



Gregory S. Samorajski, CFA
Chief Executive Officer

Kim Reynolds
Governor

Chris Cournoyer
Lt. Governor

AGENDA

Monday, February 23, 2026

1:00 p.m.

IPERS BENEFITS ADVISORY COMMITTEE

IPERS Board Room or

Conference Telephone # 646-931-3860

Meeting ID: 828-4533-6482#

- 1) Call to Order / 1:00 p.m.
 - a) Roll Call of Members
 - b) Approval of Minutes – January 26, 2026
- 2) CEO Report – Greg Samorajski
- 3) BAC Public Member Representative – Matt Carver
- 4) 2026 Legislative Session – Megan Schlesky
- 5) Administrative Rules Review – Elizabeth Hennessey
- 6) Staff Reports
 - a) Member Operations Division Update – Steve Herbert
 - b) Investment Update – Sriram Lakshminarayanan
 - c) Strategy Division Update – Shawna Lode
- 7) Other Business
- 8) Public Comments
- 9) Confirm Next Meeting Date – Monday, March 30, 2026
 - a) Friday, March 27, 2026 – Investment Board Meeting
 - b) Monday, April 27, 2026 – BAC Meeting



BENEFITS ADVISORY COMMITTEE MEETING MINUTES

IPERS BOARD ROOM

7401 Register Drive, Des Moines, Iowa

January 26, 2026

The following people attended the IPERS Benefits Advisory Committee (BAC) meeting on Monday, January 26, 2026.

Members of the Benefits Advisory Committee - Present

Matt Carver, Chair	Lowell Dauenbaugh
Melissa Peterson, Vice Chair	Andrew Hennesy
Sue Cave	John Hieronymus
Len Cockman	Steve Hoffman
Todd Copley	Brian McDonough

Members of the Benefits Advisory Committee - Absent

Tamara Marcus	Nathan Reckman
Connie Kuennen	Ty Wheeler

IPERS Administration and Staff

Greg Samorajski, Chief Executive Officer	Shawna Lode, Chief Strategy Officer
Steve Herbert, Chief Benefits Officer	Megan Schlesky, Legislative Liaison
Melinda McElroy, Executive Assistant	Keith Scholten, Senior Investment Officer
Elizabeth Hennessey, General Counsel	

Call to Order

Matt Carver, chair, called the meeting to order at 1:00 p.m.

Approval of Meeting Minutes

Len Cockman moved to approve the minutes from the October 27, 2025, BAC meeting. Lowell Dauenbaugh seconded. The motion carried by unanimous voice vote.

CEO Report – Greg Samorajski

Greg Samorajski shared that the member operations division is in peak season following 1099 distribution, resulting in longer call wait times. He also noted to manage demand six new retirement benefit officers will start in early February after completing training. Ten temporary staff will join soon to handle basic phone inquiries. Overall hiring is underway for about 28 positions, including temporary employees and additional benefit officers.

2026 Legislative Session – Megan Schlesky

Megan Schlesky provided an overview of several bills that IPERS is monitoring this legislative session. She highlighted SSB3009, which proposes changes to townships as political subdivisions that could affect membership. A bill from last year also remains active in the Senate, aiming to extend benefits for Protection Occupation members similar to those provided to Sheriffs and Deputies. In addition, a new house bill proposes a COLA for all regular members. Senate Study Bill 3038, along with its house companion, HF585, is IPERS-sponsored and seeks to modernize the code in preparation for the upcoming pension administration system. House File 2080 would reduce the BFR to one month for school district support staff, mirroring the teacher provision but without a sunset clause. Lastly, SSB 3051 proposes revoking pension benefits for employees convicted of a felony.

Administrative Rules – Elizabeth Hennessey

Elizabeth Hennessey presented the contribution rate schedule for IPERS' three membership groups effective July 1, 2026. Lowell Dauenbaugh moved to support the rule package as presented. Len Cockman seconded. The motion was unanimously approved by voice vote.

She next reported that, in response to Governor Reynolds' Executive Order 10 (also known as the "red tape review"), she plans to present administrative rule chapters to the BAC for review during their regularly scheduled meetings until all chapters have been addressed. The package included Chapters 1 and 4-7. Chapter 2, Investment Board, was reviewed and approved by the Board in December 2024, and Chapter 3, Benefits Advisory Committee, was reviewed and approved in February 2025. The proposed changes focus on removing unnecessary language and rescinding rules that are already covered in Iowa Code 97B. Lowell Dauenbaugh moved to support the rules package as presented, and Len Cockman seconded. The motion was unanimously approved by voice vote.

Staff Reports

Member Operations Division Update – Steve Herbert reviewed the member demand measures report through December 2025 and the number of digital retirement applications received through mid-January 2026.

Investment Update – Keith Scholten reported that the IPERS Trust Fund balance is \$49.8 billion. In September 2025, the Investment Board changed its asset allocation moving out of Global Smart Beta strategies. The assets were reallocated: 3% public credit and 2% to fixed income.

Appeals Update – Elizabeth Hennessey reviewed the Appeal Status report as of January 2026.

Strategy Division Update – Shawna Lode reported that IPERS held its first offsite member education event on December 3, 2025, in Cedar Rapids. Attendance and interest were strong, and staff plan to repeat the event quarterly. The next is scheduled for a Saturday in February in Des Moines, featuring similar counseling and education sessions. In March, during spring break, IPERS will host an education session for educators. She concluded her update by announcing that IPERS has hired Wixted and Company to enhance media relations and share IPERS' work more broadly.

Other Business

None

Public Comments

The BAC heard public comments from former Senator Patrick Deluhery.

Future Meeting Dates

The next scheduled BAC meeting is set for Monday, February 23, 2026. With no further business to come before the committee, Lowell Dauenbaugh moved to adjourn the meeting and Len Cockman seconded. The motion carried by unanimous voice vote. Meeting adjourned at 1:50 p.m.

IPERS BENEFITS ADVISORY COMMITTEE
CITIZEN REPRESENTATIVE APPLICATION

The Benefit Advisory Committee (BAC) is an advisory committee that serves as a channel for employers and employees to help formulate policies and recommendations regarding the provisions of retirement benefits and services to members of IPERS. In addition to employer and employee representation, a voting position is designated for a citizen representative with pension experience, who is not a member of IPERS. The citizen representative is elected by the voting members of the BAC (4 representing employers and 4 representing employees) for a three-year term.

This form will assist the BAC and the staff of IPERS in evaluating the qualifications of an applicant for the citizen representative position.

Please complete the entire form and return to:

Greg Samorajski, Chief Executive Officer, IPERS
P.O. Box 9117, Des Moines, Iowa 50306-9117
Phone: (515) 281-0070 Fax: (515) 281-0045

PERSONAL DATA

First Name _____ MI _____ Last Name _____ Salutation _____

Address _____

City _____ State _____ Zip _____ County _____

Employer or Business Name _____

Address _____

City _____ State _____ Zip _____ County _____

Occupation _____

Home Phone _____ Business Phone _____ ext _____

Cell Phone _____ E-mail _____

Signature _____ Date: ____/____/____

EDUCATION List schools attended, include high school. *A current resume may be substituted for this section.*

School	City & State of Iowa	Dates	Degree/Major

EMPLOYMENT & EXPERIENCE List major paid employment, significant volunteer activities, and any Boards or Commission served on. List chronologically beginning with most recent experience. *A current resume may be substituted for this section.*

Dates (from – to)	Employer/Organization	City & State	Title/Position

INTEREST IN APPOINTMENT

Describe in detail why you are interested in serving on IPERS’ Benefits Advisory Committee. Include information about your background that supports your interest. *You may complete this section on a separate sheet.*

Describe your knowledge of various types of pension plan designs (i.e. defined benefit, defined contribution, hybrid plans, deferred compensation). *You may complete this section on a separate sheet.*

I will accept appointment if selected by the Benefits Advisory Committee.

Signature _____ Date: ____/____/____

**EXECUTIVE APPOINTMENTS
BACKGROUND INFORMATION**

The following information is not required by law, *and will be deemed to have been submitted to IPERS' CEO in confidence*. The information contained within this application will be used for purposes of the appointment process. This information will not be made available to public inspection (except as required by Iowa Code Chapter 22).

If your answer to any of the following is "yes", please give full details on a separate sheet of paper.

- (a) Have you ever been convicted of any serious misdemeanor or felony crime? Do not include minor traffic offenses resulting in fines of less than \$100, juvenile offenses, or offenses otherwise sealed by court order.

Yes _____ No _____

- (b) Have you ever been investigated on allegations of professional misconduct?

Yes _____ No _____

- (c) Have you ever been the subject of any professional disciplinary proceeding or had any professional license or permit revoked or restricted upon a finding of professional misconduct?

Yes _____ No _____

- (d) Is there anything else that we should be aware of that you want to disclose that would help IPERS and the BAC select the best candidate as the citizen representative?

Yes _____ No _____

Signature _____ Date: ____/____/____

**Benefits Advisory Committee
Legislative Update**

Bill number	Title	Committee	IPERS Impact
SSB 3051	A bill for an act relating to public retirement systems by allowing for the forfeiture of certain portions of the pension of a public employee who commits a felony.	S-Workforce Did not get through first funnel	Amends chapter 97D to require that the clerk of court notify a public pension system if a public employee is convicted of a felony. The bill proposes revoking the employee's pension benefits, returning the employees contributions to the employee and forfeiting the remaining contributions to the system.
SF 2297 (SSB 3038) HF 2345 (HSB 585)	A bill for an act relating to matters under the purview of the Iowa public employees' retirement system, and including effective date provisions.	S- State Gov 2/11/2026 H- State Gov 2/3/26	Provides policy modernization as proposed by IPERS. Amended to strike section 1 (digital signatures) and add "city of last known address" to section 2.
SSB 3009	A bill for an act relating to duties of certain political subdivisions, including duties of fence viewers, stewardship of certain cemeteries, and provision of fire protection and emergency medical services, and including transition and effective date provisions.	S-Local Gov 2/19/2026	Removes townships as political subdivisions and transfers township duties to the county. Township elected officials are currently eligible but may opt out of IPERS.
SF 2132 HF 2182	A bill for an act relating to retirement benefits of retired members reemployed as school resource officers under the Iowa public employees' retirement system and the municipal fire and police retirement system.	S- Education Did not get through first funnel H- State Gov	Allows a retired member who is reemployed as a school resource officer (SRO) covered under IPERS or MFPRSI (411) to opt out of IPERS or 411 coverage within 60 days of reemployment. The bill also exempts SROs from the BFR and salary limitation for retired / reemployed members.
HF 1008	A bill for an act relating to the creation of land redevelopment trusts. See also: SF 655, Sen. Lofgren etc.	S- W&M	Amends chapter 97B to establish a land redevelopment trust as an IPERS-covered employer and employees as mandatory IPERS members.
HF 2080 SF 2120	A bill for an act relating to bona fide retirement and subsequent employment as school district support staff under the Iowa public employees' retirement system.	S- Education Did not get through first funnel H- State Gov	Reduces "bona fide retirement" from four months to one for school district support staff and coaches.
HF 2069	A bill for an act providing an annual cost-of-living adjustment for members of the Iowa public employees' retirement system.	H- State Gov Did not get through first funnel	Amends chapter 97B to provide a 1% COLA for regular and protection occupation IPERS members
HF 1023	A bill for an act relating to benefits for members of the Iowa public employees' retirement system who are employed in a protection occupation.	S- W&M 2/11/2026	Amends chapter 97B to make benefits for Protection Occupations members the same as benefits for Sheriff/Deputy Sheriff members. Senate Committee proposed floor amendment to raise retirement age from 50 to 55. Conforms to HF 969 from 2025.

**Benefits Advisory Committee
Legislative Update**

<p>SF 2175 HSB 735</p>	<p>A bill for an act relating to education, including by modifying provisions related to charter schools, the Iowa public employees' retirement system, financing programs for charter schools and nonpublic schools administered by the Iowa finance authority, the statewide voluntary preschool program for four-year-old children, education savings accounts, the school start date, independent accrediting agencies, teacher training and licensure, and making appropriations, and including applicability and retroactive applicability provisions.</p>	<p>S-Education 2/18/2026 H-Education 2/18/2026</p>	<p>Division II codifies charter schools established under Iowa Code 256E as covered employees / employers. Both chambers amenable to IPERS' proposed amendment to ensure the charter schools also meet federal requirements to participate since not all IRS requirements are codified in 256E. Charter schools are currently participating in IPERS, none have been turned away for failure to meet IRS requirements.</p>
<p>HF 2321</p>	<p>A bill for an act relating to membership in the protection occupation category of the Iowa public employees' retirement system for certain social workers.</p>	<p>H-State Gov. Did not make it through first funnel</p>	<p>Changes 97B to allow some social workers to become members of Protection Occupation. The provision can be made retroactive to cover past employment without the employees having to pay the PO contribution rate.</p>

MEMORANDUM

Date: February 16, 2026

To: Members of the Benefits Advisory Committee

From: Elizabeth Hennessey, General Counsel

Subject: Changes to Iowa Administrative Code 495-Chapters 9-12

This memorandum serves to update the BAC and provide additional information regarding the proposed changes to Iowa Administrative Code 495 – Chapters 9-12. On January 10, 2023, Governor Reynolds issued Executive Order 10, also known as the “red tape review.” The executive order requires all state agencies to complete a comprehensive evaluation and cost benefit analysis of existing rules to evaluate their public benefits, whether the benefits justify the cost, and whether there are less restrictive alternatives to achieve their intended goal. In addition, agencies have been directed to rescind rules that are merely duplicative of statute. IPERS staff reviewed Chapters 9-12 and propose the changes as part of the red tape review analysis. The proposed changes include removing unnecessary language and rescinding rules that are already in Iowa Code 97B.

IPERS deadline to complete the red tape review is December 31, 2026. The BAC has historically reviewed IPERS’ administrative rules prior to filing. IPERS legal department anticipates presenting administrative rule chapters to the BAC for review at the regularly scheduled meetings until all administrative rule chapters have been reviewed. This package includes the following chapters:

1. Chapter 9: “Refunds”
2. Chapter 10: “Interest on accumulated contributions”
3. Chapter 11: “Application for, modification of, and termination of benefits”
4. Chapter 12: “Calculation of monthly retirement benefits”

Formatting and numbering have not been updated but will be prior to filing.

CHAPTER 9
REFUNDS

[Prior to 11/24/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—9.1(97B) Refunds for members with only one type of service credit. A member ~~is eligible meets eligibility requirements~~ for a refund of the employee ~~and portion of the employer~~ accumulated contributions ~~as soon as practicable after the last date the member is considered an employee, provided that the employee has filed the required forms and has not returned to covered employment before the date the refund is paid, as provided in Iowa Code Section 97B.53. Effective July 1, 1999, a vested member's refund shall also include a portion of the employer accumulated contributions.~~ Refund amounts are determined as follows:

9.1(1) Employee accumulated contributions. Upon receiving an eligible member's application for refund, IPERS shall pay to the terminated member the amount of the employee accumulated contributions currently reported to, and processed by, IPERS as of the date of the refund. Upon reconciliation of the final employee contributions for that member, ~~IPERS will pay~~ a supplemental refund of the employee accumulated contributions ~~will be paid~~ if funds remain in the member account.

9.1(2) Employer accumulated contributions. ~~IPERS shall also pay to vested members, in addition to the employee accumulated contributions, a refund of a portion of the employer accumulated contributions. IPERS calculates~~ ~~(The refundable portion shall be calculated by multiplying the employer accumulated contributions by the "service factor." The "service factor" is a fraction, the numerator of which is the member's quarters of service and the denominator of which is the "applicable quarters." The "applicable quarters" are shall be 120 for regular members and 88 for all special service members.~~

~~The service factor numerator includes A~~ all quarters of service credit ~~shall be included in the numerator of the service factor. In no event will a member ever A member will not~~ receive an amount in excess of 100 percent of the employer accumulated contributions for that member.

In addition to ~~the foregoing provision~~ ~~this rule 9.1(2)~~, IPERS ~~shall calculate~~ the refundable portion of the employer accumulated contributions as follows:

a. Upon reconciliation of the final employer contributions for that member, ~~IPERS recalculates~~ the member's portion of the employer accumulated contributions ~~will be recalculated~~. IPERS ~~will add~~ the additional ~~service~~ quarter(s) ~~of service~~ to the ~~service factor~~ numerator ~~of the service factor~~. ~~The IPERS multiplies the~~ adjusted service factor ~~will be multiplied~~ by the sum of the original employer accumulated contributions plus the supplemental employer accumulated contributions. ~~The IPERS subtracts the~~ employer accumulated contributions included in the original refund ~~will then be subtracted~~ from that recalculated figure to determine the amount of employer accumulated contributions ~~to be~~ included in the supplemental refund.

b. ~~The IPERS determines~~ member's portion of employer accumulated contributions ~~shall be determined~~ under rule 495—9.2(97B) if the member had a combination of regular service and special service, or a combination of different types of special service.

9.1(3) In making calculations under this rule and rule 495—9.2(97B), IPERS ~~shall round~~ to not less than six decimal places to the right of the decimal point.

495—9.2(97B) Refunds for members eligible for a hybrid refund. ~~The calculation of IPERS calculates~~ the member's portion of employer accumulated contributions for a "hybrid refund" ~~shall be~~ as follows:

9.2(1) A "hybrid refund" is a refund that is calculated for a member who has a combination of regular service and special service quarters.

Commented [AE1]: Member eligibility is set forth in Iowa code and does not need to be restated here. Citation to code reduces word count.

Commented [AE2]: Requirements to pay vested members the accumulated contributions set forth in Iowa code and does not need to be restated in rule. Reduces word count.

9.2(2) If a member is eligible for a hybrid refund, IPERS calculates the member's portion of employer accumulated contributions ~~shall be calculated~~ by multiplying the total employer accumulated contributions by: (a) the member's regular service factor, if any; and (b) the special service factor, if any (except as otherwise provided in this subrule). ~~The IPERS adds the~~ amounts obtained ~~will be added~~ together to determine the amount of the employer accumulated contributions payable. ~~In no event will a member ever~~ A member will not receive an amount in excess of 100 percent of the employer accumulated contributions for that member.

9.2(3) Upon reconciliation of the final contributions from a member's employer, IPERS recalculates the member's portion of the employer accumulated contributions under this rule ~~will be recalculated~~. IPERS ~~will add~~ the additional quarter(s) of service to the applicable service factor numerator ~~of the applicable service factor~~. IPERS multiplies the ~~The~~ adjusted service factor ~~will be multiplied~~ by the sum of the original employer accumulated contributions plus the supplemental employer accumulated contributions. ~~The IPERS subtracts the~~ employer accumulated contributions included in the original refund ~~will then be subtracted~~ from that recalculated figure to determine the amount of the employer accumulated contributions ~~to be~~ included in the supplemental refund.

9.2(4) If wages reported for a quarter ~~are include~~ a combination of regular and special service wages, IPERS ~~will classify~~ esy the service credit for each quarter based on the largest dollar amount reported for that quarter. A member ~~shall will~~ not receive more than one quarter of service credit for any calendar quarter, even though IPERS records more than one type of service credit ~~is recorded~~ for that quarter.

