entry age normal cost method and all other actuarial assumptions and methods approved by the Investment Board.

In the annual valuation process, the consulting actuary shall calculate an Actuarial Contribution Rate and a Required Contribution Rate pursuant to this policy. Each shall be calculated as a level percent of pay.

There is a one-year lag between the completion of an annual actuarial valuation report and the fiscal year to which the contribution rates calculated therein are applied. Therefore, the Actuarial Contribution Rate and the Required Contribution Rate declared in the annual valuation process are applicable to the fiscal year immediately following the completion of the valuation report (for example the rates declared in the report presented to the Investment Board in December 2013 are applicable to the rates for the fiscal year beginning July 1, 2014).

Actuarial Contribution Rate (ACR):

1. ACR is the combined employer and employee contribution rate that is the minimum rate necessary to fund the benefits using the actuarial assumptions and methods approved by the Investment Board.
2. A separate ACR shall be determined for each membership group within IPERS according to this policy.



3. The ACR shall consist of:

- a. Normal cost and an amortization payment (not less than zero) of any unfunded actuarial liability.
- b. Normal cost may only be offset by a negative amortization payment after a membership group has attained a funded ratio of 110 percent or greater for 3 consecutive years.

Required Contribution Rate:

1. The Required Contribution Rate is the combined employer and employee rate payable pursuant to this policy and Iowa Code §97B.11(3)(d).
2. The Required Contribution Rate shall be determined by comparing the ACR determined in the annual valuation process to the Required Contribution Rate of the previous year.
 - a. If the ACR is less than the previous Required Contribution Rate by fewer than 50 basis points, then the Required Contribution Rate shall remain unchanged from the previous year.
 - b. If the ACR is less than the previous Required Contribution Rate by 50 basis points or more, then the Required Contribution Rate shall be lowered by 50 basis points provided the funded ratio of the membership group is 95 percent or higher.
 - c. If the ACR is greater than the Required Contribution Rate of the previous year, then the Required Contribution Rate shall be:
 - i. Increased to be equal to ACR for Sheriffs and Deputies.
 - ii. Increased to be equal to ACR for Protection Occupation Members.
 - iii. Increased to be equal to ACR for Regular Members, or one percentage point greater than the prior year's Required Contribution Rate, whichever is smaller.

Favorable Experience Dividend (“FED”) and Supplemental Account for Active Members (“SAAM”) transfers:

For the purposes and only for the purposes of calculating potential transfers to the favorable experience dividend reserve account and to each member's supplemental account the term “fully funded” as specified in the relevant Iowa Code and Administrative Rules¹ shall mean:

The funding percentage, which shall not be less than 100 percent,² determined by the System's actuary at which calculated transfers to the favorable experience dividend reserve account and to the member's supplemental accounts will not result in a material probability that the System will fall below 100 percent funded.³

¹ §97B.49F(2)(c)(5); §97B.49H (3); IAC 495—15.2(1).

² §97B.1A(11A).

³ As contemplated in §97B.4(4)(d) and §97B.65(2) the terms “fully funded” and “fully fund” shall reference a 100 percent funding ratio.

**Policy Guidelines:**

In adopting actuarial assumptions and methods to be used in setting contribution rates, the Investment Board shall strive to provide a balance among the following:

1. Stability in contribution rates (such as use of smoothing and amortization schedules that do not produce dramatic swings in the required contributions from year to year).
2. Disciplined funding approach (such as requiring full payment of normal cost and an amortization payment towards the unfunded actuarial liability and deferring decreases in contribution rates until strong funded ratios are attained).
3. Interperiod equity (such as shortening the amortization schedule when reasonable and amortization of retroactive benefit enhancements over a reasonable time period such as the average working lifetime for active members and the average life expectancy of retired members).
4. Support an affordable, sustainable plan (in consultation with the Benefits Advisory Committee review affordability of required contribution rates and/or the benefit provisions).
5. At a minimum, this policy will be reviewed in conjunction with the quadrennial experience study.



IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM CERTIFICATION

This Addendum is being prepared solely for the purpose of providing the information required under Chapter 97 D.5 of the Iowa code. Calculations are based on the following prescribed methods:

Actuarial cost method: Entry Age Normal
Amortization method: Level percent of payroll
Amortization period: 30 years, open period

All other assumptions, methodologies, and System provisions used are consistent with those used in the June 30, 2025 valuation for the Iowa Public Employees' Retirement System.

The results shown in this Addendum may not be consistent with those in the June 30, 2025 valuation. The June 30, 2025 valuation results were determined in accordance with generally accepted actuarial principles and practices that are consistent with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board and the applicable Guides to Professional Conduct, amplifying opinion and supporting recommendations of the American Academy of Actuaries. The results shown in this Addendum are not necessarily based on the methodologies adopted by the System.

We are available to answer any questions on the material contained in this report, or to provide explanations or further details as may be appropriate.

The undersigned credentialed actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Patrice A. Beckham, FSA, EA, FCA, MAAA

November 21, 2025

Date

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

November 21, 2025

Date

Bryan K. Hoge, FSA, EA, FCA, MAAA

November 21, 2025

Date



**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
SUMMARY OF VALUATION RESULTS UNDER PRESCRIBED METHODOLOGY
PER IOWA CODE §97D.5**

This addendum report has been prepared to present the results of a valuation of the Iowa Public Employees' Retirement System as of June 30, 2025, based on the prescribed methodology under Chapter D.5.

The unfunded actuarial accrued liability has been amortized as a level percent of payroll over 30 years. The payroll growth assumption used was 3.25%.

A summary of results from the current and the prior valuation follows.

	Regular Membership Actuarial Valuation as of	
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Summary of Costs		
Normal cost	10.63%	10.63%
UAL amortization	<u>1.85%</u>	<u>2.26%</u>
Total	12.48%	12.89%
Less Employee Contribution Rate	<u>(6.29%)</u>	<u>(6.29%)</u>
Employer Required Contribution Rate	6.19%	6.60%
Funded Status		
Actuarial liability	\$45,526,769,071	\$43,968,927,475
Actuarial value of assets	41,683,371,605	39,598,880,967
Unfunded actuarial liability	\$3,843,397,466	\$4,370,046,508
Funded Ratio	91.6%	90.1%
Asset Values		
Market value of assets (MVA)	\$43,084,817,851	\$40,276,123,118
Actuarial Value of Assets (AVA)	41,683,371,605	39,598,880,967
MVA/AVA	103%	102%



