

I-PERS

Ready Set Retire

About IPERS

- Trust fund is more than \$46 billion – the largest public retirement system in Iowa
- A defined benefit program
 - Lifetime retirement benefits are paid based on a formula, not on the amount of contributions
 - Formula factors: age, years of service, highest average salary

Your Retirement Benefit Calculation

$$\begin{array}{l} \text{Your Average} \\ \text{Salary} \end{array} \times \begin{array}{l} \text{Multiplier} \\ \text{(Based on years} \\ \text{in IPERS-covered} \\ \text{employment)} \end{array} - \begin{array}{l} \text{Reduction} \\ \text{(If you retire before} \\ \text{normal retirement age)} \end{array} = \begin{array}{l} \text{Your} \\ \text{Retirement} \\ \text{Benefit} \end{array}$$

Defined Benefit vs. Defined Contribution

	IPERS (Defined Benefit Plan)	401(k), 403(b), etc. (Defined Contribution Plan)
Guaranteed Benefit	YES. Monthly retirement benefit is guaranteed for life.	NO. Benefit fluctuates with market performance.
Investment Risk	Pooled investments. IPERS takes on all the risk.	YOU take on all the risk.
Withdrawals & Loans	NOT AVAILABLE	TYPICALLY AVAILABLE
Vesting	100% in <i>your</i> contributions	100% in <i>your</i> contributions
Portability	YES	YES
Death Benefits	YES	YES
Disability Benefits	YES. IPERS provides disability benefits depending on certain qualifications.	NO. Defined contribution plans do not usually provide disability benefits.
Fees & Expenses	INCLUDED	TYPICALLY HIGH

Membership Groups



Regular



Protection
Occupations



Sheriffs/Deputy
Sheriffs

FY2025 Contribution Rates



Regular member contribution rates:

- 6.29% from you
- 9.44% from your employer



Protection Occupations contribution rates:

- 6.335% from you
- 9.185% from your employer



Sheriffs/Deputy Sheriffs contribution rates:

- 12.215% from you
- 11.965% from your employer

Contributions are based on gross wages. IPERS can adjust the total contribution rate by no more than one percentage point up, or down, following a yearly actuarial valuation.

How do you become vested?



Regular members become vested when they:

- Complete seven years (28 quarters) of reported wages
OR
- Turn age 65 while in IPERS-covered employment



Protection Occupations and Sheriffs/Deputy Sheriffs members become vested when they:

- Complete four years (16 quarters) of covered service
OR
- Turn age 55 while in IPERS-covered employment

What is vesting?

Entitles you to:

- A monthly retirement or disability benefit
- A portion of your employer's investment if a refund is taken
- Purchase service at retirement (if vested by years of service, not age alone)

The Benefit Formula - Regular Members



- The multiplier increases 2 percentage points per year for the first 30 years worked.
- Increases 1 percentage point per year for years 31–35, for a maximum of 65% of final average salary.
- Early retirement reduction applies if you retire before normal retirement age.

YOUR YEARS OF WORK IN IPERS-COVERED EMPLOYMENT

7	\$\$\$	14%
8	\$\$\$\$	16%
9	\$\$\$\$\$	18%
10	\$\$\$\$\$\$	20%
11	\$\$\$\$\$\$	22%
12	\$\$\$\$\$\$	24%
13	\$\$\$\$\$\$	26%
14	\$\$\$\$\$\$	28%
15	\$\$\$\$\$\$	30%
16	\$\$\$\$\$\$	32%
17	\$\$\$\$\$\$	34%
18	\$\$\$\$\$\$	36%
19	\$\$\$\$\$\$	38%
20	\$\$\$\$\$\$	40%
21	\$\$\$\$\$\$	42%
22	\$\$\$\$\$\$	44%
23	\$\$\$\$\$\$	46%
24	\$\$\$\$\$\$	48%
25	\$\$\$\$\$\$	50%
26	\$\$\$\$\$\$	52%
27	\$\$\$\$\$\$	54%
28	\$\$\$\$\$\$	56%
29	\$\$\$\$\$\$	58%
30	\$\$\$\$\$\$	60%
31	\$\$\$\$\$\$	61%
32	\$\$\$\$\$\$	62%
33	\$\$\$\$\$\$	63%
34	\$\$\$\$\$\$	64%
35+	\$\$\$\$\$\$	65%

