



BENEFITS ADVISORY COMMITTEE MEETING MINUTES

Video / Telephonic Meeting

October 26, 2020

The following people attended the IPERS Benefits Advisory Committee (BAC) meeting held on Monday, October 26, 2020

Members of the Benefits Advisory Committee - Present

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

Members of the Benefits Advisory Committee - Absent

Andrew Hennesy
Paul Trombino

IPERS Administration and Staff

Greg Samorajski, Chief Executive Officer	Elizabeth Hennessey, General Counsel
David Martin, Chief Benefits Officer	Shawna Lode, Director of Communications
Melinda McElroy, Executive Assistant	Darla Iverson, Chief Financial Officer
Karl Koch, Chief Investment Officer	

Call to Order

Len Cockman, chair, called the meeting to order at 1:00 p.m.

Matt Carver made the motion to approve the minutes from the August 24, 2020, Benefits Advisory Committee meeting. Erin Mullenix seconded, the motion carried by unanimous voice vote.

CEO Report - Greg Samorajski

FY2022 Contribution Rates - Contribution rates for Regular members will remain at 15.73%. Contribution rates for both Special Service groups will decrease by 0.50% of pay. Contribution rates for protection occupations will be 15.52% and 18.02% for sheriffs and deputy sheriffs.

2021 Legislative Session - Greg Samorajski reviewed IPERS' draft legislative proposal seeking the Governor's support in creating an internal investment management program and related governance legislation. The proposal seeks support to manage a portion of the IPERS portfolio internally; develops governance legislation that would allow the CEO and the Investment Board to determine the number of investment staff and the investment staff compensation; and requests a budget increase of an additional \$1.135 million in each of the two upcoming fiscal years to fund the hiring of additional investment staff. If approved for filing, the proposal will then be submitted to the legislative services agency for drafting legislation.

Bona Fide Retirement Period for Certain Educators Study - David Martin and Matt Carver

David Martin and Matt Carver reviewed the status of the study. The BAC agreed that the study should include the cost impact to the System with a five-year sunset provision and the cost if it were a permanent benefit enhancement.

November Dividend Adjustment - David Martin

David Martin reported the 2020 November Dividend would receive a 0.65 percent adjustment based on actuarial certification and the CPI-U (Consumer Price Index for Urban Living) for June 30, 2020. Approximately 2,912 recipients will receive a total of \$4.41 million.

Administrative Rules - Elizabeth Hennessey

Elizabeth Hennessey reviewed the proposed administrative rules package. The changes will be filed in December. Matt Carver made the motion to approve the proposed rules package as presented. Lowell Dauenbaugh seconded, the motion carried by unanimous roll call vote.

IPERS Staff Reports

Benefits Update - David Martin reviewed the Member Demand Measures report for September 2020 and reported that IPERS members can now schedule retirement counseling sessions through their online Member Self Service account.

Investment Update – Karl Koch reported the Trust Fund balance at \$35.6 billion and noted third quarter markets returns of approximately 5%. He next reported that the Investment Board, at their September meeting, changed its asset allocation. The Board lowered the target weight to core-plus fixed income from 28% to 20% and reallocated it by increasing the target weight to private equity from 11% to 13%, increased the target weight to private credit from 3% to 8% and increased the target to private real assets from 7.5% to 8.5%.

Appeals Update – Elizabeth Hennessey reviewed the October 2020 Appeal Status report.

Other Business

Pursuant to §97B.8A(4)(b), the BAC is charged with submitting to the Governor a slate of at least two nominees per position to the IPERS Investment Board designated for the three IPERS membership positions. A few BAC members expressed concern that Governor Reynolds is not considering input from the BAC when making her appointments to the Investment Board.

Public Comments

IPERS member Forrest Mook expressed concern to the BAC on IPERS' lump-sum death benefit calculations.

Future Meeting Dates

The next scheduled BAC meeting is Monday, January 25, 2021. With no further business to come before the committee, Matt Cosgrove made the motion to adjourn the meeting. Jim Romar seconded, the motion carried by unanimous voice vote. Meeting adjourned at 2:05 p.m.