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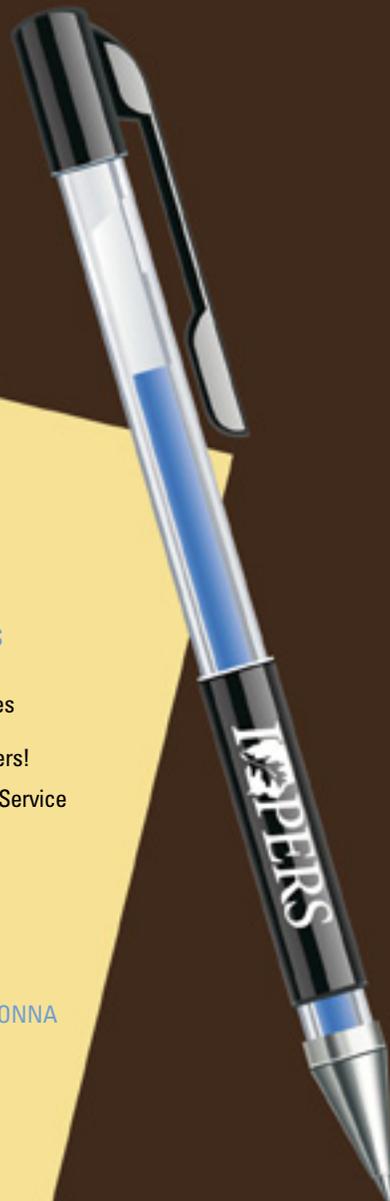
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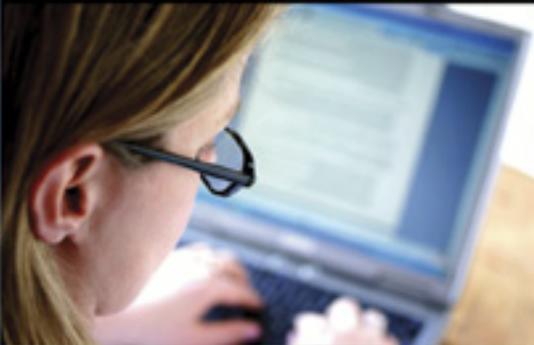
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THE LATEST WORD

FOR IPERS EMPLOYERS

Iowa Public Employees' Retirement System | Fall 2011



IPERS[®]

GOOD LUCK,
Linda Guffey

Employer Handbook Available Online

Would you like to find answers to your IPERS questions easily and quickly? We have a new resource for you! IPERS recently published a new edition of the Employer Handbook. It's available online at the IPERS website—www.ipers.org. Reporting officials will find it extremely helpful to have this information available at the touch of a keystroke.

Sections include:

- Overview of IPERS as an organization and as a retirement plan
- Responsibilities of reporting officials
- IPERS membership requirements
- Compliance reviews, recordkeeping, and Social Security administration
- Forms
- Glossary
- I-Que Help Guide



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

A limited number of hard copies are also available. If you would like a copy for your office, please contact IPERS at employerrelations@ipers.org.

The I-Que Help Guide will be updated periodically. Check the [IPERS website](#) for the most recent version.

It's Back-to-School Time Again!

Register Now for New Reporting Officials Training

It's new and improved—IPERS' New Reporting Officials Training is getting rave reviews. If you are new to the role of reporting official, or are just looking for a refresher, please join us for a three-hour session. We promise to provide you with essential information to make your job as a reporting official easier and more enjoyable. You will learn in an interactive and fun environment.

Training is scheduled for November 9 and 10. Attend either the morning or afternoon session. Sessions will be held at the Holiday Inn, 6111 Fleur Drive across from the Des Moines airport.

Sessions are free but registration is required. Each session is limited to 35 participants—so register early! For a complete list of dates and registration information, go to the IPERS website at www.ipers.org.



REGISTER EARLY! [CLICK HERE FOR A COMPLETE LIST OF DATES AND REGISTRATION INFORMATION.](#)



Upcoming Webinars



Later this fall, IPERS compliance officers will also offer a series of webinars for reporting officials. Topics will include:

- How to add new members
- How to terminate members
- How to make wage adjustments

Watch for more information coming soon!

MEMBER TOOLS

MESSAGE FROM DONNA

GOOD LUCK,
Linda Guffey



EMTs & Jailers Become Protection Occupation Members

For such a small group of members, emergency medical service providers and jailers can cause a large number of questions for reporting officials. A recently passed law transferred these employees from the IPERS Regular membership class to the protection occupation class. This change in membership class means a change in contribution rates. If you aren't sure who should be considered part of these groups, we've got answers for you.

