

# WELCOME TO IPERS!



A new member's guide to understanding the Iowa Public Employees' Retirement System (IPERS) and your benefits.



# What is IPERS?

The state's largest public retirement plan, the Iowa Legislature created IPERS in 1953 to attract and retain quality public employees, including those who teach our children, maintain our roads and parks, care for our most vulnerable residents and protect our citizens. Today, IPERS is a trust fund of more than \$40 billion that pays more than \$2 billion in annual benefits.

The Iowa Legislature and the Governor are the retirement plan's sponsors, and IPERS is the plan administrator. Federal and state laws regulate the administration of retirement plans for public employees, including IPERS. The IPERS Investment Board and the Benefits Advisory Committee provide additional oversight.

## YOU'RE IN GOOD COMPANY

**400,000+**  
MEMBERS

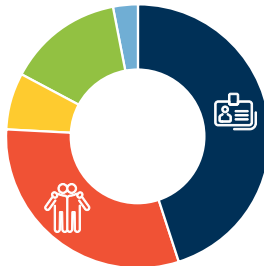
**2,000+**  
EMPLOYERS



**ONE IN 10**  
IOWANS IS AN IPERS MEMBER.

### ALL MEMBERS by Status

- Active
- Retired
- Inactive vested
- Inactive nonvested
- Retired reemployed



### ACTIVE MEMBERS by Major Employer Type

- Education
- County
- State
- City
- Other



**IPERS is a defined benefit plan**, making it different from traditional 401(k)-style plans. Defined benefit plans feature these unique qualities:

- 1** Your retirement benefit is guaranteed for life.
- 2** Your retirement benefit is based on a formula and is not dependent on the performance of the stock market.
- 3** IPERS' skilled investment team invests member and employer contributions to generate the revenue necessary to pay benefits. You don't have to make complicated investment decisions.

Still, it's important that you create a personal savings plan to supplement your IPERS retirement benefit. IPERS, your personal savings and Social Security are each important components of a financially secure retirement.

## SELECT YOUR BENEFICIARY(IES)

As a new member, it's important that you designate a beneficiary. Your beneficiary is the person, people or entity that is/are eligible to receive any retirement benefits payable upon your death. It is essential that you select a beneficiary so IPERS can carry out your wishes at your death.

To designate your beneficiary(ies), complete and return the Beneficiary Designation form available at [www.ipers.org](http://www.ipers.org) or in My Account.



# IPERS HAS THREE MEMBERSHIP GROUPS



## Regular members:

Regular members make up 95% of IPERS' membership.



## Protection Occupations and Sheriffs/Deputy Sheriffs members:

These are two smaller membership groups. Collectively, IPERS refers to these as Special Service members. These members work in public safety occupations. **You are a Special Service member.**



The Iowa Legislature and Governor determine the employment positions that qualify for each membership group and the benefits provided. The benefits for each group are somewhat different and are fully explained in IPERS' Member Handbook. **Scan the QR code** to read IPERS' Member Handbook or visit our website at [www.ipers.org/publications](http://www.ipers.org/publications).

SCAN ME



## MEMBERSHIP STATUSES

Status	Definition
Active member	A member who has made contributions to IPERS during the current calendar year and has not applied for a retirement benefit or a refund.
Inactive member	A member who has left IPERS-covered employment, has not made contributions during the calendar year and has not applied for a retirement benefit or a refund.
Retired member	A member who has applied for and is receiving retirement benefits.
Retired reemployed member	A member who has retired from IPERS-covered employment but has since returned to work for an IPERS-covered employer.

# How the IPERS Trust Fund works

IPERS is a prefunded retirement plan. That means the money you and your employer contribute today is pooled in the IPERS Trust Fund and is invested to pay for the retirement benefit you will receive in the future. IPERS holds the investment income in the trust fund for the exclusive purpose of paying benefits to members and their beneficiaries. Investment earnings account for nearly 70% of the funds used to pay benefits. IPERS' investment staff manages the portfolio with a long-term outlook so it can weather market challenges and fluctuations.



# 70%

**OF IPERS' BENEFIT PAYMENTS  
COME FROM INVESTMENT INCOME**

## Contribution rates

IPERS members and their employers contribute money each month to the IPERS Trust Fund. Members contribute a small amount directly from their paycheck. These contributions are pooled and invested to pay for future retirement benefits.

IPERS' third-party actuary performs an annual actuarial valuation study that applies actuarial assumptions and IPERS' funding policy to determine the contribution rates for members and employers. Rates for all membership groups are announced annually in the fall and take effect on July 1 of the following year.



# How retirement benefits are determined

Your IPERS retirement benefit is guaranteed because it is calculated with a formula that includes your age, average salary and years of work in IPERS-covered employment. The longer you work in IPERS-covered employment, the larger your retirement benefit.

