



THE LATEST WORD



News and Announcements

IRS CY2022 wage ceiling and maximum FICA-covered wage limit announced

Covered Wage Ceiling

The Internal Revenue Service-mandated wage ceiling that applies to IPERS-covered wages will increase to \$305,000 in CY2022. Employees' wages above the \$305,000 ceiling are not subject to IPERS withholding. Do not report these wages to IPERS. Please check your payroll system to ensure the correct wage ceiling has been entered.

Maximum FICA-covered wage limit

IPERS-covered employers and employees must contribute a percentage of an employee's covered wages (up to the maximum wage amount) to the Federal Insurance Contributions Act (FICA), which includes Social Security and Medicare coverage. In CY2022, the maximum FICA-covered wage limit is \$147,000.

For additional information about the maximum FICA-covered wage limit, review page 58 the [IPERS Employer Handbook](#) or [contact IPERS](#).

FY2023 Contribution Rates

IPERS recently announced FY2023 contribution rates for IPERS-covered employees and employees. Rates for both Regular and Protection Occupation groups will be unchanged. Rates for Sheriff/Deputy Sheriff members will be reduced by 0.50%. To learn more, read [IPERS' Contribution Rate Policy here](#).

	Member Share	Employer Share	Total
Regular Members			
7/1/21 – 6/30/22	6.29%	9.44%	15.73%
7/1/22 – 6/30/23	6.29%	9.44%	15.73%
Sheriffs and Deputy Sheriffs			
7/1/21 – 6/30/22	9.01%	9.01%	18.02%
7/1/22 – 6/30/23	8.76%	8.76%	17.52%
Protection Occupation			
7/1/21 – 6/30/22	6.21%	9.31%	15.52%
7/1/22 – 6/30/23	6.21%	9.31%	15.52%

Upcoming Holiday Schedule

The IPERS office will be closed for following holidays:

- **Thanksgiving:** November 24-26, 2021
 - **Christmas:** December 23-24, 2021
 - **New Year's:** December 31, 2021
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Training and Education

Training for New Reporting Officials video

Are you a new reporting official and haven't attended the training? Or would you like to refresh what you learned at the training? We've got you covered! The training is now available on on-demand with videos made specifically for each employer group. Access the videos on the [Reporting Official Training Videos](#) page.

Compliance Tips

IPERS Coverage Rules on Section 125 Plans

A Section 125 plan is an employer-sponsored fringe benefit plan that is subject to federal Internal Revenue Code (IRC) Section 125. Some of the common names for this type of plan are cafeteria plan, flexible benefits plan, flex plan and flexible spending arrangement.

Employers offering contributions to a Section 125 plan must annually certify that their plan meets all IRC requirements. Contributions made to a plan that has not been certified will not be considered IPERS-covered wages.

Contributions to a Section 125 plan are IPERS-covered if they:

- Are made in addition to regular salary or deducted from a member's salary (at the member's discretion) in order to purchase Section 125 plan benefits.
 - Are uniformly available to all employees within each classification of employment.
 - Are contributions that could be received in cash or used to purchase benefits.
- Contributions that require an employee to purchase benefits are not IPERS-covered.

For additional information and examples, see [section 4 of the Employer Handbook](#) or visit the [Section 125 Plan Certification](#) page on our website.



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