9.2(5) If a member is last employed in a sheriff or deputy sheriff position, all quarters of "eligible service" ~~shall be counted~~ counted as quarters of sheriff or deputy sheriff service credit.

9.2(6) A special limitation applies to hybrid refunds where the member and employer contributed at regular rates for quarters that are eligible for coverage under Iowa Code section 97B.49B or Iowa Code section 97B.49C. If a member has regular service credit and special service credit and any part of the special service credit consists of quarters for which only regular contributions were made, ~~such these~~ quarters are ~~will be~~ counted as regular service quarters. ~~However, the foregoing limitation will~~ This limitation does not apply if the member only has service credit eligible for coverage under Iowa Code section 97B.49B or only has service credit eligible for coverage under Iowa Code section 97B.49C.

~~495—9.3(97B) Refund of retired reemployed members' contributions. Rescinded IAB 7/14/10, effective 6/21/10.~~

~~495—9.4(97B) General administrative provisions.~~ In addition, ~~to the foregoing,~~ IPERS ~~shall~~ administers a member's refund request ~~for a refund~~ as follows:

9.4(1) To obtain a refund, a member must file a refund application form, ~~which is available directly from IPERS or which can be reprinted from IPERS' website: www.ipers.org. Effective December 31, 2002, R~~ refund application forms shall ~~are~~ only be available from IPERS. If the member is married, a refund election must include the member's spouse's signature. ~~election of a refund under this chapter requires the written acknowledgment of the member's spouse.~~ However, the system may accept a married member's refund election ~~of a refund~~ under this chapter without the ~~written acknowledgment of the member's spouse's signature~~ if the member submits a notarized statement affirming that, after reasonable diligent efforts, the member ~~has been~~ was unable to locate ~~their spouse to obtain the spouse's signature. — member's spouse to obtain the written acknowledgment of the spouse.~~ The member's refund election ~~of a refund shall~~ becomes effective upon filing the necessary forms, including the notarized statement, with the system. The system ~~shall~~ is not be liable to the member, the member's spouse, nor to any other person affected by the

member's ~~refund~~ election ~~of a refund~~ based upon a ~~refund~~ election ~~of a refund~~ accomplished without the ~~written acknowledgment of the~~ member's spouse's signature.

9.4(2) ~~Unless the employer has not paid the member covered wages for at least one year or has provided the termination date and last paycheck date on the monthly wage reports filed with IPERS, the employer must certify~~ (The last date the employer considers the member is considered an employee and the last paycheck date of the last paycheck from which IPERS contributions are will be deducted ~~must be certified by the employer on the refund application unless the member has not been paid covered wages for at least one year or the employer has provided the termination date and date of the last paycheck on the monthly wage reports filed with IPERS.~~ Terminated employees must keep IPERS advised in writing of any change in address so that IPERS can deliver refunds and tax documents ~~may be delivered.~~ Unless the member requests an electronic funds transfer ~~is requested by the member,~~ IPERS mails the refund warrant ~~will be mailed~~ to the member at the address listed on the application for refund.

9.4(3) ~~This rule does not require~~ No payment of any kind ~~is required under this rule~~ if the amount due is less than \$1.

9.4(4) Effective July 1, 2004, an employee must sever all covered employment for 30 days after the date the employee was last considered an employee of a covered employer.

9.4(5) Effective November 2006, an individual who previously stopped participating in IPERS to ~~begin participating~~ in an alternative plan ~~shall~~ can not receive a refund of that individual's ~~their~~ IPERS account while still employed by a covered employer, even if the member is no longer in IPERS covered employment.

[ARC 1348C, IAB 2/19/14, effective 3/26/14; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 4337C, IAB 3/13/19, effective 4/17/19]

~~495—9.5(97B) Termination of employment—refund option. If a member is involuntarily terminated from covered employment, has been issued payment for a refund, and is retroactively reinstated in covered employment as a remedy for an employment dispute, the member may receive credit for membership service for the period covered by the refund payment upon repayment to the system, within 90 days after the date of the order or agreement requiring reinstatement, of the amount of the refund plus interest that would have accrued, as determined by the system. A reinstatement following an employment dispute as described in Iowa Code section 97B.53(7) shall~~ does not constitute a violation of Iowa Code section 97B.53(4), even if the reinstatement occurs less than 30 days after the date of termination.

[ARC 2402C, IAB 2/17/16, effective 3/23/16]

~~495—9.6(97B) Refund followed by commencement of disability benefits under Iowa Code section 97B.50(2).~~ If a vested member terminates covered employment, takes a refund, and is subsequently approved for disability under the federal Social Security Act or the federal Railroad Retirement Act, the member may reinstate membership service credit for the period covered by the refund by paying the actuarial cost as determined in 495—subrule 8.1(1) ~~and~~ within 90 days after the date federal social security disability or railroad retirement disability payments begin. Repayments must be made by:

1. For members whose federal social security or railroad retirement disability payments begin before July 1, 2000, within 90 days after July 1, 2000; or

2. For members whose social security or railroad retirement disability payments begin on or after July 1, 2000, within 90 days after the date federal social security or railroad retirement payments begin.

[ARC 4337C, IAB 3/13/19, effective 4/17/19]

These rules are intended to implement Iowa Code sections 97B.50 and 97B.53.

[Filed 11/5/04, Notice 9/15/04—published 11/24/04, effective 12/29/04]

[Filed 4/7/06, Notice 3/1/06—published 4/26/06, effective 5/31/06]

[Filed 5/3/07, Notice 3/28/07—published 5/23/07, effective 6/27/07]

Commented [AE3]: Word for word restatement of Iowa Code section 97B.53(7)

[Filed Emergency ARC 8929B, IAB 7/14/10, effective 6/21/10]

[Filed ARC 9068B (Notice ARC 8928B, IAB 7/14/10), IAB 9/8/10, effective 10/13/10]

[Filed ARC 1348C (Notice ARC 1256C, IAB 12/25/13), IAB 2/19/14, effective 3/26/14]

[Filed ARC 1887C (Notice ARC 1800C, IAB 12/24/14), IAB 2/18/15, effective 3/25/15]

[Filed ARC 2402C (Notice ARC 2331C, IAB 12/23/15), IAB 2/17/16, effective 3/23/16]

[Filed ARC 4337C (Notice ARC 4238C, IAB 1/16/19), IAB 3/13/19, effective 4/17/19]

CHAPTER 9
REFUNDS

[Prior to 11/24/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—9.1(97B) Refunds for members with only one type of service credit. A member meets eligibility requirements for a refund of the employee and portion of the employer accumulated contributions as provided in Iowa Code Section 97B.53. Refund amounts are determined as follows:

9.1(1) Employee accumulated contributions. Upon receiving an eligible member's application for refund, IPERS shall pay to the terminated member the amount of the employee accumulated contributions currently reported to, and processed by, IPERS as of the date of the refund. Upon reconciliation of the final employee contributions for that member, IPERS will pay a supplemental refund of the employee accumulated contributions if funds remain in the member account.

9.1(2) Employer accumulated contributions. IPERS calculates the refundable portion by multiplying the employer accumulated contributions by the "service factor." The "service factor" is a fraction, the numerator is the member's quarters of service and the denominator is the "applicable quarters." The "applicable quarters" are 120 for regular members and 88 for all special service members.

The service factor numerator includes all quarters of service credit A member will not receive an amount in excess of 100 percent of the employer accumulated contributions for that member.

In addition to this rule 9.1(2), IPERS calculates the refundable portion of the employer accumulated contributions as follows:

a. Upon reconciliation of the final employer contributions for that member, IPERS recalculates the member's portion of the employer accumulated contributions. IPERS adds the additional service quarter(s) to the service factor numerator. IPERS multiplies the adjusted service factor by the sum of the original employer accumulated contributions plus the supplemental employer accumulated contributions. IPERS subtracts the employer accumulated contributions included in the original refund from that recalculated figure to determine the amount of employer accumulated contributions included in the supplemental refund.

b. IPERS determines member's portion of employer accumulated contributions under rule 495—9.2(97B) if the member had a combination of regular service and special service, or a combination of different types of special service.

9.1(3) In making calculations under this rule and rule 495—9.2(97B), IPERS rounds to not less than six decimal places to the right of the decimal point.

495—9.2(97B) Refunds for members eligible for a hybrid refund. IPERS calculates the member's portion of employer accumulated contributions for a "hybrid refund" as follows:

9.2(1) A "hybrid refund" is a refund that is calculated for a member who has a combination of regular service and special service quarters.

9.2(2) If a member is eligible for a hybrid refund, IPERS calculates the member's portion of employer accumulated contributions by multiplying the total employer accumulated contributions by: (a) the member's regular service factor, if any; and (b) the special service factor, if any (except as otherwise provided in this subrule). IPERS adds the amounts obtained together to determine the amount of the employer accumulated contributions payable. A member will not receive an amount in excess of 100 percent of the employer accumulated contributions for that member.

9.2(3) Upon reconciliation of the final contributions from a member's employer, IPERS recalculates the member's portion of the employer accumulated contributions under this rule. IPERS adds the additional quarter(s) of service to the applicable service factor numerator. IPERS multiplies the adjusted service factor by the sum of the original employer accumulated contributions plus the

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supplemental employer accumulated contributions. IPERS subtracts the employer accumulated contributions included in the original refund from that recalculated figure to determine the amount of the employer accumulated contributions included in the supplemental refund.

9.2(4) If wages reported for a quarter include a combination of regular and special service wages, IPERS classifies the service credit for each quarter based on the largest dollar amount reported for that quarter. A member will not receive more than one quarter of service credit for any calendar quarter, even though IPERS records more than one type of service credit for that quarter.

9.2(5) If a member is last employed in a sheriff or deputy sheriff position, all quarters of “eligible service” count as quarters of sheriff or deputy sheriff service credit.

9.2(6) A special limitation applies to hybrid refunds where the member and employer contributed at regular rates for quarters that are eligible for coverage under Iowa Code section 97B.49B or Iowa Code section 97B.49C. If a member has regular service credit and special service credit and any part of the special service credit consists of quarters for which only regular contributions were made, these quarters are counted as regular service quarters. This limitation does not apply if the member only has service credit eligible for coverage under Iowa Code section 97B.49B or only has service credit eligible for coverage under Iowa Code section 97B.49C.

495—9.4(97B) General administrative provisions. In addition, IPERS administers a member’s refund request as follows:

9.4(1) To obtain a refund, a member must file a refund application form, Refund application forms are only available from IPERS. If the member is married, a refund election must include the member’s spouse’s signature. However, the system may accept a married member’s refund election under this chapter without the member’s spouse’s signature if the member submits a notarized statement affirming that, after reasonable diligent efforts, the member was unable to locate their spouse to obtain the spouse’s signature. The member’s refund election becomes effective upon filing the necessary forms, including the notarized statement, with the system. The system is not liable to the member, the member’s spouse, nor to any other person affected by the member’s refund election based upon a refund election accomplished without the member’s spouse’s signature.

9.4(2) Unless the employer has not paid the member covered wages for at least one year or has provided the termination date and last paycheck date on the monthly wage reports filed with IPERS, the employer must certify the last date the employer considers the member an employee and the last paycheck date from which IPERS contributions are deducted on the refund application. Terminated employees must keep IPERS advised in writing of any change in address so that IPERS can deliver refunds and tax documents. Unless the member requests an electronic funds transfer, IPERS mails the refund warrant to the member at the address listed on the application for refund.

9.4(3) This rule does not require payment of any kind if the amount due is less than \$1.

9.4(4) Effective July 1, 2004, an employee must sever all covered employment for 30 days after the date the employee was last considered an employee of a covered employer.

9.4(5) Effective November 2006, an individual who previously stopped participating in IPERS to participate in an alternative plan cannot receive a refund of their IPERS account while still employed by a covered employer, even if the member is no longer in IPERS covered employment.

[ARC 1348C, IAB 2/19/14, effective 3/26/14; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 4337C, IAB 3/13/19, effective 4/17/19]

495—9.5(97B) Termination of employment—refund option. A reinstatement following an employment dispute as described in Iowa Code section 97B.53(7) does not constitute a violation of Iowa Code section 97B.53(4), even if the reinstatement occurs less than 30 days after the date of termination.

[ARC 2402C, IAB 2/17/16, effective 3/23/16]

495—9.6(97B) Refund followed by commencement of disability benefits under Iowa Code section 97B.50(2). If a vested member terminates covered employment, takes a refund, and is

subsequently approved for disability under the federal Social Security Act or the federal Railroad Retirement Act, the member may reinstate membership service credit for the period covered by the refund by paying the actuarial cost as determined in 495—subrule 8.1(1) within 90 days after the date federal social security disability or railroad retirement disability payments begin. Repayments must be made by:

1. For members whose federal social security or railroad retirement disability payments begin before July 1, 2000, within 90 days after July 1, 2000; or

2. For members whose social security or railroad retirement disability payments begin on or after July 1, 2000, within 90 days after the date federal social security or railroad retirement payments begin.

[ARC 4337C, IAB 3/13/19, effective 4/17/19]

These rules are intended to implement Iowa Code sections 97B.50 and 97B.53.

[Filed 11/5/04, Notice 9/15/04—published 11/24/04, effective 12/29/04]

[Filed 4/7/06, Notice 3/1/06—published 4/26/06, effective 5/31/06]

[Filed 5/3/07, Notice 3/28/07—published 5/23/07, effective 6/27/07]

[Filed Emergency ARC 8929B, IAB 7/14/10, effective 6/21/10]

[Filed ARC 9068B (Notice ARC 8928B, IAB 7/14/10), IAB 9/8/10, effective 10/13/10]

[Filed ARC 1348C (Notice ARC 1256C, IAB 12/25/13), IAB 2/19/14, effective 3/26/14]

[Filed ARC 1887C (Notice ARC 1800C, IAB 12/24/14), IAB 2/18/15, effective 3/25/15]

[Filed ARC 2402C (Notice ARC 2331C, IAB 12/23/15), IAB 2/17/16, effective 3/23/16]

[Filed ARC 4337C (Notice ARC 4238C, IAB 1/16/19), IAB 3/13/19, effective 4/17/19]

CHAPTER 10
INTEREST ON ACCUMULATED CONTRIBUTIONS

[Prior to 11/24/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—10.1(97B) Interest on accumulated contributions of active and inactive members. ~~The term “interest” as used in this rule means a per annum interest rate at one percent above the interest rate on one year certificates of deposit which shall be credited to the member’s contributions and the employer’s contributions to become part of the accumulated contributions. For purposes of this rule, interest, as set forth in Iowa Code section 97B.70, is applied through the calendar quarter preceding the quarter in which any distribution is made. IPERS determines the interest rate under, and on one-year certificates of deposit shall be determined by IPERS based on the average rate for such certificates of deposit as of the first business day of each year as published in a publication, including Internet-based publications, of general acceptance in the business community. The per annum interest rate shall be credited on a quarterly basis by applying one quarter of the annual interest rate to the sum of the accumulated contributions as of the end of the previous calendar quarter.~~ is credited as provided by Iowa Code section 97B.70(2-). Interest shall be applied through the calendar quarter preceding the quarter in which any distribution is made.

[ARC 2981C, IAB 3/15/17, effective 4/19/17]

495—10.2(97B) Erroneous contributions. Interest, as defined by Iowa Code section 97B.70(2), shall ~~is~~ not be credited to a member’s account if the wages were reported in error.

495—10.3(97B) Interest on undistributed accumulated contributions after member’s death. Interest ~~shall~~ continue to accrue on the ~~deceased member’s~~ undistributed accumulated contributions ~~of a deceased member~~, based on the member’s vested status at date of death, and the interest crediting method described in rule 10.1(97B). ~~IPERS will not credit~~ No interest shall be credited to any postretirement death benefit payable with respect to that member’s account under Iowa Code chapter 97B. If IPERS determines that a dispute among alleged heirs exists, which delays the death benefit payment ~~of death benefits~~ on which interest would be payable, IPERS will place the death benefit amount ~~of the death benefits shall be placed~~ in a non-interest-bearing account.

~~**495—10.4(97B) Interest on all undistributed accumulated contributions—effective January 1, 1998. Rescinded ARC 2981C, IAB 3/15/17, effective 4/19/17.**~~

These rules are intended to implement Iowa Code sections 97B.52, 97B.53 and 97B.70.

[Filed 11/5/04, Notice 9/15/04—published 11/24/04, effective 12/29/04]

[Filed 4/7/06, Notice 3/1/06—published 4/26/06, effective 5/31/06]

[Filed ARC 2981C (Notice ARC 2892C, IAB 1/18/17), IAB 3/15/17, effective 4/19/17]

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CHAPTER 10
INTEREST ON ACCUMULATED CONTRIBUTIONS

[Prior to 11/24/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—10.1(97B) Interest on accumulated contributions of active and inactive members. For purposes of this rule, interest, as set forth in Iowa Code section 97B.70, is applied through the calendar quarter preceding the quarter in which any distribution is made. IPERS determines the interest rate under, and the per annum interest rate is credited as provided by Iowa Code section 97B.70(2)

[ARC 2981C, IAB 3/15/17, effective 4/19/17]

495—10.2(97B) Erroneous contributions. Interest, as defined by Iowa Code section 97B.70(2), is not credited to a member's account if the wages were reported in error.

495—10.3(97B) Interest on undistributed accumulated contributions after member's death. Interest continues to accrue on the deceased member's undistributed accumulated contributions, based on the member's vested status at date of death and the interest crediting method described in rule 10.1(97B). IPERS will not credit interest to any postretirement death benefit payable with respect to that member's account under Iowa Code chapter 97B. If IPERS determines that a dispute among alleged heirs exists, which delays the death benefit payment on which interest would be payable, IPERS will place the death benefit amount in a non-interest-bearing account.

These rules are intended to implement Iowa Code sections 97B.52, 97B.53 and 97B.70.

[Filed 11/5/04, Notice 9/15/04—published 11/24/04, effective 12/29/04]

[Filed 4/7/06, Notice 3/1/06—published 4/26/06, effective 5/31/06]

[Filed ARC 2981C (Notice ARC 2892C, IAB 1/18/17), IAB 3/15/17, effective 4/19/17]

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CHAPTER 11
APPLICATION FOR, MODIFICATION OF, AND TERMINATION OF BENEFITS

[Prior to 11/24/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—11.1(97B) Application for benefits.

