



IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Gregory S. Samorajski, CFA
Chief Executive Officer

Kim Reynolds
Governor

Adam Gregg
Lt. Governor

AGENDA

Monday, March 25, 2024

1:00 p.m.

IPERS BENEFITS ADVISORY COMMITTEE

IPERS Board Room or

Conference Telephone # 301-715-8592

Meeting ID: 829-8452-3298#

- 1) Call to Order / 1:00 p.m.
 - a) Roll Call of Members
 - b) Approval of Minutes – October 23, 2023, and December 7, 2023
- 2) CEO Report – Greg Samorajski
- 3) 2024 Legislative Session – Shawna Lode
- 4) Closed Session for Chief Benefits Officer Performance Evaluation – Greg Samorajski
- 5) Staff Reports
 - a) Benefits Update – David Martin
 - b) Investment Update – Sriram Lakshminarayanan
 - c) Appeals Report – Elizabeth Hennessey
- 6) Other Business
- 7) Public Comments
- 8) Confirm Next Meeting Date – Monday, April 22, 2024
 - a) Thursday, June 20, 2024 – Investment Board Meeting



BENEFITS ADVISORY COMMITTEE MEETING MINUTES

IPERS BOARD ROOM

7401 Register Drive, Des Moines Iowa

October 23, 2023

The following people attended the IPERS Benefits Advisory Committee (BAC) meeting held on Monday, October 23, 2023.

Members of the Benefits Advisory Committee - Present

Len Cockman, Chair

Lowell Dauenbaugh, Vice Chair

Matt Carver

Sue Cave

Todd Copley

John Hieronymus

Steve Hoffman

Brian McDonough

Erin Mullenix

Melissa Peterson

Members of the Benefits Advisory Committee - Absent

Andrew Hennesy

Richard Hoffman

Connie Kuennen

Adam Steen

IPERS Administration and Staff

Greg Samorajski, Chief Executive Officer

David Martin, Chief Benefits Officer

Melinda McElroy, Executive Assistant

Sriram Lakshminarayanan, CIO

Elizabeth Hennessey, General Counsel

Shawna Lode, Director of Communications

Tara Hagan, Chief Financial Officer

Call to Order

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

Matt Carver moved to approve the minutes from the August 28, 2023, Benefits Advisory Committee meeting. Erin Mullenix seconded; the motion carried by unanimous voice vote.

CEO Report – Greg Samorajski

FY2025 Contribution Rates – Contribution rates for the three IPERS membership groups will not change. Regular membership 15.73%, protection occupations 15.52% and sheriffs and deputy sheriffs 17.02%.

NIRS Annual Membership Renewal – Lowell Dauenbaugh moved that the BAC authorize the expenditure of \$7,100 from its budget to renew IPERS' membership in the National Institute of Retirement Security. Matt Carver seconded; the motion carried by unanimous roll call vote.

2024 Legislative Session – Greg Samorajski reviewed IPERS' FY2025 budget appropriation request. The request represents a status quo budget, but if approved by the Governor, IPERS plans to seek an additional appropriation of \$1 million.

November Dividend Adjustment – David Martin

David Martin reported that the November Dividend recipients would receive a 2.97% adjustment for 2023 based on actuarial certification. Approximately 1,407 recipients will receive a total of \$3.06 million.

BAC's FY2025 Budget – Tara Hagan

Tara Hagan reviewed with the BAC the results of their FY2023 budget, and their projected FY2024-25 budget. Matt Carver moved to approve the budget. Erin Mullenix seconded; motion carried by unanimous roll call vote.

Administrative Rules – Elizabeth Hennessey

Elizabeth Hennessey reviewed the proposed administrative rules package. The changes are expected to be filed in December. Lowell Dauenbaugh moved that the BAC supports the proposed rules package as presented. Erin Mullenix seconded; the motion carried by unanimous roll call vote.

IPERS Staff Reports

Benefits Update – David Martin reported that his team is fully staffed, and four members have recently completed their required training.

Investment Update – Sriram Lakshminaryanan gave a brief investment market update and reported the IPERS Trust Fund balance at \$39.489 billion.

Appeals Update – Elizabeth Hennessey reviewed the October 2023 Appeal Status report.

Other Business

IPERS will appear before the legislative Public Retirement Systems Committee on December 6, 2023.

Public Comments

None

Future Meeting Dates

The next scheduled BAC meeting is Monday, January 22, 2024. With no further business to come before the committee, Matt Carver moved to adjourn the meeting. Erin Mullenix seconded; the motion carried by unanimous voice vote. Meeting adjourned at 1:35 p.m.



INVESTMENT BOARD AND BENEFITS ADVISORY COMMITTEE MINUTES
IPERS Headquarters
7401 Register Drive, Des Moines, Iowa
December 7, 2023

The following people attended the IPERS Investment Board Meeting held on Thursday, December 7, 2023.

