



Ready, Set, Retire

Table of Contents

IPERS Overview	3
Vesting	8
Retirement Eligibility	11
Purchasing Service Credits	16
Retirement Benefit Estimates and Payment Options	20
Returning to IPERS-covered employment	33
Fraud Prevention	41
Resources	44

IPERS Overview

About IPERS



- Trust fund = \$50 billion
- Largest public retirement system in Iowa
- Defined benefit program
 - Lifetime retirement benefits are paid based on a formula, not on the amount of contributions.
 - Formula includes age, years of service and highest average salary.

RETIREMENT BENEFIT CALCULATION



**Your Average
Salary**

x



Multiplier

(Based on years in IPERS-
covered employment)

—



Reduction

(If you retire before
normal retirement age)

=



**Your
Retirement
Benefit**

Defined Benefit vs. Defined Contribution Plan

	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



FY2026 Contribution Rates

Regular:

6.29% member

9.44% employer

Protection Occupations:

7.885% member

7.635% employer

Sheriffs/Deputy Sheriffs:

12.335% member

12.085% employer



Contributions are based on gross wages.

IPERS can increase or decrease the contribution rates for Regular members by up to 1% following a yearly actuarial valuation.

Vesting

What Is Vesting?

Entitles you to:



A monthly retirement or disability benefit.



A portion of your employer's investment if a refund is taken.



Ability to purchase service at retirement
(if vested by years of service, not age alone).

Vesting



Complete seven years (28 quarters)
of IPERS-covered employment.

OR

Turn age 65 while working in
IPERS-covered employment.



Complete four years (16 quarters)
of IPERS-covered employment.

OR

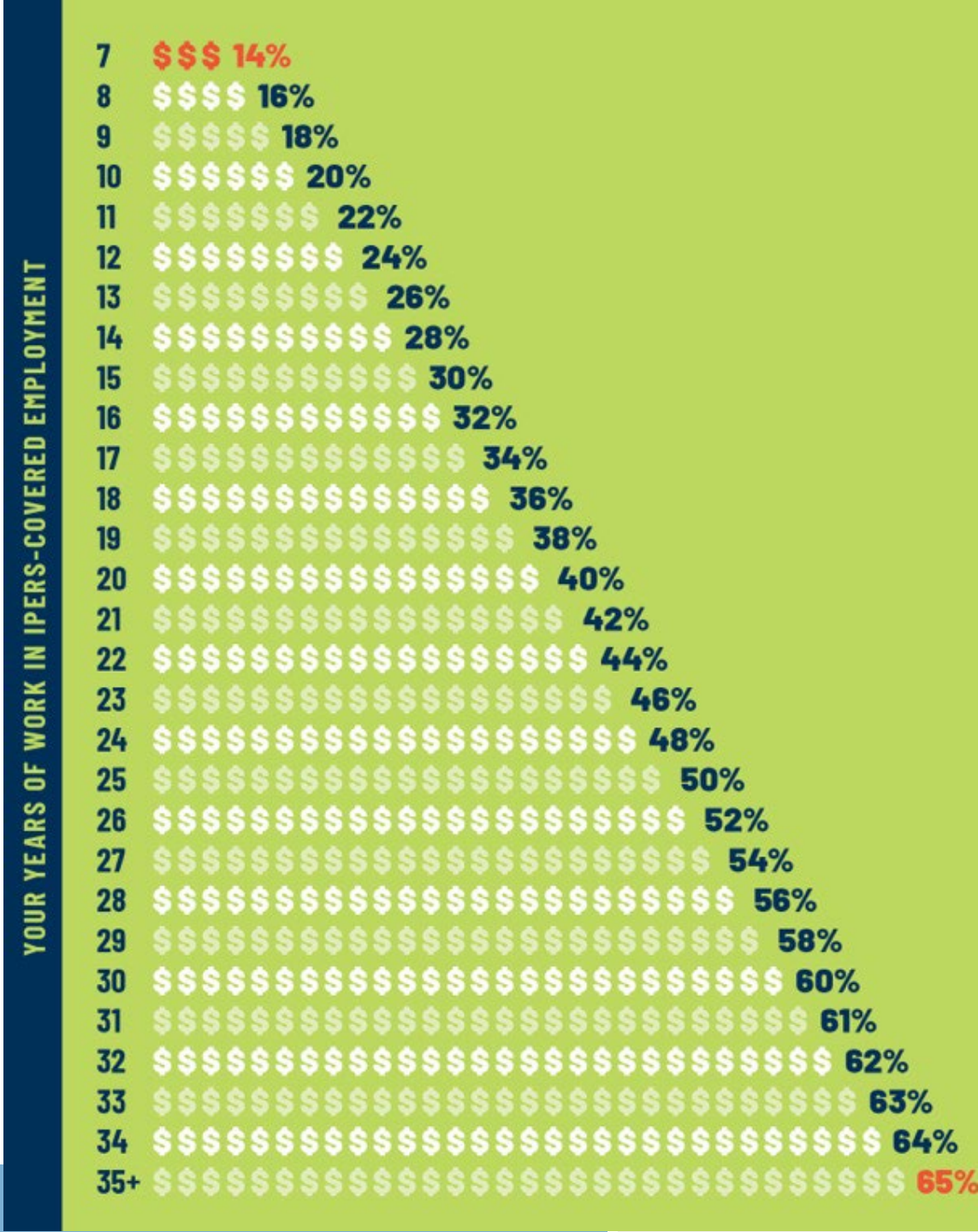
Turn age 55 while working in
IPERS-covered employment.