11.1(1) Form used. It is the ~~member's~~ responsibility ~~of the member~~ to notify IPERS of the intention to retire ~~by, as provided in Iowa Code section 97B.25, submitting an application for benefits on a form furnished by IPERS at least . This should be done~~ 60 days before the expected retirement date. ~~The application for monthly retirement benefits is obtainable from IPERS, 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117. The printed application form shall be completed by each member applying for benefits and shall be mailed, sent by fax or brought in person to IPERS. IPERS will return A an incomplete or incorrectly completed application that is incomplete or incorrectly completed will be returned, to the member. To be considered complete, an application must include the following~~ Complete applications include:

- a. Proof of date of birth for the member, if not previously verified by IPERS.
 - b. Option selected, and
 - (1) If Option 1 is selected, the death benefit amount.
 - (2) If Option 4 or 6 is selected, the contingent annuitant's name, social security number, proof of date of birth, and relationship to member. The member must designate the survivor benefit percentage, which ~~is shall be~~ limited to one of the following:
 1. One hundred percent of the member's benefit amount.
 2. Seventy-five percent of the member's benefit amount.
 3. Fifty percent of the member's benefit amount.
 4. Twenty-five percent of the member's benefit amount.
 - (3) If Option 1, 2, or 5 is selected, a list of beneficiaries.
 - c. If the member has been terminated less than one year, or is applying for disability benefits, the ~~employer must complete the~~ employer certification page ~~must be completed by the employer~~ unless the employer has provided the termination date and ~~last paycheck~~ date ~~of the last paycheck~~ on the monthly wage reports.
 - d. ~~M~~Signature of member and spouse's signature.
 - e. If the member has no spouse, ~~designate~~ "NONE" ~~must be designated~~.
 - f. If the member is applying for regular disability benefits, a copy of the award letter from the Social Security Administration or railroad retirement.
 - g. An indication whether the member is a U.S. citizen, resident alien, or non-U.S. citizen.
- ~~Pursuant to Iowa Code section 97B.25, aA~~ retirement application is ~~deemed to be~~ valid and binding on the date the first payment is paid ~~and~~ . Members ~~cannot shall not~~ cancel their applications, change their option choice, or change an IPERS option containing contingent annuitant benefits after that date.

11.1(2) Proof required in connection with application. ~~Acceptable P~~proof of date of birth ~~to be~~ submitted with an application for benefits ~~shall be in the form of~~ includes: a birth certificate, a U.S. passport, an infant baptismal certificate, an identification card or driver's license issued by the state of Iowa, a state identification card that is issued in compliance with the REAL ID Act of 2005, or a driver's license that is issued in compliance with the REAL ID Act of 2005. If these records do not exist, the applicant ~~shall must~~ submit two other documents or records which will verify the day, month and year of birth. ~~IPERS may accept aA~~ photographic identification record ~~may be accepted~~ even if now expired unless ~~the passage of~~ time has made it impossible to determine if the photographic identification record ~~is belongs to that of~~ the applicant. ~~The IPERS deems the~~

following records or documents ~~are among those deemed acceptable to IPERS~~ as proof of date of birth:

- a. United States census record;
- b. Military record or identification card;
- c. Naturalization record;
- d. A marriage license showing age of applicant in years, months and days on date of issuance;
- e. A life insurance policy;
- f. Records in a school's administrative office;
- g. An official document from the U.S. Citizenship and Immigration Services, such as a "green card," containing such information;
- h. Driver's license or Iowa nondriver identification card;
- i. Adoption papers; or
- j. Any other document or record ten or more years old, or certification from the custodian of such records which verifies the day, month, and year of birth.

If the member, the member's representative, or the member's beneficiary is unable or unwilling to provide proof of birth, or in the case of death, proof of death, IPERS may rely on such resources as it has available, including but not limited to records from the Social Security Administration, Iowa division of records and statistics, IPERS' own internal records, or reports derived from other public records, and other departmental or governmental records to which IPERS may have access.

IPERS ~~is required to~~ must begin making payments to a member or beneficiary who has reached the required beginning date specified by Internal Revenue Code Section 401(a)(9). In order to begin making such payments and to protect IPERS' status as a plan qualified under Internal Revenue Code Section 401(a), IPERS may rely on its internal records with regard to date of birth, if the member or beneficiary is unable or unwilling to provide the proofs required by this subrule within 30 days after written notification of IPERS' intent to begin mandatory payments.

11.1(3) Benefits estimates. ~~Prior to submitting an application for benefits, a member may request~~ Upon request, IPERS to will prepare projected benefits estimates ~~of projected benefits under the various options as described~~ under Iowa Code section 97B.51. A benefit estimate ~~shall does~~ not bind IPERS to projected benefits payments ~~of the projected benefits~~ under the various options specified in Iowa Code chapter 97B. ~~IPERS is not liable or responsible for a member's reliance. A member cannot rely~~ on the benefit estimate in making any retirement-related decision or taking any action with respect to the member's account, ~~nor shall IPERS assume any liability for such actions.~~ An estimate ~~will does~~ not include deductions for a QDRO or any other legal assignments or orders on a member's account, unless specifically requested by the member. A member's actual benefit can only be known and officially calculated when an eligible member applies for benefits.

11.1(4) Revocation of application. If IPERS determines an application for benefits under Iowa Code section 97B.25 is invalid for any reason, IPERS ~~shall~~ revokes, in whole or in pertinent part, the application for benefits and the recipient shall repay all payments made under the revoked application or all payments made pursuant to the revoked part of the application ~~pursuant. The terms of repayment shall be subject~~ to the provisions of ~~495—11.7(97B)~~.

[ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 1348C, IAB 2/19/14, effective 3/26/14; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 2402C, IAB 2/17/16, effective 3/23/16; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 5027C, IAB 4/8/20, effective 5/13/20; ARC 5489C, IAB 3/10/21, effective 4/14/21; ARC 9287C, IAB 5/14/25, effective 6/18/25]

495—11.2(97B) Retirement benefits and the age reduction factor Required Beginning Date.

11.2(1) Normal retirement.

~~a. A member shall be eligible for monthly retirement benefits with no age reduction effective with the first of the month in which the member attains the age of 65, if otherwise eligible.~~

~~b. Effective July 1, 1998, a member shall be eligible for full monthly retirement benefits with no age reduction effective with the first of the month in which the member attains the age of 62, if the member has 20 full years of service and is otherwise eligible.~~

~~c. Effective July 1, 1997, a member shall be eligible to receive monthly retirement benefits with no age reduction effective the first of the month in which the member's age on the last birthday and the member's years of service equal or exceed 88, provided that the member is at least the age of 55 and is otherwise eligible.~~

~~11.2(2) Early retirement. A member shall be eligible to receive benefits for early retirement effective with the first of the month in which the member attains the age of 55 or the first of any month after attaining the age of 55 before the member's normal retirement date, provided the date is after the last day of service and the member is otherwise eligible.~~

~~11.2(3) Aged 70 and older retirees. A member shall be eligible to receive monthly retirement benefits with no age reduction effective with the first day of the month in which the member attains the age of 70, even if the member continues to be employed.~~

~~11.2(4) Required beginning date.~~

~~a. Notwithstanding the foregoing, IPERS shall commence payment of a member's retirement benefit under Iowa Code sections 97B.49A to 97B.49I (under Option 2) no later than the required beginning date pursuant to Iowa Code section 97B.48(4), even if the member has not submitted the application for benefits. If the lump sum actuarial equivalent could have been elected by the member, payments shall be made in such a lump sum rather than as a monthly allowance. The "required beginning date" means defined as the later of:~~

~~(1) April 1 of the year following the year that the member attains the applicable age, determined as follows:~~

~~1. For members who turned age 72 before 2023, the applicable age is age 72 (or age 70 ½ if they were born before July 1, 1949), and~~

~~2. For members who will turn age 72 after 2022 and age 73 before 2033, the applicable age is age 73; or~~

~~(2) April 1 of the year following the year that the member actually terminates all employment with employers covered under Iowa Code chapter 97B.~~

~~b. If IPERS distributes a member's benefits without the member's consent in order to begin benefits on or before the required beginning date, the member may elect to receive benefits under an option other than the default option described above, or as a refund, if the member contacts IPERS in writing within 60 days of the first mandatory distribution. IPERS shall will inform the member which adjustments or repayments are required in order to make the change.~~

~~c. If a member cannot be located to commence payment on or before the required beginning date described above, the member's benefit shall be forfeited. However, if a member later contacts IPERS and wishes to file an application for retirement benefits, the member's benefits IPERS will reinstate rights to benefits under Iowa Code section 97B.49 shall be reinstated if the member later contacts IPERS and files an application for retirement benefits.~~

~~d. For purposes of determining benefits, IPERS does not recalculate the life expectancy of a member, a member's spouse, or a member's beneficiary shall not be recalculated after benefits commence.~~

~~e. If an IPERS member has a qualified domestic relations order (QDRO) on file when a mandatory distribution is required, and the QDRO requires the member to choose a specific retirement option, IPERS shall will pay benefits under the option required by the order.~~

~~11.2(5) Mandatory distribution of small inactive accounts. As soon as practicable after July 1, 2004, IPERS shall will distribute small inactive accounts to members and beneficiaries as authorized in Iowa Code section 97B.48(5).~~

Commented [AE1]: Deleted first three subsections and will rely on references contained in Ch. 97B and applicable definitions.

~~11.2(6) Federal tax code limitation for selection of survivor percentages for same gender spouses. Rescinded IAB 2/19/14, effective 3/26/14.~~

[ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 1348C, IAB 2/19/14, effective 3/26/14; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 5027C, IAB 4/8/20, effective 5/13/20; ARC 5489C, IAB 3/10/21, effective 4/14/21; ARC 7811C, IAB 4/17/24, effective 5/22/24]

495—11.3(97B) First month of entitlement (FME).

11.3(1) General. ~~A member shall submit a written application to IPERS setting forth the retirement date, provided the member has attained at least age 55 by the retirement date and the retirement date is after the member's last day of service.~~ A member's first month of entitlement, as defined by Iowa Code section 97B.1A(11) ~~shall be~~ is not earlier than the first day of the first month after the member's date of termination from employment or, if later, the month provided for under subrule 11.3(2). ~~No payment shall be made for IPERS will not pay for~~ any month prior to the month IPERS receives the completed benefits application ~~for benefits is received by IPERS.~~

~~Notwithstanding Iowa Code section 97B.1A(11),~~ If a member files a retirement application but fails to select a valid first month of entitlement, IPERS will select by default the earliest month possible. A member may appeal this default selection by sending written appeal notice ~~of the appeal~~ postmarked on or before 30 days after IPERS mailed a default notice of the default selection ~~was mailed~~ to the member. Notice of the default selection is deemed sufficient if sent to the member at the member's address.

11.3(2) Additional FME provisions. Effective January 1, 2001, employees of a school corporation, as provided for in Iowa Code sections 260C.16 (community colleges), 273.2 (area education agencies), and 274.1 (K-12 public schools), who are permitted by the terms of their employment contracts to receive their annual salaries in monthly installments over periods ranging from 9 to 12 months may retire at the end of a school year and receive trailing wages through the end of the contract year if they have completely fulfilled their contract obligations at the time of retirement. ~~For purposes of this paragraph, "school corporation" means body politic described in Iowa Code sections 260C.16 (community colleges), 273.2 (area education agencies) and 273.1 (K-12 public schools).~~ ~~For purposes of~~In this paragraph, "trailing wages" means previously earned wage payments made to such employees of a school corporation after the first month of entitlement. This exception does not apply to hourly employees, including those who make arrangements with their employers to hold back hourly wages for payment at a later date, to employees who are placed on sick or disability leave or leave of absence, or to employees who receive lump sum leave, vacation leave, early retirement incentive pay or any other lump sum payments in installments.

For all employees of all IPERS-covered employers who terminate employment in January 2003, or later, if the final paycheck is paid within the same quarter or within one quarter after termination and wages are reported under the normal pay schedule, the first month of entitlement ~~shall be~~ is the month following termination. However, if the last paycheck is paid more than one quarter after the termination, the first month of entitlement ~~shall be~~ is the first month after the employee is paid the last paycheck. ~~Under no circumstances shall s~~Such trailing wages ~~will not~~ result in more than one quarter of service credit being added to retiring members' earning records.

11.3(3) Survival into designated FME. ~~To be eligible for a monthly retirement benefit, the member must survive into the designated first month of entitlement.~~ ~~To determine monthly retirement benefit eligibility under Iowa Code section 97B.1A(11),~~ If the member dies prior to the first month of entitlement, IPERS ~~cancels~~ the member's monthly benefits application ~~for monthly benefits is canceled and distributes~~ the distribution of the member's account ~~is made~~ pursuant to Iowa Code section 97B.52. Cancellation ~~of the application under this rule 11.3(3) shall will~~ not invalidate a beneficiary designation. If the application is dated later ~~in time~~ than any other designations, IPERS will accept the designation in a canceled application as binding. ~~until a subsequent designation is filed.~~

Commented [AE2]: Generally describes the process required in Iowa Code sections 97B.1A(11), 97B.25, and 97B.48(2).

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11.3(4) Members retiring under the rule of 88. The first month of entitlement of a member qualifying under the rule of 88 ~~shall be~~ the first of the month when the member's age, as of the last birthday, and years of service equal 88. ~~The fact that a~~ member's birthday allowing a member to qualify for the rule of 88 ~~is occurring in~~ the same month as the first month of entitlement does not affect the retirement date.

[ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—11.4(97B) Termination of monthly retirement allowance. A member's retirement benefit ~~shall terminate~~ after ~~IPERS pays payment is made to~~ the member for the entire month during which the member ~~dies's death occurs~~. Death benefits ~~shall~~ begin with the month following the month in which the member ~~dies's death occurs~~.

Upon the death of the retired member, IPERS will reconcile the decedent's account to determine if ~~IPERS overpaid an overpayment was made to~~ the retired member and if further payment(s) is due to the retired member's named beneficiary, contingent annuitant, heirs at law or estate. If ~~IPERS overpaid an overpayment has been made to the~~ retired member, IPERS will determine if ~~steps should be taken to it should~~ seek collection of the overpayment from the named beneficiary, contingent annuitant, estate, heirs at law, or other interested parties.

495—11.5(97B) Bona fide retirement and bona fide refund.

11.5(1) Bona fide retirement—general. To receive retirement benefits under Iowa Code chapter 97B, a member under the age of 70 must have a bona fide retirement as provided in Iowa Code section 97B.52A. ~~officially leave employment with all IPERS-covered employers, give up all rights as an employee, and complete a period of bona fide retirement. A period of bona fide retirement means four or more consecutive calendar months for which the member qualifies for monthly retirement benefit payments. The qualification period begins with the member's first month of entitlement for retirement benefits as approved by IPERS. A member may not return to covered employment before filing a completed application for benefits.~~ Notwithstanding ~~the foregoing rule 11.5~~, the continuation of group insurance coverage at employee rates for the remainder of the school year for a school employee who retires following completion of services by that individual ~~shall~~ does not ~~cause that person to be in violation of violate~~ IPERS' bona fide retirement requirements.

A member ~~will is not be~~ considered to have a bona fide retirement if the member is a school or university employee and returns to work with the employer after the normal summer vacation. In other positions, temporary or seasonal interruption of service, which does not terminate the period of employment, does not constitute a bona fide retirement. A member ~~is also will not be~~ considered to have a bona fide retirement if the member has, prior to or during the member's first month of entitlement, entered into verbal or written arrangements with the member's former employer(s) to return to employment after the ~~four-month bona fide retirement period expires expiration of the four-month bona fide retirement period~~.

Effective July 1, 1990, a school employee ~~will is not be~~ considered terminated if, while performing the normal duties, the employee performs ~~for the same employer~~ additional duties ~~for the same employer which that~~ take the employee beyond the expected termination date for the normal duties. ~~IPERS considers the employee terminated~~ Only when all the employee's compensated duties cease for that employer, ~~will that employee be considered terminated~~.

The bona fide retirement period ~~shall be is~~ waived for an elected official covered under Iowa Code section 97B.1A(8)"a"(1), and for a member of the general assembly covered under Iowa Code section 97B.1A(8)"a"(2), when the elected official or legislator notifies IPERS of the intent to terminate IPERS coverage for the elective office and, at the same time, terminates all other IPERS-covered employment prior to the issuance of the retirement benefit. Such an elected official or legislator may remain in the elective office and receive an IPERS retirement without violating IPERS' bona fide retirement rules. If such elected official or legislator terminates coverage for the

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elective office and also terminates all other IPERS-covered employment but is then reemployed in covered employment, and has not received a retirement as of the date of hire, the retirement ~~shall will~~ not be made. ~~Furthermore, if~~ such elected official or legislator is reemployed in covered employment, the election to revoke IPERS coverage for the elective position ~~shall-will~~ remain in effect, and the elected official or legislator ~~shall-not-be~~will not be eligible for new IPERS coverage for such elected position. The prior election to revoke IPERS coverage for the elected position ~~shall also~~ remains in effect if such elected official or legislator is reelected to the same position without an intervening term out of office.

The bona fide retirement period ~~is will-be~~ waived if the member ~~was has-been~~ elected to public office as a part-time elected official or a member of the general assembly and the member's term begins during the normal four-month bona fide retirement period. This includes elected officials who ~~shall-be~~are covered under this chapter as defined in Iowa Code section 97B.1A. This waiver does not apply if the member was an elected official who was reelected to the same position for another term. Effective July 1, 2000, a member does not have a bona fide retirement until all employment with covered employers, including employment ~~which-that~~ is not covered under this chapter, is terminated for at least one month, and the member does not return to covered employment for an additional three months. In order to receive retirement benefits, the member must file a completed application for benefits before returning to any employment with a covered employer.

Effective July 1, 2023, a member ~~will-does~~ not have a bona fide retirement if the member ~~enters~~ ~~intemakes~~ a verbal or written arrangement to perform duties for the member's former employer(s) as an independent contractor ~~prior-to~~before or during the member's first month of entitlement, and the member ~~shall-may~~ not perform any duties for the member's former employer(s) as an independent contractor prior to receiving one month of retirement benefits.

11.5(2) Bona fide refund. ~~For a member to~~To be eligible for a lump sum refund ~~under Iowa Code section 97B.53, the a~~ member ~~must-terminated~~ ~~from the member's~~ covered employment and ~~needs to~~ incur a bona fide separation from service and remain out of employment, ~~as described in Iowa Code section 97B.42, for at least 30 days with all covered employers. This paragraph does not apply to services rendered ase 30-day bona fide refund period shall-be waived for~~ an elected official covered under Iowa Code section 97B.1A(8) "a"(1), and for a member of the general assembly covered under Iowa Code section 97B.1A(8) "a"(2), ~~when the elected official or legislator notifies IPERS of the intent to terminate IPERS coverage for the elective office and, at the same time, terminates all other IPERS covered employment prior to the issuance of the refund. Such an official may remain in the elective office and receive an IPERS refund without violating IPERS' bona fide refund rules.- IPERS will not make a refund if~~ such elected official terminates coverage for the elective office and also terminates all other IPERS-covered employment but is then reemployed in covered employment, and has not received a refund as of the date of hire, ~~the refund shall not be made. Furthermore, if~~ such elected official is reemployed in covered employment, the election to revoke IPERS coverage for the elective position shall remain in effect, and the public official ~~shall-is~~ not be eligible for new IPERS coverage for such elected position.

The prior election to revoke IPERS coverage for the elected position ~~shall-also~~ remains in effect if such elected official is reelected to the same position without an intervening term out of office. The waiver granted in this subrule ~~shall-be~~is applicable to such elected officials who ~~were-in-violation ofviolated~~ the prior bona fide refund rules on and after November 1, 2002, when such individuals ~~have-notfailed to~~ repaid the previously invalid refund.

If a member takes a refund in violation of the bona fide refund requirements of Iowa Code section 97B.53(4), the member may return the refund during the bona fide retirement period and restore the member's account. If the repayment is not made, the member ~~shall-will~~ receive no credit for the

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period covered by the refund. At retirement, the member may purchase, at actuarial cost, the service credit covered by the refund.

