

**Benefits Advisory Committee and Investment Board
Meeting Agenda**

Monday, April 27, 2020
Conference Telephone #: 646-558-8656
Meeting ID: 935 3757 5332#
1:00 p.m. – 2:45 p.m.

- 1:00 p.m. Call to Order – Len Cockman BAC Chair
- 1:00p.m. Introduction of New IPERS Personnel – Donna Mueller
- Elizabeth Hennessey, General Counsel
 - James Graham, Special Services, Death and Disability Bureau Chief
- 1:05 p.m. Introduction – Greg Samorajski
- 1:15 p.m. Report on IPERS' Activities and Responses during the Declared Health Emergency
- Donna Mueller, CEO
 - Karl Koch, Chief Investment Officer
 - David Martin, Chief Benefits Officer
 - Shawna Lode, Director of Communications
 - Rick Hindman, Chief Technology Officer
 - Darla Iverson, Chief Financial Officer
 - Elizabeth Hennessey, General Counsel
- 2:20 p.m. Approval of BAC Meeting Minutes from January 27, 2020
- 2:25 p.m. BAC Membership Elections
- Teacher Association Representative – Member Association
 - City Association Representative – Employer Association
 - Public Member – Citizen Representative
- 2:30 p.m. Farewell by Departing CEO Donna Mueller
- 2:35 p.m. Public Comment
- 2:40 p.m. Other Business Confirm Next Meeting Dates
- Investment Board Meeting – Thursday, June 18, 2020
 - Next BAC Meeting – Monday, August 24, 2020
- 2:45 p.m. Adjourn

Elizabeth Hennessey

Was hired April 6 as IPERS' general counsel. Elizabeth has been a practicing attorney in Des Moines, Iowa since 2009. Elizabeth is originally from Liberty, Missouri. She attended Northwest Missouri State University where she earned a Bachelor of Science in Industrial/Organization Psychology. Elizabeth moved to Des Moines, Iowa where she attended Drake University School of Law, graduated with her Juris Doctor in 2008. Since graduation from Drake she has worked in private practice primarily as a litigator in the areas of family law, criminal defense, personal injury, and probate matters.

Elizabeth is licensed to practice law in the state of Iowa and the state of Missouri. She is a certified mediator. She is a member of the Iowa Association for Justice, Iowa State Bar Association, Missouri State Bar Association, Polk County Bar Association, and Jack D. Levin Family Law American Inns of Court of Greater Des Moines. Elizabeth brings with her extensive trial and litigation experience in her areas of practice.

Jim Graham

Joined the IPERS benefit team on April 17. He is the bureau chief / supervisor of the special service, death, and disability bureau. Jim came from the Iowa Board of Medicine where he was the chief investigator and a supervisor of 18 employees. Previous employment included senior deputy (Dallas County Sheriff's Department), police officer (City of Perry), criminal justice instructor (DMACC) and paramedic (Mary Greeley Medical Center).

Gregory S. Samorajski

Governor Kim Reynolds appointed Gregory Samorajski, former Deputy Commissioner of the Alaska Department of Revenue, as the next CEO of the Iowa Public Employee Retirement System. The appointment is effective May 1, 2020, and is subject to confirmation by the Iowa Senate. Greg served as the Deputy Commissioner of the state of Alaska Department of Revenue from December 2018 through early March 2020 then served on assignment to the Department of Commerce to work on mitigating the economic impact of the COVID-19 virus. In his tenure as Deputy Commissioner, Greg managed the staff of the Alaska Retirement Management Board. He has lived in Alaska since 1997 where he worked first as a portfolio manager and Director of Investments for McKinley Capital. At McKinley he managed money for and provided service to large public pension plans and other institutional investors. Greg also served as Chief Financial Officer for the True North Federal Credit Union in Juneau, Alaska. Prior to transferring to Alaska, Samorajski served as Senior Economist and Manager of Financial Instruments at the Chicago Board of Trade, as an investment officer at the First National Bank of Chicago and on staff of the accounting firm of Deloitte Haskins & Sells. He has served on the faculties of the Illinois Institute of Technology and the Alaska Pacific University. Greg earned a Bachelor of Arts degree in Mathematics from Northwestern University and a Master of Business Administration degree from the University of Chicago. Recently, he earned a Master of Theological Studies degree from the University of Dallas.

