



IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Gregory S. Samorajski, CFA
Chief Executive Officer

Kim Reynolds
Governor

Adam Gregg
Lt. Governor

AGENDA

Monday, January 24, 2022

1:00 p.m.

IPERS BENEFITS ADVISORY COMMITTEE

Conference Telephone # 646-558-8656

Meeting ID: 856-9806-9772#

- 1) Call to Order / 1:00 p.m.
 - a) Roll Call of Members
 - b) Approval of Minutes – October 25, 2021
- 2) CEO Report – Greg Samorajski
- 3) Investment Board Appointment (Retired Member) – Greg Samorajski
- 4) Bona Fide Retirement Period for Licensed Teachers and Earnings Limitation for Retired Reemployed Members – Greg Samorajski and David Martin
- 5) 2022 Legislative Session – Shawna Lode
- 6) Staff Reports
 - a) Benefits Update – David Martin
 - b) Appeals Report – Elizabeth Hennessey
- 7) Other Business
- 8) Public Comments
- 9) Confirm Next Meeting Date – Monday, February 28, 2022
 - a) Friday, March 25, 2022 – Investment Board Meeting
 - b) Monday, March 28, 2022 – BAC Meeting



BENEFITS ADVISORY COMMITTEE MEETING MINUTES
Video / Telephonic Meeting
October 25, 2021

The following people attended the IPERS Benefits Advisory Committee (BAC) meeting held on Monday, October 25, 2021

Members of the Benefits Advisory Committee - Present

Len Cockman, Chair	Connie Kuennen
Lowell Dauenbaugh, Vice Chair	Erin Mullenix
Matt Carver	Jim Romar
Matt Cosgrove	Melissa Peterson
Rick Eilander	Phil Tetzloff
Andrew Hennesy	

Members of the Benefits Advisory Committee - Absent

Sue Cave
Steve Hoffman
Adam Steen

IPERS Administration and Staff

Greg Samorajski, 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	Jim Graham, Benefits Division Supervisor
Elizabeth Hennessey, General Counsel	

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 23, 2021, Benefits Advisory Committee meeting. Erin Mullenix seconded; the motion carried by unanimous voice vote.

CEO Report – Greg Samorajski

FY2023 Contribution Rates – Contribution rates for Regular members and Protection Occupations will remain unchanged at 15.73% and 15.52% respectively. Contribution rates for Sheriffs and Deputy Sheriffs will decrease by 0.50% of pay to 17.52%.

NIRS Annual Membership Renewal – Lowell Dauenbaugh made the motion that the BAC authorize the expenditure of \$6,600 from its budget to renew IPERS' membership in the National Institute of Retirement Security. Phil Tetzloff seconded; the motion carried by unanimous roll call vote.

IPERS Chief Investment Officer Search – Greg Samorajski reported to the BAC that the CIO position is posted on the Department of Administrative Services' website. Applications are due November 19, 2021. The Investment Board has established a subcommittee to aid in the search process.

2022 Legislative Session – Greg Samorajski reviewed IPERS' FY2023 budget appropriation request. The request represents a status quo budget, but if approved by the Governor, IPERS plans to seek an additional appropriation of \$4.5 million and 13 additional staff.

Cost Study for Change to Posting of the Employer Contributions and Benefits for Retired Reemployed Members – David Martin and Greg Samorajski

David Martin and Greg Samorajski asked the BAC if they had any questions regarding the cost study results Cavanaugh Macdonald presented at the August meeting. The Committee took no action on the proposed plan design changes.

Earnings Limitation for Retired Reemployed Members – Greg Samorajski

Greg Samorajski reported that IPERS has received a few requests from members asking to increase in the earnings limitation for retired reemployed members. The Committee took no action.

Investment Board Appointment (Retired Member) – Greg Samorajski

Greg Samorajski reported that the term for the retired member position on the Investment Board, currently held by Phyllis Peterson, expires on April 30, 2022. The BAC must submit to the Governor a slate of at least two nominees for this seat. The Committee will begin the search process.

November Dividend Adjustment - David Martin

David Martin reported the 2021 November Dividend would receive a 3% adjustment based on actuarial certification. Approximately 2,296 recipients will receive a total of \$3.95 million.

Administrative Rules - Elizabeth Hennessey

Elizabeth Hennessey reviewed the proposed administrative rules package. The changes will be filed in December. The BAC supported the proposed rules package as presented.

IPERS Staff Reports

Benefits Update - David Martin introduced Jim Graham. He is the bureau chief who oversees IPERS' special services, death, and disability team.

Investment Update - Karl Koch reported the Trust Fund balance at \$43.1 billion and noted third quarter markets returns of 1%.

Appeals Update - Elizabeth Hennessey reviewed the October 2021 Appeal Status report.

Other Business

None

Public Comments

Former Senator Patrick Deluhery commented that IPERS does not offer a cost-of-living adjustment for most retirees and noted the importance of members supplementing their IPERS retirement benefits with personal savings and participating in employer offered deferred compensation programs.

