

LIFE TIMES



NEWSLETTER FOR RETIRED IPERS MEMBERS

Iowa Public Employees' Retirement System

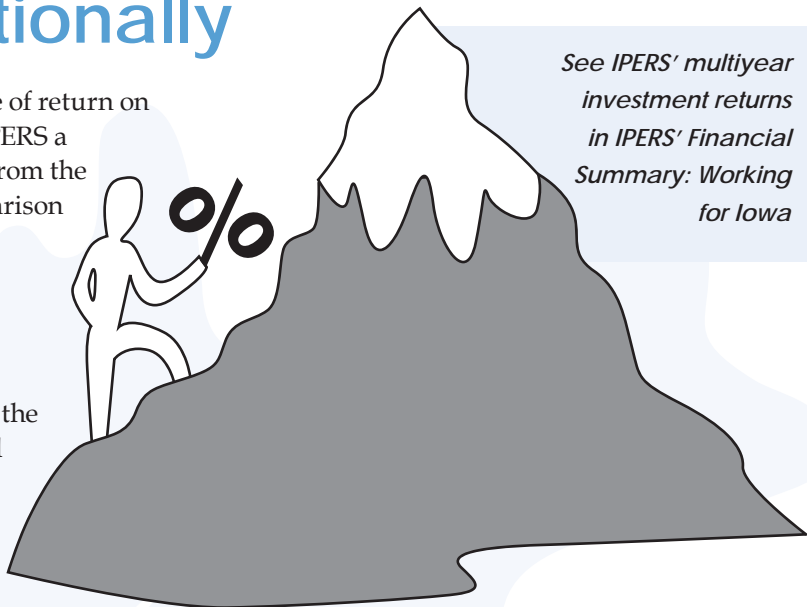
WINTER 2005/2006

WHAT'S INSIDE

Medicare Prescription Drug Coverage	2
January-June 2006 Benefits Calendar	2
CEO Letter	3
CEO Says Delay Is Costly.....	3
New Chief Benefits Officer	4
Deceptive Mailings.....	4
Energy-Saving Tips	4

IPERS' investment returns rank high nationally

An 11.25 percent rate of return on investments earned IPERS a top-quartile ranking from the Trust Universe Comparison Service (TUCS) for the state fiscal year that ended June 30. TUCS is a benchmarking organization that collects and publishes the investment return and risk measures of U.S. public and private master trust funds.



See IPERS' multiyear investment returns in IPERS' Financial Summary: Working for Iowa

NEWSLETTER CHANGES

Your newsletter has a new name, *IPERS LifeTimes*, and new look to reflect a new news direction. Some of you didn't like the tabloid size of *Pensioners' Post*. We also know that retirement is changing. Retirees are more active, more actively involved in their communities and sometimes second jobs. We will continue to bring you IPERS benefit information. We will also bring you IPERS financial and policy news, and share news from other organizations that may interest you.

You ranked IPERS high

Over 98 percent of 1,068 IPERS members taking part in a telephone survey rated IPERS' overall performance as very good or excellent. The participants in the 2005 survey were a representative sample of retirees and current public employees who are contributing to IPERS. T.L. Grantham & Associates, a Des Moines-based marketing and research firm, conducted the survey.

Employers and elected officials who take part in the IPERS retirement plan also reported high levels of satisfaction.

All groups gave IPERS high ratings on service and benefits, trustworthiness, accountability, accessibility, value, and performance. However, survey participants rated their awareness of IPERS benefits, especially disability and death benefits, lower.

Awareness of how IPERS works and who makes decisions about IPERS was

even lower. Although only 44 percent of public employees who currently pay into IPERS reported they were aware of why IPERS asked the Legislature to increase the contribution rate, 68 percent said they are willing to contribute more to keep the guaranteed monthly benefits. A higher percentage of employers, almost 89 percent, were aware of why IPERS was asking for a contribution rate increase.

- Over 98 percent of 1,068 IPERS members taking part in the survey rated IPERS' overall performance as very good or excellent.
- Awareness of IPERS benefits and funding was lower than satisfaction.