Your IPERS retirement benefit is calculated using this formula:



The diagram illustrates the formula for calculating the IPERS retirement benefit. It consists of three main components connected by mathematical symbols: a stack of blue bills representing 'Your Average Salary', a green 'x' symbol for multiplication, a green calendar icon representing the 'Multiplier', a green '=' symbol for equality, and a red box containing a dollar sign and wavy lines representing 'Your IPERS Retirement Benefit'. Below the multiplier icon, a note states: '(Based on the number of years you work in IPERS-covered employment)'.

**Your Average Salary** × **Multiplier** = **Your IPERS Retirement Benefit**

(Based on the number of years you work in IPERS-covered employment)

**YOUR AVERAGE SALARY** is the average of your **highest three years'** salaries. These don't have to be the three years that immediately precede your retirement.

**THE MULTIPLIER** increases each year you work in IPERS-covered employment.

- Protection Occupations members: The maximum multiplier is 72% at 30 years in covered employment.
- Sheriffs/Deputy Sheriffs members: The maximum multiplier is 80% at 30 years in covered employment.

At retirement, you may "purchase service" – or buy work time – to increase your multiplier.

## Will your benefit BE REDUCED for early retirement?

If all of your IPERS-covered jobs are considered Special Service, your benefit is not reduced for early retirement. If you work in a Regular IPERS-covered position at any point in your career, a hybrid formula may be used to calculate your benefit, in which case your benefit may be reduced for early retirement.

# THE MULTIPLIER FOR SPECIAL SERVICE MEMBERS

YOUR YEARS OF WORK IN IPERS-COVERED EMPLOYMENT

4	\$ 10.90% / 10.90%	<p>◀◀ AFTER FOUR YEARS* IN IPERS-COVERED EMPLOYMENT, YOU ARE VESTED. At retirement, vested members are eligible for a monthly retirement benefit or a lump-sum payment.</p> <p><i>*You can also become vested if you turn 55 while working in IPERS-covered employment.</i></p>
5	\$ \$ 13.63% / 13.63%	
6	\$ \$ \$ 16.36% / 16.36%	
7	\$ \$ \$ \$ 19.09% / 19.09%	
8	\$ \$ \$ \$ \$ 21.81% / 21.81%	
9	\$ \$ \$ \$ \$ \$ 24.54% / 24.54%	
10	\$ \$ \$ \$ \$ \$ \$ 27.27% / 27.27%	
11	\$ \$ \$ \$ \$ \$ \$ \$ 30.00% / 30.00%	
12	\$ \$ \$ \$ \$ \$ \$ \$ \$ 32.72% / 32.72%	
13	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ 35.45% / 35.45%	
14	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ 38.18% / 38.18%	
15	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ 40.90% / 40.90%	
16	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ 43.63% / 43.63%	
17	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ 46.36% / 46.36%	
18	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ 49.08% / 49.08%	
19	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ 51.81% / 51.81%	
20	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ 54.54% / 54.54%	
21	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ 57.27% / 57.27%	
22	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ 60.00% / 60.00%	
23	\$ 61.50% / 62.50%	
24	\$ 63.00% / 65.00%	
25	\$ 64.50% / 67.50%	
26	\$ 66.00% / 70.00%	
27	\$ 67.50% / 72.50%	
28	\$ 69.00% / 75.00%	
29	\$ 70.50% / 77.50%	
30+	\$ 72.00% / 80.00%	



**PROTECTION  
OCCUPATIONS MEMBERS**



**SHERIFFS/  
DEPUTY SHERIFFS MEMBERS**

# RETIREMENT ELIGIBILITY

Special Service members who meet the following requirements can collect a retirement benefit.

- ✔ A vested IPERS member
- ✔ AND are at least age 55
- ✔ AND the retirement benefit is at least \$50 monthly (Retirement benefits that are less than \$50 per month are paid in a one-time lump sum.)

### Sheriffs/Deputy Sheriffs members only:

If you have 22 or more years of eligible service and retire from a sheriff or deputy sheriff position, you can retire at age 50. Eligible service also includes time worked in the Protection Occupations membership group.

### Cost-of-Living Adjustment

Sheriffs/Deputy Sheriffs members who retire on or after July 1, 2024, with at least 22 years of eligible service, annually receive a 1.5% cost-of-living adjustment. Visit [www.ipers.org](http://www.ipers.org) for complete information and eligibility requirements.

# A RETIREMENT BENEFIT CALCULATION EXAMPLE

Let's say you retire at **20 years of work in IPERS-covered employment** and **an average salary of \$50,000**. Your benefit calculation would look like this:



**\$50,000**

Average Salary



**54.54%**

Multiplier based on  
20 years in IPERS-covered  
employment



**\$27,270**

Your Annual IPERS  
Retirement Benefit

This is for illustrative purposes only.