◀◀ **AFTER SEVEN YEARS* IN IPERS-COVERED EMPLOYMENT, YOU ARE VESTED.** At retirement, vested members are eligible for a monthly retirement benefit or a lump-sum payment.

*You can also become vested if you turn 65 while working in IPERS-covered employment.



Normal Retirement Age

Rule of 88

Years of service + your age = 88 or greater

Rule of 62/20

Age 62 with 20 or more years of service

Age 65

No minimum service requirement



Early Retirement Reduction

If you start receiving retirement benefits before reaching a normal retirement age, reductions will apply.

For portion of service earned before July 1, 2012

Reduced 3% a year

From nearest retirement eligibility (rule of 88; rule of 62/20; age 65)

For service earned after June 30, 2012

Reduced 6% a year

From age 65

THE BENEFIT FORMULA

Special Service



- For all Special Service members, the multiplier increases 2.7272 percentage points each year for the first 22 years.
- **Protection Occupations:** 1.5 percentage points from 23 to 30 years. The maximum multiplier is 72%.
- **Sheriffs/Deputy Sheriffs:** 2.5 percentage points from 23 to 30 years. The maximum multiplier is 80%.
- Benefits are not reduced for early retirement if you have always been a Special Service member.
- Benefit enhancements for Sheriffs/Deputy Sheriffs members effective July 1, 2024.
 - Larger multiplier
 - 1.5% annual COLA
 - Visit www.ipers.org for full eligibility details.

YEARS OF SERVICE	SPECIAL SERVICE MULTIPLIERS	
	PROTECTION OCCUPATION	SHERIFFS AND DEPUTIES
4	10.90%	10.90%
5	13.63%	13.63%
6	16.36%	16.36%
7	19.09%	19.09%
8	21.81%	21.81%
9	24.54%	24.54%
10	27.27%	27.27%
11	30.00%	30.00%
12	32.72%	32.72%
13	35.45%	35.45%
14	38.18%	38.18%
15	40.90%	40.90%
16	43.63%	43.63%
17	46.36%	46.36%
18	49.08%	49.08%
19	51.81%	51.81%
20	54.54%	54.54%
21	57.27%	57.27%
22	60.0%	60.0%
23	61.5%	62.5%
24	63.0%	65.0%
25	64.5%	67.5%
26	66.0%	70.0%
27	67.5%	72.5%
28	69.0%	75.0%
29	70.5%	77.5%
30+	72.0%	80.0%

Purchasing Service

- Increases your IPERS service credits
- Free Service Credit
 - Leave of absence prior to 1998
 - Military duty while in IPERS-covered employment
 - FMLA up to 12 weeks/year



Find application online!

Purchasing Service

Service Purchase Types

- Nonqualified service (“air time”) ← *5-year limit*
- Refunded IPERS service (buy-back)
- Other public employment
(if *not* eligible to draw pension from the other system)
- Active military duty/LOA time not eligible for free credit
- IPERS buy-up credit conversion (hybrid members)

Purchasing Service

Pre-Retirement

Cost Estimate is done under option 2

Post-Retirement

Cost Quote is done under the option you choose

- Purchase at retirement
- Request a service purchase cost *estimate* to help you plan for a purchase at retirement
- Save money in a separate retirement account that can eventually be rolled over to IPERS to make your purchase

You are not obligated to purchase service if you request a quote.

Retirement Benefit Estimates

- Request benefit estimates from IPERS before deciding on a retirement date
- Working a little longer could increase benefits significantly
- May be eligible to retire earlier

Meet David!