Members of the Board – Present

Justin Kirchhoff, Chair
Bill Bemis, Vice Chair
Treasurer Roby Smith
Tami Loge

Kris Rowley
Representative Martin Graber
Representative Amy Nielsen
Senator Mark Lofgren

Members of the Board – Absent

Matt Watters
Senator Molly Donahue

Administration and Staff

Greg Samorajski, Chief Executive Officer
Sriram Lakshminarayanan, CIO
John Fujiwara, Head of Strategy
Sheldon Lien, Senior Investment Officer
Pat Reinhardt, Senior Investment Officer
Keith Scholten, Senior Investment Officer
Marcus Dong, Investment Officer
Kevin Terdal, Investment Officer

Kate Fishman, Investment Officer
Melinda McElroy, Executive Assistant
David Martin, Chief Benefits Officer
Elizabeth Hennessey, General Counsel
Shawna Lode, Director of Communications
Rick Hindman, Chief Operations Officer
Tara Hagan, Chief Financial Officer

Benefits Advisory Committee – Present

Len Cockman, Chair
Lowell Dauenbaugh, Vice Chair
Matt Carver
Sue Cave
Todd Copley
Brian McDonough

Andrew Hennesy
John Hieronymus
Richard Hoffman
Erin Mullenix
Melissa Peterson
Adam Steen

Consultant – Wilshire

Ali Kazemi

Actuary – Cavanaugh Macdonald

Brent Banister
Bryan Hoge

Call to Order

Investment Board Chair Justin Kirchhoff called the joint meeting of the IPERS Investment Board and Benefits Advisory Committee to order at 8:30 a.m.

Approval of Minutes from the Previous Meetings

Tami Loge moved to approve the meeting minutes from the September 27, 2023, and September 28, 2023, Investment Board meetings. Kris Rowley seconded. The motion carried by unanimous voice vote.

CEO's Report

Greg Samorajski reported that IPERS made its biennial presentation to the legislature's Public Retirement Systems Committee on December 6, 2023. The presentation included a review of the plan and its emerging goals, an investment performance summary and an actuarial valuation summary.

Securities Litigation Review and Recommendation

Elizabeth Hennessey requested Board approval to file a claim in the securities litigation case Treasury Wine Estates Limited. Kris Rowley moved to approve the recommendation. Tami Loge seconded. The motion carried by unanimous voice vote.

IPERS Investment Staff Reports

Beta Report

Sriram Lakshminarayanan reviewed the Fund's asset allocation and reported all asset classes were within their established policy ranges. The estimated market value of the IPERS Trust Fund is \$41.16 billion.

Alpha Report

The investment team reviewed the alpha report noting minor performance concerns for Columbia Management's EAFE strategy and minor performance concerns for PGIM Wadhvani.

Private Markets Program Risk Report

Pat Reinhardt noted material concerns for real estate manager Clarion Partners and minor performance concerns for Forest Investment Associates and UBS Farmland.

Risk Report

Sriram Lakshminarayanan reviewed IPERS' standard risk reports.

FY2023 Investment Management Expenses

IPERS' preliminary investment management expenses for FY2023 were \$56.4 million, a decrease of 1.6% from FY2022.

CIO Updates

Sriram Lakshminarayan discussed the role of IPERS' investment consultant and asked the Board members what services they would like provided. Sriram will follow up with each Board member to discuss.

Private Markets Investment Policy

Bill Bemis and Kris Rowley reviewed the proposed revisions to the Private Markets Investment Policy. Bill Bemis moved that the Investment Board approve the policy with a January 1, 2024, effective date. Treasurer Smith seconded. The motion carried by unanimous roll call vote.

Ayes: Justin Kirchhoff, Bill Bemis, Treasurer Smith, Tami Loge and Kris Rowley

Nays: None

MOTION PASSED

CY2024 Private Markets Commitments

Pat Reinhardt and Marcus Dong reviewed the private markets program commitment plan, noting plans to make the following commitments: private equity to receive \$700 million, private credit to receive \$700 million and private real assets to receive \$500 million.

Closed Session for CEO Evaluation and Reappointment

Bill Bemis moved that the IPERS Investment Board go into a closed session of this joint public meeting to discuss the performance evaluation and reappointment of IPERS' CEO as authorized by Iowa Code section 21.5(1)(i). Tami Loge seconded. The motion carried by unanimous voice vote.

Lowell Dauenbaugh moved that the Benefits Advisory Committee go into a closed session of this joint public meeting to discuss the performance evaluation and reappointment of IPERS' CEO as authorized by Iowa Code section 21.5(1)(i). Melissa Peterson seconded. The motion carried by unanimous voice vote.

Bill Bemis moved that the IPERS Investment Board end its closed session and resume the open session of this joint meeting. Treasurer Smith seconded. The motion carried by unanimous voice vote. The Board took no action during its closed session.

Lowell Dauenbaugh moved that the Benefits Advisory Committee end its closed session and resume the open session of this joint meeting. Matt Carver seconded. The motion carried by unanimous voice vote. The BAC took no action during its closed session.

