

# IPERS On The Road

Mason City



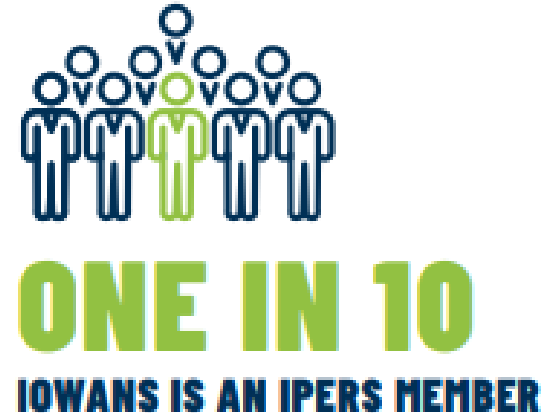
\*Most data as of June 30, 2025

# IPERS' Background

**Established in 1953**

**Workforce recruitment tool**

**Iowa's largest public pension plan**



**Mission:** IPERS is the fiduciary responsible for administering the IPERS Trust Fund. IPERS exists for the exclusive benefit of its members and fulfills its obligations to cost-effectively pay benefits, maintain stable contribution rates, protect member information and provide outstanding service.

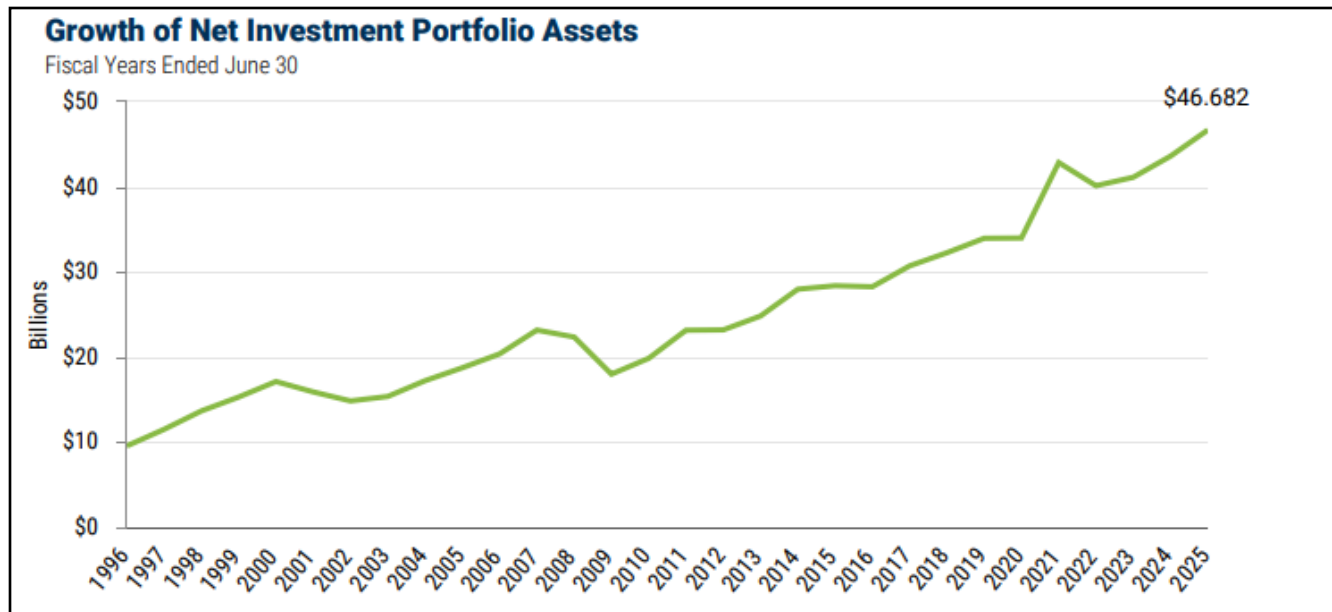
# IPERS' Background

**Fund Value:** \$46.68 billion

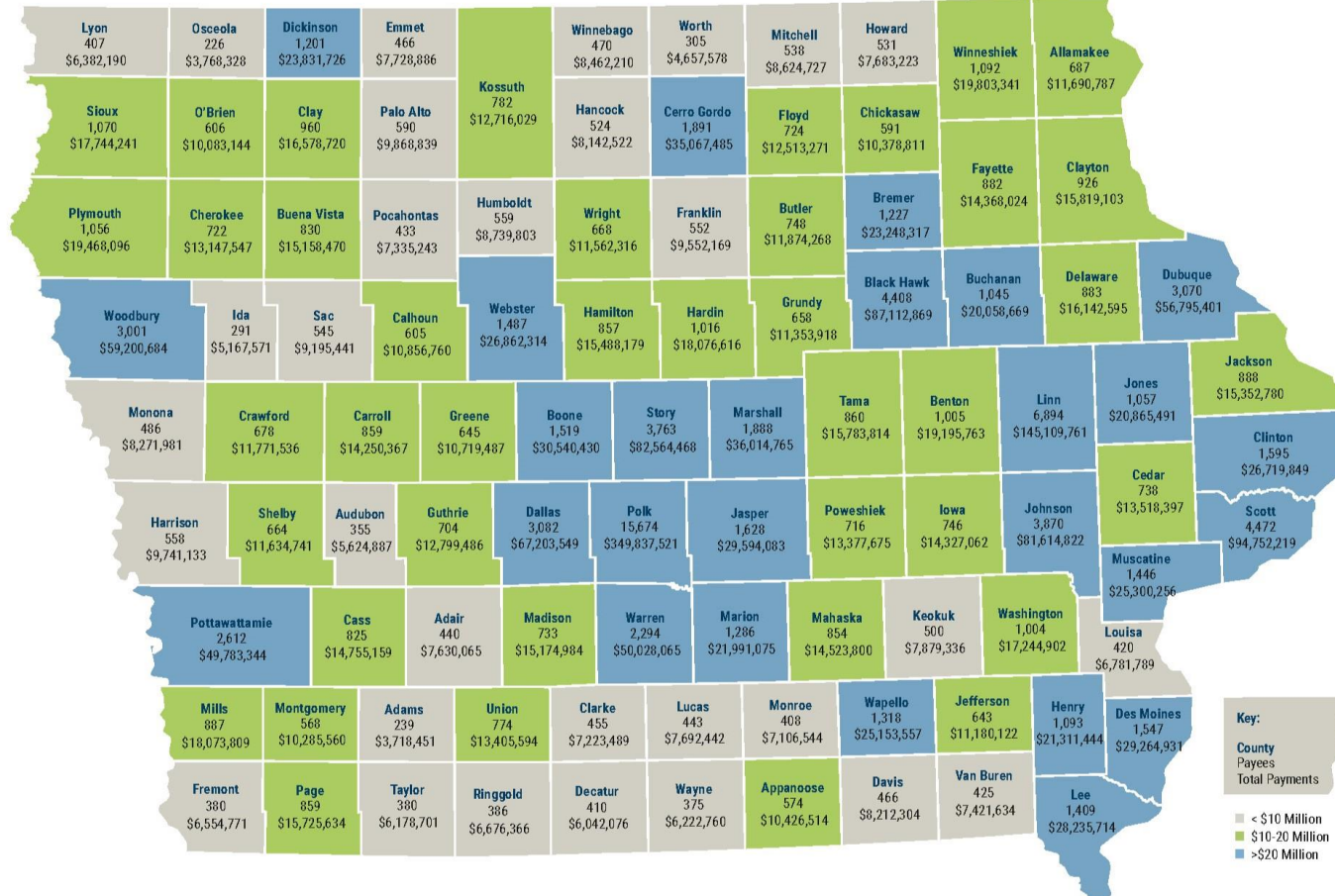
**Funded Ratio:** 92.17%

**Total Benefits Paid:** \$2.8 billion

**Total Benefits Paid to lowans:** \$2.4 billion



# Benefit Payees and Payments by County



As of June 30, 2024