11.5(3) *Part-time appointed members of boards or commissions receiving minimal noncovered wages.* Solely for purposes of determining whether a member has severed all employment with all covered employers and has remained out of employment as required under Iowa Code section 97B.52A, persons who have been appointed as part-time members of boards or commissions prior to or during their first month of entitlement and who receive only per diem and reimbursements for reasonable business expenses for such positions will be deemed not to be in employment prohibited under Iowa Code section 97B.52A.

For purposes of this subrule, per diem ~~shall will~~ not exceed the amount authorized under Iowa Code section 7E.6(1)“a” for members of boards, committees, commissions, and councils within the executive branch of state government. This limit ~~shall applyies~~ regardless of whether or not the position in question is within the executive branch of state government.

Members of boards and commissions not exempted under this subrule include: (a) those who are entitled to the payment of per diem regardless of attendance at board or commission meetings, and (b) those who would have received per diem in excess of the amount authorized under Iowa Code section 7E.6(1)“a” were it not for an agreement by the member to waive such compensation.

Persons appointed as part-time board or commission members who receive only per diem as set forth above and reimbursements of reasonable business expenses may continue in or accept appointments to such positions without violating the bona fide retirement rules under Iowa Code section 97B.52A.

11.5(4) *Members of the national guard who are called into state active duty.* Effective May 25, 2008, members of the national guard who are called into state active duty as defined in Iowa Code section 29A.1 in noncovered positions during the required period of complete severance will not be in violation of the bona fide retirement requirements of Iowa Code section 97B.52A.

[ARC 8929B, IAB 7/14/10, effective 6/21/10; ARC 9068B, IAB 9/8/10, effective 10/13/10; ARC 0662C, IAB 4/3/13, effective 5/8/13; ARC 3684C, IAB 3/14/18, effective 4/18/18; ARC 4100C, IAB 10/24/18, effective 11/28/18; ARC 4337C, IAB 3/13/19, effective 4/17/19; ARC 5027C, IAB 4/8/20, effective 5/13/20; ARC 6949C, IAB 3/8/23, effective 4/12/23]

495—11.6(97B) Payment processing and administration.

11.6(1) *Monthly paper warrants processing fee.* Effective July 1, 2005, IPERS ~~shall will~~ charge a \$10 per-warrant processing fee to members who choose to receive paper warrants in lieu of electronic deposits of their monthly retirement allowance. The fee may be waived if the person establishes, to IPERS' satisfaction, that it would be ~~unduly burdensome because of the member's limited income, or is otherwise financially burdensome or physically impracticable an undue hardship~~ for the person to do what is necessary to receive payment of the person's IPERS monthly retirement allowance by electronic deposit. The processing fee will be deducted from the member's retirement allowance on a posttax basis.

~~For purposes of this subrule, a member claiming undue hardship must establish that the cost normally assessed for the processing of paper warrants would be unduly burdensome because of the member's limited income, or is otherwise financially burdensome or physically impracticable.~~

Commented [AE7]: Moved up to preceding paragraph.

11.6(2) *Repeated requests for replacement warrants.* Effective July 1, 2002, for a member or beneficiary who, due to the member's or beneficiary's own actions or inactions, has benefits warrants replaced twice in a six-month period, except when the need for a replacement warrant is caused by IPERS' failure to mail to the address specified by the recipient, payment ~~shall will~~ be suspended until such time as the recipient establishes a direct deposit account in a bank, credit union or similar financial institution and provides IPERS with the information necessary to make electronic transfer of said monthly payments. Persons subject to said cases may be required to provide a face-to-face interview and additional documentation to prove that such a suspension would result in an undue hardship.

11.6(3) Forgery claims. ~~When To allege~~ a forgery of a warrant issued in payment of an IPERS refund or benefit ~~is alleged~~, the claimant ~~must will~~ complete and sign an affidavit before a notary public that the endorsement is a forgery. A supplementary statement must be attached to the affidavit setting forth the details and circumstances of the alleged forgery.

11.6(4) Rollover fees. Effective January 1, 2007, if the recipient of a lump-sum distribution which qualifies to be rolled over requests that a rollover be made to more than one IRA or other qualified plan, IPERS may assess a \$5 administrative fee for each additional rollover beyond the first one. The fee will be deducted from the gross amount of each distribution, less federal and state income tax.

11.6(5) Offsets against amounts payable. IPERS may, with or without consent and upon reasonable proof thereof, offset amounts currently payable to a member or the member's designated beneficiaries, heirs, assigns or other successors in interest by the amount of IPERS benefits paid in error to or on behalf of such member or the member's designated beneficiaries, heirs, assigns or other successors in interest.

11.6(6) Lump sum paper warrants processing fee. Effective April 1, 2012, and thereafter, IPERS ~~shall may~~ charge \$10 for paper warrants issued in payment of all nonrecurring lump sum distributions. If a nonrecurring lump sum distribution is followed by a supplemental lump sum distribution due to the reporting of additional covered wages, the \$10 processing fee ~~shall may~~ also be charged. This \$10 processing fee ~~shall will~~ not apply to a direct rollover described under Iowa Code section 97B.53B (however, processing fees may be charged for multiple rollover requests), lump sum mandatory account distributions required under Iowa Code section 97B.48(5), mandatory lump sum distributions required under Internal Revenue Code Section 401(9), or warrants reissued in forged endorsement or other fraudulent payment situations.

[ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 7811C, IAB 4/17/24, effective 5/22/24]

495—11.7(97B) Overpayment of IPERS benefits.

11.7(1) Overpayments—general.

a. An "overpayment" means a payment of money by IPERS that results in a recipient receiving a higher payment than the recipient is entitled to under the provisions of Iowa Code chapter 97B.

b. A "recipient" is a person or beneficiary, heir, assign, or other successor in interest who receives an overpayment from an IPERS benefit and is liable to repay the amount(s) upon receipt of a written explanation and request for the amounts to be repaid.

c. If IPERS determines that the cost of recovering the amount of an overpayment is estimated to exceed the overpayment, the repayment may be deemed to be unrecoverable.

d. If the overpayment is equal to or less than \$50 and cannot be recovered from other IPERS payments, IPERS may limit its recovery efforts to written requests for repayment and other nonjudicial remedies.

11.7(2) Overpayment made to a retired member. ~~IPERS will send retired members A-retired member shall receive~~ written notice of overpayment, including the reason for the overpayment, the amount of the overpayment, and a limited opportunity to repay the overpayment in full without interest. If a retired member repays an overpayment in full within 30 days after the date of the notice, there will be no interest charge. A retired member may repay an overpayment out of pocket or direct IPERS to recover the overpayment from future retirement benefit payments, or a combination of both. If the retired member cannot repay an overpayment in full, either out of pocket or from the next monthly installment of retirement benefits, or both, interest ~~shall will~~ be charged. ~~IPERS will enter into a monthly installment agreement or offset agreement, with any unpaid balance as a first priority claim in the recipient's estate. Awith any~~ retired member who cannot repay the full amount of the overpayment within 30 days after the date of the notice, ~~must enter into an agreement with IPERS to make monthly installment payments, or to have the overpayment offset against future~~

~~monthly benefit payments or death benefits, if any, and authorize any unpaid balance as a first priority claim in the recipient's estate.~~

11.7(3) *Overpayment made to a person other than a retired member.* A recipient other than a retired member, except a recipient listed in subrule 11.5(2), ~~shall will~~ receive written notice of overpayment, including the reason for the overpayment, the amount of the overpayment, and the opportunity to repay the overpayment in full without interest. If such a recipient repays an overpayment in full within 30 days after the date of the notice, there will be no interest charge. If such a recipient cannot repay an overpayment in full within 30 days after the date of the notice, ~~interest shall be charged~~ **IPERS will charge interest.** If repayment in full cannot be made within 30 days, such a recipient ~~shall will~~ make repayment arrangements subject to IPERS' approval within 30 days of the written notice and request for repayment.

If the overpayment recipient cannot be located to receive notice of the overpayment at the recipient's last-known address, IPERS ~~shall will~~, after trying to locate the person, consider the recipient to have waived entitlement to the quarters covered by the refund.

11.7(4) *Interest charges.*

a. Overpayment not fraudulent. If the overpayment of benefits, other than an overpayment that results from a violation described in subrule 11.5(2), was not the result of wrongdoing, negligence, misrepresentation, or omission of the recipient, the recipient is liable to pay interest charges at the rate of 5 percent, or the rate IPERS determines, on the outstanding balance, beginning 30 days after the date of notice of the overpayment(s) is provided by IPERS.

b. Overpayments in violation of Iowa Code section 97B.40 or 715A.8. If the overpayment of benefits, other than an overpayment that results from a violation described in subrule 11.5(2), was the result of wrongdoing, negligence, misrepresentation, or omission of the recipient, the recipient is liable to pay interest charges at the rate of 7 percent on the outstanding balance, beginning on the date of the overpayment(s).

c. Overpayments that result in a judgment. In addition to other remedies, IPERS may file a civil action to recover overpayments, and the interest rate may be set by the court.

11.7(5) *Recovery of overpayment from a deceased recipient.* If a recipient dies prior to the full repayment of an erroneous overpayment of benefits, IPERS ~~shall be is~~ entitled to apply to the estate of the deceased to recover the remaining balance.

11.7(6) *Offsets against amounts payable.* IPERS may, in addition to other remedies and after notice to the recipient, request an offset against amounts owing to the recipient by the state according to the offset procedures pursuant to Iowa Code section 421.65.

11.7(7) *Rights of appeal.* A recipient who is notified of an overpayment and required to make repayments under this rule may appeal IPERS' determination in writing to the CEO or CEO's designee. The written request must explain the basis of the appeal and must be received by IPERS' office within 30 days of overpayment notice pursuant to ~~495—Chapter 26~~.

11.7(8) *Release of overpayment.* IPERS may release a recipient from liability to repay an overpayment, in whole or in part, if IPERS determines that the receipt of overpayment is not the fault of the recipient, and that it would be contrary to equity and good conscience to collect the overpayment. No release of an individual recipient's obligation to repay an overpayment ~~shall will~~ stand as precedent for release of another recipient's obligation to repay an overpayment.

[ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 3684C, IAB 3/14/18, effective 4/18/18; ARC 5027C, IAB 4/8/20, effective 5/13/20; ARC 6949C, IAB 3/8/23, effective 4/12/23; ARC 7811C, IAB 4/17/24, effective 5/22/24]

These rules are intended to implement Iowa Code sections 97B.4, 97B.9A, 97B.15, 97B.25, 97B.38, 97B.40, 97B.45, 97B.47, 97B.48, 97B.48A, 97B.49A to 97B.49I, 97B.50, 97B.51, 97B.52, 97B.52A, 97B.53, and 97B.53B.

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[Filed ARC 9287C (Notice ARC 9046C, IAB 3/19/25), IAB 5/14/25, effective 6/18/25]

CHAPTER 11
APPLICATION FOR, MODIFICATION OF, AND TERMINATION OF BENEFITS

[Prior to 11/24/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—11.1(97B) Application for benefits.

11.1(1) Form used. It is the member's responsibility to notify IPERS of the intention to retire by, as provided in Iowa Code section 97B.25, submitting an application for benefits on a form furnished by IPERS at least 60 days before the expected retirement date. IPERS will return an incomplete or incorrectly completed application to the member. Complete applications include:

- a. Proof of date of birth for the member, if not previously verified by IPERS.
- b. Option selected, and
 - (1) If Option 1 is selected, the death benefit amount.
 - (2) If Option 4 or 6 is selected, the contingent annuitant's name, social security number, proof of date of birth, and relationship to member. The member must designate the survivor benefit percentage, which is limited to one of the following:
 1. One hundred percent of the member's benefit amount.
 2. Seventy-five percent of the member's benefit amount.
 3. Fifty percent of the member's benefit amount.
 4. Twenty-five percent of the member's benefit amount.
 - (3) If Option 1, 2, or 5 is selected, a list of beneficiaries.
- c. If the member has been terminated less than one year, or is applying for disability benefits, the employer must complete the employer certification page unless the employer has provided the termination date and last paycheck date on the monthly wage reports.
- d. Member and spouse's signature.
- e. If the member has no spouse, designate "NONE".
- f. If the member is applying for regular disability benefits, a copy of the award letter from the Social Security Administration or railroad retirement.
- g. An indication whether the member is a U.S. citizen, resident alien, or non-U.S. citizen.

Pursuant to Iowa Code section 97B.25, a retirement application is valid and binding on the date the first payment is paid and Members cannot cancel their applications, change their option choice, or change an IPERS option containing contingent annuitant benefits after that date.

11.1(2) Proof required in connection with application. Acceptable proof of date of birth submitted with an application for benefits includes: a birth certificate, a U.S. passport, an infant baptismal certificate, an identification card or driver's license issued by the state of Iowa, a state identification card that is issued in compliance with the REAL ID Act of 2005, or a driver's license that is issued in compliance with the REAL ID Act of 2005. If these records do not exist, the applicant must submit two other documents or records which will verify the day, month and year of birth. IPERS may accept a photographic identification record even if now expired unless time has made it impossible to determine if the photographic identification record belongs to the applicant. IPERS deems the following records or documents acceptable as proof of date of birth:

- a. United States census record;
- b. Military record or identification card;
- c. Naturalization record;
- d. A marriage license showing age of applicant in years, months and days on date of issuance;
- e. A life insurance policy;
- f. Records in a school's administrative office;

- g. An official document from the U.S. Citizenship and Immigration Services, such as a “green card,” containing such information;
- h. Driver’s license or Iowa nondriver identification card;
- i. Adoption papers; or
- j. Any other document or record ten or more years old, or certification from the custodian of such records which verifies the day, month, and year of birth.

If the member, the member’s representative, or the member’s beneficiary is unable or unwilling to provide proof of birth, or in the case of death, proof of death, IPERS may rely on such resources as it has available, including but not limited to records from the Social Security Administration, Iowa division of records and statistics, IPERS’ own internal records, or reports derived from other public records, and other departmental or governmental records to which IPERS may have access.

IPERS must begin making payments to a member or beneficiary who has reached the required beginning date specified by Internal Revenue Code Section 401(a)(9). In order to begin making such payments and to protect IPERS’ status as a plan qualified under Internal Revenue Code Section 401(a), IPERS may rely on its internal records with regard to date of birth, if the member or beneficiary is unable or unwilling to provide the proofs required by this subrule within 30 days after written notification of IPERS’ intent to begin mandatory payments.

11.1(3) *Benefits estimates.* Upon request, IPERS will prepare projected benefits estimates under Iowa Code section 97B.51. A benefit estimate does not bind IPERS to projected benefits payments under the various options specified in Iowa Code chapter 97B. IPERS is not liable or responsible for a member’s reliance on the benefit estimate in making any retirement-related decision or taking any action with respect to the member’s account. An estimate does not include deductions for a QDRO or any other legal assignments or orders on a member’s account, unless specifically requested by the member. A member’s actual benefit can only be known and officially calculated when an eligible member applies for benefits.

11.1(4) *Revocation of application.* If IPERS determines an application for benefits under Iowa Code section 97B.25 is invalid for any reason, IPERS revokes, in whole or in pertinent part, the application for benefits and the recipient shall repay all payments made under the revoked application or all payments made pursuant to the revoked part of the application pursuant to the provisions of ~~495—11.7~~(97B).

[ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 1348C, IAB 2/19/14, effective 3/26/14; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 2402C, IAB 2/17/16, effective 3/23/16; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 5027C, IAB 4/8/20, effective 5/13/20; ARC 5489C, IAB 3/10/21, effective 4/14/21; ARC 9287C, IAB 5/14/25, effective 6/18/25]

495—11.2(97B) Required Beginning Date.

11.2(1) *Required beginning date.*

a. IPERS commences payment of a member’s retirement benefit under Iowa Code sections 97B.49A to 97B.49I (under Option 2) no later than the required beginning date pursuant to Iowa Code section 97B.48(4). The “required beginning date” means the later of:

(1) April 1 of the year following the year that the member attains the applicable age, determined as follows:

1. For members who turned age 72 before 2023, the applicable age is age 72 (or age 70 ½ if they were born before July 1, 1949), and
2. For members who will turn age 72 after 2022 and age 73 before 2033, the applicable age is age 73; or

(2) April 1 of the year following the year that the member actually terminates all employment with employers covered under Iowa Code chapter 97B.

b. If IPERS distributes a member’s benefits without the member’s consent to begin benefits on or before the required beginning date, the member may elect to receive benefits under an option other than the default option described above, or as a refund, if the member contacts IPERS in writing

within 60 days of the first mandatory distribution. IPERS will inform the member which adjustments or repayments are required to make the change.

c. IPERS will reinstate rights to benefits under Iowa Code section 97B.49 if the member later contacts IPERS and files an application for retirement benefits.

d. To determine benefits, IPERS does not recalculate the life expectancy of a member, a member's spouse, or a member's beneficiary after benefits commence.

e. If an IPERS member has a qualified domestic relations order (QDRO) on file when a mandatory distribution is required, and the QDRO requires the member to choose a specific retirement option, IPERS will pay benefits under the option required by the order.

11.2(2) Mandatory distribution of small inactive accounts. As soon as practicable after July 1, 2004, IPERS will distribute small inactive accounts to members and beneficiaries as authorized in Iowa Code section 97B.48(5).

[ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 1348C, IAB 2/19/14, effective 3/26/14; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 5027C, IAB 4/8/20, effective 5/13/20; ARC 5489C, IAB 3/10/21, effective 4/14/21; ARC 7811C, IAB 4/17/24, effective 5/22/24]

495—11.3(97B) First month of entitlement (FME).

11.3(1) General. A member's first month of entitlement, as defined by Iowa Code section 97B.1A(11) is not earlier than the first day of the first month after the member's date of termination from employment or, if later, the month provided for under subrule 11.3(2). IPERS will not pay for any month prior to the month IPERS receives the completed benefits application.

Notwithstanding Iowa Code section 97B.1A(11), if a member files a retirement application but fails to select a valid first month of entitlement, IPERS will select by default the earliest month possible. A member may appeal this default selection by sending written appeal notice postmarked on or before 30 days after IPERS mailed a default notice of the default selection to the member. Notice of the default selection is deemed sufficient if sent to the member at the member's address.

11.3(2) Additional FME provisions. Effective January 1, 2001, employees of a school corporation, as provided for in Iowa Code sections 260C.16 (community colleges), 273.2 (area education agencies), and 274.1 (K-12 public schools), who are permitted by the terms of their employment contracts to receive their annual salaries in monthly installments over periods ranging from 9 to 12 months may retire at the end of a school year and receive trailing wages through the end of the contract year if they have completely fulfilled their contract obligations at the time of retirement. In this paragraph, "trailing wages" means previously earned wage payments made to such employees of a school corporation after the first month of entitlement. This exception does not apply to hourly employees, including those who make arrangements with their employers to hold back hourly wages for payment at a later date, to employees who are placed on sick or disability leave or leave of absence, or to employees who receive lump sum leave, vacation leave, early retirement incentive pay or any other lump sum payments in installments.