CEO Division – Activities taken due to declared Health Emergency

These past few months have been unprecedented in many ways. I want you to leave you with an understanding and appreciation for what the staff have accomplished during this time. I've asked the management team to provide highlights of the activities in their respective divisions. First I want to provide some context and a summary of executive actions taken.

The first quarter of the year is generally a very busy time for member services. The year starts with delivery of 1099Rs and income verification letters to all retirees. This often results in processing requests for changes in tax withholding and address changes. In March annual benefit statements are sent to all active and inactive members. This usually generates considerable follow-up with refund requests, beneficiary changes and address changes. This year an additional mailing went out to members who had not registered their member self-service account in the pension system. Which in turn generated a flood of phone calls.

All this activity was occurring at the same time as the COVID-19 health emergency was emerging. Executive actions taken are as follows:

March 13 all scheduled appointments at the IPERS building and in other locations were changed to on-line or phone counseling. Travel for employer compliance reviews were also changed to on-line reviews.

March 16 begin prioritizing telework assignments.

March 18 IPERS waives some notarization requirements - [complete list of changes](#)

IPERS closes building to visitors.

Accelerated teleworking assignments allowing office computer equipment to be checked out to work from home.

March 26 Governor Reynolds signed a proclamation that allows some IPERS retirees to return to work more readily (waiving bona fide retirement provisions of §97B.52A and §97B.48A). The proclamation applies to licensed health care professionals who were previously employed by a hospital licensed pursuant to chapter 135B, any state or local government public health employee, any "protection occupation" employee as defined by Iowa Code § 97B.49B(1)(e), or any sheriff or deputy sheriff as defined by Iowa Code § 97B.49C(1)(b) or (c).

April 1 IPERS building closed to staff.

April 13 Limited number of staff allowed to return to the building.

As you can see from the following reports, during all of this, services to members continued without interruption. That is a credit to the collaboration of the entire staff.

Investment Division – Activities taken due to declared Health Emergency

A summary of additional actions taken this past month by the **Investments Division** to support the System during the COVID-19 crisis:

- Raised \$1.4 billion in cash to establish liquidity reserve to ensure IPERS
 - Can pay its benefit payment obligations for next 6-12 months in a crisis
 - Can meet its obligations for funding private market investments
 - Can rebalance the portfolio to strategic allocation targets
 - Can take advantage of market opportunities that may occur
- Suspended daily rebalancing program until market volatility subsided; resumed on April 15, but using wider band around targets temporarily until back to “normal”
- Authorized a few temporary guideline waivers for active managers when market selloff caused their portfolios to get off guideline targets
- More communication with managers to ensure we understood what was going on in each manager’s portfolio as a result of the market turmoil
 - Discussed prospects of heightened needs for capital in private market assets
 - Discussed illiquidity & pricing impacts in credit markets and any actions taken
- Evaluating potential investment opportunities arising from market dislocation

A summary of regular activities that have continued:

- Most Investments staff teleworking from home by March 19; all after March 24
- Continued to process wire transfers and perform normal cash management functions
- Continue to hold annual manager reviews by Zoom or conference call
- Chat and email used extensively by staff to stay in touch daily
- Weekly unit meetings continue by phone

Benefits Division – Activities taken due to declared Health Emergency

You requested a summary from the Benefits Division in how processes were modified during the pandemic. Specifically, how IPERS now responds to members requests for counseling, benefit payments, and employer issues. This summary has been developed with input from Jim Burke, supervisor for Employers Relations and Account Maintenance; Jon Nelson, supervisor for Retirement Services; Jim Graham, supervisor for Special Services/Death Benefits and Disability; Jan Hawkins, staff trainer and Dawne Meyer, administrative assistant.

Background

Prior to the declaration of a state of emergency by Governor Reynolds, IPERS had been testing emergency procedures for many months. The Benefits Division, with full assistance from our IT department, had been testing the ability of staff to respond to member calls from home with great success. It was fortunate we already had a significant number of staff comfortable in responding to incoming calls from remote locations.

Initially, when the state of emergency was declared, the Benefits Division sent the majority of staff home to respond to incoming calls. A small group remained in the building, mainly to pull documents off the printer and mail them. They also processed all incoming requests for payments. On April 2, the entire staff left the building and began working remotely. Prior to the limit staff leaving the building, great effort was made to ensure all requests for payments were processed. Shortly thereafter, it was decided any documents generated by staff working from remote locations would be held in que, to be printed and mailed later. On April 13th, a limited number of staff returned to the building to begin mailing of queued documents.