# Membership



## All Members by Status

**186,221**  
Active

**99,935**  
Inactive

**129,176**  
Retired

**8,657**  
Retired  
Reemployed

## Active Members by Employer Type

**95,033**  
Education

**25,695**  
City

**29,445**  
County

**6,055**  
Other

**29,993**  
State

# How IPERS Works

**\$1.7 Billion** (Contributions)  
+ **\$4.3 Billion** (Investment earnings)

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**\$6.0 Billion**

=

**\$2.8 Billion** (Benefits)  
**\$59 Million** (Investment Expenses)  
**\$400 Million** (Unfunded liability payments)  
+ **\$2.7 Billion** (New liabilities)

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**\$6.0 Billion**



**70%**

OF FUNDS USED TO PAY  
BENEFITS COME FROM  
INVESTMENT INCOME

# About IPERS

- Trust fund is more than \$45 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

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

# 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](http://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         |

|                                           | Before<br>July '12 | After<br>June '12 |
|-------------------------------------------|--------------------|-------------------|
| 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            |                   |
|                                  | Before<br>July '12 | After<br>June '12 |
| 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%             |                   |

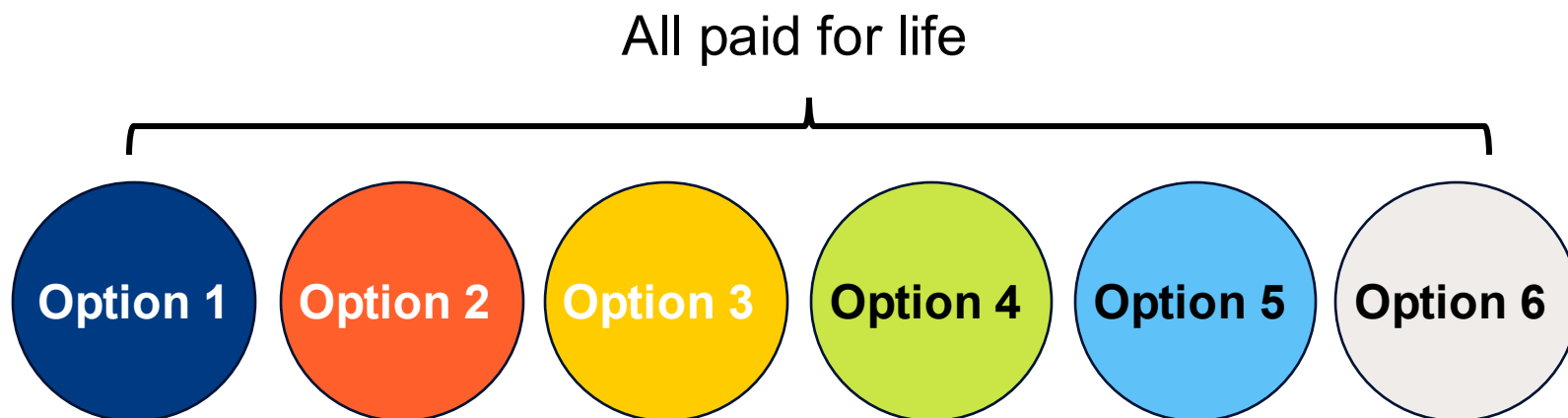
|                                | Contributions |
|--------------------------------|---------------|
| Investment                     | \$121,920.52  |
| Service purchase cost estimate | \$0.00        |
| Total                          | \$121,920.52  |