For all employees of all IPERS-covered employers who terminate employment in January 2003, or later, if the final paycheck is paid within the same quarter or within one quarter after termination and wages are reported under the normal pay schedule, the first month of entitlement is the month following termination. However, if the last paycheck is paid more than one quarter after the termination, the first month of entitlement is the first month after the employee is paid the last paycheck. Such trailing wages will not result in more than one quarter of service credit being added to retiring members' earning records.

11.3(3) Survival into designated FME. To determine monthly retirement benefit eligibility under Iowa Code section 97B.1A(11), if the member dies prior to the first month of entitlement, IPERS cancels the member's monthly benefits application and distributes the member's account pursuant to Iowa Code section 97B.52. Cancellation under this rule 11.3(3) will not invalidate a beneficiary designation. If the application is dated later than any other designations, IPERS will accept the

Commented [AE1]: Reduced word count by citing to Iowa Code.

designation in a canceled application as binding. **11.3(4) Members retiring under the rule of 88.** The first month of entitlement of a member qualifying under the rule of 88 is the first of the month when the member's age, as of the last birthday, and years of service equal 88. A member's birthday allowing a member to qualify for the rule of 88 occurring in the same month as the first month of entitlement does not affect the retirement date.

[ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—11.4(97B) Termination of monthly retirement allowance. A member's retirement benefit terminates after IPERS pays the member for the entire month during which the member dies. Death benefits begin with the month following the month in which the member dies.

Upon the death of the retired member, IPERS will reconcile the decedent's account to determine if IPERS overpaid the retired member and if further payment(s) is due to the retired member's named beneficiary, contingent annuitant, heirs at law or estate. If IPERS overpaid retired member, IPERS will determine if it should seek collection of the overpayment from the named beneficiary, contingent annuitant, estate, heirs at law, or other interested parties.

495—11.5(97B) Bona fide retirement and bona fide refund.

11.5(1) Bona fide retirement—general. To receive retirement benefits under Iowa Code chapter 97B, a member under the age of 70 must have a bona fide retirement as provided in Iowa Code section 97B.52A. Notwithstanding rule 11.5, the continuation of group insurance coverage at employee rates for the remainder of the school year for a school employee who retires following completion of services by that individual does not violate IPERS' bona fide retirement requirements. A member is not considered to have a bona fide retirement if the member is a school or university employee and returns to work with the employer after the normal summer vacation. In other positions, temporary or seasonal interruption of service, which does not terminate the period of employment, does not constitute a bona fide retirement. A member is not considered to have a bona fide retirement if the member has, prior to or during the member's first month of entitlement, entered into verbal or written arrangements with the member's former employer(s) to return to employment after the four-month bona fide retirement period expires.

Effective July 1, 1990, a school employee is not considered terminated if, while performing the normal duties, the employee performs additional duties for the same employer that take the employee beyond the expected termination date for the normal duties. IPERS considers the employee terminated only when all the employee's compensated duties cease for that employer.

The bona fide retirement period is waived for an elected official covered under Iowa Code section 97B.1A(8) "a"(1), and for a member of the general assembly covered under Iowa Code section 97B.1A(8) "a"(2), when the elected official or legislator notifies IPERS of the intent to terminate IPERS coverage for the elective office and, at the same time, terminates all other IPERS-covered employment prior to the issuance of the retirement benefit. Such an elected official or legislator may remain in the elective office and receive an IPERS retirement without violating IPERS' bona fide retirement rules. If such elected official or legislator terminates coverage for the elective office and also terminates all other IPERS-covered employment but is then reemployed in covered employment, and has not received a retirement as of the date of hire, the retirement will not be made. If such elected official or legislator is reemployed in covered employment, the election to revoke IPERS coverage for the elective position will remain in effect, and the elected official or legislator will not be eligible for new IPERS coverage for such elected position. The prior election to revoke IPERS coverage for the elected position remains in effect if such elected official or legislator is reelected to the same position without an intervening term out of office.

The bona fide retirement period is waived if the member was elected to public office as a part-time elected official or a member of the general assembly and the member's term begins during the normal four-month bona fide retirement period. This includes elected officials who are covered

under this chapter as defined in Iowa Code section 97B.1A. This waiver does not apply if the member was an elected official who was reelected to the same position for another term.

Effective July 1, 2000, a member does not have a bona fide retirement until all employment with covered employers, including employment that is not covered under this chapter, is terminated for at least one month, and the member does not return to covered employment for an additional three months. In order to receive retirement benefits, the member must file a completed application for benefits before returning to any employment with a covered employer.

Effective July 1, 2023, a member does not have a bona fide retirement if the member makes a verbal or written arrangement to perform duties for the member's former employer(s) as an independent contractor before or during the member's first month of entitlement, and the member may not perform any duties for the member's former employer(s) as an independent contractor prior to receiving one month of retirement benefits.

11.5(2) *Bona fide refund.* To be eligible for a lump sum refund under Iowa Code section 97B.53, a member terminated from covered employment needs to incur a bona fide separation from service and remain out of employment, as described in Iowa Code section 97B.42, for at least 30 days with all covered employers. This paragraph does not apply to services rendered as an elected official covered under Iowa Code section 97B.1A(8) "a"(1), and for a member of the general assembly covered under Iowa Code section 97B.1A(8) "a"(2). IPERS will not make a refund if such elected official terminates coverage for the elective office and also terminates all other IPERS-covered employment but is then reemployed in covered employment and has not received a refund as of the date of hire. If such elected official is reemployed in covered employment, the election to revoke IPERS coverage for the elective position shall remain in effect, and the public official is not eligible for new IPERS coverage for such elected position.

The prior election to revoke IPERS coverage for the elected position remains in effect if such elected official is reelected to the same position without an intervening term out of office. The waiver granted in this subrule is applicable to such elected officials who violated the prior bona fide refund rules on and after November 1, 2002, when such individuals failed to repay the previously invalid refund.

If a member takes a refund in violation of the bona fide refund requirements of Iowa Code section 97B.53(4) the member may return the refund during the bona fide retirement period and restore the member's account. If the repayment is not made, the member will receive no credit for the period covered by the refund. At retirement, the member may purchase, at actuarial cost, the service credit covered by the refund.

11.5(3) *Part-time appointed members of boards or commissions receiving minimal noncovered wages.* Solely for purposes of determining whether a member has severed all employment with all covered employers and has remained out of employment as required under Iowa Code section 97B.52A, persons who have been appointed as part-time members of boards or commissions prior to or during their first month of entitlement and who receive only per diem and reimbursements for reasonable business expenses for such positions will be deemed not to be in employment prohibited under Iowa Code section 97B.52A.

For purposes of this subrule, per diem will not exceed the amount authorized under Iowa Code section 7E.6(1) "a" for members of boards, committees, commissions, and councils within the executive branch of state government. This limit applies regardless of whether or not the position in question is within the executive branch of state government.

Members of boards and commissions not exempted under this subrule include: (a) those who are entitled to the payment of per diem regardless of attendance at board or commission meetings, and (b) those who would have received per diem in excess of the amount authorized under Iowa Code section 7E.6(1) "a" were it not for an agreement by the member to waive such compensation.

Persons appointed as part-time board or commission members who receive only per diem as set forth above and reimbursements of reasonable business expenses may continue in or accept appointments to such positions without violating the bona fide retirement rules under Iowa Code section 97B.52A.

11.5(4) *Members of the national guard who are called into state active duty.* Effective May 25, 2008, members of the national guard who are called into state active duty as defined in Iowa Code section 29A.1 in noncovered positions during the required period of complete severance will not be in violation of the bona fide retirement requirements of Iowa Code section 97B.52A.

[ARC 8929B, IAB 7/14/10, effective 6/21/10; ARC 9068B, IAB 9/8/10, effective 10/13/10; ARC 0662C, IAB 4/3/13, effective 5/8/13; ARC 3684C, IAB 3/14/18, effective 4/18/18; ARC 4100C, IAB 10/24/18, effective 11/28/18; ARC 4337C, IAB 3/13/19, effective 4/17/19; ARC 5027C, IAB 4/8/20, effective 5/13/20; ARC 6949C, IAB 3/8/23, effective 4/12/23]

495—11.6(97B) Payment processing and administration.

11.6(1) *Monthly paper warrants processing fee.* Effective July 1, 2005, IPERS will charge a \$10 per-warrant processing fee to members who choose to receive paper warrants in lieu of electronic deposits of their monthly retirement allowance. The fee may be waived if the person establishes, to IPERS' satisfaction, that it would be unduly burdensome because of the member's limited income, or is otherwise financially burdensome or physically impracticable for the person to do what is necessary to receive payment of the person's IPERS monthly retirement allowance by electronic deposit. The processing fee will be deducted from the member's retirement allowance on a posttax basis.

11.6(2) *Repeated requests for replacement warrants.* Effective July 1, 2002, for a member or beneficiary who, due to the member's or beneficiary's own actions or inactions, has benefits warrants replaced twice in a six-month period, except when the need for a replacement warrant is caused by IPERS' failure to mail to the address specified by the recipient, payment will be suspended until such time as the recipient establishes a direct deposit account in a bank, credit union or similar financial institution and provides IPERS with the information necessary to make electronic transfer of said monthly payments. Persons subject to said cases may be required to provide a face-to-face interview and additional documentation to prove that such a suspension would result in an undue hardship.

11.6(3) *Forgery claims.* To allege a forgery of a warrant issued in payment of an IPERS refund or benefit, the claimant will complete and sign an affidavit before a notary public that the endorsement is a forgery. A supplementary statement must be attached to the affidavit setting forth the details and circumstances of the alleged forgery.

11.6(4) *Rollover fees.* Effective January 1, 2007, if the recipient of a lump-sum distribution which qualifies to be rolled over requests that a rollover be made to more than one IRA or other qualified plan, IPERS may assess a \$5 administrative fee for each additional rollover beyond the first one. The fee will be deducted from the gross amount of each distribution, less federal and state income tax.

11.6(5) *Offsets against amounts payable.* IPERS may, with or without consent and upon reasonable proof thereof, offset amounts currently payable to a member or the member's designated beneficiaries, heirs, assigns or other successors in interest by the amount of IPERS benefits paid in error to or on behalf of such member or the member's designated beneficiaries, heirs, assigns or other successors in interest.

11.6(6) *Lump sum paper warrants processing fee.* Effective April 1, 2012, and thereafter, IPERS may charge \$10 for paper warrants issued in payment of all nonrecurring lump sum distributions. If a nonrecurring lump sum distribution is followed by a supplemental lump sum distribution due to the reporting of additional covered wages, the \$10 processing fee may also be charged. This \$10 processing fee will not apply to a direct rollover described under Iowa Code section 97B.53B (however, processing fees may be charged for multiple rollover requests), lump sum mandatory account distributions required under Iowa Code section 97B.48(5), mandatory lump

sum distributions required under Internal Revenue Code Section 401(9), or warrants reissued in forged endorsement or other fraudulent payment situations.

[ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 7811C, IAB 4/17/24, effective 5/22/24]

495—11.7(97B) Overpayment of IPERS benefits.

11.7(1) *Overpayments—general.*

a. An “overpayment” means a payment of money by IPERS that results in a recipient receiving a higher payment than the recipient is entitled to under the provisions of Iowa Code chapter 97B.

b. A “recipient” is a person or beneficiary, heir, assign, or other successor in interest who receives an overpayment from an IPERS benefit and is liable to repay the amount(s) upon receipt of a written explanation and request for the amounts to be repaid.

c. If IPERS determines that the cost of recovering the amount of an overpayment is estimated to exceed the overpayment, the repayment may be deemed to be unrecoverable.

d. If the overpayment is equal to or less than \$50 and cannot be recovered from other IPERS payments, IPERS may limit its recovery efforts to written requests for repayment and other nonjudicial remedies.

11.7(2) *Overpayment made to a retired member.* IPERS will send retired members written notice of overpayment, including the reason for the overpayment, the amount of the overpayment, and a limited opportunity to repay the overpayment in full without interest. If a retired member repays an overpayment in full within 30 days after the date of the notice, there will be no interest charge. A retired member may repay an overpayment out of pocket or direct IPERS to recover the overpayment from future retirement benefit payments, or a combination of both. If the retired member cannot repay an overpayment in full, either out of pocket or from the next monthly installment of retirement benefits, or both, interest will be charged. IPERS will enter into a monthly installment agreement or offset agreement, with any unpaid balance as a first priority claim in the recipient’s estate, with any retired member who cannot repay the full amount of the overpayment within 30 days after the date of the notice.

11.7(3) *Overpayment made to a person other than a retired member.* A recipient other than a retired member, except a recipient listed in subrule 11.5(2), will receive written notice of overpayment, including the reason for the overpayment, the amount of the overpayment, and the opportunity to repay the overpayment in full without interest. If such a recipient repays an overpayment in full within 30 days after the date of the notice, there will be no interest charge. If such a recipient cannot repay an overpayment in full within 30 days after the date of the notice, IPERS will charge interest. If repayment in full cannot be made within 30 days, such a recipient will make repayment arrangements subject to IPERS’ approval within 30 days of the written notice and request for repayment.

If the overpayment recipient cannot be located to receive notice of the overpayment at the recipient’s last-known address, IPERS will, after trying to locate the person, consider the recipient to have waived entitlement to the quarters covered by the refund.

11.7(4) *Interest charges.*

a. Overpayment not fraudulent. If the overpayment of benefits, other than an overpayment that results from a violation described in subrule 11.5(2), was not the result of wrongdoing, negligence, misrepresentation, or omission of the recipient, the recipient is liable to pay interest charges at the rate of 5 percent, or the rate IPERS determines, on the outstanding balance, beginning 30 days after the date of notice of the overpayment(s) is provided by IPERS.

b. Overpayments in violation of Iowa Code section 97B.40 or 715A.8. If the overpayment of benefits, other than an overpayment that results from a violation described in subrule 11.5(2), was the result of wrongdoing, negligence, misrepresentation, or omission of the recipient, the recipient is

liable to pay interest charges at the rate of 7 percent on the outstanding balance, beginning on the date of the overpayment(s).

c. Overpayments that result in a judgment. In addition to other remedies, IPERS may file a civil action to recover overpayments, and the interest rate may be set by the court.

11.7(5) *Recovery of overpayment from a deceased recipient.* If a recipient dies prior to the full repayment of an erroneous overpayment of benefits, IPERS is entitled to apply to the estate of the deceased to recover the remaining balance.

11.7(6) *Offsets against amounts payable.* IPERS may, in addition to other remedies and after notice to the recipient, request an offset against amounts owing to the recipient by the state according to the offset procedures pursuant to Iowa Code section 421.65.

11.7(7) *Rights of appeal.* A recipient who is notified of an overpayment and required to make repayments under this rule may appeal IPERS' determination in writing to the CEO or CEO's designee. The written request must explain the basis of the appeal and must be received by IPERS' office within 30 days of overpayment notice pursuant to 495—Chapter 26.

11.7(8) *Release of overpayment.* IPERS may release a recipient from liability to repay an overpayment, in whole or in part, if IPERS determines that the receipt of overpayment is not the fault of the recipient, and that it would be contrary to equity and good conscience to collect the overpayment. No release of an individual recipient's obligation to repay an overpayment will stand as precedent for release of another recipient's obligation to repay an overpayment.

[ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 3684C, IAB 3/14/18, effective 4/18/18; ARC 5027C, IAB 4/8/20, effective 5/13/20; ARC 6949C, IAB 3/8/23, effective 4/12/23; ARC 7811C, IAB 4/17/24, effective 5/22/24]

These rules are intended to implement Iowa Code sections 97B.4, 97B.9A, 97B.15, 97B.25, 97B.38, 97B.40, 97B.45, 97B.47, 97B.48, 97B.48A, 97B.49A to 97B.49I, 97B.50, 97B.51, 97B.52, 97B.52A, 97B.53, and 97B.53B.

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[Filed ARC 9287C (Notice ARC 9046C, IAB 3/19/25), IAB 5/14/25, effective 6/18/25]

CHAPTER 12
CALCULATION OF MONTHLY RETIREMENT BENEFITS

[Prior to 11/24/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—12.1(97B) General.

12.1(1) *Formula benefit versus money purchase benefit.* If a member is vested by years of service credit in IPERS, IPERS pays a monthly payment allowance ~~will be paid in accordance with the formulas~~ set forth in Iowa Code sections 97B.49A through 97B.49I, the applicable paragraphs of this chapter, and the option the member elects pursuant to Iowa Code section 97B.51(1). ~~IPERS shall determine on the applicable forms which designated fractions of a member's monthly retirement allowance payable to contingent annuitants shall be provided as options under Iowa Code section 97B.51(1). Any option elected by a member under Iowa Code section 97B.51(1) must comply with the requirements of the Internal Revenue Code that apply to governmental pension plans, including but not limited to Internal Revenue Code Section 401(a)(9).~~ If a member is ~~not vested by years of service credit in IPERS~~ vested by age and not service, IPERS computes the benefit receivable ~~will be computed~~ on a money purchase basis, with reference to annuity tables IPERS uses ~~by IPERS~~ in accordance with the member's age and option choice.

12.1(2) *Reduction for early retirement for regular class members.*

a. Effective July 1, 1988, through December 31, 2000, IPERS reduces a member's benefit formula ~~will be reduced~~ by .25 percent for each month the member's retirement precedes the normal retirement date, as defined in Iowa Code section 97B.45 excluding section 97B.45(4). ~~The following are situations in which a member is considered to be taking e~~Early retirement situations include:

(1) If a member has not attained ~~the age of 65 years of age~~ 65 years of age in the member's first month of entitlement and has less than 20 years of service; or

(2) If a member has not attained ~~the age of 62 years of age~~ 62 years of age in the month of the member's retirement and has 20 years of service.

b. Effective July 1, 1997, if the member is at least 55 years of age, a member ~~shall be~~ is eligible to receive monthly retirement benefits ~~without no~~ age reduction effective beginning the first of the month in which the member's age on the last birthday and the member's years of service equal or exceed 88, ~~provided that the member is at least the age of 55~~.

c. Effective July 1, 1991, a member qualifying for early retirement due to disability under Iowa Code section 97B.50 ~~shall is~~ is not be subject to a reduction in benefits due to age.

d. If a member retires with at least 20 years of service but has not attained ~~the age of 62 years of age~~, IPERS calculates the age reduction ~~shall be calculated~~ by deducting .25 percent per month for each month that the first month of entitlement precedes the month in which the member attains ~~the age of 62 years of age~~. If a member retires with less than 20 years of service, IPERS calculates the age reduction ~~shall be calculated~~ by deducting .25 percent per month for each month that the first month of entitlement precedes the month in which the member attains ~~the age of 65 years of age~~.

e. Effective January 1, 2001, IPERS calculates the age reduction ~~shall be calculated~~ by deducting .25 percent per month for each month that the first month of entitlement precedes the earliest possible normal retirement date for that member based on the age and years of service at the member's actual retirement.

f. For ~~the portion of~~ the member's retirement allowance based on service through June 30, 2012, IPERS calculates the early retirement reduction ~~shall be calculated~~ as provided in paragraphs 12.1(2) "a" through "e." For ~~the portion of~~ the retirement allowance based on years of service beginning July 1, 2012, and later, the member's early retirement reduction is ~~shall be~~ one-half of one

percent for each month that the early retirement precedes the date the member attains ~~age 65 years of age.~~

~~12.1(3) Early retirement date for regular class members. A member's early retirement date shall be the first day of the month of the fifty fifth birthday or any following month before the normal retirement date, provided that date is after the member's termination date.~~

~~12.1(4) Benefit formulas for members retiring on or after July 1, 2012.~~

~~a. For each member retiring on or after July 1, 2012, who is vested by service, the monthly benefit will be equal to one twelfth of an amount equal to 60 percent of the final average covered wage multiplied by a fraction of years of service.~~

~~b. IPERS determines the monthly retirement allowance for For all active and inactive vested members, the monthly retirement allowance shall be determined on the basis of the formula in effect on the date of the member's retirement. If the member takes early retirement, IPERS adjusts the benefit the benefit shall be adjusted as provided in subrule 12.1(2).~~

~~c. In addition to the 60 percent multiplier identified above in Iowa Code sections 97B.49A, IPERS increases the percentage multiplier for regular class members retiring who retire with greater than 30 years of service in excess of 30 years shall have the percentage multiplier increased by .25 percent for each quarter of a year in excess of 30, not to exceed an increase of 5 percent.~~

~~d. In addition to the 60 percent multiplier identified above in Iowa Code sections 97B.49B through 97B.49C, IPERS increases the percentage multiplier for protection occupation members, sheriffs, and deputy sheriffs retiring who retire with greater than 22 years of service in excess of 22 years shall have the percentage multiplier increased by .375 percent for each quarter of a year in excess of 22, not to exceed an increase of 12 percent.~~

~~e. Regular service does not count as "eligible service" in determining a special service member's applicable percentage.~~

12.1(5) Average covered wages for special service members and for wages of regular class members prior to July 2012.