David is 63 years old and is nearing retirement.

He is curious to know what his retirement benefit payment will be so he requested an estimate.

This is what his estimate looks like!



IPERS Benefit Estimate for: David Jones
 Member ID: 1234-5678

Information we used to figure your estimate

When you will start receiving benefits	
Month you leave employment	06/2029
Month of last paycheck	07/2029
First month of entitlement	07/2029
Normal or early retirement?	
Birth date	07/25/1962
Nearest age at retirement	67
	<i>Before</i> <i>After</i>
	<i>July '12</i> <i>June '12</i>
Months to go before normal retirement age	0 0
Early retirement percentage	100.00% 100.00%
Disability benefits	N
Contingent annuitant (CA)	
Relationship	Other
Birth date	12/29/1963
Nearest age at your retirement	66

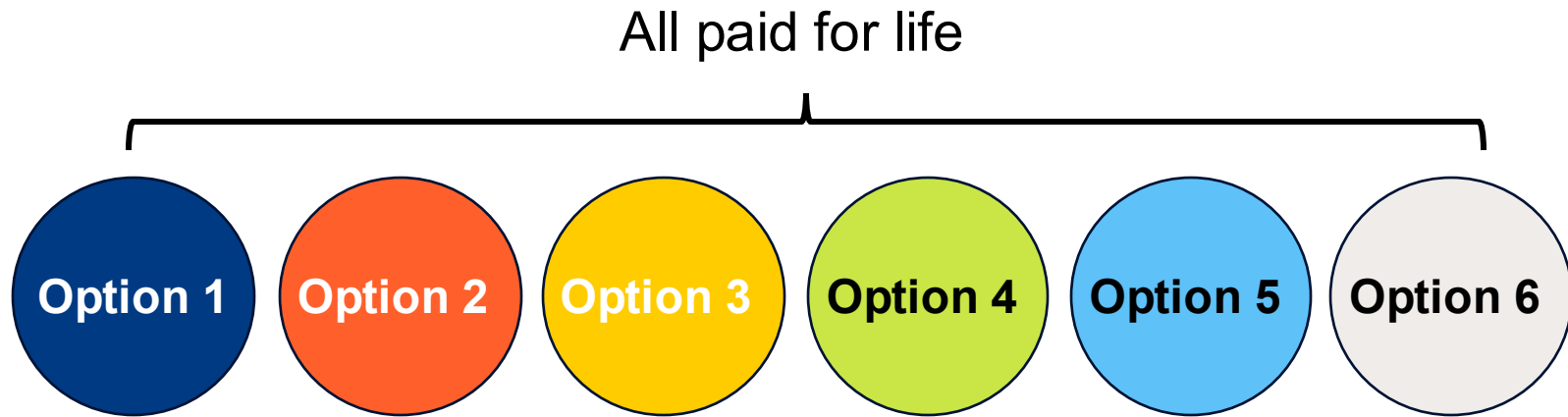
Years of service and multiplier		
Membership class		Regular
	<i>Before</i>	<i>After</i>
	<i>July '12</i>	<i>June '12</i>
Years of service	14.75	17.25
Assumed Regular service purchase	0.00	0.00
Total years of service		32.00
Future quarterly service		4
Regular class multiplier		62.000%
Sheriff class multiplier		0.000%
Protection class multiplier		0.000%
Contributions		
Investment		\$121,920.52
Service purchase cost estimate		\$0.00
Total		\$121,920.52

Regular class average salary calculation		
Current salary		\$86,676.53
Yearly salary increase rate		2.00%
Highest salaries	2028	\$93,821.46
	2027	\$91,981.83
	2026	\$90,178.26
	2025	\$88,410.06
	2024	\$86,676.53
Average salary used in benefit		\$90,213.63



DAVID'S SAMPLE RETIREMENT ESTIMATE

Benefit Payment Options



Six monthly payment options

- Retirement benefits are paid for life
- Different death benefit provisions

IMPORTANT:

Your option choice cannot change once retirement benefit payments begin.