Future Meeting Dates

The next scheduled BAC meeting is Monday, January 24, 2022. With no further business to come before the committee, Andrew Hennessey made the motion to adjourn the meeting. Matt Cosgrove seconded; the motion carried by unanimous voice vote. Meeting adjourned at 2:10 p.m.



IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Gregory S. Samorajski, CFA
Chief Executive Officer

Kim Reynolds
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October 19, 2021

TO: IPERS Benefits Advisory Committee

FR: Greg Samorajski

RE: Investment Board Appointee

Issue:

The BAC must submit to the Governor a slate of nominees for the IPERS Investment Board member designated as a retired member of the System.

Background:

The Investment Board's voting membership includes three positions required to be filled by IPERS members. The retired member position is currently held by Phyllis Peterson and her term on the Investment Board expires April 30, 2022. She has expressed an interest in being reappointed.

Iowa Code §§69.16 and 69.16A require appointive boards to be balanced by gender and political affiliation. One-half the membership plus one of a particular affiliation complies with the balance requirement. Currently the Investment Board is equally balanced as to gender, but the political affiliation of this appointment should be a democrat.

Information on the appointive process and applications for gubernatorial appointments may be obtained at: <https://talentbank.iowa.gov/board-detail/0edd328d-f98e-4ae1-8161-5723c999306e>

IPERS Statutory Reference: §97B.8A(4)(b)

Three members, appointed by the governor, who are members of the retirement system. Prior to the appointment by the governor of a member of the board under this subparagraph, the benefits advisory committee shall submit a slate of at least two nominees per position to the governor for the governor's consideration. The governor is not required to appoint a member from the slate submitted. Of the three members appointed, one shall be an active member who is an employee of a school district, area education agency, or merged area; one shall be an active member who is not an employee of a school district, area education agency, or merged area; and **one shall be a retired member of the retirement system.** (Emphasis added)



Earnings Limitation Example

Age	64
Pre Retirement Salary	\$67,832.00
Employee Investment	\$22,469.45
Employer Investment	\$33,722.45
Years of Reemployment	7.5
Employer Type	School
Occ. Code	Teacher

	Wages	Benefits	Total Excess	Repay 50%
January	\$4,454.69	\$3,604.83		
February	\$4,454.69	\$3,604.83		
March	\$4,454.69	\$3,604.83		
April	\$5,184.00	\$3,604.83		
May	\$5,184.00	\$3,604.83		
June	\$5,184.00	\$3,604.83		
July	\$4,518.64	\$3,604.83	\$30,000 Earnings Limit Reached	\$29,379.48
August	\$4,518.64	\$3,604.83		
September	\$4,518.64	\$3,604.83		
October	\$5,635.83	\$3,604.83		
November	\$5,635.83	\$3,604.83	\$50,000 Earnings Limit Reached	\$9,379.48
December	\$5,635.83	\$3,604.83		
Total	\$59,379.48	\$43,257.96		

	Benefits to be Repaid
\$30,000 Limit	\$14,689.74
\$50,000 Limit	\$4,689.74

Combined Salary and Benefits

Current Provision	\$87,947.70
Proposed Law Change	\$97,947.70

Lump Sum Upon Termination

Current Provision	\$56,191.90
Proposed Law Changed	\$30,900.06 *

* \$3,372.24 per year

Bills & Rules Watch			
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Type	Name	Title	Note	Published
Legislation (Introduced)	HSB 581	A bill for an act relating to a bona fide retirement by a licensed teacher under the Iowa public employees' retirement system.		01/19/2022
Legislation (Introduced)	HSB 551	A bill for an act relating to state revenue and finance by modifying individual and corporate income taxes, and including effective date and applicability provisions.	Governor's Tax Plan	01/19/2022
Legislation (Introduced)	SSB 3044	A bill for an act relating to state revenue and finance by modifying individual and corporate income taxes, and including effective date and applicability provisions.	Governor's Tax Plan	01/19/2022
Legislation (Introduced)	HF 2026	A bill for an act exempting all retirement income from the individual income tax including retroactive applicability provisions.		01/13/2022