# IPERS membership advantages

- ✓ **Easy, automatic retirement savings.** Automatic deductions from your paycheck ensure that you save for retirement.
- ✓ **Guaranteed lifetime benefit.** IPERS provides predictable retirement benefits based on a formula, not stock market performance.
- ✓ **Security.** IPERS is a healthy, well-funded retirement plan. IPERS' administrators continually scrutinize IPERS' financial statements. With oversight from the IPERS Investment Board and the Benefits Advisory Committee, IPERS' administrators continually evaluate the plan's programs and sustainability.
- ✓ **Accountability.** The Iowa Legislature authorizes spending from the IPERS Trust Fund for administrative expenses. IPERS closely monitors and negotiates investment management expenses and operates with a small, efficient staff. Annual financial statements are available at [www.ipers.org](http://www.ipers.org).
- ✓ **A safety net.** IPERS provides death and disability benefits that protect you and your family.
- ✓ **Portability.** You are always entitled to 100% of your IPERS contributions and interest earnings. If you change jobs to another IPERS-covered position, you will continue to contribute to your retirement account. If you leave IPERS-covered employment for a non-covered employer, you may leave your money with IPERS, receive a refund of your contributions or roll all or some of your money to another qualified retirement plan such as a 401(k) or an IRA.

If you are vested and decide not to leave your money in IPERS, you will receive all your contributions and a portion of your employer's contributions, based on the years you worked in IPERS-covered employment.

# Member resources

Anytime during or after your career in public service, we encourage you to access the resources IPERS provides to help you understand your benefits and plan for retirement. Note that IPERS staff can answer questions about IPERS benefits only. A financial planner should aid you in reaching your broader retirement goals.



## Individual counseling

IPERS offers different kinds of one-on-one retirement counseling, so you can choose the option that best suits you:

- **In-person counseling by appointment** at our offices in Des Moines.
- **In-person walk-in counseling** at our offices in Des Moines. (IPERS prefers that you make an appointment for in-person counseling so you can receive services as quickly as possible.)
- **Phone counseling**



## Group education

IPERS offers day-long, virtual education sessions for members within three to five years of retirement. The sessions cover a range of topics including IPERS benefits, Social Security, Medicare and more.



## Online resources

IPERS' website – [www.ipers.org](http://www.ipers.org) – provides a comprehensive overview of the plan, including access to topic-specific publications, on-demand videos and more. My Account is your online IPERS retirement toolkit and gives you access to your individual retirement benefits information. Learn more at [www.ipers.org/myaccount](http://www.ipers.org/myaccount).



## Annual benefits statements

Each spring, IPERS produces a benefits statement for active and inactive members that summarizes your service credits, reported wages, contributions, estimated benefit amounts and beneficiary information. You can also contact IPERS and request a benefit estimate at any time.

## **Disclaimer**

This booklet briefly explains certain rights and benefits of IPERS membership. It is not a substitute for federal and state laws governing IPERS, which provide complete information and are subject to change. Although IPERS makes every attempt to ensure its materials are accurate and up to date, any conflict between the contents of the booklet and law must be resolved in favor of the law. The Member Handbook provides a more detailed description of IPERS benefits. It is available at [www.ipers.org](http://www.ipers.org).

## **IPERS Member Privacy Statement**

**Your personal and financial information is private.**

- To manage your benefits, IPERS must collect and keep private information about you.
- Your private information includes your name, address, Social Security number, member ID, My Account username, password, beneficiary, account balance and benefit payments.

**IPERS does not share your private information with anyone unless the law specifically allows it or you approve it in writing.**

- IPERS may share certain information with others when necessary to perform our official governmental duties, such as sending annual statements.
- Those who receive your private information must keep it secure.

**IPERS keeps your private information in a secure record. You may:**

- Obtain copies of information in your record at no charge.
- Ask IPERS to correct wrong information contained in your record. When correcting information, IPERS must keep the original entry plus the correction.
- Access some of your information at a secure location on the IPERS website at [www.ipers.org](http://www.ipers.org).

**IPERS protects your private information. We:**

- Issue you a member ID to limit the use of your Social Security number.
- Issue you a My Account username to keep your online data secure.
- Secure and control access to paper and electronic copies of your record. This includes confidential information from another source, such as tax or medical records.
- Maintain up-to-date security on computer networks and the IPERS website.
- Discourage you from sending IPERS your private information by email, which is not secure.
- Shred all discarded papers that include private information.
- Store an electronic backup copy of your record in a second location.
- Bond staff and perform background checks before hiring staff.
- Prohibit staff from working on their own financial records and those of friends and family.
- Require proof of identity for requests for private information and financial transactions, including withdrawing funds from IPERS.
- Will not sell or give membership or mailing lists to others.
- Will not forward others' marketing materials to members or their beneficiaries.



[www.ipers.org](http://www.ipers.org)

## QUESTIONS?

Please contact us!

**515-281-0020**

**800-622-3849**

Monday – Friday

7:30 a.m. – 5 p.m.

Central Time

Fax: 515-281-0053

[info@ipers.org](mailto:info@ipers.org)

### MAILING ADDRESS

Iowa Public Employees'

Retirement System

P.O. Box 9117

Des Moines, IA 50306-9117

### OFFICE HOURS

Monday – Friday

8 a.m. – 4:30 p.m.

Central Time

7401 Register Drive

Des Moines, IA 50321