**Sheriffs and Deputies
Actuarial Valuation as of**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Summary of Costs		
Normal cost	20.10%	20.06%
UAL amortization	<u>3.24%</u>	<u>3.20%</u>
Total	23.34%	23.26%
Less Employee Contribution Rate	<u>(12.335%)</u>	<u>(12.090%)</u>
Employer Required Contribution Rate	11.005%	11.170%
Funded Status		
Actuarial liability	\$1,150,461,149	\$1,072,081,657
Actuarial value of assets	1,046,260,643	984,272,434
Unfunded actuarial liability	\$104,200,506	\$87,809,223
Funded Ratio	90.9%	91.8%
Asset Values		
Market value of assets (MVA)	\$1,075,495,083	\$995,921,332
Actuarial Value of Assets (AVA)	1,046,260,643	984,272,434
MVA/AVA	103%	101%



Protection Occupation Group*
Actuarial Valuation as of

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Summary of Costs		
Normal cost	15.42%	15.43%
UAL amortization	<u>(1.12%)</u>	<u>(0.92%)</u>
Total	14.30%	14.51%
Less Employee Contribution Rate	<u>(6.335)%</u>	<u>(6.210)%</u>
Employer Required Contribution Rate	7.965%	8.300%
Funded Status		
Actuarial liability	\$2,386,000,355	\$2,261,610,525
Actuarial value of assets	2,492,691,754	2,344,103,661
Unfunded actuarial liability	(\$106,691,399)	(\$82,493,136)
Funded Ratio	104.5%	103.6%
Asset Values		
Market value of assets (MVA)	\$2,580,239,241	\$2,389,078,850
Actuarial Value of Assets (AVA)	2,492,691,754	2,344,103,661
MVA/AVA	104%	102%

* Includes all public safety members other than Sheriffs and Deputies.



STATISTICAL

Statistical

Statistical Overview

Membership and Trust Fund Summary

Active Membership Summary

Retiree and Benefit Payment Statistics

Summary of Principal Employers

Investment Statistics



Statistical Overview

Objectives

The objective of the Statistical section is to provide the detail and historical context needed for a thorough assessment and understanding of IPERS' financial condition. Data in this section is presented in a multiple-year format to show previous and emerging trends.

Contents

The Statistical section provides financial, demographic, operating and investment trend information. The financial trend information presented on pages [106](#) – [107](#) is intended to help explain how the System's financial position has changed over time.

The demographic and operating information presented on pages [108](#) – [117](#) provides data on IPERS' membership, including:

- Members by group and type.
- Active membership data.
- Retiree information such as years of service, employer type and benefit amount.
- Benefits paid by option, employer type, benefit type and location.
- Principal participating employers.

The investment information presented on page [118](#) shows the growth of net investment portfolio assets and investment returns since 1996.

Tables related to types of refunds are not included in the Statistical section because IPERS pays only one type of refund – termination refunds.

Data Sources

Data for the Statistical section is derived from financial statements, an actuary member file and an actuary retirement file, all prepared by IPERS. The data in the actuary files is also used by IPERS' actuaries to prepare the annual actuarial valuation. The investment data in the Statistical section is provided by Wilshire.

Methods

IPERS uses several data extraction and statistical tools to produce the information for the Statistical section. In some cases, data is imported into Microsoft Excel for further analysis and calculations. Please note the membership totals in this section will not equal totals in the Actuarial section due to variables in the timing of the removal of deceased members and whether payments are received in the month of June.

Assumptions

Active members are defined as those with wages reported for the last quarter of the fiscal year. Retired members and beneficiaries are those who were paid benefits in the last month of the fiscal year.

Membership and Trust Fund Summary

Changes in Fiduciary Net Position

(Dollar Values Expressed in Thousands)

Fiscal Years Ended June 30

	2025	2024	2023	2022	2021
Additions					
Employee contributions	\$664,692	\$633,294	\$605,141	\$573,027	\$549,091
Employer contributions	989,685	942,935	901,017	853,202	817,561
Service purchases	3,994	2,121	5,265	4,610	5,220
Net investment income	4,273,036	3,632,025	2,151,173	(1,583,546)	9,895,374
Total additions	5,931,408	5,210,375	3,662,596	(152,707)	11,267,247
Deductions					
Trust Fund benefits ¹	2,758,999	2,659,459	2,561,787	2,467,523	2,365,175
Refunds	74,844	79,715	72,114	64,517	53,636
Trust Fund administrative expenses	18,136	16,391	13,922	13,587	13,852
Total deductions	2,851,979	2,755,566	2,647,823	2,545,627	2,432,663
Extraordinary item²	—	—	—	—	7,600
Change in net position	\$3,079,429	\$2,454,809	\$1,014,772	(\$2,698,334)	\$8,842,184

Continued on page 107

¹A Schedule of Benefit Payments by Type of Benefit is found on page [112](#).

²IPERS received the final settlement payment from the Westridge Capital fraud case, CFTC v. Walsh / SEC v. WG in FY2021. This payment resulted in an extraordinary item during that fiscal year.

Changes in Fiduciary Net Position

(Dollar Values Expressed in Thousands)

Fiscal Years Ended June 30

Continued from page 106

	2020	2019	2018	2017	2016
Additions					
Employee contributions	\$531,934	\$518,344	\$481,406	\$473,355	\$459,854
Employer contributions	792,017	771,782	716,753	704,766	684,665
Service purchases	3,913	4,312	4,630	4,271	32,148
Net investment income	1,041,873	2,640,007	2,458,969	3,279,743	624,854
Total additions	2,369,738	3,934,445	3,661,757	4,462,135	1,801,521
Deductions					
Trust Fund benefits ¹	2,261,154	2,160,487	2,052,428	1,943,103	1,840,735
Refunds	57,988	62,169	58,925	50,451	49,248
Trust Fund administrative expenses	13,584	15,698	14,754	15,899	14,939
Total deductions	2,332,727	2,238,353	2,126,106	2,009,453	1,904,922
Extraordinary item²	—	—	—	—	—
Change in net position	\$37,011	\$1,696,092	\$1,535,651	\$2,452,682	(\$103,401)

¹A Schedule of Benefit Payments by Type of Benefit is found on page 112.

²IPERS received the final settlement payment from the Westridge Capital fraud case, CFTC v. Walsh / SEC v. WG in FY2021. This payment resulted in an extraordinary item during that fiscal year.