~~a. "Three year average covered wage" means a member's covered calendar year wages averaged for the highest three years of the member's service. However, for the member's final year of wages, IPERS may determine the wages for the third year by computing the final quarter or quarters of wages to complete the year. The computed year will be created when the final quarter or quarters reported are combined with a computed average quarter to complete the last year. The value of this average quarter will be computed by selecting the highest covered wage year not used in the computation of the three high years and dividing the covered salary by four quarters. This value will be combined with the final quarter or quarters to complete a full calendar year. If the member's final quarter of wages will reduce the three year average covered wage, it can be dropped from the computation. However, if the covered wages for that quarter are dropped, the service credit for that quarter will be forfeited as well. If the final quarter is the first quarter of a calendar year, those wages must be used in order to give the member a computed year. The computed year wages shall not exceed the Internal Revenue Service maximum covered wage in effect for that calendar year. Furthermore, the computed year shall not exceed the member's highest actual calendar year of covered wages by more than 3 percent. Effective July 1, 2007, a member's high three-year average covered wage, as defined under Iowa Code section 97B.1A(24)(a), shall be the greater of (1) the member's high three-year average covered wage based on covered wages reported through June 30, 2007; or (2) the member's high three-year average covered wage after application of the antispiking control as described in paragraph 12.1(5) "b" below.~~

~~b. Antispiking limit on the growth of a member's high three-year average.~~

~~(1) Selection of the control year shall give highest priority to calendar years of wages in which there are four quarters of service credit for wages on file not used in the high three-year average~~

Commented [AE1]: Reduces word count by deleting and relying on Iowa Code section 97B.47 and 97B.49A.

Commented [AE2]: Reduces word count by removing Iowa Code section 97B.1A(24)(a) restatement.

wage calculation. For example, if the member receives \$20,000 of wages for a calendar year with four quarters of service credit for wages, and the member also has received \$30,000 of wages for a calendar year with three quarters of service credit for wages, the control year selection process shall give preference to the calendar year with \$20,000 of reported wages.

(2) If there is a calendar year of covered wages outside the high three-year average wage calculation that has four quarters, but the covered wages for that year are less than the covered wages for the fourth highest calendar year of covered wages, and that fourth highest calendar year of covered wages does not have four quarters of service credit for wages, the control year will be the lowest of the high three calendar years of wages with service credits for wages in all four quarters being used in the high three-year average wage calculation.

(3) "Service credit for wages" means service credit recorded for:

1. Quarters in which the member receives covered wages from covered employment.
2. Quarters in which the member is credited with covered wages due to a military leave.
3. Quarters in which the member would have had covered wages but for the application of the IRS covered wage limitations.

4. Quarters in which an employee of a nine-month institution receives service credit for a qualifying leave of absence under 495—subrule 7.1(2).

5. Quarters in which a legislator, legislative employee, or elected official receives service credit for employment.

(4) If none of the calendar years of wages that fall outside of the high three-year average wage calculation have service credit for wages reported in all four quarters, the control year will ~~then~~ be the lowest of the high three calendar years of wages with service credit for wages in all four quarters being used in the high three-year average wage calculation.

(5) If none of the wage years used in the high three-year average wage calculation have service credits for wages reported in all four quarters, the control year will ~~then~~ revert to the highest calendar year of wages not included in the high three-year average wage calculation, regardless of whether there are fewer than four quarters with service credits for wages on file.

(6) For high three-year average wage calculations that utilize the computed year, the control year may be the calendar year from which the "average quarters" used in the computed year are drawn. However, the control year cannot be the computed year, as the computed year will never be a calendar year with service credit for wages in all four quarters.

c. Effective July 1, 2012, a nonvested regular class member's average covered wage ~~is shall be~~ the member's five-year average covered wage calculated as provided in Iowa Code section 97B.1A(10A) "a."

d. Effective July 1, 2012, for regular class members vested as of June 30, 2012, the member's average covered wage ~~is shall be~~ the greater of the member's three-year average covered wage calculated as provided under paragraphs 12.1(5) "a" and "b," or the member's five-year average covered wage calculated as provided in Iowa Code section 97B.1A(10A) "a." ~~The "five-year average covered wage" means a member's covered calendar year wages averaged for the highest five years of the member's service. However, in the member's final year of wages, IPERS may determine the wages for the fifth year by computing the final quarter or quarters of wages to complete the year. The computed year wages shall not exceed the Internal Revenue Service maximum covered wage in effect for that calendar year. Furthermore, the computed year shall not exceed the member's highest actual calendar year of covered wages by more than 3 percent. A full fifth year will be created when the final quarter or quarters reported are combined with a computed average quarter to complete the last year. The value of this average quarter will be computed by selecting the highest covered wage year not used in the computation of the five high years and dividing the covered salary by four quarters. This value will be combined with the final quarter or~~

~~quarters of wages to complete a full calendar year. If the member's final quarter of wages will reduce the five year average covered wage, it can be dropped from the computation. However, if the covered wages for that quarter are dropped, the service credit for that quarter will be forfeited as well. If the final quarter is the first quarter of a calendar year, those wages must be used in order to give the member a computed year. The five year average covered wage cannot exceed the highest Internal Revenue Service maximum covered wages in effect during the member's service. In addition, the average five year salary is restricted to an antispiking limit of 134 percent of the highest sixth year of wages.~~

[ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 1348C, IAB 2/19/14, effective 3/26/14; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—12.2(97B) Initial benefit determination.

12.2(1) ~~IPERS calculates~~ The initial monthly benefit for the retired member ~~will be calculated~~ utilizing the wages ~~that have been~~ reported as of the member's retirement and subject to the requirements of Iowa Code sections 97B.49A through 97B.49I and subrule 12.1(5). When the ~~employer reports the final quarter(s) of wages is reported for the retired member,~~ IPERS recalculates ~~benefits a recalculation of benefits will be performed by IPERS~~ to redetermine the member's benefit amount. ~~In cases where~~ if the recalculation determines that the benefit will be changed ~~changes the benefit,~~ the IPERS adjustments in benefits ~~will be made~~ retroactive to the first month of entitlement. The wages for the "computed year" ~~will not shall not~~ exceed the highest covered wage ceiling in effect during the member's ~~employment period of employment.~~

12.2(2) In cases where the member's final quarter's wages have been reported to IPERS prior to retirement, the original benefit will be calculated utilizing all available wages.

12.2(3) The Option 1 death benefit amount cannot exceed the member's investment and cannot lower the member's benefit below the minimum distribution required by federal law.

[ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—12.3(97B) Hybrid formula for members with more than one type of service credit.

12.3(1) *Eligibility.* Effective July 1, 1996, members having both regular and special service (as defined in Iowa Code section 97B.1A(22)) shall receive the greater of the benefit amount calculated under this subrule or the benefit amount calculated under the applicable nonhybrid benefit formula.

a. Members who are vested by service as defined in Iowa Code section 97B.1A(25) "d" may utilize the hybrid formula.

b. The following classes of members are not eligible for the hybrid formula:

- (1) Members who have only regular service credit.
- (2) Members who have 22 years of special service credit.
- (3) Members who have 30 years of regular service.
- (4) Members who are not vested by service as defined in Iowa Code section 97B.1A(25) "d."

12.3(2) *Assumptions.* ~~IPERS shall utilize the following assumptions~~ In calculating benefits under this rule 12.3, IPERS assumes the following:-

a. The member's average covered wage ~~is shall be~~ determined in the same manner as it is determined for the nonhybrid formula.

b. Increases in the benefit formula under this rule ~~is shall be~~ determined as provided under Iowa Code section 97B.49D. The percentage multiplier ~~shall is only be~~ increased for total years of service over 30.

c. Years of service ~~is shall be~~ utilized as follows:

(1) Quarters which have two or more occupation class codes ~~are shall be~~ credited as the class that has the highest reported wage for said quarter. A member ~~shall does~~ not receive more than one quarter of credit for any calendar quarter, even though more than one type of service credit is recorded for that quarter.

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(2) Quarters ~~shall are~~ not ~~be~~ treated as special service quarters unless the applicable employer and employee contributions have been made.

~~12.3(3) *Years of service fraction not to exceed one.*~~

~~a. In no event shall a member's years of service fraction under the hybrid formula exceed, in the aggregate, one.~~

~~b. If the years of service fraction does, in the aggregate, exceed one, the member's quarters of service credit shall be reduced until the member's years of service fraction equals, in the aggregate, one.~~

~~c. Service credit shall first be subtracted from the member's regular service credit and, if necessary, shall next be subtracted from the member's special service credit.~~

~~12.3(4) *Age reduction.* The portion of the member's benefit calculated under this rule that is based on the member's regular service shall be subject to a reduction for early retirement. In calculating the age reduction to be applied to the portion of the member's benefit based on the member's regular service, the system shall use all quarters of service credit, including both regular and special service quarters.~~

~~12.3(5) *Calculations.* A member's benefit under the hybrid formula shall be the sum of the following:~~

~~a. The applicable percentage multiplier divided by 22 times the years of special service credit times the member's high three year average covered wage, plus~~

~~b. The applicable percentage multiplier divided by 30 times the years of regular service credit (if any) times the member's high three-year average prior to July 1, 2012, or the member's high five-year average after June 30, 2012, covered wage minus the applicable wage reduction (if any).~~

~~c. If the sum of the percentages obtained exceeds the applicable percentage multiplier for that member, the percentage obtained above for each class of service shall be subject to reduction so that the total shall not exceed the member's applicable percentage multiplier in the order specified in paragraph 12.3(3) "c."~~

[ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 4337C, IAB 3/13/19, effective 4/17/19; ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—12.4(97B) Money purchase benefits.

~~12.4(1) For each member not vested by service as defined in Iowa Code section 97B.1A(25) "d," a monthly annuity shall be determined by applying the total member and employer's accumulated contributions as of the effective retirement date to the annuity tables in use by the system according to the member's age (or member's and contingent annuitant's ages, if applicable).~~

12.4(2) For each vested member for whom the present value of future benefits under Option 2 is less than the member reserve as of the effective retirement date, IPERS determines a monthly annuity ~~shall be determined~~ by applying the member reserve to the annuity tables in use by the system according to the member's age (or member's and contingent annuitant's ages, if applicable).

12.4(3) For calculations under Iowa Code section 97B.49A(4)(c) ~~subrule 12.4(1)~~, IPERS calculates Options 2, 3, 4, 5 and 6 ~~shall be calculated~~ by dividing the member's total reserve by the applicable Option 2, 3, 4, 5 or 6 annuity factor taken from the system's tables to determine the monthly amount. For calculations under subrule 12.4(12), IPERS calculates Options 2, 3, 4, 5 and 6 ~~shall be calculated~~ by dividing the member reserve by the applicable Option 2, 3, 4, 5 or 6 annuity factor taken from the system's tables to determine the monthly amount.

12.4(4) For Option 1, the cost per \$1,000 of death benefit ~~is shall be~~ determined according to the system's tables. ~~That IPERS determines the Option 1 monthly benefit amount by subtracting the cost determined by the systems tables shall be subtracted from the Option 3 monthly amount to determine the Option 1 monthly benefit amount. The IPERS reduces the Option 1 death benefit amount shall be~~

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~~reduced~~ as necessary so that the Option 1 monthly benefit amount is not less than one-half of the Option 2 monthly benefit amount.

12.4(5) For members retiring after June 30, 2012, IPERS provides the money purchase benefit calculated pursuant to this rule ~~12.4 shall be provided~~ to members who are not vested by service as defined in Iowa Code section 97B.1A(25) "d."

[ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 0662C, IAB 4/3/13, effective 5/8/13; ARC 4337C, IAB 3/13/19, effective 4/17/19; ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—12.5(97B) Recalculation for a member aged 70 years of age. ~~A member remaining in covered employment after attaining the age of 70 years may receive a retirement allowance without terminating the covered employment.~~ Before IPERS recalculates the member's retirement allowance, to take into account service after the member's original FME, ~~A~~ the member, who is in covered employment, attains ~~the age of 70 years of age~~ and begins receiving a retirement allowance, must terminate all covered employment ~~before the member's retirement allowance can be recalculated to take into account service after the member's original FME.~~ The termination of employment must be a true severance ~~lasting at least 30 days meeting the requirements of Iowa Code section 97B.53. The formula to be used in recalculating such a member's retirement allowance depends on the date of the member's FME and the member's termination date, as follows~~ IPERS uses the following formula to recalculate a member's retirement allowance under this rule 12.5:

If the member is receiving a retirement allowance with an FME prior to July 1, 2000, and terminates covered employment on or after January 1, 2000, the member's retirement formula for recalculation purposes ~~is shall be~~ the formula in effect at the time of the member's termination from covered employment or, if later, the date the member applies for a recalculation.

In all other cases, the recalculation for a member ~~aged 70 years of age~~ who retires while actively employed ~~is shall use~~ the retirement formula in effect at the time of the member's FME.

Payments under this rule ~~shall~~ begin no earlier than the month following the month of termination, upon IPERS' receipt of a member's application for recalculation. It is the member's responsibility to apply for the recalculation by completing and submitting the form specified by IPERS.

A member receiving a recalculation under this rule after June 30, 2012, will have the member's average covered wage calculated as follows: ~~IPERS will calculate~~ the average high three covered wage as of June 30, 2012. IPERS will next calculate the average high five covered wage at the time of the member's termination from covered employment or, if later, the date the member applies for a recalculation. IPERS will determine the benefit amount based on the calculation that produces the greatest benefit to the member.

[ARC 0662C, IAB 4/3/13, effective 5/8/13; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—12.6(97B) Level payment choice for special service members. ~~A level payment choice is created effective July 1, 2002.~~ IPERS ~~shall~~ implements the level payment choice by preparing factors to convert nonhybrid IPERS Options 1, 2, 3, 4, and 5 to the level payment choice. The new benefit feature applies solely to special service members, and any reference to members in this rule ~~shall~~ only applies to special service members.

12.6(1) Member's social security retirement amount. IPERS bases a member's level payment choice calculation ~~Calculations of a member's level payment choice shall be based~~ on the member's social security retirement amount at ~~age 62 years of age~~ as verified by Social Security Administration statements ~~the member provided~~ ~~by the member.~~ ~~No IPERS will not make~~ adjustments ~~shall be made~~ if subsequent social security statements indicate an increase in the age 62 social security retirement amount. ~~Verification of the s~~ Social security benefits ~~verification shall will~~ not precede the member's first month of entitlement by more than 12 months.

12.6(2) Death benefit assumptions. In preparing level payment choice factors, IPERS ~~shall~~ assumes:

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a. For IPERS Options 1 and 2, death benefits under those options ~~shall are not be~~ reduced as a result of a member's attaining ~~the age of 62 years of age~~ and having the member's monthly allowance reduced under this rule.

b. For IPERS Options 4 and 5, IPERS ~~shall assumes that~~ the contingent annuitant's or beneficiary's monthly payments and death benefits, if any, prior to the date the member attains, or would have attained, ~~age 62 years of age shall be~~ based on the amount that was payable to the member for periods before the member attains, or would have attained, ~~age 62 years of age~~. Beginning with the month after the month that the member attains, or would have attained, ~~age 62 years of age~~, a contingent annuitant's or beneficiary's monthly payments and death benefits, except death benefits under IPERS Options 1 and 2, ~~are shall be~~ based on the reduced amount that would have been payable to the member in the month after the month that the member attained ~~age 62 years of age~~.

~~12.6(3) Favorable experience dividends. An eligible member's or beneficiary's favorable experience dividend, if any, shall be based on the member's or beneficiary's level payment choice monthly amount as of the preceding December 31.~~

~~12.6(4) Prohibitions. The following special service members shall be prohibited from receiving benefits under this rule. Except as provided in this rule 12.6, special service members does not include those who:~~

a. ~~Those who R~~etire under Iowa Code section 97B.49D, 97B.50(2), or 97B.50A.

b. ~~R~~Those who retire under Option 6.

c. ~~R~~Those who request a level payment amount that reflects less than a full offset for the social security retirement amount at ~~age 62 years of age~~.

d. ~~R~~Those reemployed in covered employment and subsequently retiring, for the period of reemployment. ~~IPERS calculates retirement benefits for a~~ member who ~~has~~ elected the level payment choice ~~shall have retirement benefits calculated~~ solely for the period of reemployment, except for vesting credit.

12.6(5) Limit on reductions. The level payment choice factors ~~shall do~~ not reduce the monthly amount payable to a member at ~~age 62 years of age~~ to less than 50 percent of the monthly amount that would have been payable under IPERS Option 2. Accordingly, payments before ~~age 62 years of age~~ to such members ~~are shall be~~ reduced in the same manner, with the corresponding adjustments made to death benefits.

12.6(6) Commencement of level payment option reduction. ~~The IPERS reduces the~~ monthly benefit of a member who selects the level payment option ~~shall be reduced~~ beginning with the month after the member reaches ~~age 62 years of age~~.

[ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—12.7(97B) Reemployment of retired members.

~~12.7(1) Effective July 1, 1998, the monthly benefit payments for a member under the age of 65 who has a bona fide retirement and is then reemployed in covered employment shall be reduced by 50 cents for each dollar the member earns in excess of the annual limit. Effective March 23, 2022, this reduction is not required until the member earns the amount of remuneration permitted for a calendar year as defined in Iowa Code section 97B.48A. The foregoing reduction shall apply only to IPERS benefits payable for the applicable year that the member has reemployment earnings and after the earnings limit has been reached. Said reductions shall be applied as provided in subrule 12.7(2). Effective January 1, 1991, this earnings limitation does not apply to covered employment as an elected official. A member aged 65 or older who has completed at least four full calendar months of bona fide retirement and is later reemployed in covered employment shall not be subject to any wage earning disqualification.~~

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Commented [AE10]: Revised language to remove prohibitive language.