Employer Relations and Account Maintenance

Employer Audits

During the state of emergency, many, if not all, public employers were restricting access to their buildings. As a result, IPERS suspended on site compliance reviews. A few compliance reviews have been performed via phone. Staff, who normally would be performing compliance reviews, were reallocated and trained to assist members who were having issues logging into their MSS accounts. An additional option on the IPERS call tree was added for members needing this assistance.

Wage and Contribution Reporting

We are pleased to report both wage and contribution reporting by the employers is proceeding as normal.

Service Purchases

To respond to members requesting a service purchase estimate or a quote to purchase, a workflow was developed in our document management system to allow staff to process the request remotely. Service purchase inquiries tend to have a low volume.

Wage Adjustments, Employer Demographic Updates and General Inquiries

To respond to employers requesting updates to their account or general inquiries a workflow was developed in our document management system to allow staff to process the request remotely.

Retirement Services

Face to Face Counseling

Several hundred in person counseling sessions were scheduled in the office and throughout the state prior to the emergency declaration. To avoid face-to-face interaction, staff contacted each member with an appointment and advised the counseling would be done over the phone or using Zoom software. Overall, the members were very understanding. Two or three Benefit Officers are assigned to these counseling sessions daily.

Group Presentations

For the most part, group presentations were to be placed on hold at the end of March. Recently we performed a Ready Set Retire (RSR) presentation using Zoom software and will continue to notify members of this option for upcoming RSR presentations. IPERS' Creating a Secure Retirement (CSR) presentation done in conjunction with ISU Extension was placed on hold and 2 classes were cancelled. Recently we completed a CSR course with ISU using their meeting software, Connect. We were able to offer the virtual course to those in the cancelled classes, those on a waiting list and those scheduled for that particular course. We will continue to offer these courses through Zoom and Connect.

Refund Requests and other Lump Sums

Lump sum requests requires two staff to authorize a payment. To respond to members requesting a lump sum, a workflow was developed in our document management system to allow staff to process the request remotely. After the first staff member initially approves the member's request, it is automatically routed to a second staff member for authorization of payment. We did not experience any unreasonable delay in making payments. Most payments are issued within 3 days of receipt.

Mandatory Account Distributions (MAD)

MAD payments are issued quarterly to members who have an account balance of less than \$1,000 and have been inactive for 5 or more year. On April 12, 617 initial MAD notifications were mailed and payment of those MADs will occur on May 12. This a batch process with limited staff involvement. However, members have the right to return the payment for reinstatement or may return the payment and request a rollover. In addition, some payments are returned for a bad address. These returns are labor intensive and as of today, we do not have a workflow developed. A workflow will be a priority as staff become available to develop one.

Retirement Applications

Retirement requests requires two staff to authorize a payment. To respond to members requesting retirement benefits, a workflow has been developed in our document management system to allow staff to process the request remotely. After the first staff member initially approves the member's request, it is automatically routed to a second staff member for authorization of payment. We did not experience any unreasonable delay in making payments. Most retirement requests are processed within 3 days of receipt.

Emails

IPERS receives email requests from member for a host of reasons. Dawne Meyer is our primary person for reviewing, responding or forwarding to the appropriate person or department. IPERS discourages members from emailing payment requests because they contain confidential information. However, IPERS receives many emails containing payment requests. Here are a summary of the types and volumes:

Emails received April 1 to April 16 - 1,410

Returned/bounce back emails 802

- Online account assistance. (Approximately 90 - 95%)
- General Documents received for processing
 - Retirement, Refund, and Deceased applications
 - Employer Verification forms
 - Termination Verification forms
 - Power of Attorney documents
 - W-4P Withholding
 - Beneficiary forms
 - Address changes
 - Direct deposit changes
 - Qualified Domestic Relation Orders
- Meeting cancellations
- Specific retirement questions about their IPERS account
- Service Purchase applications

Emails are labor intensive because of the member verification process that must take place prior to responding. As of today, we do not have a workflow developed. A workflow will be a priority as staff become available to develop one.

