



IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**Gregory S. Samorajski, CFA**  
Chief Executive Officer

**Kim Reynolds**  
Governor

**Adam Gregg**  
Lt. Governor

## ***AGENDA***

Monday, October 23, 2023

1:00 p.m.

**BENEFITS ADVISORY COMMITTEE**

IPERS Board Room or

Conference Telephone #: 646-931-3860

Meeting ID: 884 4001 3855

- 1) Call to Order / 1:00 p.m.
  - a) Approval of Minutes – August 28, 2023
- 2) CEO Report – Greg Samorajski
  - a) FY2025 Contribution Rates
  - b) NIRS Membership Renewal
  - c) 2024 Legislative Session
- 3) November Dividend Adjustment – David Martin
- 4) BAC's FY2025 Budget – Tara Hagan
- 5) Administrative Rules – Elizabeth Hennessey
- 6) IPERS Staff Reports
  - a) Benefits Update – David Martin
  - b) Investment Update – Sriram Lakshminarayanan
  - c) Appeals Update – Elizabeth Hennessey
- 7) Other Business
- 8) Public Comments
- 9) Future Meeting dates
  - a) Investment Board and BAC Meeting – Thursday, December 7, 2023
  - b) BAC Meeting – Monday, January 22, 2024
  - c) BAC Meeting – Monday, February 26, 2024



## **BENEFITS ADVISORY COMMITTEE MEETING MINUTES**

IPERS Board Room

7401 Register Drive, Des Moines, Iowa

August 28, 2023

The following people attended the IPERS Benefits Advisory Committee (BAC) meeting held on Monday, August 28, 2023.

### **Members of the Benefits Advisory Committee - Present**

Len Cockman, Chair

Lowell Dauenbaugh, Vice Chair

Matt Carver

Susanna Cave

Andrew Hennesy

Richard Hoffman

Steve Hoffman

Connie Kuennen

Erin Mullenix

Melissa Peterson

Adam Steen

Phil Tetzloff

### **Members of the Benefits Advisory Committee - Absent**

Todd Copley

### **IPERS Administration and Staff**

Greg Samorajski, Chief Executive Officer

David Martin, Chief Benefits Officer

Melinda McElroy, Executive Assistant

Elizabeth Hennessey, General Counsel

Shawna Lode, Director of Communications

Tara Hagan, Chief Financial Officer

Linda Guffey, Deputy Chief Operations Officer

## **Call to Order**

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

## **Approval of July 31, 2023, Meeting Minutes**

Matt Carver made the motion to approve the minutes from the July 31, 2023, BAC meeting. Andrew Hennesey seconded; the motion carried by unanimous voice vote.

## **CEM Performance Measurement Presentation – Christopher Doll**

Christopher Doll of CEM Benchmarking presented IPERS' Pension Administration Benchmarking results for FY2022.

## **COLA Cost Study Options – Greg Samorajski**

BAC members reported they meet with their respective organizations / membership groups about expanding the November Dividend program and the cost impact to active members and employers. Melissa Peterson made the motion recommending the BAC supports legislation to expand the November Dividend program to include members who retired before July 1, 2005. The dividend would not increase more than 3.0% annually. Matt Carver seconded. The motion carried by roll call vote.

**Ayes:** Len Cockman, Lowell Dauenbaugh, Matt Carver, Richard Hoffman, Melissa Peterson

**Nays:** Erin Mullenix

**Absent:** Todd Copley, Adam Steen

**MOTION PASSED**

## **Investment Board Appointment (Active Educational Member) – Greg Samorajski**

Lowell Dauenbaugh made the motion that the BAC send a letter of support to Governor Reynolds for Brooke Fischels, Gena Garber and Sara Meinders as potential appointments to the Investment Board. Andrew Hennesey seconded; the motion carried by unanimous voice vote.

## **Staff Reports**

Benefits Update – David Martin reported Cavanaugh Macdonald certified a 2.97% increase for the 2023 November Dividend.

Appeals Update – Elizabeth Hennesey reviewed the Appeals Status report as of August 2023.

## **Other Business**

None

## **Public Comments**

None

**Future Meeting Dates**

The next scheduled BAC meeting is Monday, October 23, 2023. With no further business to come before the committee, Matt Carver made the motion to adjourn. Melissa Peterson seconded; the motion carried by unanimous voice vote. Meeting adjourned at 2:15 p.m.



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October 18, 2023

TO: IPERS Benefits Advisory Committee Members

FR: Greg Samorajski

RE: Membership Renewal in National Institute of Retirement Security

Recommendation: That the BAC authorize the expenditure of \$7,100 to renew IPERS membership in the National Institute on Retirement Security (NIRS).