Retirement Eligibility



Retirement Benefit Formula

- Multiplier increases 2% yearly for the first 30 years.
- Multiplier increases 1% yearly for years 31–35.
- Early retirement reduction applies if you retire before normal retirement age.





Normal Retirement Age

Rule of 88

Years of service + your age = 88 or more

Rule of 62/20

Age 62 with 20 or more years of service

Age 65

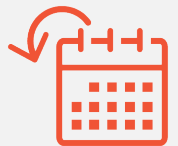
Regardless of years of service

Meeting Normal Retirement Age does not maximize the multiplier.



Early Retirement Reduction

If you receive retirement benefits before reaching normal retirement age, reductions will apply.



**Service earned before
July 1, 2012**

Reduced 3% a year

From nearest normal retirement age



**Service earned after
June 30, 2012**

Reduced 6% a year

From age 65



Retirement Benefit Formula

- Multiplier increases 2.7% yearly for the first 22 years.
- Multiplier increases 2.5% yearly for years 23–30.
- New retirees are eligible for a 1.5% compounding annual cost of living adjustment.

Benefits are not reduced for members who have no Regular service.

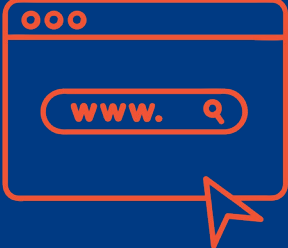
YOUR YEARS OF WORK IN IPERS-COVERED EMPLOYMENT	4	\$	10.90%	◀◀ AFTER FOUR YEARS* IN IPERS-COVERED EMPLOYMENT, YOU ARE VESTED. At retirement, vested members are eligible for a monthly retirement benefit or a lump-sum payment. *You can also become vested if you turn 55 while working in IPERS-covered employment.
	5	\$ \$	13.63%	
	6	\$ \$ \$	16.36%	
	7	\$ \$ \$ \$	19.09%	
	8	\$ \$ \$ \$ \$	21.81%	
	9	\$ \$ \$ \$ \$ \$	24.54%	
	10	\$ \$ \$ \$ \$ \$ \$	27.27%	
	11	\$ \$ \$ \$ \$ \$ \$ \$	30.00%	
	12	\$ \$ \$ \$ \$ \$ \$ \$ \$	32.72%	
	13	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	35.45%	
	14	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	38.18%	
	15	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	40.90%	
	16	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	43.63%	
	17	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	46.36%	
	18	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	49.08%	
	19	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	51.81%	
	20	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	54.54%	
	21	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	57.27%	
	22	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	60.00%	
	23	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	62.50%	
	24	\$ \$	65.00%	
	25	\$ \$	67.50%	
	26	\$ \$	70.00%	
	27	\$ \$	72.50%	
	28	\$ \$	75.00%	
	29	\$ \$	77.50%	
	30+	\$ \$	80.00%	

▲
IF YOU WORK LONGER THAN 30 YEARS,
YOUR MULTIPLIER WILL REMAIN AT 80%.