Phone Calls

The preferred method on contacting IPERS is with a phone call. Staff working remotely have the same access to member accounts through a secure portal as they do in the office. When members call requesting documents, the Benefits staff advises the member of the ability to access their documents through the Member Self Service (MSS) portal. All documents generated are mailed by a limited number of staff working in the building. In the first 16 days of April over 8,400 calls were answered.

Routine Requests

Requests to change direct deposits, estimate requests, withholding, address changes, etc. are very common. Although routine, it is vital the information is updated timely to avoid a misdirected payment. To respond to these types of requests, a workflow was developed in our document management system to allow staff to process the update remotely.

Special Services, Death and Disability

Disability Verifications

Annually, members receiving a disability pension must obtain a document from the Social Security Administration certifying they are still disabled. They must submit the certification prior to June 30th or their benefits will be suspended. Generally, 1,200 + per year. Fortunately, the majority submitted their certifications prior to the emergency declaration. We have approximately 60 who still need to provide the certification. As IPERS receives additional certifications, the appropriate staff are being notified to update the record. A workflow will be a priority as staff become available to develop one.

Death Notifications

Typically, IPERS receives death notifications in 1 of 2 ways. The most common, a survivor will notify IPERS by phone or email. Fortunately, just months prior to the emergency declaration, a unique email in box was implemented for use by survivors or internal staff to directly send the notification to the staff handling death notifications. The second, IPERS utilizes the services of a company called Pension Benefit Information. Weekly they provided IPERS with death notification. Again, fortunately, IPERS recently developed automated procedures to route the notifications to appropriate staff. Although the recent implementations have been helpful, improvements can be gained when a workflow is created within the pension administration software.

Death Benefit Payments

Death benefit payments are the most complex and labor intensive payments IPERS makes. Multiple beneficiaries must be located, estates opened, heirs at law have to be identified etc. They often require multiple death certificates, waivers, custodial agreements etc. There are also multiple Internal Revenue Service required filing deadlines. In this area, IPERS continues to operate as before the declaration of emergency. Any workflow would take a significant amount of time to develop and test. However, a workflow through the benefit administration software is needed and desired.

Communication Division – Activities taken due to declared Health Emergency

External website: ipers.org/covid-19

March 9 - April 21: 1,105 page views, 48% bounce rate

1. Content for Members:
 - a. March 13 Email To Members
 - b. Applying For A Refund
 - c. Canceling Your Retirement Application
 - d. Changes To Notarization Requirements
 - e. Governor Signs Proclamation Making It Easier for some IPERS Retirees To Return To Work
 - f. In-Person Retirement Counseling
 - g. Retirement Education Classes
2. Content For Employers:
 - a. COVID-19-Related Employer FAQs
 - b. Employer Bulletins
 - IPERS Service Changes Effective March 16
 - Guidance For Schools
 - Guidance For Public Employers
 - Family First Coronavirus Response Act
 - Governor Signs Proclamation
3. Investment Information:
 - a. March 9 Statement About Market Instability from IPERS CIO
4. Resources:
 - a. Iowa Department of Public Health
 - b. U.S. Centers for Disease Control

Communication To Members:

1. March 13 email to all members informing them of changes to in-person retirement counseling sessions
2. Individual emails, calls and letters to members who had scheduled in-person retirement counseling sessions
3. Individual emails, calls and letters to members whose group counseling sessions were canceled or modified to online counseling

Communication To Employers:

1. Employer Bulletins emailed on March 13, 16, 20, 27 and 31

Information Management Division – Activities taken due to declared Health Emergency

IPERS relied on existing technology infrastructure to accomplish a phased approach to transition staff from the IPERS office to 100% of IPERS staff teleworking with no interruption in member and employer phone, email support and document processing and no significant impact to system performance or call quality.

Telework transition occurred during the time of annual peak call volume to IPERS Call Center due to mailing of member annual statements. Daily call volumes increased from a daily normal of 300 to peak volumes exceeding 800 days per day handled remotely.

Modified procurement processes to quickly purchase additional laptops. Used Dell Outlet and selected refurbished / scratch & dent devices that would ship quickly. This was necessary due to a significant backlog in the technology supply chain due to the shutdown of China's economy.

Worked with ICN to increase internet bandwidth to accommodate the increased number of teleworking staff and increased duration of continuous remote system connections.

Rely on Google hangouts and Zoom (securely) to accommodate daily touch point meetings amongst managers and recurring meetings with staff.