Option 1

Annuity with Fixed Lump-Sum Survivor Benefit

Example:

A lifetime monthly retirement benefit of approximately **\$4,664.13**.

After your death, your designated beneficiary(ies) will receive a one-time lump-sum death benefit of \$1,000.

If your investment is at least \$2,000, you may designate a higher death benefit amount, in increments of \$1,000. Your monthly retirement benefit will be reduced by **\$2.35** for each additional \$1,000 in death benefits.

If you designate **\$61,000** for the death benefit, your monthly benefit will be about **\$4,523.13**.

If you choose the maximum death benefit amount of **\$121,000**, your monthly benefit will be about **\$4,382.13**.

NOTE: All examples are for illustrative purposes only. Actual amounts will vary based on your individual situation.



Option 2

Annuity with Variable Decreasing Lump-Sum Death Benefit

Example:

A lifetime monthly retirement benefit of approximately **\$4,661.04**.

If gross benefits paid to you during your lifetime are less than your investment of **\$121,920.52**, your designated beneficiary(ies) will receive a lump-sum payment of the remaining amount after your death.



Option 3

Single Life Annuity

Example:

A lifetime monthly retirement benefit of approximately **\$4,666.48**. This option does not provide a payment after your death.



Option 5

120-Month Term Certain Annuity

Example:

A lifetime monthly retirement benefit of approximately **\$4,518.88**.

We guarantee to pay **\$542,265.60** to you and/or your sole beneficiary. Your own monthly benefit is not limited to a 10-year period. However, if you die before you have received benefits for 10 years, the following applies:

- If you have designated only one beneficiary, your beneficiary will receive the same monthly benefits for the remainder of the 10 years. Your beneficiary cannot choose to receive a one-time lump-sum death benefit.
- If you have designated more than one beneficiary, or if your beneficiary is an entity such as an estate instead of a person, your beneficiaries will receive a lump-sum death benefit.

If you and your beneficiary(ies) die before you have received benefits for 10 years, your beneficiary's estate will receive a lump-sum death benefit.

The amount of a lump-sum death benefit paid under Option 5 will not be the amount of the remaining ten years of monthly payments. Instead, it will be the present value of the guaranteed future payments.



Beneficiaries vs. Contingent Annuitant

- With **options 1, 2 and 5**, your beneficiary or beneficiaries can be changed at any time as long as death benefit remains.
- With **option 3**, there is no need to name a beneficiary because there is no death benefit.
- With **options 4 and 6**, you will name a contingent annuitant rather than a beneficiary. Unlike a beneficiary, a contingent annuitant can never be changed regardless of death or divorce.

Option 4 100%, 75%, 50% or 25% Joint and Survivor Annuity

Example:

A lifetime monthly retirement benefit for you, and a lifetime monthly death benefit for your contingent annuitant (CA) if that person lives longer. You cannot change your CA after you start receiving monthly retirement benefits, even if that person dies before you. You must provide proof of your CA's birth date and choose one of the following:

After your death, CA will receive	Your monthly retirement benefit (approximately)	CA's monthly benefit (approximately)
100% of your monthly benefit amount	\$4,091.23	\$4,091.23
75% of your monthly benefit amount	\$4,221.32	\$3,165.99
50% of your monthly benefit amount	\$4,359.96	\$2,179.98
25% of your monthly benefit amount	\$4,508.02	\$1,127.01



Option 6

100%, 75%, 50% or 25% Joint and Survivor Annuity with Pop-up Annuity

Example:

A lifetime monthly retirement benefit for you, and a lifetime monthly death benefit for your contingent annuitant (CA) if that person lives longer. You cannot change your CA after you start receiving monthly benefits, even if that person dies before you. You must provide proof of your CA's birth date and choose one of the following:

After your death, CA will receive	Your monthly retirement benefit (approximately)	CA's monthly benefit (approximately)
100% of your monthly benefit amount	\$4,016.44	\$4,016.44
75% of your monthly benefit amount	\$4,161.53	\$3,121.15
50% of your monthly benefit amount	\$4,317.48	\$2,158.74
25% of your monthly benefit amount	\$4,485.59	\$1,121.40

If your CA dies before you, your monthly retirement benefit will increase to the amount you would have received if you had chosen Option 2.