Purchasing Service Credits

Purchasing Service Credits

- Increase your retirement benefit.
- **Receive free service credit if you:**
 - ☒ Have a leave of absence (LOA) prior to 1998.
 - ☒ Have active military service while in IPERS-covered employment.
 - ☒ Were granted up to 12 weeks of FMLA per year.



**Application is
available at
www.ipers.org/forms.**

Purchasing Service Credits

Service Purchase Types

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

Purchasing Service Credits

Pre-Retirement

Cost Estimate is done under option 2*.

**Details on upcoming slides*

Post-Retirement

Cost Estimate is done under the option you choose.

Purchase at Retirement

- Request a service purchase cost **estimate**.
- Save money in a separate retirement account that can be rolled to IPERS as a payment.
- You are not obligated to purchase service if you request a quote.

Retirement Benefit Estimates and Payment Options

Retirement Benefit Estimates

- Request benefit estimates before choosing a retirement date.
- Working a little longer could increase benefits significantly.
- You may be eligible to retire earlier.



Sample Retirement Benefit Estimate

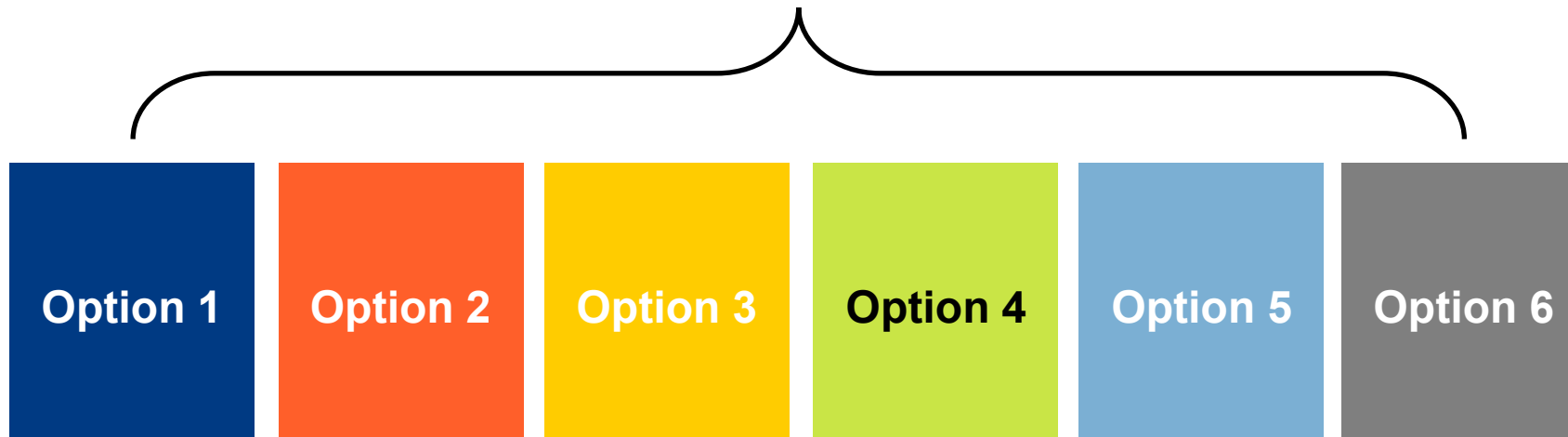
IPERS Benefit Estimate for: Nearing Retirement IPERS Member
Member ID: 1234-5678

Information we used to figure your estimate

When you will start receiving benefits			Years of service and multiplier			Regular class average salary calculation		
Month you leave employment	06/2029		Membership class		Regular	Current salary		\$86,676.53
Month of last paycheck	07/2029			Before July '12	After June '12	Yearly salary increase rate		2.00%
First month of entitlement	07/2029					Highest salaries	2028	\$93,821.46
Normal or early retirement?			Years of service	14.75	17.25		2027	\$91,981.83
Birth date	07/25/1962		Assumed Regular service purchase	0.00	0.00		2026	\$90,178.26
Nearest age at retirement	67						2025	\$88,410.06
	Before July '12	After June '12	Total years of service		32.00		2024	\$86,676.53
			Future quarterly service		4	Average salary used in benefit		\$90,213.63
Months to go before normal retirement age	0	0	Regular class multiplier		62.000%			
Early retirement percentage	100.00%	100.00%	Sheriff class multiplier		0.000%			
Disability benefits	N		Protection class multiplier		0.000%			
Contingent annuitant (CA)			Contributions					
Relationship	Other		Investment		\$121,920.52			
Birth date	12/29/1963		Service purchase cost estimate		\$0.00			
Nearest age at your retirement	66		Total		\$121,920.52			