Changes to Membership and Net Position

Fiscal Years Ended June 30

Fiscal Year	Retired Members	Active Members	Total Additions	Total Deductions	Total Investments	Total Net Position*
2025	137,833	186,221	\$5,931,408,210	\$2,851,979,336	\$46,271,189,350	\$46,740,552,174
2024	136,060	183,389	5,210,374,541	2,755,565,502	43,398,927,683	43,661,123,300
2023	133,847	179,903	3,662,595,593	2,647,823,405	40,780,122,137	41,206,314,261
2022	131,704	176,186	(152,706,815)	2,545,626,794	40,898,541,814	40,191,542,073
2021	129,026	173,186	11,267,246,693	2,432,662,727	43,151,464,813	42,889,875,682
2020	126,600	170,380	2,369,737,986	2,332,726,605	34,847,055,326	34,047,692,112
2019	123,781	172,304	3,934,445,544	2,238,353,408	34,766,936,003	34,010,680,731
2018	120,987	170,378	3,661,757,083	2,126,106,199	32,916,559,493	32,314,588,595
2017	117,759	169,910	4,462,135,823	2,009,453,153	30,707,033,241	30,779,116,326
2016	114,491	168,372	1,801,520,563	1,904,921,736	29,276,427,008	28,326,433,656

*FY2021 Total Net Position includes an extraordinary item of \$7,599,604 from the Westridge Capital fraud case settlement.

Note: Total investments in this table include the securities lending collateral pool.

Membership by Group

Fiscal Years Ended June 30

Fiscal Year		Regular Members	Sheriffs and Deputies	Protection Occupation Members	Total
2025	Active members	176,460	1,728	8,033	186,221
	Inactive members	96,241	267	3,427	99,935
	Retired members	132,131	1,343	4,359	137,833
	Total	404,832	3,338	15,819	423,989
2024	Active members	173,827	1,739	7,823	183,389
	Inactive members	91,248	254	3,221	94,723
	Retired members	130,595	1,274	4,191	136,060
	Total	395,670	3,267	15,235	414,172
2023	Active members	170,504	1,732	7,667	179,903
	Inactive members	87,143	236	2,995	90,374
	Retired members	128,589	1,250	4,008	133,847
	Total	386,236	3,218	14,670	404,124
2022	Active members	167,041	1,725	7,420	176,186
	Inactive members	81,900	207	2,728	84,835
	Retired members	126,703	1,215	3,786	131,704
	Total	375,644	3,147	13,934	392,725
2021	Active members	164,150	1,674	7,362	173,186
	Inactive members	77,135	191	2,384	79,710
	Retired members	124,279	1,178	3,569	129,026
	Total	365,564	3,043	13,315	381,922
2020	Active members	161,391	1,685	7,304	170,380
	Inactive members	75,980	168	2,212	78,360
	Retired members	122,137	1,084	3,379	126,600
	Total	359,508	2,937	12,895	375,340
2019	Active members	163,348	1,664	7,292	172,304
	Inactive members	70,025	163	2,019	72,207
	Retired members	119,562	1,039	3,180	123,781
	Total	352,935	2,866	12,491	368,292
2018	Active members	161,707	1,638	7,033	170,378
	Inactive members	67,992	152	1,903	70,047
	Retired members	117,010	988	2,989	120,987
	Total	346,709	2,778	11,925	361,412
2017	Active members	161,316	1,594	7,000	169,910
	Inactive members	65,989	135	1,838	67,962
	Retired members	114,076	959	2,724	117,759
	Total	341,381	2,688	11,562	355,631
2016	Active members	159,782	1,598	6,992	168,372
	Inactive members	65,002	126	1,719	66,847
	Retired members	111,103	889	2,499	114,491
	Total	335,887	2,613	11,210	349,710

Active Membership Summary

Active Membership Statistics

Fiscal Years Ended June 30

Fiscal Year	Active Members	Percentage Change	Annual Average Pay	Average Age (Years)	Average Service Credit (Years)
2025	186,221	1.5%	\$56,519	44.2	10.3
2024	183,389	1.9	54,540	44.3	10.4
2023	179,903	2.1	53,297	44.4	10.5
2022	176,186	1.7	51,185	44.5	10.7
2021	173,186	1.6	49,939	44.7	11.0
2020	170,380	(1.1)	49,254	44.9	11.1
2019	172,304	1.1	47,306	45.1	11.1
2018	170,378	0.3	46,856	45.2	11.2
2017	169,910	0.9	46,278	45.4	11.3
2016	168,372	0.6	44,880	45.5	11.4

Analysis of Change in Active Membership

Fiscal Years Ended June 30

Fiscal Year	Beginning Members	Additions	Retired	Deceased	Other Terminations	Ending Members
2025	183,389	23,458	4,362	238	16,026	186,221
2024	179,903	24,753	4,590	207	16,470	183,389
2023	176,186	25,168	4,466	224	16,761	179,903
2022	173,186	24,856	5,048	251	16,557	176,186
2021	170,380	21,514	4,952	270	13,486	173,186
2020	172,304	19,598	4,837	226	16,459	170,380
2019	170,378	20,733	4,660	194	13,953	172,304
2018	169,910	19,569	5,004	206	13,891	170,378
2017	168,372	19,714	5,067	222	12,887	169,910
2016	167,367	19,130	4,784	210	13,131	168,372

Retiree and Benefit Payment Statistics

New Retirees by Employer Type

Fiscal Years Ended June 30

Fiscal Year		City	County	Education	State	Utility	Other	Total
2025	Number of retirees	777	1,018	2,861	769	60	124	5,609
	Average monthly benefit	\$2,063	\$2,405	\$1,986	\$2,974	\$2,614	\$1,251	\$2,199
	Average years of service	20.84	21.97	21.51	24.80	22.48	15.08	21.82
2024	Number of retirees	801	887	3,155	793	70	115	5,821
	Average monthly benefit	\$1,987	\$2,155	\$1,966	\$2,928	\$2,849	\$1,246	\$2,125
	Average years of service	21.4	20.87	21.89	24.58	23.87	15.7	21.94
2023	Number of retirees	785	995	2,952	824	71	120	5,747
	Average monthly benefit	\$2,103	\$2,081	\$1,883	\$2,906	\$2,247	\$1,185	\$2,084
	Average years of service	21.91	20.9	21.39	24.58	23.15	16.31	21.75
2022	Number of retirees	857	1,008	3,212	962	76	147	6,262
	Average monthly benefit	\$1,891	\$1,922	\$1,889	\$2,931	\$2,469	\$990	\$2,041
	Average years of service	21.62	21.18	22.07	25.47	22.01	15.23	22.23
2021	Number of retirees	848	1,134	3,069	849	80	147	6,127
	Average monthly benefit	\$1,892	\$2,191	\$1,663	\$2,806	\$1,749	\$1,459	\$1,947
	Average years of service	21.98	22.43	20.34	24.32	19.24	16.2	21.39
2020	Number of retirees	845	958	3,264	883	57	137	6,144
	Average monthly benefit	\$1,786	\$1,811	\$1,764	\$2,646	\$1,821	\$1,084	\$1,887
	Average years of service	21.26	21.28	21.72	24.53	22.32	15.97	21.87
2019	Number of retirees	844	1,047	2,936	920	65	144	5,956
	Average monthly benefit	\$1,812	\$1,692	\$1,670	\$2,890	\$2,124	\$916	\$1,869
	Average years of service	21.36	20.78	20.99	25.05	23.05	13.59	21.48
2018	Number of retirees	943	1,015	2,942	1,195	64	157	6,316
	Average monthly benefit	\$1,622	\$1,657	\$1,716	\$2,651	\$2,004	\$1,090	\$1,857
	Average years of service	20.23	20.35	21.84	25.06	20.34	16.11	21.81
2017	Number of retirees	872	987	3,288	1,023	74	116	6,360
	Average monthly benefit	\$1,650	\$1,685	\$1,696	\$2,786	\$2,391	\$1,240	\$1,863
	Average years of service	21.08	20.87	21.79	24.98	23.80	15.67	21.98
2016	Number of retirees	872	986	3,049	908	66	130	6,011
	Average monthly benefit	\$1,636	\$1,642	\$1,677	\$2,380	\$1,888	\$789	\$1,755
	Average years of service	21.24	21.42	21.62	23.02	20.36	13.95	21.56