You may then designate a new beneficiary for your Option 2 death benefit, if any.



Pre-Retirement Death Benefits

Designated **sole beneficiary of a vested member** can elect a lump-sum payment or lifetime monthly death benefits.

If designated beneficiary is **more than one individual, an estate or entity**, death benefit can only be paid as a lump-sum payment.

If **no beneficiary** has been designated, a lump-sum payment is made to the estate.

Applying for Retirement

Must be **age 55** or older

Not required if you are vested and eligible for IPERS disability benefits

Must submit a **completed** retirement application

Benefits are paid on the **last business day** of month

Must **terminate all IPERS-covered employment** unless age 70 or older

Returning to Work

Bona Fide Retirement

To return to work with an IPERS-covered employer, you must have a **Bona Fide Retirement:**

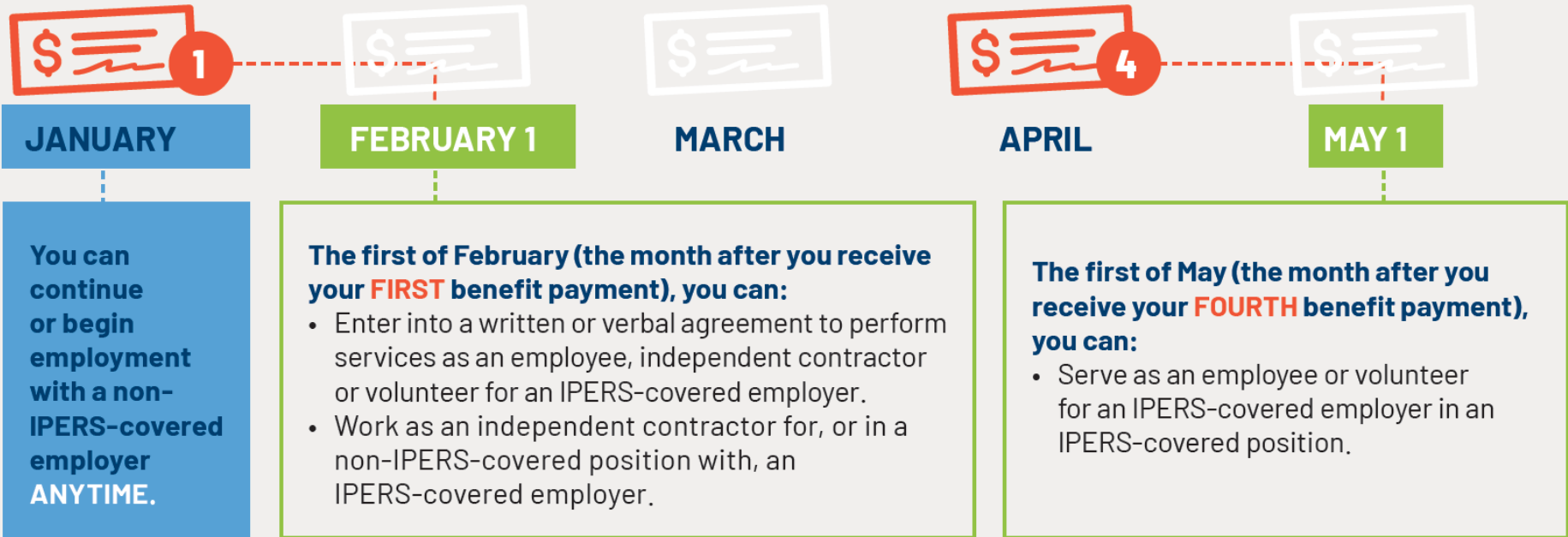
- You have submitted a retirement application and IPERS has approved it.
- You are receiving retirement benefits.
- You have left employment with all IPERS-covered employers, including non-covered positions, with no written or verbal agreements to return.