**Background:**

NIRS is a not-for-profit organization created in 2007 through a joint effort of the Council of Institutional Investors, the National Association of State Retirement Administrators and the National Council on Teacher Retirement. These organizations saw the need for a separate organization dedicated to conducting research and education on public policies that enhance retirement security in America.

NIRS produces several high-quality research products that contribute to the public debate on retirement policy. The research program focuses on the role and value of defined benefit pension plans for employers, employees, and the public at large. NIRS disseminates its research findings to the public, policy makers, and the media by distributing reports, conducting briefings and webinars, and participating in conferences and other public forums.

I strongly urge each of you to explore the many materials available on the [NIRS website](https://www.nirsonline.org). Whether you are looking for statistical reports on retirement readiness in America or looking for an easy reference of pension plan basics for use in a discussion with your constituents, you will find it at [www.nirsonline.org](https://www.nirsonline.org).

Since 2008 the BAC has recognized that the research and education provided by NIRS supports its mission and has authorized the payment of the annual NIRS membership dues from the BAC budget. Fees are based on plan size as determined by assets under management.



NATIONAL INSTITUTE ON  
**Retirement Security**  
Reliable Research. Sensible Solutions.

Enter search string

Q

Home > Anonymous profile > Invoice # 2024104

Back

# Invoice #2024104

**Balance due: \$7,100.00**

Please make checks payable to:  
NIRS Research and Education Fund  
1612 K St NW Suite 500  
Washington, DC 20006  
Waiting for payment

## Invoice details

Balance due	\$7,100.00
Amount	\$7,100.00
Invoice #	2024104
Date	October 16, 2023
Origin	Member renewal Associate (AUM between \$20-50b)
Invoiced to	Greg Samorajski, Iowa Public Employees Retirement System greg.samorajski@ipers.org

Item	Amount
Membership renewal. Level: Associate (AUM between \$20-50b). Renew to January 01, 2025	\$7,100.00
Invoice total	\$7,100.00

National Institute on Retirement Security  
1612 K Street NW, Suite 500, Washington, DC 20006 | 202.457.8190

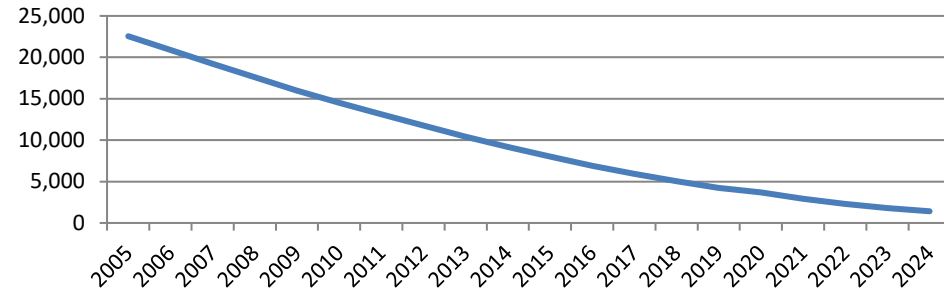


# November Dividend Adjustment

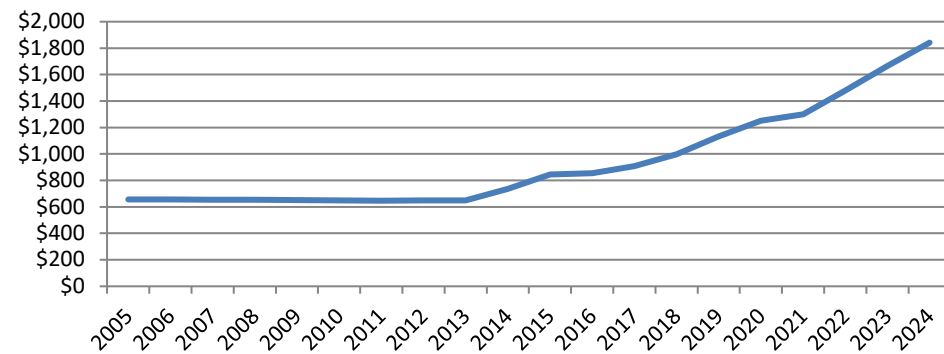
Paid In Fiscal Year	November Dividend	Number of Payments	%
2005	\$17,911,022	22,554	0.00
2006	\$16,542,558	20,870	0.00
2007	\$15,231,083	19,227	0.00
2008	\$13,937,278	17,604	0.00
2009	\$12,613,373	15,982	0.00
2010	\$11,407,690	14,496	0.00
2011	\$10,265,166	13,098	0.00
2012	\$9,187,585	11,755	0.00
2013	\$8,104,939	10,395	0.00
2014	\$8,084,275	9,157	1.80
2015	\$8,094,092	8,011	2.10
2016	\$7,001,350	6,893	0.10
2017	\$6,386,575	5,936	1.00
2018	\$5,953,829	5,037	1.60
2019	\$5,743,688	4,251	2.60
2020	\$5,377,133	3,680	1.60
2021	\$4,406,218	2,912	0.65
2022	\$3,951,296	2,296	3.00
2023	\$3,505,040	1,792	3.00
2024*	\$3,052,735	1,407	2.97