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12.7(2) Beginning on or after July 1, 1996, the ~~member's~~ retirement allowance ~~of a member~~ subject to reduction pursuant to ~~Iowa Code section 97B.48A is subrule 12.7(1) shall be~~ reduced as follows:

a. ~~IPERS reduces Aa~~ member's monthly retirement allowance in the following calendar year ~~shall be reduced~~ by the excess benefit paid in the preceding year after the excess benefit payment amount has been determined.

b. Employers ~~shall bear~~ required to complete IPERS wage reporting forms for reemployed individuals which ~~shall~~ reflect the prior year's wage payments on a month-to-month basis. ~~These reports shall be used by IPERS~~ ~~IPERS uses these reports~~ to determine the amount ~~which that IPERS~~ must ~~recover be recovered~~ to offset overpayments in the prior calendar year due to reemployment wages.

c. The member's overpayment ~~shall be~~ collected as follows:

(1) IPERS ~~will reduce~~ the member's gross monthly benefit by 50 percent until the overpayment is repaid. If the 50 percent reduction ~~will does~~ not recover the overpayment by the end of the current calendar year, IPERS ~~will calculate~~ the monthly reduction amount so that the overpayment ~~will be is~~ recovered within the current calendar year. ~~Other IPERS and the member may agree in writing to other~~ monthly reduction amounts ~~may be made by an agreement in writing between the member and IPERS~~; or

(2) A member may elect to make repayments of the overpayment amounts out of pocket ~~instead~~ ~~lieu of having the reducing the~~ member's monthly benefit ~~reduced~~. An out-of-pocket repayment may be made in one check or in installments. However, ~~IPERS and the member must agree in writing to~~ an election to make repayment in installments ~~must be agreed to in writing between the member and IPERS~~.

~~(3) If a member dies and the full amount of overpayment determined under this subrule has not been repaid, the remaining amounts shall be deducted from the payments to be made, if any, to the member's designated beneficiary or contingent annuitant. If the member has selected an option under which there are no remaining amounts to be paid, or the remaining amounts are insufficient, the unrecovered amounts shall be a charge on the member's estate.~~

(4) A member may elect in writing to ~~suspend have~~ the member's monthly retirement allowance ~~suspended~~ in the month in which the member's remuneration exceeds the amount of remuneration permitted under this subrule ~~instead lieu~~ of receiving a reduced retirement allowance under subparagraph (1). ~~In order to~~ become effective, the member² ~~must deliver the s-~~ written election ~~must be delivered~~ to IPERS in person, by regular mail, email, facsimile or by private carrier. ~~IPERS does not accept o~~ Oral elections ~~shall not be accepted~~. The member's election to suspend benefit payments ~~in the month when the member's remuneration exceeds the amount of reimbursement permitted under this subrule shall~~ remains in effect for all subsequent calendar years until revoked by the member in writing. If the member's written election is not ~~received in time to avoid overpayment timely, and an overpayment occurs, IPERS will recover~~ the overpayment ~~must be recovered~~, to the extent possible, from monthly amounts beginning in January of the next calendar year or under one of the alternate arrangements permitted under this rule. Effective July 1, 2007, remuneration shall include those amounts as described in ~~495—~~subrule 6.3(13).

12.7(3) ~~A member who is reemployed in covered employment after retirement may, after again retiring from employment, request a recomputation of benefits. The member's retirement benefit shall be increased, if possible, by the addition of a second annuity, which is based on years of reemployment service, reemployment covered wages and the benefit formula in place at the time of the recomputation. A maximum of 30 years of service is creditable to an individual retired member. If a member's combined years of service exceed 30, a member's initial annuity may be reduced by a~~

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~~fraction of the years in excess of 30, divided by 30. The second retirement benefit will be treated as a separate annuity by IPERS.~~

Effective July 1, 1998, a member who is reemployed in covered employment after retirement may, after again terminating employment for at least 30 days, elect to receive a refund of the employee and employer contributions made during the ~~reemployment period of reemployment~~ ~~instead~~ ~~lieu~~ of a second annuity. If a member requests a refund in lieu of a second annuity, the related service credit ~~is shall be~~ forfeited.

Effective July 1, 2007, employer contributions described in ~~495—subrule 6.3(13)~~ ~~shall~~ constitute “remuneration” for purposes of applying the reemployment earnings limit and determining reductions in the member’s monthly benefits but ~~shall are not be~~ considered covered wages for IPERS benefits calculations.

It is the member’s responsibility to apply for the recomputation or lump sum by completing and submitting the form ~~IPERS specifies~~ ~~d by~~ IPERS.

12.7(4) In recomputing a retired member’s monthly benefit, IPERS ~~shall use the following assumptions~~ ~~assumes~~:

a. The member cannot change the option or beneficiary with respect to the reemployment period.

b. If the member would only qualify for a money purchase benefit under rule ~~495—12.4(97B)~~ based solely on the ~~reemployment period of reemployment~~, then IPERS ~~uses~~ the money purchase formula ~~shall be used~~ to compute the additional benefit amount due to the reemployment.

c. If the member would qualify for a non-money purchase retirement allowance based solely on the ~~reemployment period of reemployment~~, IPERS ~~uses~~ the benefit formula in effect as of the first month of entitlement (FME) for the reemployment period ~~shall be used~~. If the FME is July 1998 or later, and the member has more than 30 years of service, including both original and reemployment service, the percentage multiplier for the reemployment period ~~only will be at is~~ the applicable percentage (up to 65 percent) for the total years of service.

d. If a period of reemployment would increase the ~~member’s~~ monthly benefit ~~a member is entitled to receive~~, the member may elect between the increase and a refund of the employee and employer contributions without regard to reemployment FME.

e. If a member previously elected IPERS Option 1, is eligible for an increase in the Option 1 monthly benefits, and elects to receive the increase in the member’s monthly benefits, the member’s Option 1 death benefit ~~shall is also be~~ increased if the investment is at least \$1,000. The amount of the increase ~~is shall be~~ at least the same percentage of the maximum death benefit permitted with respect to the reemployment as the percentage of the maximum death benefit elected at the member’s original retirement. In determining the increase in Option 1 death benefits, IPERS ~~shall~~ rounds up to the nearest \$1,000. For example, if a member’s ~~reemployment investment for a period of reemployment~~ is \$1,900 and the member elected at the member’s original retirement to receive 50 percent of the Option 1 maximum death benefit, the death benefit attributable to the reemployment ~~is shall be~~ \$1,000 (50 percent times \$1,900, rounded up to the nearest \$1,000). Notwithstanding ~~this rule 12.7(4)(e) foregoing~~, if the member’s ~~reemployment investment for the period of reemployment~~ is less than \$1,000, the benefit formula for a member who originally elected new IPERS Option 1 ~~is shall be~~ calculated under IPERS Option 3.

f. A retired reemployed member who requests a return of the employee and employer contributions made during a period of reemployment cannot repay the distribution and have the service credit for the period of reemployment restored.

g. If a retired reemployed member selected IPERS Option 5 at retirement, and after the period of reemployment requests an increase in the member’s monthly allowance, at death IPERS ~~pays~~ all remaining guaranteed payments with respect to both periods of employment ~~shall be paid in a~~ commuted lump sum.

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h. If a retired reemployed member selected IPERS Option 2 at retirement, and after the period of reemployment requests an increase in the member's monthly allowance, at death IPERS prorate the member's monthly payments following the increase ~~shall be prorated~~ between the member's two annuities to determine the amount of the member's remaining accumulated contributions that IPERS may ~~pay be paid~~ as a death benefit.

i. A retired reemployed member who has attained ~~the age of 70 years of age~~ may take an actuarial equivalent (AE) payment. However, such a member must terminate covered employment for at least 30 days before taking an additional AE payment.

12.7(5) Mandatory ~~active wages~~ distribution ~~of active wages~~. If a retired reemployed member whose annual benefit would be increased by less than \$600 does not request a second annuity or a ~~reemployment accruals~~ lump sum payment ~~of reemployment accruals~~ by the end of the fourth quarter after the last quarter in which the member had covered wages, IPERS ~~shall proceed to will~~ pay the member the applicable lump sum amount. The member ~~shall have~~ 60 days after the postmark date of the mandatory payment to return the payment and request a benefit increase.

[ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 5027C, IAB 4/8/20, effective 5/13/20; ARC 5489C, IAB 3/10/21, effective 4/14/21; ARC 6949C, IAB 3/8/23, effective 4/12/23]

495—12.8(97B) Actuarial equivalent (AE) payments.

12.8(1) If a member aged 55 or older requests an ~~benefits~~ estimate ~~of benefits which that~~ results in a monthly benefit amount under Option 2 of less than \$50, the member ~~shall receives~~, under Iowa Code section 97B.48(1), a lump sum actuarial equivalent (AE) payment ~~instead lieu~~ of a monthly benefit. Once IPERS pays the AE payment ~~has been paid~~ to the member, the member ~~shall not be is~~ ~~not~~ entitled to any further benefits based on the contributions included in the AE payment and the employment period represented ~~thereby~~. If the member ~~later~~ returns to covered employment, any future benefits the member accrues ~~shall be are~~ based solely on the new employment period. If an ~~benefits~~ estimate ~~of benefits~~ based on the new employment period again results in any one of the options having a monthly benefit amount of less than \$50, the member may again elect to receive an AE payment.

12.8(2) If a member, upon attaining ~~the age of 70 years of age~~ or later, requests a retirement allowance without terminating employment and the member's monthly benefit amount under Option 2 is less than \$50, the member ~~shall receives~~ an AE payment based on the member's employment up to, but not including, the quarter in which the application is filed. When the member subsequently terminates covered employment, any benefits due to the member ~~are will be~~ based only on the period of employment not used in computing the AE paid when the member first applied for a retirement allowance. If an ~~benefits~~ estimate ~~of benefits~~ based on the later ~~employment~~ period of employment again results in a monthly benefit amount under Option 2 of less than \$50, the member ~~shall receives~~ another AE payment. However, a member who elects to receive an AE payment upon or after attaining age 70 without terminating employment may not elect to receive additional AE payments unless the member terminates all covered employment for at least one full calendar month.

12.8(3) An AE payment under this rule ~~is shall be~~ equal to the sum of the member's and employer's accumulated contributions.

[ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—12.9(97B) Conforming rules for lump sum payments. Effective January 1, 2007, IPERS may, notwithstanding certain provisions of Iowa Code section 97B.53B enacted in order to comply with prior rollover provisions of the Internal Revenue Code, utilize forms and procedures affording payees of lump sum distributions with broader rollover rights as permitted under the applicable rollover provisions of the Internal Revenue Code as amended subsequent to the enactment of Iowa Code section 97B.53B.

[ARC 5027C, IAB 4/8/20, effective 5/13/20]

These rules are intended to implement Iowa Code sections 97B.1A, 97B.1A(24), 97B.15, 97B.25, 97B.45, 97B.47 to 97B.48A, 97B.49A to 97B.49I, 97B.51, and 97B.53B.

[Filed 11/5/04, Notice 9/15/04—published 11/24/04, effective 12/29/04]

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[Filed 11/3/06, Notice 9/27/06—published 11/22/06, effective 12/27/06]

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[Filed ARC 0017C (Notice ARC 9951B, IAB 12/28/11), IAB 2/22/12, effective 3/28/12]

[Filed ARC 0662C (Notice ARC 0598C, IAB 2/6/13), IAB 4/3/13, effective 5/8/13]

[Filed ARC 1348C (Notice ARC 1256C, IAB 12/25/13), IAB 2/19/14, effective 3/26/14]

[Filed ARC 1887C (Notice ARC 1800C, IAB 12/24/14), IAB 2/18/15, effective 3/25/15]

[Filed ARC 2981C (Notice ARC 2892C, IAB 1/18/17), IAB 3/15/17, effective 4/19/17]

[Filed ARC 4337C (Notice ARC 4238C, IAB 1/16/19), IAB 3/13/19, effective 4/17/19]

[Filed ARC 5027C (Notice ARC 4925C, IAB 2/12/20), IAB 4/8/20, effective 5/13/20]

[Filed ARC 5489C (Notice ARC 5359C, IAB 12/30/20), IAB 3/10/21, effective 4/14/21]

[Filed ARC 6949C (Notice ARC 6823C, IAB 1/11/23), IAB 3/8/23, effective 4/12/23]

CHAPTER 12
CALCULATION OF MONTHLY RETIREMENT BENEFITS

[Prior to 11/24/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—12.1(97B) General.

12.1(1) *Formula benefit versus money purchase benefit.* If a member is vested by years of service credit in IPERS, IPERS pays a monthly payment allowance as set forth in Iowa Code sections 97B.49A through 97B.49I, the applicable paragraphs of this chapter, and the option the member elects pursuant to Iowa Code section 97B.51(1). If a member is vested by age and not service, IPERS computes the benefit receivable on a money purchase basis, with reference to annuity tables IPERS uses in accordance with the member's age and option choice.

12.1(2) *Reduction for early retirement for regular class members.*

a. Effective July 1, 1988, through December 31, 2000, IPERS reduces a member's benefit formula by .25 percent for each month the member's retirement precedes the normal retirement date, as defined in Iowa Code section 97B.45 excluding section 97B.45(4). Early retirement situations include:

(1) If a member has not attained 65 years of age in the member's first month of entitlement and has less than 20 years of service; or

(2) If a member has not attained 62 years of age in the month of the member's retirement and has 20 years of service.

b. Effective July 1, 1997, if the member is at least 55 years of age, a member is eligible to receive monthly retirement benefits without age reduction beginning the first of the month in which the member's age on the last birthday and the member's years of service equal or exceed 88

c. Effective July 1, 1991, a member qualifying for early retirement due to disability under Iowa Code section 97B.50 is not subject to a reduction in benefits due to age.

d. If a member retires with at least 20 years of service but has not attained 62 years of age, IPERS calculates the age reduction by deducting .25 percent per month for each month that the first month of entitlement precedes the month in which the member attains 62 years of age. If a member retires with less than 20 years of service, IPERS calculates the age reduction by deducting .25 percent per month for each month that the first month of entitlement precedes the month in which the member attains 65 years of age.

e. Effective January 1, 2001, IPERS calculates the age reduction by deducting .25 percent per month for each month that the first month of entitlement precedes the earliest possible normal retirement date for that member based on the age and years of service at the member's actual retirement.

f. For the member's retirement allowance based on service through June 30, 2012, IPERS calculates the early retirement reduction as provided in paragraphs 12.1(2) "a" through "e." For the retirement allowance based on years of service beginning July 1, 2012, and later, the member's early retirement reduction is one-half of one percent for each month that the early retirement precedes the date the member attains 65 years of age.

b. IPERS determines the monthly retirement allowance for all active and inactive vested members on the basis of the formula in effect on the date of the member's retirement. If the member takes early retirement, IPERS adjusts the benefit as provided in subrule 12.1(2).

c. In addition to the multiplier identified in Iowa Code sections 97B.49A, IPERS increases the percentage multiplier for regular class members retiring with greater than 30 years of service by .25 percent for each quarter of a year in excess of 30, not to exceed an increase of 5 percent.

d. In addition to the multiplier identified in Iowa Code sections 97B.49B through 97B.49C, IPERS increases the percentage multiplier for protection occupation members, sheriffs, and deputy sheriffs retiring with greater than 22 years of service by .375 percent for each quarter of a year in excess of 22, not to exceed an increase of 12 percent.

e. Regular service does not count as “eligible service” in determining a special service member’s applicable percentage.

12.1(5) *Average covered wages for special service members and for wages of regular class members prior to July 2012.*

a. Effective July 1, 2007, a member’s high three-year average covered wage, as defined under Iowa Code section 97B.1A(24)(a), shall be the greater of (1) the member’s high three-year average covered wage based on covered wages reported through June 30, 2007; or (2) the member’s high three-year average covered wage after application of the antispiking control as described in paragraph 12.1(5) “b” below.

Commented [AE1]: Reduces word count by removing Iowa Code section 97B.1A(24)(a) restatement.

b. Antispiking limit on the growth of a member’s high three-year average.

(1) Selection of the control year shall give highest priority to calendar years of wages in which there are four quarters of service credit for wages on file not used in the high three-year average wage calculation. For example, if the member receives \$20,000 of wages for a calendar year with four quarters of service credit for wages, and the member also has received \$30,000 of wages for a calendar year with three quarters of service credit for wages, the control year selection process shall give preference to the calendar year with \$20,000 of reported wages.

(2) If there is a calendar year of covered wages outside the high three-year average wage calculation that has four quarters, but the covered wages for that year are less than the covered wages for the fourth highest calendar year of covered wages, and that fourth highest calendar year of covered wages does not have four quarters of service credit for wages, the control year will be the lowest of the high three calendar years of wages with service credits for wages in all four quarters being used in the high three-year average wage calculation.

(3) “Service credit for wages” means service credit recorded for:

1. Quarters in which the member receives covered wages from covered employment.
2. Quarters in which the member is credited with covered wages due to a military leave.
3. Quarters in which the member would have had covered wages but for the application of the IRS covered wage limitations.
4. Quarters in which an employee of a nine-month institution receives service credit for a qualifying leave of absence under ~~495—~~subrule 7.1(2).
5. Quarters in which a legislator, legislative employee, or elected official receives service credit for employment.

(4) If none of the calendar years of wages that fall outside of the high three-year average wage calculation have service credit for wages reported in all four quarters, the control year will be the lowest of the high three calendar years of wages with service credit for wages in all four quarters being used in the high three-year average wage calculation.

(5) If none of the wage years used in the high three-year average wage calculation have service credits for wages reported in all four quarters, the control year will revert to the highest calendar year of wages not included in the high three-year average wage calculation, regardless of whether there are fewer than four quarters with service credits for wages on file.

(6) For high three-year average wage calculations that utilize the computed year, the control year may be the calendar year from which the “average quarters” used in the computed year are drawn. However, the control year cannot be the computed year, as the computed year will never be a calendar year with service credit for wages in all four quarters.

c. Effective July 1, 2012, a nonvested regular class member's average covered wage is the member's five-year average covered wage calculated as provided in Iowa Code section 97B.1A(10A) "a."

d. Effective July 1, 2012, for regular class members vested as of June 30, 2012, the member's average covered wage is the greater of the member's three-year average covered wage calculated as provided under paragraphs 12.1(5) "a" and "b," or the member's five-year average covered wage calculated as provided in Iowa Code section 97B.1A(10A) "a."

[ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 1348C, IAB 2/19/14, effective 3/26/14; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—12.2(97B) Initial benefit determination.

12.2(1) IPERS calculates the initial monthly benefit for the retired member utilizing the wages reported as of the member's retirement and subject to the requirements of Iowa Code sections 97B.49A through 97B.49I and subrule 12.1(5). When the employer reports the final quarter(s) of wages, IPERS recalculates benefits to redetermine the member's benefit amount. If the recalculation changes the benefit, IPERS adjusts benefits retroactive to the first month of entitlement. The wages for the "computed year" will not exceed the highest covered wage ceiling in effect during the member's employment period.