IMPORTANT: There is a financial penalty for violating this requirement.

Returning to Work

Bona Fide Retirement

For example, you receive your **FIRST BENEFIT** payment as a new retiree in January:



Bona Fide Retirement time restrictions

- Have no written or verbal agreements to return to any IPERS-covered employer until after you have received one retirement benefit payment.
- Stay out of all employment in an IPERS-covered position until you've received four retirement benefit payments.

Returning to Work

Bona Fide Retirement – Independent Contractor

No Bona Fide Retirement if you:

Enter into a verbal or written arrangement to perform duties for your former employer(s) as an **independent contractor** prior to receiving one retirement benefit payment;

OR

Perform any duties for your former employer(s) as an independent contractor prior to receiving **one** month of retirement benefit payments.

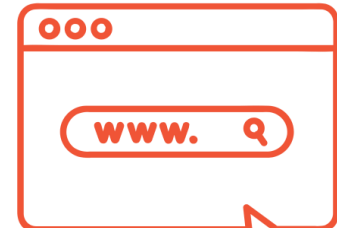
Reemployment Guidelines

- Must have a Bona Fide Retirement.
- **It's your responsibility to contact IPERS** if you are returning to an IPERS-covered position.
- Know the Social Security earning limits.
- Contact us about specific elected official/appointed position rules/questions.
- There are other exceptions to the BFR period.

Reemployment Guidelines

Applies to IPERS-covered employment only

- \$50,000 earnings limit younger than age 65 (benefits reduced 50 cents for each dollar earned over the limit).
- No earnings limit after age 65.
- Upon second retirement complete our Reemployment termination verification form at www.ipers.org



Find forms online!

Taxes

- **Benefit payments are subject to all applicable federal income tax.**
 - You can request that taxes be withheld from your monthly retirement benefit payment
- **IPERS will mail you a 1099-R in January for tax purposes.**



Beginning January 1, 2023, IPERS benefit payments are exempt from all personal state income tax, ***but the State of Iowa will need you to opt out of the withholding on the W-4P.***

Fraud Prevention

IPERS is committed to protecting your personal information and takes steps to prevent fraud and identity theft.



WARNING

you believe your IPERS account has been compromised

WARNING

you may have provided personal identifiable information to an imposter or fraudster

WARNING

contacted by someone falsely claiming to represent IPERS

www.ipers.org

IOWA | Iowa Public Employees' Retirement System

Log in to see all your account information

Journey to Retirement ▾

Along the Way ▾

Forms & Publications ▾

About ▾

My Account ↗

Employer Login ↗

More information about getting ready to retire

Beneficiary Form Service Purchase Application

their journey to retirement.

Published on April 30, 2025



IPERS

IPERS introduces



IPERS

IPERS creates, you cannot change it

Likely starts with an "I"; no case-sensitive

Keep this safe, only you should know your password

if you forgot your username

The image shows a screenshot of the 'MYACCOUNT' login page. At the top, it says 'MYACCOUNT Your IPERS retirement toolkit'. Below this are two input fields: 'Username' and 'Password'. The 'Password' field has an eye icon to its right. A dark blue 'Sign In' button is centered below the fields. Underneath the button are two links: 'Forgot Username' and 'Reset Password'. At the bottom left is the 'IPERS' logo, and at the bottom right is a 'Need Help? Call 800-622-3849' link. Several yellow ovals highlight the 'Username' and 'Password' fields, the 'Forgot Username' link, the 'Reset Password' link, and the 'Need Help?' link. Green arrows point from text boxes to these highlighted elements.