Benefit Payment Options

All paid for life



IMPORTANT:

**You cannot change
your benefit
payment option
after you receive
your first payment.**

**Death benefits
differ per option.**

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**.

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.

Single Life Annuity

Example:

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

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 can name only one CA and cannot change your CA after you start receiving monthly retirement benefits, even if that person dies before you or in the case of divorce. 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

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 10 years of monthly payments. Instead, it will be the present value of the guaranteed future payments.

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 can name only one CA and cannot change your CA after you start receiving monthly retirement benefits, even if that person dies before you or in the case of divorce. You must provide proof of your CA’s birth date and choose one of the following:

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.

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

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.



Beneficiaries and Contingent Annuitant

Option 1

Option 2

Option 5

Your beneficiary(ies) can change if the death benefit remains.

Option 3

No death benefit.

Option 4

Option 6

You will name a contingent annuitant rather than a beneficiary.

Unlike a beneficiary, a contingent annuitant can never change.

You can name only one CA and cannot change your CA after you start receiving monthly retirement benefits, even if that person dies before you or in the case of divorce.

Applying for Retirement

- Must be age 55 or older unless you are vested and eligible for IPERS disability benefits.
- Must submit a **completed** retirement application.
- Benefits are paid on the **last business day** of the month.
- Must **leave all IPERS-covered employment** unless you are age 70 or older.



Returning to IPERS-covered Employment

Returning to Work

Bona Fide Retirement

To return to work with an IPERS-covered employer, you must meet the requirements of 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.



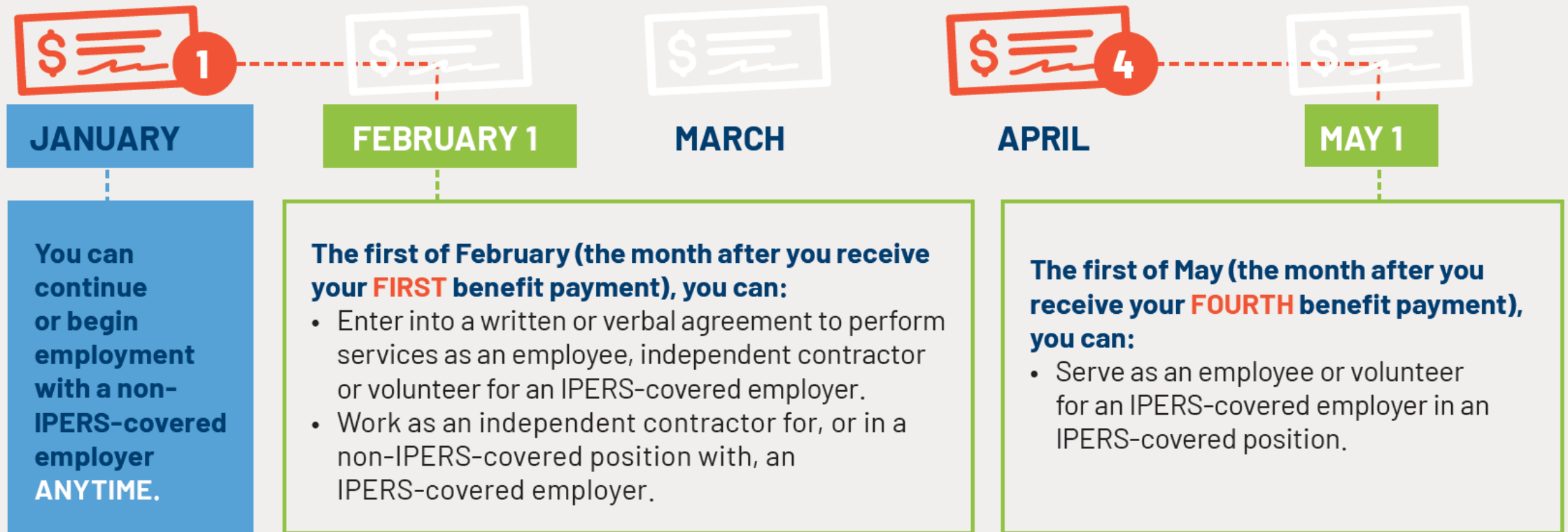
IMPORTANT:

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:



Returning to Work

Bona Fide Retirement

Time restrictions:

- One month
 - Independent contractor for an IPERS-covered employer.
 - Employee or volunteer for an IPERS-covered employer in a non-IPERS-covered position.
- Four months
 - Employee or volunteer for an IPERS-covered employer in an IPERS-covered position.

Returning to Work

Independent Contractor

Bona Fide Retirement is not achieved 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

- You must have a Bona Fide Retirement.
- You need to know the Social Security earning limits.
- Contact IPERS about specific elected official/appointed position rules/questions.
- There are other exceptions to the Bona Fide Retirement period.

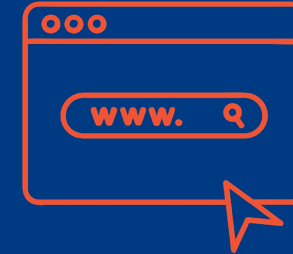


**It's your
responsibility to
contact IPERS
if you are returning
to an IPERS-covered
position.**

Reemployment Guidelines

Applies to IPERS-covered employment only

- \$50,000 annual earnings limit.
 - Benefits reduced 50 cents for each dollar earned over the limit.
- No earnings limit after age 65.
- Upon second retirement, complete the Reemployment Termination Verification form.



Forms are
available at
www.ipers.org/forms.

Taxes

- Benefit payments are subject to all applicable federal income tax.

As of January 1, 2023, IPERS benefit payments are exempt from all personal state income tax, ***but the State of Iowa requires opting out of the withholding on the W-4P.***



**Each January, IPERS
mails a 1099-R to
all retirees.**

Fraud Prevention

Fraud Prevention

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



Fraud Prevention

Report suspicious activity to IPERS if:

- You believe your IPERS account has been compromised.
- You may have provided personal identifiable information to an imposter or fraudster.
- You are contacted by someone falsely claiming to represent IPERS.



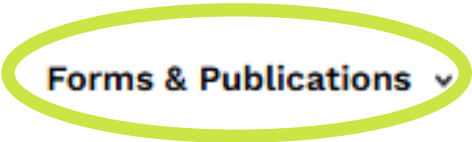
Resources

Navigating www.ipers.org

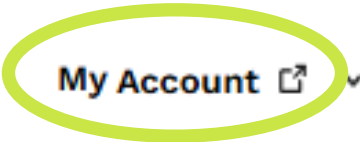
Log in to see all your account information