Assisted staff with distribution of computer monitors, loaner laptops, loaner mobile devices, telephone headsets and a document scanner for them to effectively perform all operational tasks while working remotely.

Collaborated with Benefits division to quickly automate formerly manual paper document processing tasks to effectively distribute tasks to staff working remotely. This was accomplished by creation of a significant number of automated workflows in the content management system.

Briefly / quickly implemented revisions in mail pickup and delivery processes to accommodate mail processing and document processing and scanning from employee's home.

Developed a daily report so that management could collaboratively and accurately account for the working and health status of all IPERS staff.

Successfully onboarded the new General Counsel, new Benefits bureau chief, and new CEO, while all IMD staff are teleworking.

Published a best practices training document to all IPERS staff that re-enforces the handling of confidential information while teleworking.

Developing a solution for I-Que (pension system) to process lump sum refunds while complying with the CARES Act benefit of reducing the mandatory tax withholding from 20% to 10%.

Accomplished recurring I-Que monthly system deployment without interruption – resolving 19 system defects and now testing 30 tickets for the April 29 system deploy, despite the teleworking status of our entire IMD staff.

Financial Management Division – Activities taken due to declared Health Emergency

Currently, there are 3 out of the 9 staff of the Finance Management Division working in the office, the other 6 are working remotely. The Financial Management Division has had to make changes to many of the processes for which we are responsible. In general terms, Chat is being used more frequently. We have a half hour team meeting via conference calls every Monday, Wednesday and Friday to keep in touch.

Changes were made to the facilities when it was determined that we should close the office and continued into when a skeletal crew was allowed back into the office.

- The lobby entrances were secured and signage was placed at all doors to keep our members and service providers up to date on our actions and how to get ahold of us for assistance.
- The building was vacant for 11 full days before a skeletal crew was allowed back in.
- Changed all of the HVAC filters and had the carpet and windows cleaned while staff were out of the office.
- Janitorial staff began disinfecting all door handles and other touch points, such as restroom doors, breakroom doors, refrigerator doors, and resource areas daily.
- Supplied face masks for the skeletal crew when they were allowed access to the facility and ordered more for continued use.
- If any of the individuals working remotely need materials from the office to complete their tasks, they are making arrangements to have them scanned and sent to them, or someone in the office gathers the materials and the pickup is done curbside.

Processing monthly benefit/daily refund payrolls continues to be the top priority.

- Payroll approvals are now occurring through email rather than on a hard copy.

Employee payroll related activities are now being conducted remotely.

- Payroll documents are being sent, received and processed electronically.
- Timesheets are being completed, approved and reviewed remotely.
- The preliminary and final payroll journals are now being reviewed for accuracy remotely.
- Employee performance evaluations have been conducted over the phone and signatures have been completed through DocuSign.

Most accounts payable and receivable activities are now being done remotely/electronically.

- Approvals on invoices for payments are being done through email from the authorized personnel approving the invoice.
- More invoices are now being sent by the vendors electronically rather than by US Postal Service.
- We are continuing to encourage vendors to complete the State of Iowa Direct Deposit forms so that they can receive their payments via EFT rather than by a State paper warrant.
- All supporting payment documentation is being loaded into I/3 upon entry into the State's Financial System (I/3), rather than being attached to a paper payment document.
- Documents are no longer stored as paper documents.

- Federal and state taxes are deposited using remote processes, including the processes to calculate the correct amounts to pay. The reconciliation for the calendar year 2019 tax payments was done remotely, with the exception of my meeting Glenna in the parking lot of Target for a signature on a form that needed to be sent to the IRS.
- Warrant registers are being stored electronically.
- Monthly journals are being reconciled remotely.
- Monthly budget reports are being sent out electronically.
- Monthly general ledger reconciliations and reports are done remotely.
- Overpayments are now processed remotely.

Investment Accounting tasks continue to be done electronically but now remotely:

- Daily, weekly and monthly cash reconciliations are performed remotely.
- Bank of New York Mellon reports continue to be accessed electronically.
- Distribution and contribution wires are processed remotely.
- Broker statements are being reconciled to Bank of New York/Mellon statements remotely.
- Cashflows for private equity, real estate and private credit are being posted and reconciled with Bank of New York/Mellon monthly.
- Additional entries are calculated for private equity, real estate and private credit each quarter based on the managers' capital account statements. These entries are also provided to Bank of New York/Mellon and follow-up review is performed. This work is now being completed remotely as well.
- Various issues that have come up have been researched remotely and projects have been worked on remotely.