\*Estimate

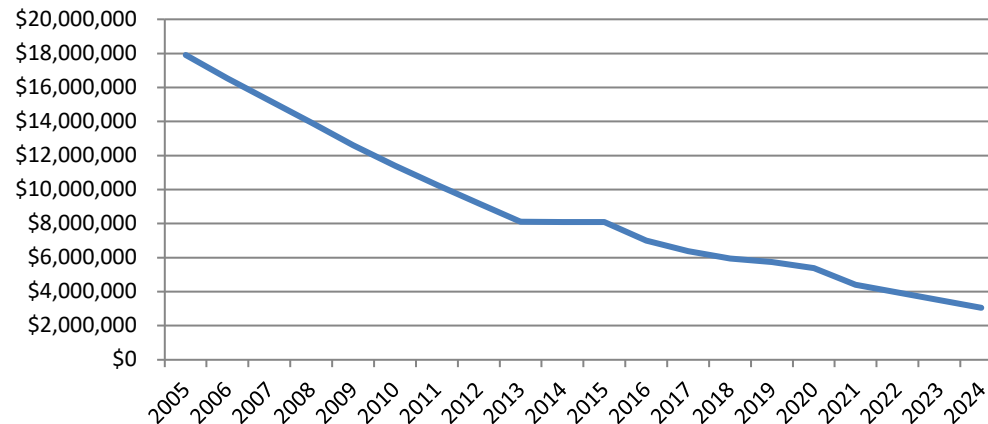
Dividend Recipients



Median Payment



Payment





**Benefits Advisory Committee-Budget Authority**

	<b>FY2020 Actual</b>	<b>FY2021 Actual</b>	<b>FY2022 Actual</b>	<b>FY2023 Actual</b>	<b>FY2024 Budget</b>	<b>FY2025 Budget Request</b>
101-Per diems	648.49	366.04	871.97	322.95	3,000.00	3,000.00
202-Meeting Travel Expenses	574.81	0.00	0.00	203.93	1,800.00	1,800.00
205-Out-of-State Training/Travel Expenses	1,809.80	0.00	0.00	0.00	9,000.00	9,000.00
301-Memberships	6,932.50	6,400.00	6,600.00	6,800.00	7,000.00	7,000.00
309-Member Communications	0.00	0.00	0.00	0.00	500.00	500.00
402-Room Rental	0.00	0.00	0.00	0.00	3,000.00	3,000.00
405-Consulting Services	0.00	28,317.50	6,933.75	12,198.75	25,000.00	25,000.00
406-Outside Services	0.00	0.00	0.00	0.00	200.00	200.00
602-Other Expenses & Obligations	60.00	0.00	0.00	0.00	500.00	500.00
<b>Total</b>	<b>\$10,025.60</b>	<b>\$35,083.54</b>	<b>\$14,405.72</b>	<b>\$19,525.63</b>	<b>\$50,000.00</b>	<b>\$50,000.00</b>

Iowa Code chapter 97B.7(3)(c) authorizes a standing appropriation from the IPERS Trust Fund of up to \$50,000 per fiscal year for actual expenses of the Benefits Advisory Committee.





*Working Today for Your Tomorrow*

## **Outline of Proposed Rules Package for the BAC October 24, 2023**

### **5-Year Rules Review Changes**

Iowa Code chapter 17A.7(2) states, beginning July 1, 2012, each agency must conduct a comprehensive and ongoing complete rules review, over each 5-year period thereafter. The goal of this requirement is to identify and eliminate rules that are outdated, redundant, inconsistent, or incompatible with statutes or an agency's own rules. Commencing July 1, 2022, the current 5-year review period extends through June 30, 2027. The chapters reviewed in 2023 are listed below.