Education ▾



About ▾



Employer Login ↗

More information about preparing for retirement

Beneficiary Designation Form
Service Purchase Application



www.ipers.org/myaccount



IPERS creates, you cannot change it

Username

Password

Only you should know your password

Sign In

Forgot Username

Reset Password

If you forgot your password

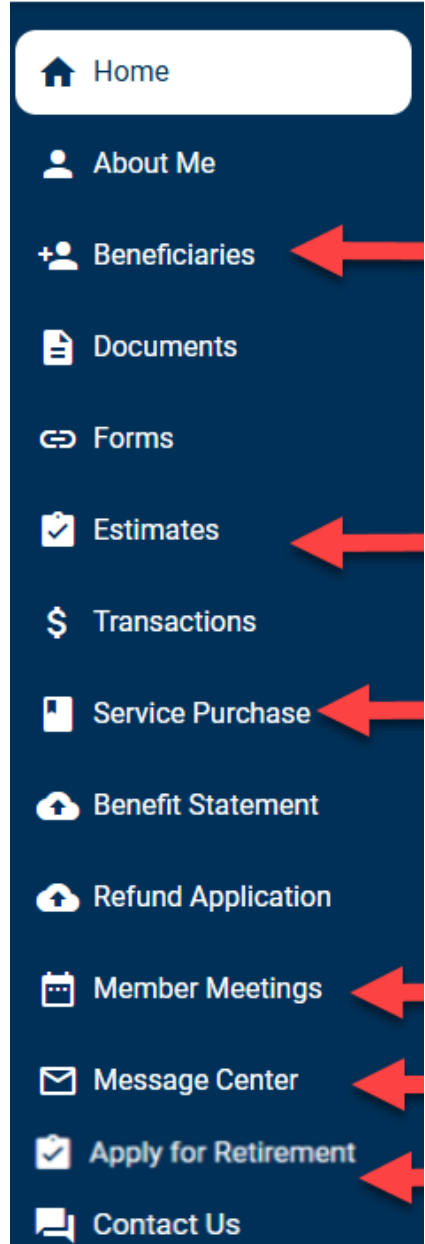
If you forgot your username

IPERS

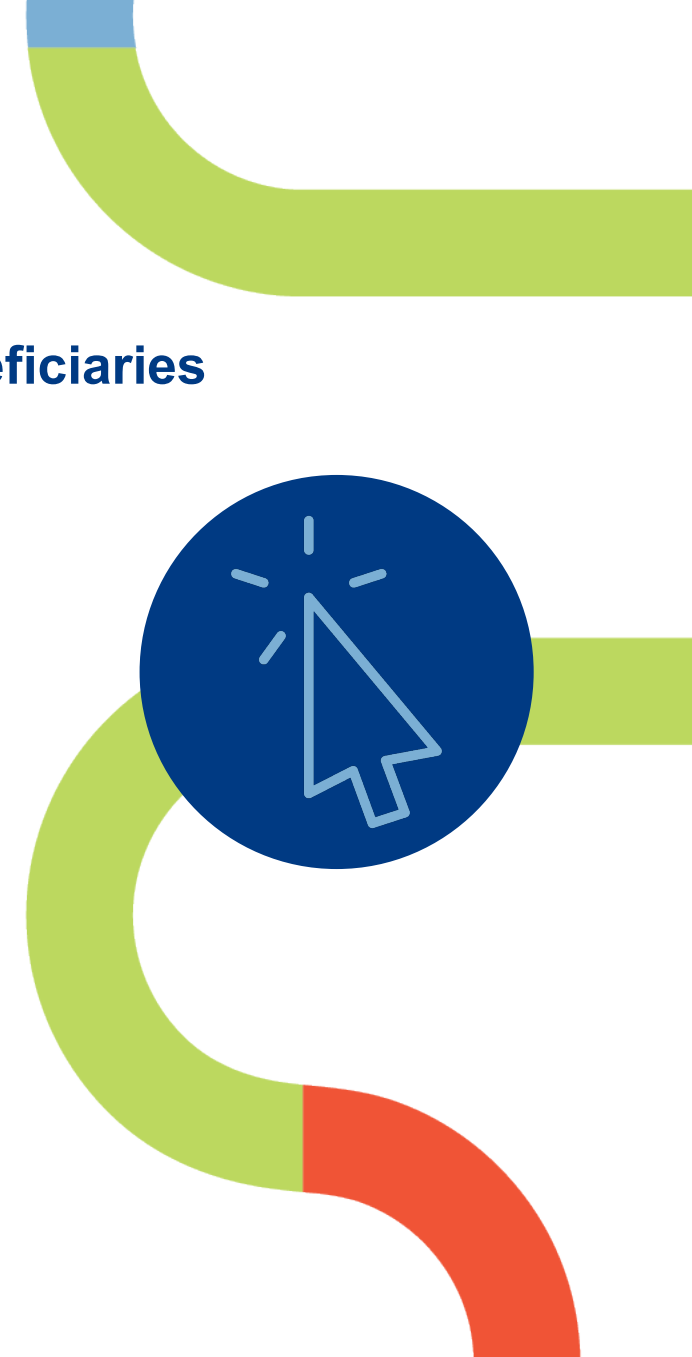
Need Help?
Call 800-622-3849

If you need assistance accessing your account

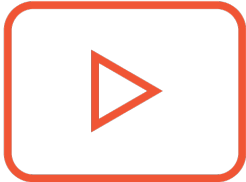
Navigating My Account



Navigation Menu Item	Function
Home	
About Me	
Beneficiaries	Check or Update Beneficiaries
Documents	
Forms	
Estimates	Pension Estimates
Transactions	
Service Purchase	Service Purchase Estimate
Benefit Statement	
Refund Application	
Member Meetings	Schedule a Meeting
Message Center	Secure Messaging
Apply for Retirement	Apply for Retirement
Contact Us	