Scanning operations:

- New scanning workflows were created to allow the Benefits Unit staff work remotely to get things processed. Refund applications, Retirement Applications, AE Applications, Address Changes, Beneficiary Forms, Deposit Changes, Employer documents, Request for Benefits Estimate, Service Purchase documents and W4-P forms.
- Some scanning was able to be done on a portable scanner remotely.

Legal Division – Activities taken due to declared Health Emergency

Report of IPERS activities and responses during the declared Health Emergency.

a) Summary overview of actions taken

The Coronavirus Aid, Relief and Economic Security Act of 2020 ("CARES Act") was signed into law on March 27, 2020. The CARES Act permits qualifying members to receive a "coronavirus-related distribution." A waiver was created to eliminate the early distribution penalty of 10% to ensure compliance with the terms and requirements of the CARES Act.

b) Division reports highlighting actions (Information Management, Benefits and employer services, Finance and building services, Communications, Legal, and Investments)

Legal continues to provide support without interruption including but not limited to processing Qualified Domestic Relations Orders and responding to Member's questions in a timely manner. Legal updated the QDRO templates and forms requesting attorney and member emails allowing IPERS to use secure email to communicate results quickly and effectively.

Quick Update for the Benefits Advisory Committee:

- Currently there are five member appeals pending.
- The adopted and filed administrative rules were published for the final time and become effective May 13, 2020.

Quick Update for the Investments Board:

- General Counsel corresponded with outside counsel regarding pending litigation involving IPERS. Summaries of said litigation is as follows:
 - **Energy Transfer (securities litigation)**: This case commenced in January 2020 and is in the early stages. The most recent development was that the Defendants' filed a motion to transfer the case to the United States District Court for the Northern District of Texas. The Defendants' motion to transfer was contested by Plaintiffs' counsel. The Court denied the Defendants' motion on April 16, 2020. This case will continue to be litigated in the United States District Court for the Eastern District of Pennsylvania.
 - **BANA (antitrust litigation)**: Discovery is ongoing in this case.
 - **Novastar (securities litigation)**: For all practical purposes this case is winding down. Funds have yet to be distributed.
 - **PG&E Corporation**: PG&E Corporation, the California utility company whose operations were blamed for starting the wildfires in Northern California in 2017, filed bankruptcy. IPERS authorized the law firm of Barrack, Rodos & Bacine to submit a securities claim on the fund's behalf in this matter.



BENEFITS ADVISORY COMMITTEE MEETING MINUTES
IPERS Board Room
7401 Register Drive, Des Moines, Iowa
January 27, 2020

The following people attended the IPERS Benefits Advisory Committee (BAC) meeting held on Monday, January 27, 2020.

Members of the Benefits Advisory Committee - Present

Len Cockman, Chair	Danny Homan
Lowell Dauenbaugh, Vice Chair	Connie Kuennen
Matt Carver	Jim Kurtenbach
Susanna Cave	Erin Mullenix
Matt Cosgrove	Jim Romar
Andrew Hennesy	Melissa Peterson
Steve Hoffman	Phil Tetzloff

Members of the Benefits Advisory Committee - Absent

None

IPERS Administration and Staff

Donna Mueller, Chief Executive Officer	Shawna Lode, Director of Communications
David Martin, Chief Benefits Officer	Darla Iverson, Chief Financial Officer
Melinda McElroy Executive Assistant	Rick Hindman, Chief Information Officer
Karl Koch, Chief Investment Officer	Cheryl Vander Hart, Paralegal

Public Members

Jina Bresson, Treasurer's Office
Brad Baker, DNR
Pat Deluhery

Call to Order

Len Cockman, chair, called the meeting to order at 1:00 p.m. He welcomed Melissa Peterson, ISEA's recently appointed representative, to the BAC.

Matt Carver nominated Lowell Dauenbaugh as vice chair of the Benefits Advisory Committee. Andrew Hennesy seconded, the motion carried by unanimous roll call vote.

Danny Homan made the motion to approve the minutes from the October 28, 2019, Benefits Advisory Committee meeting. Matt Carver seconded, the motion carried by unanimous voice vote.

