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THE LATEST WORD

FOR IPERS EMPLOYERS

Iowa Public Employees' Retirement System | Spring 2012



IPERS

Training: Get It While It's Hot (Outside)



Do you have a lot on your plate at work? We want to make your job easier for you. Take half a day sometime in the next few months and join us for some training. We'll review answers to the most common questions reporting officials have. It'll be fun and informative—and it's free.

Training for New Reporting Officials

Open to all reporting officials; recommended for new reporting officials.

- April 24 and 25, 2012, at IPERS, 7401 Register Drive, Des Moines



SIGN UP BY FILLING OUT THE [FORM ON THE TRAINING PAGE.](#)

Annual Update

Recommended for all reporting officials.

- July 10, 11, and 12, 2012, at IPERS, 7401 Register Drive, Des Moines, and other locations around Iowa (to be determined)
- July 17, 18, and 19, 2012, at other locations around Iowa (to be determined)



WATCH THE [TRAINING PAGE IN JUNE](#) FOR THE SIGN-UP SHEET TO BE POSTED.

Contribution Rates Change July 1, 2012

The contribution rates and wage ceiling are always available on the IPERS website. Rates for the upcoming fiscal year are posted every November.

Fiscal year 2012:

July 1, 2011–June 30, 2012

	Employee share	Employer share	Total
Regular members	5.38%	8.07%	13.45%
Sheriffs and deputy sheriffs	9.83%	9.83%	19.66%
Members in protection occupations	6.65%	9.97%	16.62%

Fiscal year 2013:

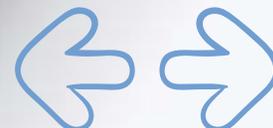
July 1, 2012–June 30, 2013

	Employee share	Employer share	Total
Regular members	5.78%	8.67%	14.45%
Sheriffs and deputy sheriffs	9.90%	9.90%	19.80%
Members in protection occupations	6.84%	10.27%	17.11%

Wage ceiling for

January 1–December 31, 2012:

\$250,000



All About Reserve Peace Officers

The commencement of warmer weather welcomes the beginning of Iowa's outdoor activities. Events such as parades, celebrations, and fairs may require your organization to hire reserve peace officers who can assist with traffic and security. Remember, wages paid to reserve peace officers are excluded from IPERS coverage.

First Things First: Who Can Be a Reserve Peace Officer?

- Anyone hired under Iowa Code chapter 80D is considered a reserve peace officer.

If you are a city clerk and you want to find out whether your part-time police officers are certified as reserve peace officers or normal police officers, contact the Iowa Law Enforcement Academy (ILEA). JoAnn Hively oversees records and reserve support for the Academy. Contact her at JoAnn.Hively@iowa.gov.

If you discover that you have covered the wages of one of your peace officers incorrectly, please contact the IPERS Employer Relations Bureau for assistance with corrections.



Wages paid to reserve peace officers are *not* covered.

Photo courtesy of Eric J. Salmon.



What Is the Difference Between Reserve **Peace** Officers and Reserve **Police** Officers?

A reserve police officer is a type of reserve peace officer.

- **Reserve peace officers:** Volunteer, nonregular, sworn members of a law enforcement agency, serving with or without compensation, under the supervision of the law enforcement agency's regular peace officers, and having regular police powers while functioning as the law enforcement agency's representative.
- **Reserve police officers:** One particular kind of reserve peace officer.



Hiring Police Officers as Temporary Employees

A city might hire a police officer as a temporary employee so the person can cover for an open position left from a retirement or resignation. A governing body cannot replace a full-time peace officer position with a reserve peace officer, so covering an open position must be a short-term arrangement. A temporary regular police officer might be hired to cover for vacations or special events.

If you hire a regular police officer as a temporary employee, that person would need to earn \$1,000 in two consecutive quarters before IPERS coverage would begin.

You probably face a variety of situations in your role as a reporting official. Stick with us and we'll help you through them all! Call or e-mail the Employer HelpDesk if you have a question or would like to talk through a situation you are unsure about.

Employer HelpDesk

8 a.m.–4:30 p.m., Monday–Friday

1-877-IPERS-99

employerrelations@ipers.org



When an Employee Can't Work:

Short- and Long-Term Disability Payments and Workers' Compensation Payments

As a reporting official, you have a lot to handle. Sometimes circumstances arise that you may not have had to sort out before, such as when an employee can't work because of an injury or other disability.

Here's an easy guide to help you navigate this tricky situation.

Short- and Long-Term Disability Payments

Sometimes short- and long-term disability payments are considered covered wages, and other times they are not. The answer lies in where the payments are coming from.

- **NEVER COVERED**
... If the payments come from an insurance company or a third party (such as a trust)
- **ALWAYS COVERED**
... If the payments come from the employing organization's own assets

Workers' Compensation Payments

Workers' compensation payments are never considered covered wages.



IMPORTANT CLARIFICATION MADE

The source of the payments determines whether **short- and long-term disability payments** are IPERS-covered. The source of **workers' compensation payments**, on the other hand, has no bearing on their coverage. Workers' compensation payments are not covered, no matter where they originate from.

Employer Bulletin 2012-2 will be published in April to further clarify the wording on workers' compensation in the IPERS Employer Handbook. Note that IPERS is updating the Employer Handbook online version to reflect clearer wording in this area.

[CLICK HERE TO DOWNLOAD THE EMPLOYER HANDBOOK](#)



See [Section 4: IPERS-Covered Wages and Compensation of the Employer Handbook](#) for guidance on many different situations relating to workers' compensation and short- and long-term disability payments.

If you have further questions, don't hesitate to call or email IPERS.

Need help with an IPERS issue?

Send your questions to employerrelations@ipers.org.



Reminder: Benefit Changes for Members

Changes passed by the Legislature two years ago are set to take effect this July 1. The changes help to protect the financial security of IPERS and ensure money will be available to pay promised benefits.

1. Vesting requirements change to seven years of service, or at age 65 while in covered employment.
 - Previously, members could vest with four years of service, or at age 55 while in covered employment.

2. Retirement benefits will be calculated with the average of the member's highest five annual salaries.

- Previously, benefits were calculated with the average of the member's highest three annual salaries.

3. When a member retires before **normal retirement age**, the member's benefits will be reduced to a greater degree than before. The reduction will be 6 percent for each year the member receives benefits before age 65.

- Previously, the reduction was 3 percent for each year the member receives benefits before the member's earliest normal retirement age.

Note: There are no changes to normal retirement age. Normal retirement age is when a member can begin receiving benefits unreduced for early retirement. It does not mean a member is eligible for "full" benefits (65 percent of the member's average salary). To receive "full" benefits, a member must have 35 years of service.

IMPORTANT! These changes apply only to *Regular members*. They do not apply to *Special service members (sheriffs/deputy sheriffs and members in protection occupations)*.





Normal retirement age is:

- age 65,
- age 62 if the member has 20 years of service, or
- when the member's age plus years of service equals 88,

whichever comes first.

There are rules in place to protect members' previously earned benefits and soften the effects of these changes for those who begin receiving benefits soon after the law change. All members who are vested by June 30, 2012, will remain vested after that date. Also, retirees' current benefits (other than the Favorable Experience Dividend, or FED) are protected by law and will not change, as always.



IF YOU OR YOUR EMPLOYEES
WOULD LIKE MORE DETAIL
ON THE CHANGES, SEE THE

[Q&A ON 2010-2012 LAW CHANGES](#)

AVAILABLE ON THE [MEMBER PUBLICATIONS](#)
PAGE OF WWW.IPERS.ORG.