Chapter 6 – COVERED WAGES

Chapter 7 – SERVICE CREDIT AND VESTING STATUS

Chapter 8 – SERVICE PURCHASES

Chapter 9 – REFUNDS

Chapter 10 – INTEREST ON ACCUMULATED CONTRIBUTIONS

### **Proposed Changes Allowed Under Executive Order 10**

While we continue to observe our own 5-year review schedule, we must also now work under the mandates of EXECUTIVE ORDER 10: Administrative Rulemaking Moratorium and Review, referred to as the "Red Tape Review". This executive order instituted a moratorium on new rule making while enacting a comprehensive review of each agency's administrative rules. Therefore, at this time, while our actual rule filing is composed only of changes required by federal or state code, or as requested by the Legislative Services Agency (LSA), we continue to follow our original review schedule, creating a file of future proposed rule changes. The following changes reflect those changes allowed under the current rulemaking moratorium.

**Update contribution rates**

Contribution rates are updated annually per Iowa code; this amendment fulfills that obligation. The updated rates are expected to be received soon; until that time, they are listed as TBA. (*See* Item 1)

**Comply with changes requested by the Legislative Services Agency (LSA)**

LSA requests were made both to eliminate an invalid Iowa Code reference within a subrule, as well as bring a separate subrule into compliance regarding transition of the Iowa Offset Program from one agency to another. (*See* Items 2, 5)

**Update language to align with changes to federal code**

The proposed changes were drafted in conjunction with, and reviewed and approved by IPERS' outside tax counsel, Ice Miller. (*See* Item 3)

**Comply with new sections of Iowa code**

Aligns the subrule with the requirements of sections 4 and 9 of HF 688, as enacted in the 2023 GA, and addressing subjects relating to chapter 17A. Particularly, new section 17A.6C requiring any fee established by an agency be adopted by rule. The current subrule mentions a "fee" but does not list a dollar amount as is now required. (*See* Item 4)

10/24/2023

**ITEM 1. Amend subrules 4.6(1) to 4.6(3) as follows:**

Contribution rates are updated annually per Iowa Code; this amendment fulfills that obligation. The updated rates are expected to be received soon; until that time, they are listed as TBA.

**495—4.6(97B) Contribution rates.** The following contribution rate schedule, payable on the covered wage of the member, is determined by the position or classification and the occupation class code of the member.

**4.6(1) Contribution rates for regular class members.**

- a.* No change.
- b.* Effective July 1, 2012, and every year thereafter, the contribution rates for regular members shall be publicly declared by IPERS staff no later than the preceding December as determined by the annual valuation of the preceding fiscal year. The public declaration of contribution rates will be followed by rule making that will include a notice and comment period and that will become effective July 1 of the next fiscal year. Contribution rates for regular members are as follows.

	<del>Effective</del> <del>July 1, 2019</del>	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	<u>Effective</u> <u>July 1, 2024</u>
Combined rate	<del>15.73%</del>	15.73%	15.73%	15.73%	15.73%	<u>TBA</u>
Employer	<del>9.44%</del>	9.44%	9.44%	9.44%	9.44%	<u>TBA</u>
Employee	<del>6.29%</del>	6.29%	6.29%	6.29%	6.29%	<u>TBA</u>

**4.6(2)** Contribution rates for sheriffs and deputy sheriffs are as follows.

	<del>Effective</del> <del>July 1, 2019</del>	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	<u>Effective</u> <u>July 1, 2024</u>
Combined rate	<del>19.02%</del>	18.52%	18.02%	17.52%	17.02%	<u>TBA</u>
Employer	<del>9.51%</del>	9.26%	9.01%	8.76%	8.51%	<u>TBA</u>
Employee	<del>9.51%</del>	9.26%	9.01%	8.76%	8.51%	<u>TBA</u>

**4.6(3)** Contribution rates for protection occupations are as follows.

	<del>Effective</del> <del>July 1, 2019</del>	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	<u>Effective</u> <u>July 1, 2024</u>
Combined rate	<del>16.52%</del>	16.02%	15.52%	15.52%	15.52%	<u>TBA</u>
Employer	<del>9.91%</del>	9.61%	9.31%	9.31%	9.31%	<u>TBA</u>
Employee	<del>6.61%</del>	6.41%	6.21%	6.21%	6.21%	<u>TBA</u>

**ITEM 2. Amend paragraph 5.2(6)“g” as follows:**

This proposed change eliminates an invalid reference within the lettered paragraph as requested by the Legislative Services Agency (LSA).

**5.2(6)** Police, firefighters, emergency personnel, and certain peace officers.

- a.* No change.
- b.* No change.