If you forgot your password

If you need assistance accessing your account

My Account



The screenshot shows the I-PERS My Account interface. A dark blue sidebar on the left contains a list of menu items. Red arrows point from these items to the main content area on the right, which is blurred. The arrows and their corresponding labels are as follows:

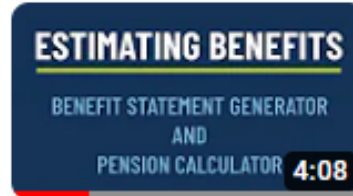
- Home** (arrow points to the main content area)
- About Me** (arrow points to the main content area)
- + Beneficiaries** (arrow points to **Check of update Beneficiaries**)
- Documents** (arrow points to the main content area)
- Forms** (arrow points to the main content area)
- Estimates** (arrow points to **Pension Estimates**)
- \$ Transactions** (arrow points to the main content area)
- Service Purchase** (arrow points to **Service Purchase Estimate**)
- Benefit Statement** (arrow points to the main content area)
- Refund Application** (arrow points to the main content area)
- Member Meetings** (arrow points to **Schedule a Meeting**)
- Message Center** (arrow points to **Secure Messaging**)
- Apply for Retirement** (arrow points to **Apply for Retirement**)
- Contact Us** (arrow points to the main content area)



Watch our My Account instructional videos



My Account | An Overview



Estimating Benefits with My Account



Logging In To My Account



Designate Your Beneficiary in My Account



Service Purchase Estimator



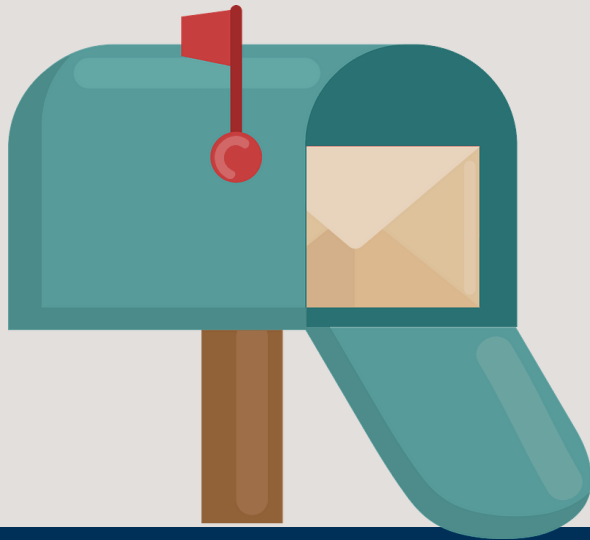
Schedule Meetings in My Account



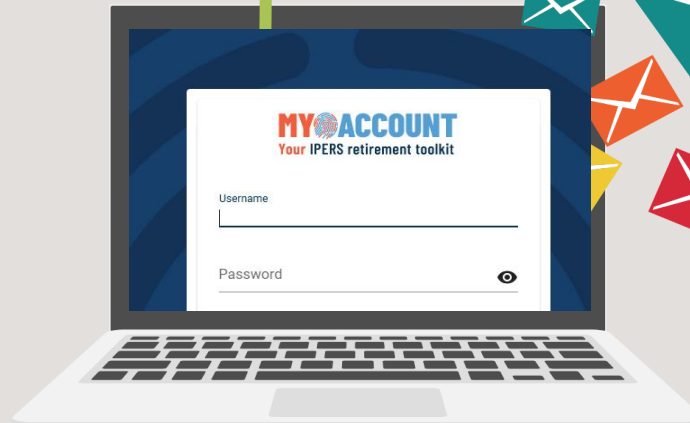
Updating Payment Preferences in My Account

Digital Delivery

Form 1099-R, income
verification letters,
paper checks



Many more things!



Manage your preference in My Account or by calling!

Thank you for attending!

Questions?

Contact Us



info@ipers.org



800-622-3849