With new prescription drug coverage, Medicare covers more than ever

by Mark McClellan, MD, PhD

Administrator, Centers for Medicare & Medicaid Services

Starting January 1, 2006, dependable coverage for prescription drugs will be available to all people with Medicare. **Everyone with Medicare is eligible for this coverage, regardless of income, health status, or current prescription expenses.** It's time to consider how this important new coverage can make life better for you and everyone you love.

How the coverage works.

Medicare prescription drug coverage is insurance that covers both brand-name and generic prescription drugs at participating pharmacies in your area. Private companies will provide the coverage through Medicare drug plans. To get covered, you choose a plan and pay a monthly premium. When you join a plan, Medicare helps pay the bill.

How the coverage helps.

A typical person with Medicare and no drug coverage today could see total drug costs drop by about 50%. Even people who do not take a lot of prescription drugs now should consider joining. As we age, most people need prescription drugs to stay healthy. Signing up for Medicare prescription drug coverage can provide protection against very high prescription drug bills in the future.

Extra help is available for people with limited income and resources. People who qualify for the most extra help will have almost no drug expenses.

How to join.

Medicare drug plan enrollment began November 15, 2005, and continues through May 15, 2006. You must join a plan to get coverage. All Medicare

drug plans will meet Medicare's strict requirements, but they may differ in terms of costs and coverage. The choice you make depends on what kind of health coverage you have now, and whether or not you already have prescription drug coverage. You will receive information on the different options that apply to your situation.

Just like other insurance, you can pay less if you sign up early.

Joining when you are first eligible means you pay a lower monthly premium than if you join after the open enrollment period ends on May 15, 2006. If you don't join a plan by May 15, 2006, you may pay a late enrollment penalty.

How to learn more.

We urge you to join all of America in learning more about this new Medicare coverage. Discuss it with your family and friends. Keep an eye out for community meetings. For detailed information, you can look at the *Medicare & You 2006* handbook, visit www.medicare.gov on the web or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Editor's Note:

IPERS reprinted this article, as we did an article in the previous newsletter, at the request of the Centers for Medicare and Medicaid Services (CMMS), which is responsible for its content. One of our readers reported that you should read carefully all information from CMMS because if you have current coverage, changing coverage may not be the best decision for you.

January–June 2006 benefits calendar

JANUARY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	☐ \$	☐ \$				

FEBRUARY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	☐ \$	☐ \$				

MARCH						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	☐ \$	☐ \$	

APRIL						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	☐ \$	☐ \$	29
30						

MAY						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	☐ \$	☐ \$			

JUNE						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	☐ \$	☐ \$	

☐ \$ Benefit checks mailed

☐ \$ Direct deposit of benefits



IPERS CEO
Donna M. Mueller

Sometimes you have to change so you can keep things—the good things—the same. We need to change in 2006 so we keep IPERS a solid and affordable retirement plan.

We need to increase the contribution rates to bring IPERS back into actuarial

balance and ensure adequate funding for future retirement benefits. We are changing our publications and creating new ones to make it easier for you to find and use information. We have started to rebuild our Web site and aging computer system to make us more accessible electronically and to ensure we can effectively administer Plan provisions passed by the Legislature. We will continue to provide you information

about IPERS policy and funding so you can be more informed and involved.

Please take some time to review IPERS' Financial Summary attached to this newsletter. IPERS' performance continues to be strong. IPERS is a good retirement system. We must work together to make sure our public employees have adequate retirement income following their dedicated service to Iowans.

CEO says delay is costly

Donna M. Mueller, CEO of IPERS, said in remarks to the Legislature's Public Retirement Systems Committee that waiting to increase the contribution rate for current public employees is costly. Using a mathematical model to project what would have happened if contributions had been increased two years ago when IPERS first asked for an increase, Mueller showed that significant unrealized contributions and investment earnings have already been lost. She recommended the Legislature delay no longer.

Mueller explained that contributions are now being collected from public employees and employers and invested to cover the cost of future retirements. Mueller shared numbers that reflected rising retirement costs, many of which are related to demographic changes in IPERS' membership. The workforce is aging. The age of public employees who join IPERS is increasing. Retirees are living longer. Previous benefit improvements are being implemented now.

Mueller shared performance measures showing IPERS' services

rate high and administrative costs are low. She noted that investments have been successful since the bear market of 2000–2002, but that IPERS must have adequate contributions to invest.