- c. No change.
- d. No change.
- e. No change.
- f. No change.
- g. An emergency medical care provider who provides emergency medical services, as defined in Iowa Code section 147A.1, and who is not a member of the retirement systems established in Iowa Code chapter 401 or 411 shall be covered.

**ITEM 3. Amend paragraph 11.2(4)“a” as follows:**

This change aligns the lettered paragraph with SECURE 2.0 Act of 2022, signed into law 12/29/2022. The proposed changes were drafted in conjunction with, and reviewed and approved by IPERS’ outside tax counsel, Ice Miller.

**11.2(4) Required beginning date.**

a. Notwithstanding the foregoing, IPERS shall commence payment of a member’s retirement benefit under Iowa Code sections 97B.49A to 97B.49I (under Option 2) no later than the “required beginning date” specified under Internal Revenue Code Section 401(a)(9), even if the member has not submitted the application for benefits. If the lump sum actuarial equivalent could have been elected by the member, payments shall be made in such a lump sum rather than as a monthly allowance. The “required beginning date” is defined as the later of: (1) April 1 of the year following the year that the member attains ~~the age of 72 (or the age of 70 ½ for that member who attains the age of 70 ½ on or before December 31, 2019);~~ the “applicable age,” determined as follows: a. For members who turned age 72 before 2023, the applicable age is age 72 (or age 70 ½ if they were born before July 1, 1949), b. For members who will turn age 72 after 2022 and age 73 before 2033, the applicable age now is age 73, and c. After 2032, “applicable age” shall have the meaning set forth in Code Section 401(a)(9)(C)(v), as amended from time to

time; or ( ~~3~~ 2) April 1 of the year following the year that the member actually terminates all employment with employers covered under Iowa Code chapter 97B.

- b.* No change.
- c.* No change.
- d.* No change.
- e.* No change.

**ITEM 4. Amend subrule 11.6(1) as follows:**

The proposed change aligns the subrule with the requirements of sections 4 and 9 of HF 688, as enacted in the 2023 GA, and addressing subjects relating to chapter 17A. Particularly, new section 17A.6C requiring any fee established by an agency be adopted by rule.

**495—11.6 (97B) Payment processing and administration.**

**11.6(1) *Monthly paper warrants processing fee.*** Effective July 1, 2005, IPERS shall charge a \$1 per-warrant processing fee to members who choose to receive paper warrants in lieu of electronic deposits of their monthly retirement allowance. The fee may be waived if the person establishes that it would be an undue hardship for the person to do what is necessary to receive payment of the person's IPERS monthly retirement allowance by electronic deposit. The processing fee will be deducted from the member's retirement allowance on a posttax basis.

For purposes of this subrule, a member claiming undue hardship must establish that the cost normally assessed for the processing of paper warrants would be unduly burdensome because of the member's limited income, or is otherwise financially burdensome or physically impracticable.

**ITEM 5. Amend subrule 11.7(6) as follows:**

This amendment brings the subrule into compliance regarding transition of the Iowa Offset Program from one agency to another. It currently falls under the purview of the Department of Administrative Services, State

Accounting Enterprise (DAS-SAE); however, pursuant to HF 2565, as amended by sections 72-74 of HF 2641, the program will soon transition to the Department of Revenue. The proposed change was requested, reviewed, and approved by Jack Ewing, Administrative Code Editor, with the Legislative Services Agency (LSA).

**11.7(6)** *Offsets against amounts payable.* IPERS may, in addition to other remedies and after notice to the recipient, request an offset against amounts owing to the recipient by the state according to the offset procedures pursuant to Iowa Code sections 8A.504 and 421.17, ~~or section 421.65 as enacted by 2020 Iowa Acts, House File 2565, section 16, as applicable.~~

## October 2023 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. Mediation has been scheduled for August 24, 2022. Mediation was held—no resolution reached. Civil case was filed August 26, 2022. Trial currently scheduled for end of September 2023. <b>Trial was continued, depositions scheduled for November 2023.</b>
0578-23	Member appealing monthly benefit amount	Appeal received by IPERS Legal on 07/20/2023. Appeal acknowledgement letter sent. FAD mailed to member 8/10/2023. <b>Letter acknowledging FAD is final/binding—no further action mailed to member 09/13/2023. DONE.</b>
0579-23	Member appealing denial of refund w/o termination IPERS covered employment and denial of irrevocable election to discontinue contributions while still in IPERS covered employment	<b>Appeal received by IPERS Legal on 10/06/2023. Appeal acknowledgement letter sent.</b>

**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**.