| 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.*





## 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**:**

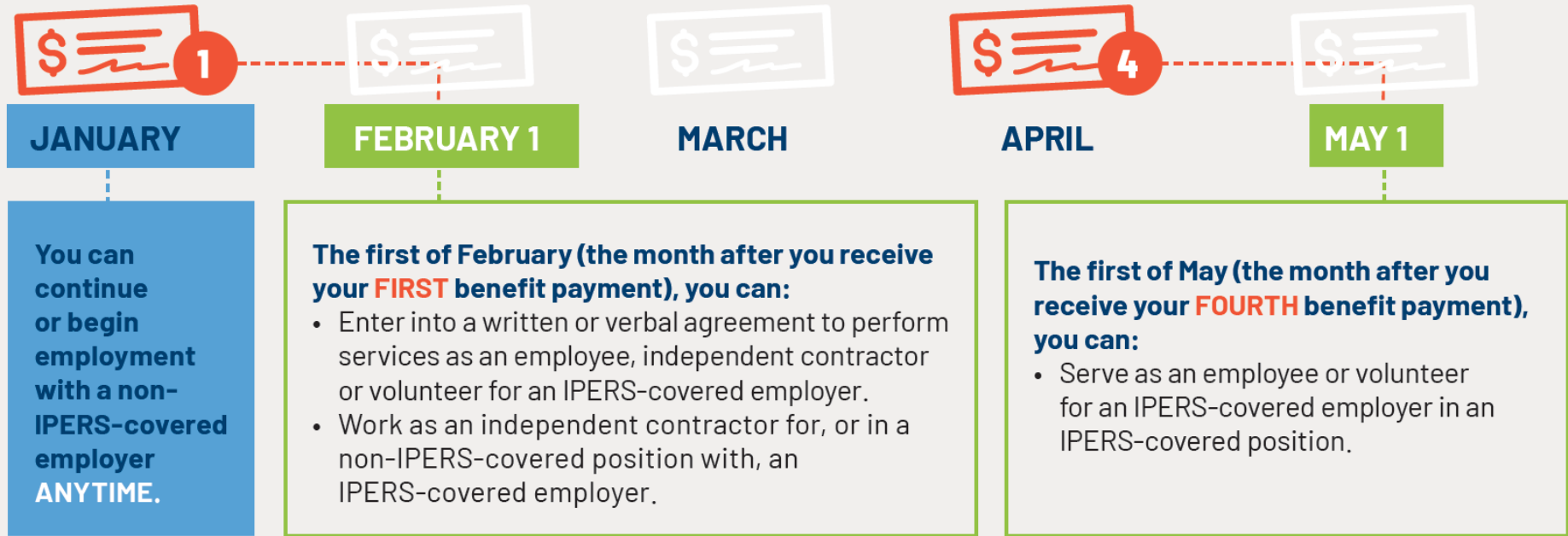
- You have submitted a retirement application and IPERS has approved it.
- You are receiving retirement benefits.
- You have left employment with all IPERS-covered employers, including non-covered positions, with no written or verbal agreements to return.

**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](http://www.ipers.org)



Find forms online!