CEO Search Committee Update – Len Cockman and Lowell Dauenbaugh

Len Cockman and Lowell Dauenbaugh reported the search committee reviewed candidate resumes, conducted initial round interviews and submitted finalists to Governor Reynolds for her consideration and selection.

CEO Report – Donna Mueller

2019 Actuarial Valuation Report – Donna Mueller asked the BAC if they had any questions on the annual report as presented by Cavanaugh Macdonald on December 6, 2019.

November Dividend Adjustment – Cavanaugh Macdonald certified that an adjustment to the November dividend payment can be made in 2020. The amount of the adjustment (not to exceed 2.6%) will be determined when the change in the June CPI-U is announced.

Award of Actuarial Audit RFP – Gabriel, Roeder, Smith & Company has been retained to conduct an actuarial audit and evaluation of actuarial services provided by IPERS' actuarial consulting firm.

Tribal Government as an IPERS Covered Employer – A legislative inquiry was received on whether tribal government employees could be covered under IPERS. IPERS outlined the required steps to be an IPERS-covered employer. Coverage would be limited to employees engaged in government functions such as police, fire and schools.

CBO Report - David Martin

SECURE Act – David Martin provided a newsletter written by Ice Miller, IPERS' tax counsel, highlighting recently enacted federal retirement legislation. The only provision that affects the IPERS plan is the required minimum distribution age was raised to age 72 from age 70½.

Trial Work Period for Disability Retirees – An eligibility prerequisite for IPERS regular disability retirement benefits is receipt of disability benefits under the federal Social Security Act or federal Railroad Retirement Act. The federal disability programs have instituted a trail work program encouraging recipients to return to the workforce. During the trail work period, recipient's federal disability benefit is not affected. However according to Iowa code, IPERS' disability benefits must be suspended if a member

returns to work with an IPERS-covered employer. The suspension does not apply to members returning to work in the private sector. IPERS is proposing an administrative rule change that would link the federal disability programs and IPERS regular disability program.

Legislative Update – Shawna Lode

Shawna Lode reported on the status of the one bill IPERS was able to file this session. An act relating to administrative appeals by employers under IPERS.

Bona Fide Retirement Period for Certain Educators – Matt Carver

Matt Carver reviewed with the BAC a legislative priority of the School Administrators of Iowa – a reduced IPERS bona fide retirement period for certain educators. After reviewing the concept of the proposal, the BAC established a subcommittee to further study and refine the provisions. Len Cockman, Matt Carver, Melissa Peterson and Phil Tetzloff volunteered to serve on the subcommittee.

Staff Reports

Benefits Update – David Martin reported on upcoming mailings to IPERS retirees and members.

Investment Update – Karl Koch estimated IPERS' fourth quarter investment returns to be 3.5-4% and 17.2% for the calendar year. The Trust Fund market value was approximately \$35.7 billion. He concluded his report by updating the BAC on the Investment Board's approved asset allocation changes and the RFP issued for open-ended infrastructure funds.

Appeals and Administrative Rules Updates – Donna Mueller reviewed the appeal status report as of January 2020.

Other Business

None

Public Comments

None

Future Meeting Dates

The next BAC meeting is scheduled for Monday, February 24, 2020. With no further business to come before the committee, Danny Homan made the motion to adjourn the meeting. Steve Hoffman seconded, the motion carried by unanimous voice vote. Meeting adjourned at 2:30 p.m.

Kim Reynolds
GOVERNOR

Adam Gregg
LT. GOVERNOR



Donna M. Mueller
CHIEF EXECUTIVE OFFICER

April 23, 2020

TO: IPERS Benefits Advisory Committee Members

FR: Donna M. Mueller

RE: Membership Elections

Three voting seats on the Benefits Advisory Committee are up for election:

1. The statute requires one voting seat be held by a constituent group representing teachers.
 - a. This seat is currently held by the Iowa State Education Association (ISEA).
 - b. This seat is elected by the full BAC membership.

2. The statute requires one voting seat to be held by an organization representing cities.
 - a. This seat is currently held by the Iowa League of Cities.
 - b. This seat is elected by the full BAC membership.

3. The statute requires one voting seat be held by a public member who is not a member of IPERS.
 - a. This seat is currently held by Lowell Dauenbaugh.
 - b. This seat is elected by the voting membership.