Average Benefit Payments for Retirees

Fiscal Years Ended June 30

Fiscal Year		Years of Service							Total
		0 – 5	6 – 10	11 – 15	16 – 20	21 – 25	26 – 30	30+	
2025	Number of retirees	6,650	17,395	17,772	17,784	18,445	17,588	42,199	137,833
	Average monthly benefit	\$160	\$347	\$628	\$1,055	\$1,572	\$2,225	\$2,951	\$1,666
	Average high average salary	\$1,358	\$2,223	\$2,647	\$3,159	\$3,661	\$4,251	\$4,978	\$3,651
	Average years of service	4.45	8.45	13.31	18.47	23.34	28.20	34.91	22.79
2024	Number of retirees	6,602	17,056	17,583	17,578	18,279	17,303	41,659	136,060
	Average monthly benefit	\$158	\$338	\$618	\$1,028	\$1,534	\$2,176	\$2,896	\$1,632
	Average high average salary	\$1,349	\$2,166	\$2,591	\$3,086	\$3,581	\$4,158	\$4,894	\$3,579
	Average years of service	4.45	8.45	13.31	18.47	23.33	28.2	34.89	22.78
2023	Number of retirees	6,496	16,766	17,388	17,366	17,949	16,929	40,953	133,847
	Average monthly benefit	\$156	\$326	\$601	\$1,001	\$1,505	\$2,131	\$2,843	\$1,598
	Average high average salary	\$1,353	\$2,099	\$2,524	\$3,012	\$3,511	\$4,074	\$4,811	\$3,505
	Average years of service	4.45	8.45	13.31	18.47	23.32	28.2	34.87	22.76
2022	Number of retirees	6,429	16,465	17,165	17,244	17,610	16,517	40,274	131,704
	Average monthly benefit	\$153	\$319	\$583	\$979	\$1,466	\$2,086	\$2,792	\$1,563
	Average high average salary	\$1,349	\$2,052	\$2,454	\$2,940	\$3,434	\$3,914	\$4,731	\$3,434
	Average years of service	4.45	8.46	13.32	18.47	23.31	28.21	34.85	22.74
2021	Number of retirees	6,387	16,189	16,869	17,011	17,182	16,068	39,320	129,026
	Average monthly benefit	\$156	\$312	\$568	\$955	\$1,423	\$2,037	\$2,737	\$1,524
	Average high average salary	\$1,351	\$1,991	\$2,383	\$2,862	\$3,343	\$3,914	\$4,647	\$3,354
	Average years of service	4.45	8.46	13.32	18.46	23.31	28.21	34.82	22.68
2020	Number of retirees	6,298	15,949	16,568	16,722	16,779	15,778	38,506	126,600
	Average monthly benefit	\$151	\$302	\$550	\$925	\$1,391	\$1,993	\$2,686	\$1,489
	Average high average salary	\$1,347	\$1,924	\$2,307	\$2,779	\$3,258	\$3,831	\$4,573	\$3,278
	Average years of service	4.45	8.46	13.31	18.46	23.31	28.21	34.77	22.65
2019	Number of retirees	6,175	15,692	16,217	16,417	16,390	15,376	37,514	123,781
	Average monthly benefit	\$152	\$294	\$537	\$902	\$1,361	\$1,952	\$2,638	\$1,457
	Average high average salary	\$1,339	\$1,873	\$2,241	\$2,710	\$3,182	\$3,763	\$4,497	\$3,209
	Average years of service	4.45	8.46	13.32	18.45	23.31	28.22	34.74	22.61
2018	Number of retirees	6,016	15,393	15,875	16,020	16,070	15,028	36,585	120,987
	Average monthly benefit	\$142	\$286	\$524	\$872	\$1,324	\$1,908	\$2,589	\$1,423
	Average high average salary	\$1,329	\$1,817	\$2,171	\$2,624	\$3,107	\$3,677	\$4,427	\$3,138
	Average years of service	4.46	8.46	13.33	18.45	23.31	28.21	34.7	22.58
2017	Number of retirees	5,899	15,022	15,503	15,592	15,683	14,600	35,460	117,759
	Average monthly benefit	\$142	\$276	\$514	\$846	\$1,290	\$1,866	\$2,537	\$1,389
	Average high average salary	\$1,310	\$1,753	\$2,108	\$2,535	\$3,025	\$3,593	\$4,350	\$3,061
	Average years of service	4.46	8.45	13.33	18.45	23.31	28.21	34.65	22.53
2016	Number of retirees	5,808	14,724	15,192	15,293	15,244	13,958	34,272	114,491
	Average monthly benefit	\$142	\$270	\$499	\$822	\$1,253	\$1,814	\$2,483	\$1,349
	Average high average salary	\$1,318	\$1,698	\$2,035	\$2,462	\$2,950	\$3,509	\$4,273	\$2,984
	Average years of service	4.46	8.44	13.33	18.45	23.30	28.21	34.61	22.45

Note: The data reported for average high average salary takes into account the statutory rules that govern how the wage component of the benefit formula is determined. These rules have changed over time. Until June 30, 2012, the highest 3-year average salary was used, and a spiking control was incorporated. The wage component of the formula for Regular members was frozen as of June 30, 2012, until those members' highest 5-year average surpasses their 3-year average as of that date. A spiking control is incorporated into the highest 5-year average salary calculation as well.

Where data were available, the average monthly wages used to calculate members' retirement benefits were calculated by dividing the high average salary by the applicable number of months (36 for the highest 3-year average salary, or 60 for the highest 5-year average salary). This table does not include retirees under the Iowa Old-Age and Survivors' Insurance System.