January 2022 Appeal Status Report for Benefits Advisory Committee

#	ISSUE	STATUS
545-20	POA of deceased Member disputes IPERS' attempts to collect overpayment and denies overpayment is a "result of wrong doing, negligence, misrepresentation, or omission of the recipient."	Initial appeal received 07/08/2020. Letter of receipt mailed to POA at home address, prison address, and attorney's office per POAs request, 07/13/2020. POA passed away in November 2020. Criminal case against POAs spouse is still ongoing. Criminal case against POAs spouse not being pursued by county attorney—advised IPERS to proceed in civil court. Outside counsel has been retained by IPERS to proceed in trying to collect overpayment from POAs spouse. Case filed in probate in Utah on 07/27/2021. Hearing is scheduled on 08/30/2021. Hearing is scheduled on 11/04/2021. Civil suit has been filed against the Estate and the POAs spouse.
553-21	Deceased Member's Spouse appealing Rejection of Beneficiary Designation form	Initial appeal received 5/14/2021. Letter acknowledging receipt mailed to member's spouse's attorney 5/18/2021. 05/27/2021—On hold per agreement between GC and attorney representing the deceased member's spouse while the matter is argued in district court.
557-21	Member disputing the fact that a QDRO was never qualified on her account	Initial appeal received 6/22/2021. Letter acknowledging receipt sent via email and regular mail 6/22/2021. 7/13/2021 GC spoke to member and explained the situation, also sent email to member with forms to complete an amended QDRO. Waiting for member to resubmit QDRO. 01/19/2022 Letter to member re not an appealable issue. DONE
561-21	Member appealing hybrid benefit calculation	Appeal received 09/29/2021. Appeal Acknowledgement letter sent 09/30/2021. No additional appeal received within the 30-day appeal period. Letter acknowledging FAD is binding/final—no further action mailed to member 12/20/2021. IPERS received members written appeal late 12/20/2021, after the FAD binding/final letter was mailed. The postmark date of the letter was 12/16/2021 which is beyond the 30 day timeframe to appeal. Another letter sent to member acknowledging receipt of appeal but that FAD is final/binding because appeal not timely received mailed by member 12/21/2021. DONE
562-21	Member appealing repayment of overpayment because error was due to IPERS' system	Appeal received 10/25/2021. Appeal Acknowledgment letter sent 10/25/2021. FAD mailed to member 11/17/2021. No additional appeal received within the 30-day appeal period. Letter acknowledging FAD is binding/final—no further action mailed to member 12/20/2021. IPERS received members written appeal late 12/20/2021, after the FAD binding/final letter was mailed. The postmark date of the letter is not eligible. Appeal sent to DIA 01/05/2022. Letter to Member and Notice of Hearing mailed 1/11/2022. Hearing is scheduled for 02/14/2022. Motion for continuance filed 01/19/2022.

Bolded text indicates new information since last report.

563-21	Member appealing overpayment due to error in years of service in IPERS' system	Appeal received 11/01/2021. Appeal Acknowledgement letter sent 11/02/21. FAD mailed to member 11/19/2021. No additional appeal received within the 30-day appeal period. Letter acknowledging FAD is binding/final—no further action mailed to member 01/03/2022. DONE
564-21	Member appealing overpayment due to error in years of service in IPERS' system	Appeal received 11/9/2021. Appeal acknowledgement letter sent 11/9/2021. FAD mailed to member 11/19/2021. No additional appeal received within the 30-day appeal period. Letter acknowledging FAD is binding/final—no further action mailed to member 01/03/2022. DONE
565-21	Member appealing denial of non-IPERS retirement contributions to be included as IPERS covered wages	Appeal received 11/12/2021. Appeal acknowledgement letter sent 11/12/2021. FAD mailed to member 12/07/2021. No additional appeal received within the 30-day appeal period. Letter acknowledging FAD is binding/final—no further action mailed to member 01/18/2022. DONE.
566-21	Member appealing denial of special services disability	Appeal received by IPERS Legal on 11/23/21. Appeal is being reviewed.
567-21	Member appealing collection of overpayment due to IPERS' error	Appeal received by IPERS Legal on 12/06/2021. Appeal acknowledgement letter sent 12/07/2021. Appeal is being reviewed.

IPERS' Appeal Process. An IPERS member or beneficiary can appeal a decision that impacts their rights. Typically, an **initial appeal** is filed after IPERS makes an “**initial agency decision**” on some matter. Pursuant to Iowa Code chapter 97B, each **initial appeal** is routed through an **internal review** process. During this **internal review**, IPERS' staff conduct a thorough review of the facts and law surrounding the **initial appeal**. Frequently, this review includes gathering additional information and may include further discussions with the appellant. Once the **initial review** is finished, a **Final Agency Determination (FAD)** is issued. The **FAD** can affirm, modify, or rescind the **initial agency decision**. The **FAD** is sent to the appellant who has the opportunity to appeal the **FAD**. If the **FAD** is appealed, IPERS transfers the case to the **Department of Inspections & Appeals** for assignment of an administrative law judge to hold a **contested case hearing**. After the **contested case hearing** is held and the administrative law judge issues a **proposed agency decision**, IPERS or the appellant can appeal the **proposed agency decision** to the **Employment Appeal Board (EAB)**. The **EAB** reviews the records and **proposed agency decision**. The **EAB** issues its own opinion that can affirm, deny, or modify the **proposed agency decision**. If IPERS or the appellant are unsatisfied with the **EAB's** decision, then a **Petition for Judicial Review** can be filed. Ultimately, IPERS or the appellant can appeal all the way to the **Iowa Supreme Court**.

Bolded text indicates new information since last report.