# Taxes

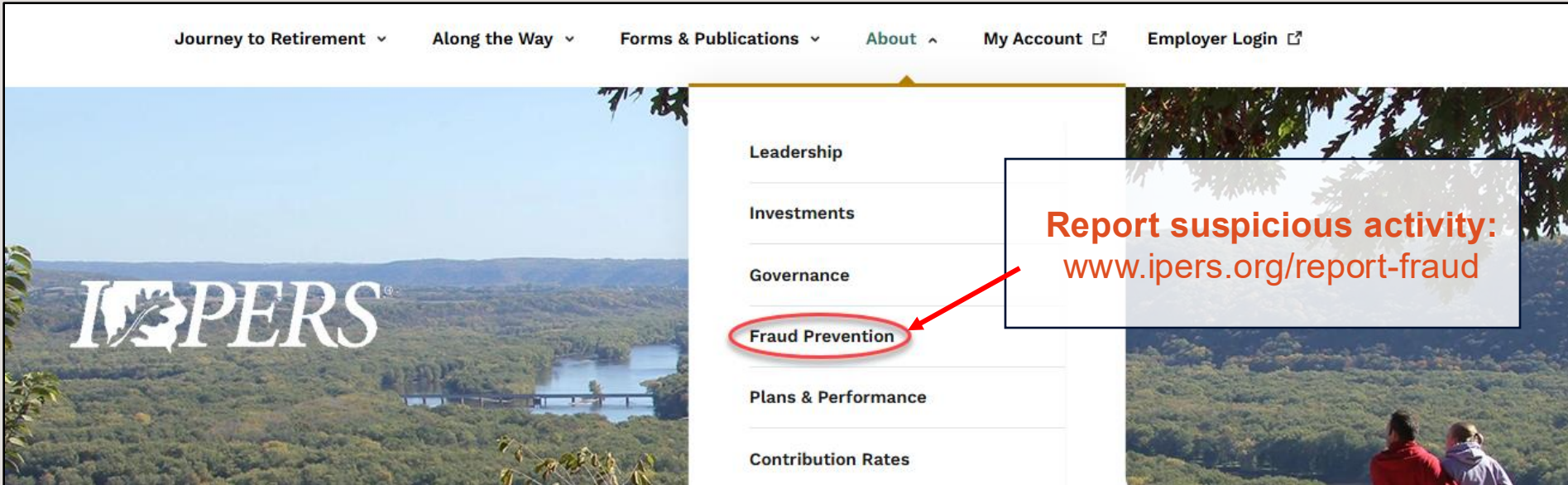
- **Benefit payments are subject to all applicable federal income tax.**
  - You can request that taxes be withheld from your monthly retirement benefit payment
- **IPERS will mail you a 1099-R in January for tax purposes.**



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](http://www.ipers.org)



Log in to see all your  
account information

Life Events ▾

Education ▾

Forms & Publications ▾

About ▾

My Account  ▾

Employer Login 

More information about  
getting ready to retire

Beneficiary Form  
Service Purchase Application

To do:

IOWA  
ME  
ED

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

**MY ACCOUNT**  
Your IPERS retirement toolkit

Username

Password

Sign In

Forgot Username

Reset Password

**IPERS**

Need Help?  
Call 800-622-3849

If you forgot your password

If you need assistance accessing your account

# My Account



Home

About Me

Beneficiaries

Documents

Forms

Estimates

Transactions

Service Purchase

Benefit Statement

Refund Application

Member Meetings

Apply for Retirement

Contact Us

FAQs

How can we help you today?

View a Document > View correspondence, forms or documents

Download a Form > View and download PDFs of IPERS forms

Manage Contact Info > Update contact preferences, phone, email or address

Need Assistance > Contact us by phone or email

Attend a Session > See current appointments or schedule a session with an IPERS representative

Make a Purchase > Select your delivery preference here

**Check/Change Beneficiaries**

**Pension Estimate**

**Service Purchase Estimate**

**Schedule a Meeting**

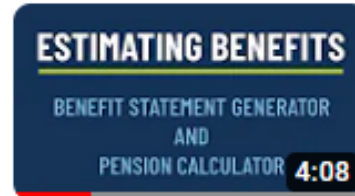
**Apply for Retirement**



## 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



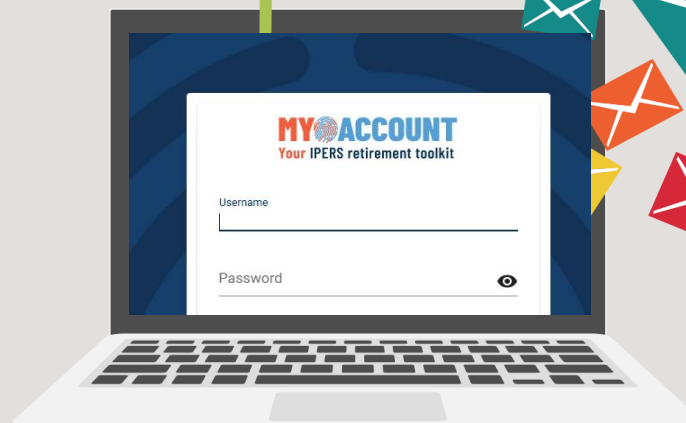
Updating Payment Preferences in My Account

# 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](mailto:info@ipers.org)



800-622-3849