Schedule of Benefit Payments by Type of Benefit

Fiscal Years Ended June 30

Fiscal Year	Number of Retirees	Normal Retirement Benefit	Early Retirement Benefit	Death Benefit (Normal, Early or Disability Retirement)	Preretirement Death Benefit	Disability Benefit	Special Service In-Service Disability Benefit	Special Service Ordinary Disability Benefit	Total
2025	137,833	\$2,122,028,361	\$389,805,261	\$108,098,638	\$9,109,488	\$47,759,768	\$3,009,718	\$670,214	\$2,680,481,448
2024	136,060	2,041,612,788	387,563,684	101,410,831	8,801,141	48,213,739	2,901,695	649,526	2,591,153,404
2023	133,847	1,953,692,309	385,458,093	94,772,914	8,513,584	47,406,462	2,467,143	579,745	2,492,890,250
2022	131,704	1,871,096,121	380,768,441	87,883,631	8,054,935	46,574,416	2,351,485	604,424	2,397,333,453
2021	129,026	1,779,148,064	374,794,591	80,505,611	7,672,458	46,181,544	2,117,595	607,073	2,291,026,936
2020	126,600	1,700,010,453	367,981,549	74,081,682	7,122,717	46,886,343	2,001,478	599,991	2,198,684,213
2019	123,781	1,617,364,436	360,734,274	69,230,557	6,540,301	45,818,753	1,795,634	503,977	2,101,987,932
2018	120,987	1,530,480,793	351,227,851	64,331,097	6,089,032	44,946,581	1,551,385	469,750	1,999,096,489
2017	117,759	1,440,073,713	341,016,819	59,235,879	5,628,874	44,145,318	1,321,552	428,570	1,891,850,725
2016	114,491	1,358,625,886	330,328,320	54,759,110	5,157,531	42,716,696	1,305,876	402,828	1,793,296,247

Note: This table does not include lump-sum payments.

Schedule of Retired Members by Type of Benefit

As of June 30, 2025

Amount of Monthly Benefit	Number of Retirees	Normal Retirement Benefit	Early Retirement Benefit	Death Benefit (Normal, Early, or Disability Retirement)	Preretirement Death Benefit	Disability Benefit	Special Service In-Service Disability Benefit	Special Service Ordinary Disability Benefit
\$ <250	19,920	8,537	9,613	996	135	637	2	—
250 – 499	16,349	6,036	8,376	1,073	155	707	—	2
500 – 749	12,301	5,102	5,547	1,030	106	516	—	—
750 – 999	9,461	4,398	3,734	829	69	431	—	—
1,000 – 1,249	8,395	4,115	3,057	812	59	351	1	—
1,250 – 1,499	7,201	3,875	2,334	658	56	272	2	4
1,500 – 1,749	6,828	4,196	1,802	562	44	216	3	5
1,750 – 1,999	7,014	4,893	1,396	483	49	181	10	2
2,000 – 2,249	7,043	5,372	1,138	372	28	122	6	5
2,250 – 2,499	6,848	5,645	790	291	17	92	9	4
2,500 – 2,749	6,330	5,504	516	204	16	83	5	2
2,750 – 2,999	5,724	5,091	413	127	10	69	12	2
3,000 – 3,249	5,275	4,863	231	113	6	53	9	—
3,250 – 3,499	4,355	4,067	157	89	5	31	5	1
3,500 – 3,749	3,434	3,235	111	55	2	20	10	1
3,750 – 3,999	2,741	2,598	72	47	4	17	3	—
4,000+	8,614	8,200	201	136	10	56	11	—
Total	137,833	85,727	39,488	7,877	771	3,854	88	28

Note: The above tables do not include types of refunds because IPERS pays only one type of refund (termination refunds).

Schedule of Retired Members by Benefit Option

As of June 30, 2025

Amount of Monthly Benefit	Number of Retirees	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Misc.
\$ <250	19,920	4,811	5,561	3,761	1,852	1,964	1,970	1
250 – 499	16,349	3,989	4,455	2,239	1,866	1,525	2,271	4
500 – 749	12,301	2,807	3,252	1,389	1,535	1,169	2,149	–
750 – 999	9,461	1,895	2,489	1,050	1,253	832	1,942	–
1,000 – 1,249	8,395	1,631	2,115	808	1,253	639	1,949	–
1,250 – 1,499	7,201	1,386	1,751	671	1,097	562	1,734	–
1,500 – 1,749	6,828	1,364	1,544	559	1,034	556	1,771	–
1,750 – 1,999	7,014	1,160	1,587	626	1,087	580	1,974	–
2,000 – 2,249	7,043	1,245	1,470	653	921	597	2,157	–
2,250 – 2,499	6,848	1,046	1,485	614	846	575	2,282	–
2,500 – 2,749	6,330	1,025	1,340	596	668	505	2,196	–
2,750 – 2,999	5,724	861	1,301	530	535	470	2,027	–
3,000 – 3,249	5,275	762	1,134	486	527	392	1,974	–
3,250 – 3,499	4,355	617	951	340	454	321	1,672	–
3,500 – 3,749	3,434	459	769	299	340	237	1,330	–
3,750 – 3,999	2,741	383	605	240	228	187	1,098	–
4,000+	8,614	1,073	1,742	795	1,019	647	3,338	–
Total	137,833	26,514	33,551	15,656	16,515	11,758	33,834	5

See definitions of benefit options beginning on page [37](#).

Note: Miscellaneous column consists of survivor death benefits based upon law provisions no longer available.

Benefit Payment Summary

Fiscal Years Ended June 30

Fiscal Year	To Iowa	To Other States	To Foreign Countries
2025	\$2,441,886,882	\$316,471,334	\$641,160
2024	2,350,701,690	308,154,604	603,164
2023	2,259,995,138	301,188,591	603,607
2022	2,174,863,675	292,090,640	568,512
2021	2,082,541,465	282,100,294	533,314
2020	1,990,517,110	270,119,230	518,048
2019	1,904,028,981	256,016,365	442,097
2018	1,810,076,771	241,972,129	378,845
2017	1,716,489,981	226,225,319	387,908
2016	1,625,956,965	214,384,328	393,315