The Legislature last adjusted the contribution rate for regular members, who represent 96 percent of IPERS' membership, in 1979. The result is that long-term funding is not in actuarial balance.

At the newsletter deadline, the Committee had not held its second meeting planned for December 21. House File (HF) 729, which increases the contribution rate for regular members by one-half percentage point for each of eight years, remains eligible for debate in the Senate after passing the House last year. The Committee could recommend action on the bill, or recommend another course of action when the Legislature convenes January 9, 2006.

Go to the IPERS Web site at <www.ipers.org> and select "Legislative News" to see Mueller's presentation and other Committee information. You can also directly go to the Legislature's Web site at <www.legis.state.ia.us>.

IPERS LifeTimes is published twice a year by the Iowa Public Employees' Retirement System.

Mailing address

P.O. Box 9117
Des Moines, IA 50306-9117

Office address

7401 Register Drive
Des Moines, IA 50321

Phone

515-281-0020
1-800-622-3849

Benefits fax

515-281-0053

E-mail

info@ipers.org

Web site

www.ipers.org

CEO

Donna M. Mueller

Chief Benefits Officer

David Martin

Newsletter correspondence, requests for alternative formats, and requests to reprint articles

Julie Economaki
julie.economaki@ipers.org
515-281-0043

Mailing list additions and changes

Melinda Prince
melinda.prince@ipers.org
515-281-0070

© 2005 Iowa Public Employees' Retirement System

Permission is granted to reprint articles, copy, and distribute *IPERS LifeTimes* freely within Iowa state and local governments, associations of IPERS members, and employers affiliated with IPERS.

David Martin appointed chief benefits officer



David Martin
Chief Benefits Officer

IPERS CEO Donna M. Mueller appointed David Martin chief benefits officer following a national search. Martin started working for IPERS in 1988. For the past

decade, he has supervised retirement education and other benefit services. He replaces Greg Cusack, who retired last year.

Deceptive mailings

The Arizona Republic recently reported that hundreds of Arizona teachers had received information that appeared to come from the state pension offices. Instead the notices were from a financial planning company. The mailers offered to help the teachers plan for retirement and asked for personal information.

IPERS has heard of a similar direct marketing scheme from individual insurance agents who give the impression that they are associated with IPERS.

"Members need to be aware that we already have personal information on you and would not likely request it again," stated David Martin, IPERS' chief benefits officer. "We also do not visit members in their homes."

Martin stressed that any IPERS member or employer who feels the least bit suspicious about something should not hesitate to call IPERS.

10 low-cost/no-cost tips for saving energy

From the Iowa Utilities Board

- 1. Set your thermostat at 68 degrees Fahrenheit or lower, or install a programmable thermostat that will automatically adjust your home's temperature.**
Lowering the thermostat by only 2 degrees for 24 hours each day throughout the heating season can result in an 8 percent energy savings. Lowering it by 8 degrees for only 8 hours each day can save up to 8 percent of your heating energy consumption.
- 2. Maintain your heating system.**
Have your heating system serviced so that it will run properly and efficiently. Change furnace filters every month.
- 3. Seal air leaks in the ductwork.**
- 4. Put plastic on windows if needed.** You can also cut down on drafts by installing foam gaskets behind outlet covers and switchplates.
- 5. Caulk and seal air leaks around attic doors and hatches.**
- 6. Turn down the thermostat on the water heater.**
Set your water heater's thermostat at 120 degrees (usually about halfway between low and medium on the temperature dial) unless you have a dishwasher. Set the thermostat at 140 degrees if you have a dishwasher.
- 7. Install faucet aerators and low-flow showerheads (2.0 gallons per minute or less).**
- 8. Take showers, not baths.**
A 5-minute shower uses half as much hot water as a bath.
- 9. Open the shades and curtains during the day.**
Allow sunlight to warm the inside of your home.
- 10. Keep air registers, baseboard heaters, and radiators clean and unobstructed.**
Do not block them with furniture, carpeting, drapes, or other items.

For more energy-saving tips, visit www.state.ia.us/iub and click on Energy-saving Tips & Links in the left column under Customer Service.

Safety Reminder:

You may need to set your thermostat higher than 68 degrees for the health of someone in your home. Never set the thermostat lower than 55 degrees as pipes may freeze.