12.2(2) In cases where the member's final quarter's wages have been reported to IPERS prior to retirement, the original benefit will be calculated utilizing all available wages.

12.2(3) The Option 1 death benefit amount cannot exceed the member's investment and cannot lower the member's benefit below the minimum distribution required by federal law.

[ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—12.3(97B) Hybrid formula for members with more than one type of service credit.

12.3(1) Eligibility. Effective July 1, 1996, members having both regular and special service (as defined in Iowa Code section 97B.1A(22)) shall receive the greater of the benefit amount calculated under this subrule or the benefit amount calculated under the applicable nonhybrid benefit formula.

a. Members who are vested by service as defined in Iowa Code section 97B.1A(25) "d" may utilize the hybrid formula.

b. The following classes of members are not eligible for the hybrid formula:

- (1) Members who have only regular service credit.
- (2) Members who have 22 years of special service credit.
- (3) Members who have 30 years of regular service.
- (4) Members who are not vested by service as defined in Iowa Code section 97B.1A(25) "d."

12.3(2) Assumptions. In calculating benefits under this rule 12.3, IPERS assumes the following:

a. The member's average covered wage is determined in the same manner as it is determined for the nonhybrid formula.

b. Increases in the benefit formula under this rule is determined as provided under Iowa Code section 97B.49D. The percentage multiplier is only increased for total years of service over 30.

c. Years of service is utilized as follows:

(1) Quarters which have two or more occupation class codes are credited as the class that has the highest reported wage for said quarter. A member does not receive more than one quarter of credit for any calendar quarter, even though more than one type of service credit is recorded for that quarter.

(2) Quarters are not treated as special service quarters unless the applicable employer and employee contributions have been made.

12.3(3)

[ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 4337C, IAB 3/13/19, effective 4/17/19; ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—12.4(97B) Money purchase benefits.

12.4(2) For each vested member for whom the present value of future benefits under Option 2 is less than the member reserve as of the effective retirement date, IPERS determines a monthly annuity by applying the member reserve to the annuity tables in use by the system according to the member's age (or member's and contingent annuitant's ages, if applicable).

12.4(3) For calculations under Iowa Code section 97B.49A(4)(c), IPERS calculates Options 2, 3, 4, 5 and 6 by dividing the member's total reserve by the applicable Option 2, 3, 4, 5 or 6 annuity factor taken from the system's tables to determine the monthly amount. For calculations under subrule 12.4(1), IPERS calculates Options 2, 3, 4, 5 and 6 by dividing the member reserve by the applicable Option 2, 3, 4, 5 or 6 annuity factor taken from the system's tables to determine the monthly amount.

12.4(4) For Option 1, the cost per \$1,000 of death benefit is determined according to the system's tables. IPERS determines the Option 1 monthly benefit amount by subtracting the cost determined by the systems tables from the Option 3 monthly amount. IPERS reduces the Option 1 death benefit amount as necessary so that the Option 1 monthly benefit amount is not less than one-half of the Option 2 monthly benefit amount.

12.4(5) For members retiring after June 30, 2012, IPERS provides the money purchase benefit calculated pursuant to this rule 12.4 to members who are not vested by service as defined in Iowa Code section 97B.1A(25) "d."

[ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 0662C, IAB 4/3/13, effective 5/8/13; ARC 4337C, IAB 3/13/19, effective 4/17/19; ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—12.5(97B) Recalculation for a member 70 years of age. Before IPERS recalculates the member's retirement allowance, to take into account service after the member's original FME, the member, who is in covered employment, attains 70 years of age and begins receiving a retirement allowance, must terminate all covered employment. The termination of employment must be a true severance meeting the requirements of Iowa Code section 97B.53. IPERS uses the following formula to recalculate a members retirement allowance under this rule 12.5:

If the member is receiving a retirement allowance with an FME prior to July 1, 2000, and terminates covered employment on or after January 1, 2000, the member's retirement formula for recalculation purposes is the formula in effect at the time of the member's termination from covered employment or, if later, the date the member applies for a recalculation.

In all other cases, the recalculation for a member 70 years of age who retires while actively employed is the retirement formula in effect at the time of the member's FME.

Payments under this rule begin no earlier than the month following the month of termination, upon IPERS' receipt of a member's application for recalculation. It is the member's responsibility to apply for the recalculation by completing and submitting the form specified by IPERS.

A member receiving a recalculation under this rule after June 30, 2012, will have the member's average covered wage calculated as follows: IPERS calculates the average high three covered wage as of June 30, 2012. IPERS will next calculate the average high five covered wage at the time of the member's termination from covered employment or, if later, the date the member applies for a recalculation. IPERS will determine the benefit amount based on the calculation that produces the greatest benefit to the member.

[ARC 0662C, IAB 4/3/13, effective 5/8/13; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—12.6(97B) Level payment choice for special service members. Effective July 1, 2002, IPERS implements the level payment choice by preparing factors to convert nonhybrid IPERS Options 1, 2, 3, 4, and 5 to the level payment choice. The new benefit feature applies solely to special service members, and any reference to members in this rule only applies to special service members.

12.6(1) Member's social security retirement amount. IPERS bases a member's level payment choice calculation on the member's social security retirement amount at 62 years of age as verified

by Social Security Administration statements the member provides. IPERS will not make adjustments if subsequent social security statements indicate an increase in the age 62 social security retirement amount. Social security benefits verification will not precede the member's first month of entitlement by more than 12 months.

12.6(2) *Death benefit assumptions.* In preparing level payment choice factors, IPERS assumes:

a. For IPERS Options 1 and 2, death benefits under those options are not reduced as a result of a member's attaining 62 years of age and having the member's monthly allowance reduced under this rule.

b. For IPERS Options 4 and 5, IPERS assumes the contingent annuitant's or beneficiary's monthly payments and death benefits, if any, prior to the date the member attains, or would have attained, 62 years of age is based on the amount that was payable to the member for periods before the member attains, or would have attained, 62 years of age. Beginning with the month after the month that the member attains, or would have attained, 62 years of age, a contingent annuitant's or beneficiary's monthly payments and death benefits, except death benefits under IPERS Options 1 and 2, are based on the reduced amount that would have been payable to the member in the month after the month that the member attained 62 years of age.

12.6(3)

12.6(4) *Prohibitions.* Except as provided in this rule 12.6, special service members does not include those who:

a. Retire under Iowa Code section 97B.49D, 97B.50(2), or 97B.50A.

b. Retire under Option 6.

c. Request a level payment amount that reflects less than a full offset for the social security retirement amount at 62 years of age.

d. Reemployed in covered employment and subsequently retiring, for the period of reemployment. IPERS calculates retirement benefits for a member who elected the level payment choice solely for the period of reemployment, except for vesting credit.

12.6(5) *Limit on reductions.* The level payment choice factors do not reduce the monthly amount payable to a member at 62 years of age to less than 50 percent of the monthly amount that would have been payable under IPERS Option 2. Accordingly, payments before 62 years of age to such members are reduced in the same manner, with the corresponding adjustments made to death benefits.

12.6(6) *Commencement of level payment option reduction.* IPERS reduces the monthly benefit of a member who selects the level payment option beginning with the month after the member reaches 62 years of age.

[ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—12.7(97B) Reemployment of retired members.

12.7(2) Beginning on or after July 1, 1996, the member's retirement allowance subject to reduction pursuant to Iowa Code section 97B.48A is reduced as follows:

a. IPERS reduces a member's monthly retirement allowance in the following calendar year by the excess benefit paid in the preceding year after the excess benefit payment amount has been determined.

b. Employers are required to complete IPERS wage reporting forms for reemployed individuals which reflect the prior year's wage payments on a month-to-month basis. IPERS uses these reports to determine the amount that IPERS must recover to offset overpayments in the prior calendar year due to reemployment wages.

c. The member's overpayment is collected as follows:

Commented [AE2]: Propose deleting. Reduces word count by relying on language in Iowa Code section 97B.49F(2)(d)

Commented [AE3]: Revised language to remove prohibitive language.

(1) IPERS reduces the member's gross monthly benefit by 50 percent until the overpayment is repaid. If the 50 percent reduction does not recover the overpayment by the end of the current calendar year, IPERS calculates the monthly reduction amount so that the overpayment is recovered within the current calendar year. IPERS and the member may agree in writing to other monthly reduction amounts; or

(2) A member may elect to make repayments of the overpayment amounts out of pocket instead of reducing the member's monthly benefit. An out-of-pocket repayment may be made in one check or in installments. However, IPERS and the member must agree in writing to an election to make repayment in installments.

(4) A member may elect in writing to suspend the member's monthly retirement allowance in the month in which the member's remuneration exceeds the amount of remuneration permitted under this subrule instead of receiving a reduced retirement allowance under subparagraph (1). To become effective, the member must deliver the written election to IPERS in person, by regular mail, email, facsimile or by private carrier. IPERS does not accept oral elections. The member's election to suspend benefit payments under this subrule remains in effect for all subsequent calendar years until revoked by the member in writing. If the member's written election is not timely, and an overpayment occurs, IPERS will recover the overpayment, to the extent possible, from monthly amounts beginning in January of the next calendar year or under one of the alternate arrangements permitted under this rule. Effective July 1, 2007, remuneration shall include those amounts as described in 495—subrule 6.3(13).

12.7(3)

Effective July 1, 1998, a member who is reemployed in covered employment after retirement may, after again terminating employment for at least 30 days, elect to receive a refund of the employee and employer contributions made during the reemployment period instead of a second annuity. If a member requests a refund in lieu of a second annuity, the related service credit is forfeited.

Effective July 1, 2007, employer contributions described in 495—subrule 6.3(13) constitute "remuneration" for purposes of applying the reemployment earnings limit and determining reductions in the member's monthly benefits but are not considered covered wages for IPERS benefits calculations.

It is the member's responsibility to apply for the recomputation or lump sum by completing and submitting the form IPERS specifies.

12.7(4) In recomputing a retired member's monthly benefit, IPERS assumes:

a. The member cannot change the option or beneficiary with respect to the reemployment period.

b. If the member would only qualify for a money purchase benefit under rule 495—12.4(97B) based solely on the reemployment period, then IPERS uses the money purchase formula to compute the additional benefit amount due to the reemployment.

c. If the member would qualify for a non-money purchase retirement allowance based solely on the reemployment period, IPERS uses the benefit formula in effect as of the first month of entitlement (FME) for the reemployment period shall. If the FME is July 1998 or later, and the member has more than 30 years of service, including both original and reemployment service, the percentage multiplier for the reemployment period is the applicable percentage (up to 65 percent) for the total years of service.

d. If a period of reemployment would increase the member's monthly benefit, the member may elect between the increase and a refund of the employee and employer contributions without regard to reemployment FME.

e. If a member previously elected IPERS Option 1, is eligible for an increase in the Option 1 monthly benefits, and elects to receive the increase in the member's monthly benefits, the member's Option 1 death benefit is increased if the investment is at least \$1,000. The amount of the increase is

at least the same percentage of the maximum death benefit permitted with respect to the reemployment as the percentage of the maximum death benefit elected at the member's original retirement. In determining the increase in Option 1 death benefits, IPERS rounds up to the nearest \$1,000. For example, if a member's reemployment investment period is \$1,900 and the member elected at the member's original retirement to receive 50 percent of the Option 1 maximum death benefit, the death benefit attributable to the reemployment is \$1,000 (50 percent times \$1,900, rounded up to the nearest \$1,000). Notwithstanding this rule 12.7(4)(e), if the member's reemployment investment period is less than \$1,000, the benefit formula for a member who originally elected new IPERS Option 1 is calculated under IPERS Option 3.

f. A retired reemployed member who requests a return of the employee and employer contributions made during a period of reemployment cannot repay the distribution and have the service credit for the period of reemployment restored.

g. If a retired reemployed member selected IPERS Option 5 at retirement, and after the period of reemployment requests an increase in the member's monthly allowance, at death IPERS pays all remaining guaranteed payments with respect to both periods of employment in a commuted lump sum.

h. If a retired reemployed member selected IPERS Option 2 at retirement, and after the period of reemployment requests an increase in the member's monthly allowance, at death IPERS prorates the member's monthly payments following the increase between the member's two annuities to determine the amount of the member's remaining accumulated contributions that IPERS may pay as a death benefit.

i. A retired reemployed member who has attained 70 years of age may take an actuarial equivalent (AE) payment. However, such a member must terminate covered employment for at least 30 days before taking an additional AE payment.

12.7(5) Mandatory active wages distribution. If a retired reemployed member whose annual benefit would be increased by less than \$600 does not request a second annuity or a reemployment accruals lump sum payment by the end of the fourth quarter after the last quarter in which the member had covered wages, IPERS will pay the member the applicable lump sum amount. The member has 60 days after the postmark date of the mandatory payment to return the payment and request a benefit increase.

[ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 5027C, IAB 4/8/20, effective 5/13/20; ARC 5489C, IAB 3/10/21, effective 4/14/21; ARC 6949C, IAB 3/8/23, effective 4/12/23]

495—12.8(97B) Actuarial equivalent (AE) payments.

12.8(1) If a member aged 55 or older requests a benefits estimate that results in a monthly benefit amount under Option 2 of less than \$50, the member receives, under Iowa Code section 97B.48(1), a lump sum actuarial equivalent (AE) payment instead of a monthly benefit. Once IPERS pays the AE payment to the member, the member is not entitled to any further benefits based on the contributions included in the AE payment and the employment period represented. If the member returns to covered employment, any future benefits the member accrues are based solely on the new employment period. If a benefits estimate based on the new employment period again results in any one of the options having a monthly benefit amount of less than \$50, the member may again elect to receive an AE payment.

12.8(2) If a member, upon attaining 70 years of age or later, requests a retirement allowance without terminating employment and the member's monthly benefit amount under Option 2 is less than \$50, the member receives an AE payment based on the member's employment up to, but not including, the quarter in which the application is filed. When the member subsequently terminates covered employment, any benefits due to the member are based only on the period of employment not used in computing the AE paid when the member first applied for a retirement allowance. If a

benefits estimate based on the later employment period of employment again results in a monthly benefit amount under Option 2 of less than \$50, the member receives another AE payment. However, a member who elects to receive an AE payment upon or after attaining age 70 without terminating employment may not elect to receive additional AE payments unless the member terminates all covered employment for at least one full calendar month.

12.8(3) An AE payment under this rule is equal to the sum of the member's and employer's accumulated contributions.

[ARC 5027C, IAB 4/8/20, effective 5/13/20]

495—12.9(97B) Conforming rules for lump sum payments. Effective January 1, 2007, IPERS may, notwithstanding certain provisions of Iowa Code section 97B.53B enacted in order to comply with prior rollover provisions of the Internal Revenue Code, utilize forms and procedures affording payees of lump sum distributions with broader rollover rights as permitted under the applicable rollover provisions of the Internal Revenue Code as amended subsequent to the enactment of Iowa Code section 97B.53B.

[ARC 5027C, IAB 4/8/20, effective 5/13/20]

These rules are intended to implement Iowa Code sections 97B.1A, 97B.1A(24), 97B.15, 97B.25, 97B.45, 97B.47 to 97B.48A, 97B.49A to 97B.49I, 97B.51, and 97B.53B.

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[Filed ARC 6949C (Notice ARC 6823C, IAB 1/11/23), IAB 3/8/23, effective 4/12/23]



MEMBER DEMAND MEASURES THROUGH JANUARY 2026

Member Demand Measures	Current Month	FY to Date 2026	Same Month Last Year	FY to Date 2025
Benefits Counseling				
Number counseled at IPERS' Office	195 w/ walk-ins	1,165 w/ walk-ins	192 w/ walk-ins	667
Number Counseled throughout the State	98	691	93	591
Number of estimates prepared	2286	13039	1842	13185
Retired Death Benefits				
Number of reported deaths	474	2588	383	2499
Amount paid in IPERS death benefits	\$1,284,328.49	\$9,209,240.16	\$846,498.44	\$8,903,361.18
Number of beneficiaries paid	168	1015	90	999
Average death benefit paid	\$7,644.81	\$9,073.14	\$9,405.54	\$8,912.27
Active Death Benefits				
Number of reported deaths	52	403	48	302
Amount paid in IPERS death benefits	\$1,029,719.14	\$12,098,683.68	\$420,013.41	\$9,287,277.23
Number of beneficiaries paid	27	228	11	185
Average death benefit paid	\$38,137.75	\$53,064.40	\$38,183.04	\$50,201.50
Retirement Benefits				
Amount paid in IPERS retirement benefits	\$234,036,882.43	\$1,632,944,539.47	\$225,582,662.19	\$1,574,372,818.47
Number of IPERS retirees	140069	N/A	138050	N/A
Number of IPERS disability retirees	3908	N/A	4005	N/A
Number of new retirees added to payroll	545	3361	540	3239
Average monthly benefit	\$1,670.87	N/A	\$1,634.06	N/A
Average years of service for retirees	22.76	22.77	22.76	22.77
Refunds				
IPERS refund requests paid	498	3553	367	3175
Total paid as refunds	\$8,101,998.31	\$53,091,798.66	\$5,235,156.55	\$42,788,800.00
(supplementary refunds)	\$176,574.01	\$353,722.52	\$102,792.50	\$768,791.46
Average refund paid	\$16,269.07	\$14,942.81	\$14,264.73	\$13,476.79
Average refunded years of service	4.6	4.4	4.34	4.33
Amount of retired reemployed refunds	\$912,610.75	\$5,940,932.24	\$557,079.38	\$5,345,574.93
Number of retired reemployed refunds	32	397	34	357
Service Purchases				
Paid service purchases	1	39	4	39
Totals paid in service purchases	\$104,675.62	\$2,122,239.57	\$346,028.07	\$2,259,838.65
Average service purchase	\$104,675.62	\$54,416.40	\$86,507.02	\$57,944.58
Average years purchased	4.75	4.1	4.88	4.15
Miscellaneous Information				
Phone calls logged by staff	8,269	53,346	9,076	46,097
Statement of account requests	27	201	25	237
Direct deposit additions/changes	1,421	9,846	1,344	8,944
Outside of office presentations	1	19	4	25
Outside of office attendees	32	947	262	1,393
Actuarial equivalent	27	266	31	282
Gross actuarial equivalents totals paid	\$68,281.49	\$708,116.07	\$66,511.73	\$668,606.16
Age 70 notifications	939	6370	921	6099
Retirees with adjustments	70	2171	78	1810
Number of emails received	2,101	12,260	3,860	11,491

2026

BAC Meetings

JANUARY						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

FEBRUARY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

MARCH						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

APRIL						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

MAY						
S	M	T	W	T	F	S
				1	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

JUNE						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

JULY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

AUGUST						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

SEPTEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

DECEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

January

1/26/26 - BAC Meeting

February

2/23/26 - BAC Meeting

March

3/30/26 - BAC Meeting

April

4/27/26 - BAC Meeting

August

8/24/26 - BAC Meeting

October

10/26/26 - BAC Meeting

December

12/4/26 - Investment Board & BAC Mtg

(Actuarial Valuation Presentation)