Benefit Payments by Iowa County

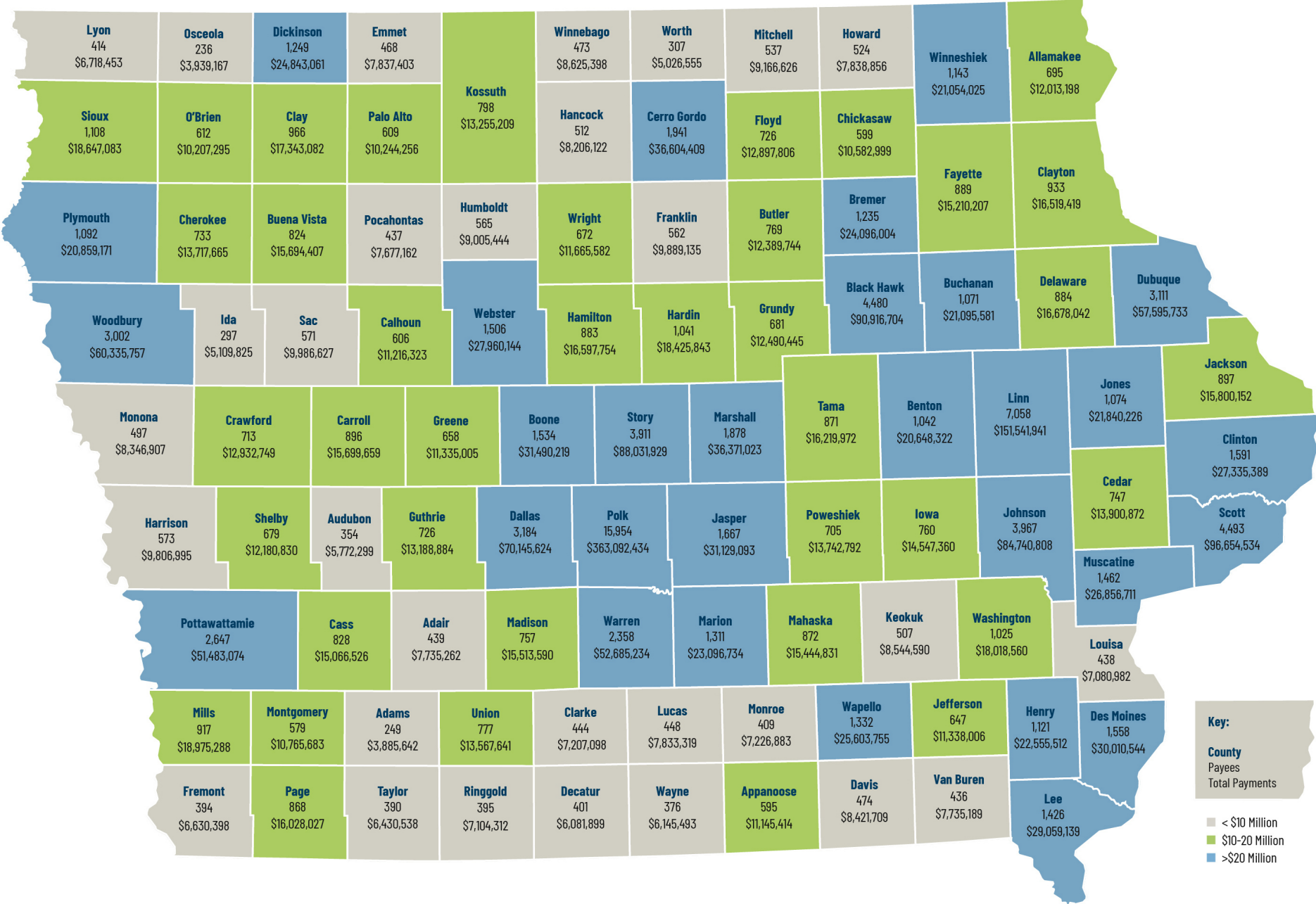
Fiscal Year 2025

County	Amount	Annual Average	Payees	County	Amount	Annual Average	Payees
Adair	\$7,735,039	\$17,620	439	Johnson	\$84,738,363	\$21,361	3,967
Adams	3,885,530	15,605	249	Jones	21,839,596	20,335	1,074
Allamakee	12,012,851	17,285	695	Keokuk	8,544,343	16,853	507
Appanoose	11,145,092	18,731	595	Kossuth	13,254,827	16,610	798
Audubon	5,772,133	16,305	354	Lee	29,058,301	20,377	1,426
Benton	20,647,727	19,815	1,042	Linn	151,537,569	21,470	7,058
Black Hawk	90,914,081	20,293	4,480	Louisa	7,080,778	16,166	438
Boone	31,489,311	20,528	1,534	Lucas	7,833,093	17,485	448
Bremer	24,095,309	19,510	1,235	Lyon	6,718,259	16,228	414
Buchanan	21,094,973	19,697	1,071	Madison	15,513,143	20,493	757
Buena Vista	15,693,954	19,046	824	Mahaska	15,444,386	17,711	872
Butler	12,389,387	16,111	769	Marion	23,096,068	17,617	1,311
Calhoun	11,215,999	18,508	606	Marshall	36,369,974	19,366	1,878
Carroll	15,699,206	17,521	896	Mills	18,974,740	20,692	917
Cass	15,066,092	18,196	828	Mitchell	9,166,361	17,070	537
Cedar	13,900,471	18,608	747	Monona	8,346,666	16,794	497
Cerro Gordo	36,603,353	18,858	1,941	Monroe	7,226,675	17,669	409
Cherokee	13,717,269	18,714	733	Montgomery	10,765,373	18,593	579
Chickasaw	10,582,694	17,667	599	Muscatine	26,855,936	18,369	1,462
Clarke	7,206,890	16,232	444	O'Brien	10,207,001	16,678	612
Clay	17,342,582	17,953	966	Osceola	3,939,053	16,691	236
Clayton	16,518,942	17,705	933	Page	16,027,565	18,465	868
Clinton	27,334,600	17,181	1,591	Palo Alto	10,243,960	16,821	609
Crawford	12,932,376	18,138	713	Plymouth	20,858,570	19,101	1,092
Dallas	70,143,600	22,030	3,184	Pocahontas	7,676,940	17,567	437
Davis	8,421,466	17,767	474	Polk	363,081,959	22,758	15,954
Decatur	6,081,724	15,166	401	Pottawattamie	51,481,589	19,449	2,647
Delaware	16,677,561	18,866	884	Poweshiek	13,742,396	19,493	705
Des Moines	30,009,678	19,262	1,558	Ringgold	7,104,107	17,985	395
Dickinson	24,842,345	19,890	1,249	Sac	9,986,339	17,489	571
Dubuque	57,594,072	18,513	3,111	Scott	96,651,745	21,512	4,493
Emmet	7,837,177	16,746	468	Shelby	12,180,478	17,939	679
Fayette	15,209,768	17,109	889	Sioux	18,646,545	16,829	1,108
Floyd	12,897,434	17,765	726	Story	88,029,390	22,508	3,911
Franklin	9,888,849	17,596	562	Tama	16,219,504	18,622	871
Fremont	6,630,207	16,828	394	Taylor	6,430,353	16,488	390
Greene	11,334,679	17,226	658	Union	13,567,250	17,461	777
Grundy	12,490,085	18,341	681	Van Buren	7,734,966	17,741	436
Guthrie	13,188,504	18,166	726	Wapello	25,603,017	19,221	1,332
Hamilton	16,597,275	18,796	883	Warren	52,683,714	22,343	2,358
Hancock	8,205,886	16,027	512	Washington	18,018,040	17,579	1,025
Hardin	18,425,312	17,700	1,041	Wayne	6,145,316	16,344	376
Harrison	9,806,712	17,115	573	Webster	27,959,337	18,565	1,506
Henry	22,554,861	20,120	1,121	Winnebago	8,625,149	18,235	473
Howard	7,838,629	14,959	524	Winneshiek	21,053,418	18,419	1,143
Humboldt	9,005,185	15,938	565	Woodbury	60,334,017	20,098	3,002
Ida	5,109,678	17,204	297	Worth	5,026,410	16,373	307
Iowa	14,546,940	19,141	760	Wright	11,665,245	17,359	672
Jackson	15,799,697	17,614	897	Total Iowa Benefit Payments:			\$2,441,886,882
Jasper	31,128,195	18,673	1,667				
Jefferson	11,337,679	17,523	647				