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

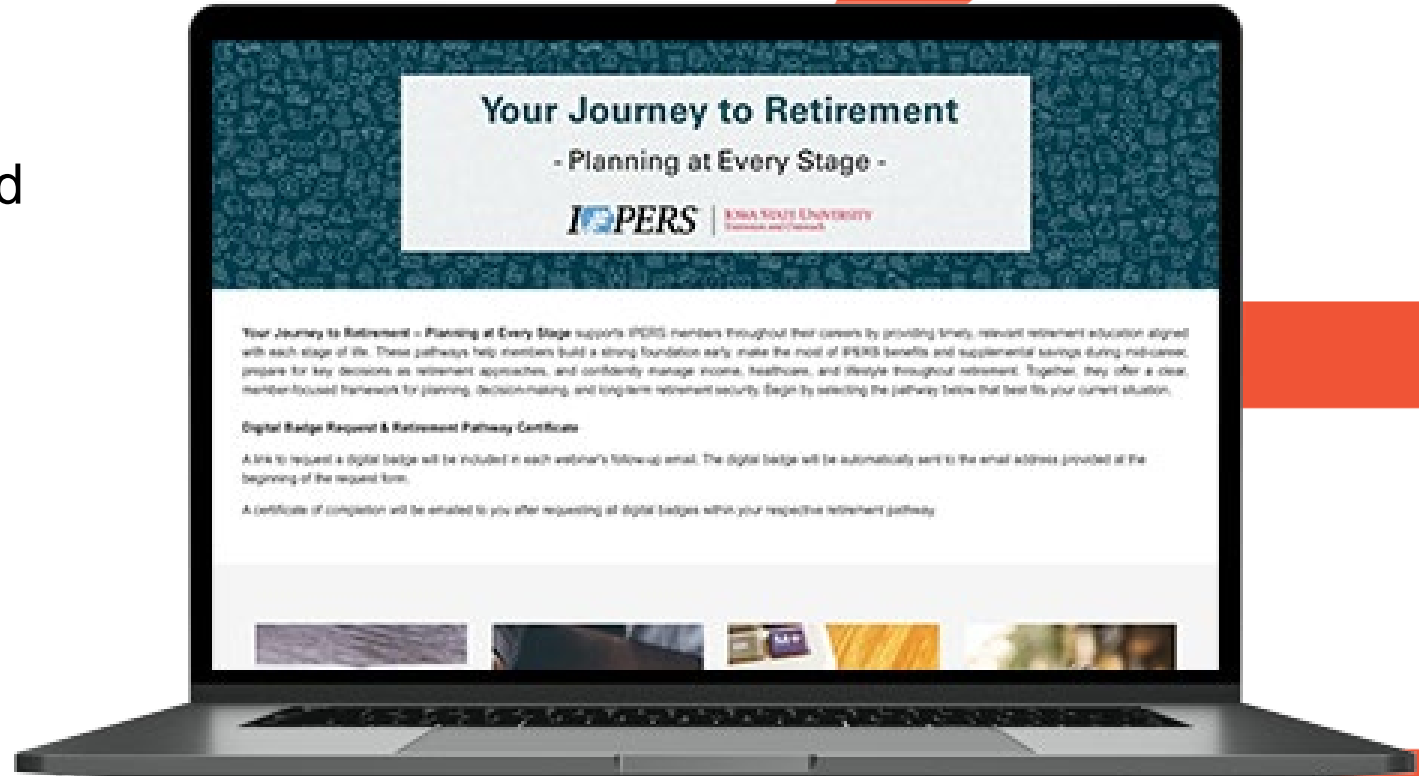


Updating Payment Preferences in My Account

Education for Near-Retirees

www.ipers.org/education

- Introduction to Retirement Income and Expenses
- Using Investment Accounts in Retirement
- Social Security: Understanding Your Options
- Welcome to Medicare
- Navigating Life After Work
- And more!



Thank You

Contact Us



info@ipers.org



515-281-0020

800-622-3849