Bill Bemis moved that the Investment Board recommends the reappointment of Gregory S. Samorajski as the chief executive officer of IPERS to Governor Reynolds. Tami Loge seconded. The motion carried by unanimous roll call vote.

Ayes: Justin Kirchhoff, Bill Bemis, Treasurer Smith, Tami Loge and Kris Rowley

Nays: None

MOTION PASSED

Lowell Dauenbaugh moved that the Benefits Advisory Committee recommends the reappointment of Gregory S. Samorajski as the chief executive officer of IPERS to Governor Reynolds. Matt Carver seconded. The motion carried by unanimous roll call vote.

Ayes: Len Cockman, Lowell Dauenbaugh, Matt Carver, Todd Copley, Brian McDonough, Richard Hoffman, Erin Mullenix, Melissa Peterson and Adam Steen.

Nays: None

MOTION PASSED

2023 Actuarial Valuation Report

Brent Banister and Bryan Hoge of Cavanaugh Macdonald presented the results of the 2023 actuarial valuation report. IPERS' funded status increased from 89.5% to 89.7% and the unfunded actuarial liability increased from \$4.62 billion to \$4.71 billion. The 2023 valuation report sets the required contribution rates for FY2025. Contribution rates for all three membership groups will remain unchanged.

Public Comments

An IPERS member expressed her concerns to the Investment Board about public pension funds investing in Israel companies.

Confirm Next Meeting Date and Adjournment

The Investment Board's next meeting date is Friday, March 22, 2024. The Benefits Advisory Committee's next meeting date is Monday, January 22, 2024. With no further business to come before the Board or BAC, the meeting adjourned at 11:55 a.m.

Bill Number	Explanation	Passed Second Funnel
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IPERS Administration Bills

HF 2622	A bill for an act relating to the powers, duties, and responsibilities of state government entities associated with the budget, financial control, and information technology, making penalties applicable, and making appropriations.(Formerly HSB 695.)	In Appropriations Committee; Not subject to funnel
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SF 2375	A bill for an act relating to the powers, duties, and responsibilities of state government entities associated with the budget, financial control, and information technology, making penalties applicable, and making appropriations.(Formerly SSB 3173; See SF 2409.)	In Appropriations Committee; Not subject to funnel
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SSB 3038	A bill for an act relating to state taxation and appropriations by combining special purpose funds, modifying individual income tax rates, placing assessment limitations for property tax purposes on commercial child care facilities, and modifying unemployment benefits, and including effective date and retroactive applicability provisions.(See SF 2398.)	In Appropriations Committee; Not subject to funnel
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HSB 543	A bill for an act relating to state taxation and appropriations by combining special purpose funds, modifying individual income tax rates, placing assessment limitations for property tax purposes on commercial child care facilities, and modifying unemployment benefits, and including effective date and retroactive applicability provisions.	In Appropriations Committee; Not subject to funnel
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SF 2385	A bill for an act relating to boards, commissions, committees, councils, and other entities of state government, and including effective date and transition provisions.(Formerly SSB 3172.)	Placed on Unfinished Business Calendar
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HF 2574	A bill for an act relating to boards, commissions, committees, councils, and other entities of state government, and including transition provisions.(Formerly HSB 710.)	Placed on Unfinished Business Calendar
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Benefits-Related Bills

HF 2630	A bill for an act relating to teacher and education support professional compensation, including teacher salary supplement cost per pupil calculations, teacher minimum starting salary requirements, Iowa public employees' retirement system bona fide retirement requirements, and school district budget statement reporting, making appropriations, and including effective date provisions. (Formerly HF 2611, HSB 714.)	Passed House as Appropriations bill so technically not subject to funnel
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HF 2533

A bill for an act relating to public safety personnel by modifying the retirement benefits of sheriffs and deputy sheriffs, restricting bail for murder in the first degree or felonious assaults committed upon public safety personnel, and providing for a tax credit for moving expenses available against the individual income tax for new public safety personnel moving to the state.(Formerly HF 2206.)

Yes

HF 2482

A bill for an act concerning benefits relating to members of the public safety peace officers' retirement, accident, and disability system, and the municipal fire and police retirement system. (Formerly HF 2183.)

No

Investment-Related Bills

HSB 720

A bill for an act relating to state taxation by modifying future individual income tax rates, creating processes for reducing the individual income tax rate to zero, reducing future contingent corporate income tax rates, making appropriations, and including effective date, applicability, and retroactive applicability provisions.

In Ways and Means
Committee; Not subject
to funnel

SSB 3141

A bill for an act relating to state taxation by modifying future individual income tax rates, creating processes for reducing the individual income tax rate to zero, reducing future contingent corporate income tax rates, making appropriations, and including effective date, applicability, and retroactive applicability provisions.

In Ways and Means
Committee; Not subject
to funnel

March 2024 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. Trial was continued, depositions scheduled for November 2023. Depositions completed. 02/06/2024 both cases will be combined and heard by the same judge.
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	Appeal received by IPERS Legal on 10/06/2023. Appeal acknowledgement letter sent. Member withdrew appeal on 10/27/2023. DONE.

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**.