Note: Payments determined by zip code.

BENEFIT PAYMENTS BY IOWA COUNTY

Fiscal Year 2025

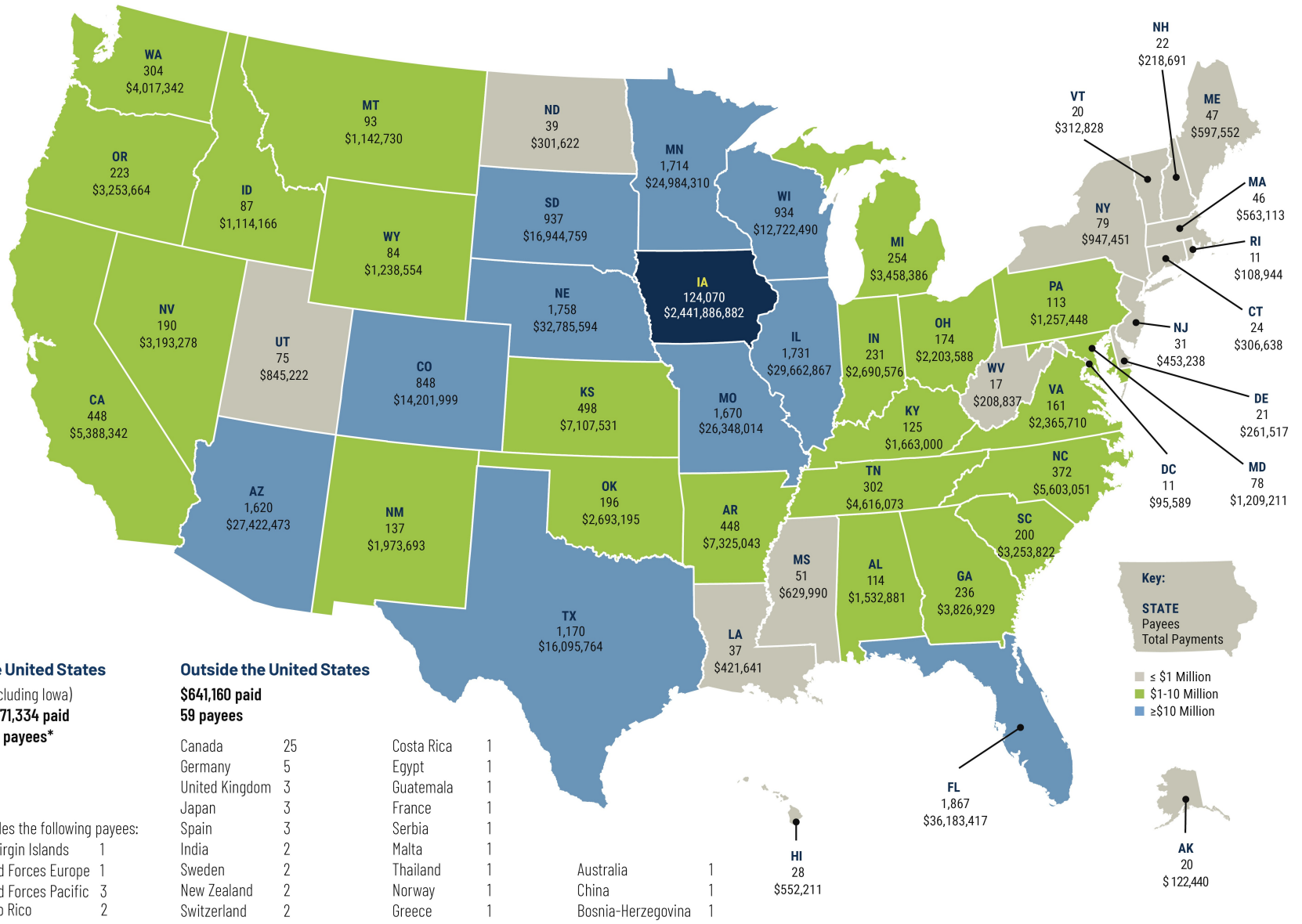


Key:

- County
 - Payees
 - Total Payments
- < \$10 Million
\$10-20 Million
> \$20 Million

BENEFIT PAYMENTS BY STATE

Fiscal Year 2025



*Includes the following payees:
U.S. Virgin Islands 1
Armed Forces Europe 1
Armed Forces Pacific 3
Puerto Rico 2

Summary of Principal Employers

Principal Participating Employers

Fiscal Years Ended June 30

Participating Employer	2025		
	Covered Employees	Rank	Percentage of Total Covered Employees
State of Iowa Centralized Payroll	29,993	1	16.11
Des Moines CSD	5,215	2	2.80
Cedar Rapids CSD	2,817	3	1.51
Iowa City CSD	2,788	4	1.50
Davenport CSD	2,310	5	1.24
Sioux City CSD	2,211	6	1.19
Waukee CSD	2,167	7	1.16
Dubuque CSD	1,935	8	1.04
Waterloo CSD	1,856	9	1.00
Ankeny CSD	1,701	10	0.91
All other employers*	133,228		71.54
Total (1,949 employers)	186,221		100

Participating Employer	2016		
	Covered Employees	Rank	Percentage of Total Covered Employees
State of Iowa Centralized Payroll	25,355	1	15.06
Des Moines CSD	4,982	2	2.96
Cedar Rapids CSD	2,834	3	1.68
Davenport CSD	2,530	4	1.50
Iowa City CSD	1,963	5	1.17
Dubuque CSD	1,962	6	1.17
Sioux City CSD	1,953	7	1.16
Waterloo CSD	1,718	8	1.02
Ankeny CSD	1,551	9	0.92
West Des Moines CSD	1,421	10	0.84
All other employers	122,103		72.52
Total (1,960 employers)	168,372		100

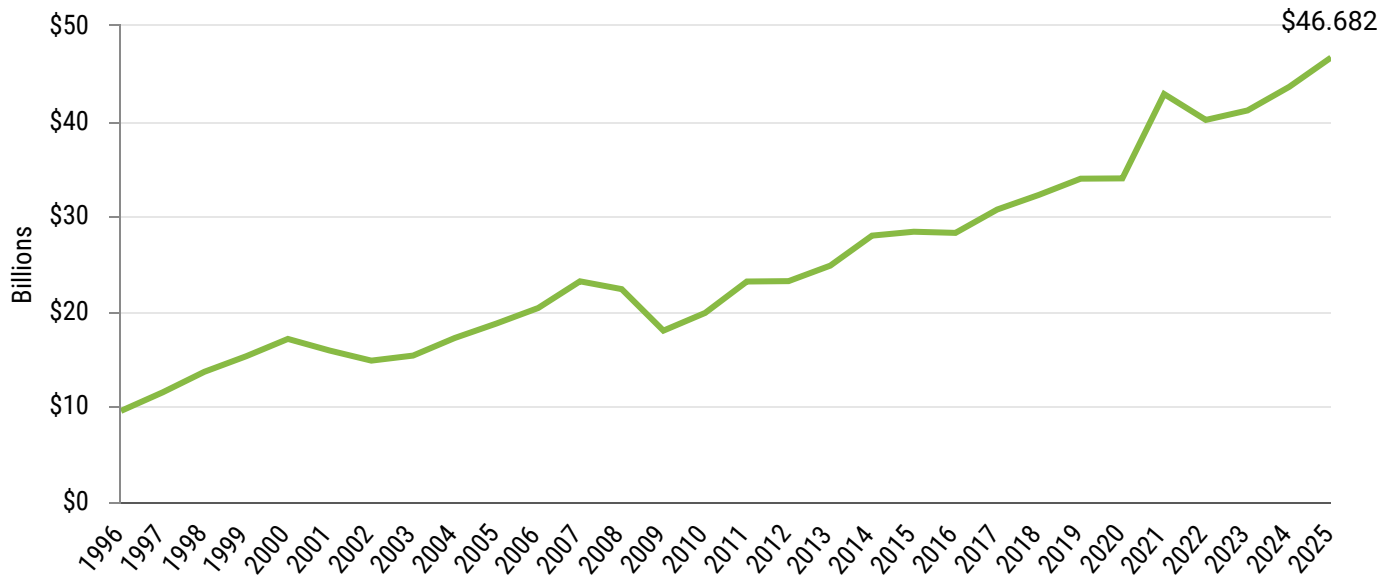
*All other employers for FY2025

Type	Number	Employees
City	958	25,695
Education	346	72,033
County	350	29,445
Other	156	4,017
Utilities	129	2,038
Total	1,939	133,228

Investment Statistics

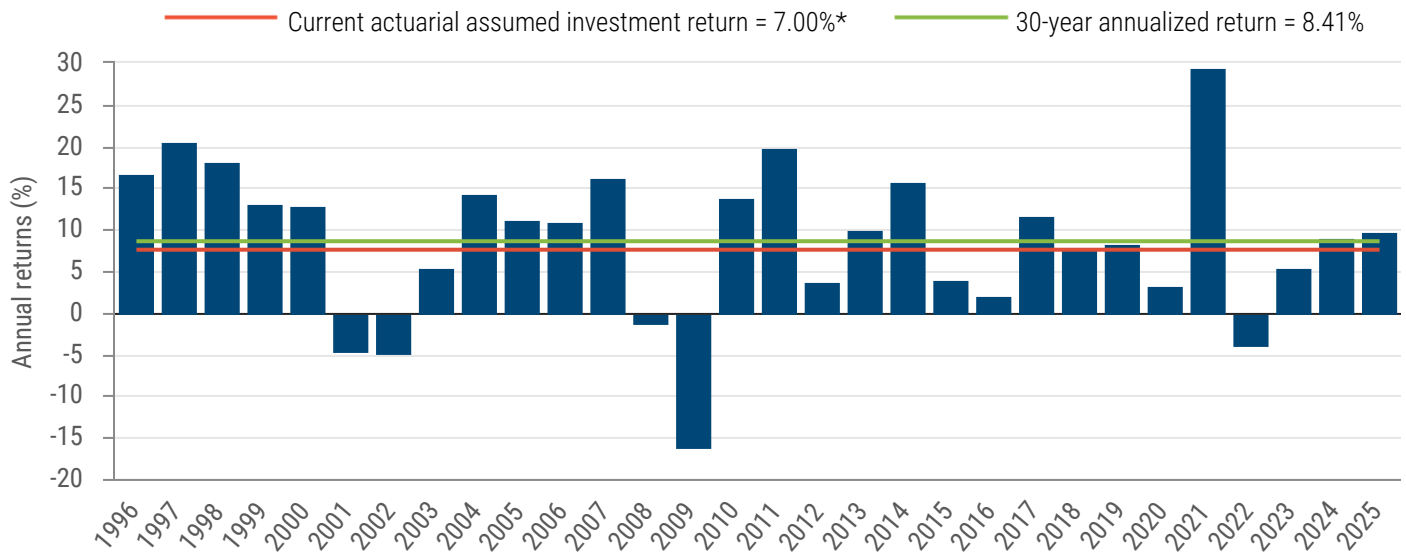
Growth of Net Investment Portfolio Assets

Fiscal Years Ended June 30



Investment Returns

For Fiscal Years Ended June 30



*Actuarial assumed investment return

1977 – 1993:	6.50%	1996 – 2016:	7.50%
1994 – 1995:	6.75%	2017 – 2025:	7.00%

Annualized returns for periods ended June 30, 2025

1-year return:	9.87%	10-year return:	8.06%
3-year return:	8.10%	20-year return:	7.64%
5-year return:	9.49%	30-year return:	8.41%

CONTACT INFORMATION**515-281-0020****800-622-3849**

Monday – Friday

7:30 a.m. – 5 p.m. Central Time

Fax: 515-281-0053

info@ipers.org**MAILING ADDRESS**

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Des Moines, IA 50306-9117

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Monday – Friday

8 a.m. – 4:30 p.m. Central Time

7401 Register Drive

Des Moines, IA 50321

**www.ipers.org**