Who is an emergency medical service provider?

An employee is an emergency medical service provider if:

- The employee's job description requires the employee to provide emergency medical service, **and**
- The employee is certified by the Iowa Department of Public Health to provide medical care at the first responder, EMT basic, EMT intermediate, or EMT paramedic level, or at another certification level recognized by the Iowa Department of Public Health.

These employees became part of IPERS' protection occupation membership class

on July 1, 2008. Starting then, their wages should be reported and their contributions should be paid under Occupation Code 20.

Who is a jailer?

An employee is a jailer if:

- The employee's job description requires the employee to provide jailer duties, **and**
- The employee has completed jailer training as described in Iowa Code chapter 80B.

These employees became part of IPERS' protection occupation membership class on July 1, 2008. Starting then, their wages must be reported and their contributions paid under Occupation Code 21.

	Membership class (determines contribution rates)	Occupation code
Regular members	Regular	01: Regular employees (And others)
Special service members	Sheriff/deputy	03: Sheriffs/deputy sheriffs
	Protection occupation	20: Emergency medical service providers 21: Jailers (And others)

See the Employer Handbook for a complete list of occupation codes.

EMTs & Jailers Become Protection
Occupation Members, continued

Can two classifications apply to one employee?

Yes, if an employee works in two separate jobs that have different occupation codes. (A common situation is when one employee holds a job in Occupation Code 1 and a second job in Occupation Code 20 or 21.) If the employee's occupation codes have different contribution rates, make sure to withhold and pay the right amount of contributions for each membership class.

Still not sure which classification applies?

IPERS can help! Send the employee's job description(s) to us and ask IPERS to determine which occupation code should be used and which contribution rate should be paid.

If you and the employee have been paying the wrong amount of contributions, it's a simple fix to complete a wage adjustment. See the Employer Handbook for instructions.



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

Social Security, IPERS, and Part-Time Elected Officials

Did you know that IPERS is the Social Security administrator for the State of Iowa? This agreement, known as a Section 218 agreement, indicates most employees covered under IPERS are also covered by Social Security.

However, there are a few exceptions to this agreement. Part-time elected officials must choose between IPERS coverage and Social Security coverage but cannot be covered under both. Part-time elected officials include mayors, city council members, township clerks, and some township trustees if paid a salary (not per diem).

If the part-time elected official chooses to be IPERS-covered, as the employer, you must withhold IPERS and Medicare only. If the part-time elected official does not choose IPERS coverage, you must withhold Social Security and Medicare only. If you are erroneously withholding Social Security, contact the Social Security office (not IPERS) to find out how to correct the error.

Every member of a county board of supervisors must be covered under Social Security by law. In addition, some county board members have optional IPERS coverage. That means they can either have Social Security coverage by itself, or be covered under both Social Security and IPERS, even if part-time.

November elections are right around the corner. Remember that new part-time elected officials have 60 days from the date of taking office to make the optional coverage choice. It is your responsibility, as a reporting official, to let them know about this choice. The member will be covered under IPERS automatically. If the member chooses to opt out of IPERS coverage, the member must complete and return IPERS' *Election for Termination of IPERS Coverage* form within 60 days.

MEMBER TOOLS

MESSAGE FROM DONNA

GOOD LUCK,
Linda Guffey

Rehiring IPERS Retirees: Is It a Good Idea?

Rehiring a retiree can be a great option. As an employer, you benefit from hiring someone with the exact experience needed for the job. As for the retiree, he or she is able to step back into a position with little downtime for training.

However, there are several important rules about going back to work with an IPERS-covered employer that IPERS retirees must follow. Retirees are responsible for knowing how these rules impact their situation.

*IPERS retirees must have a **bona fide retirement** before returning to work with an IPERS-covered employer.*

Retirees must meet a bona fide retirement period before they return to IPERS-covered employment.

The IRS mandates that pension plans such as IPERS require a bona fide retirement period. The Iowa Code mandates the length of the IPERS bona fide retirement period.

If you hire an IPERS retiree in an IPERS-covered job, you and the retiree must make contributions to IPERS for as long as the retiree remains employed.

Returning-to-Work Restrictions

All IPERS retirees under age 70 must have a bona fide retirement that meets these conditions:

- End all service with an IPERS-covered employer, regardless of whether the person's position with that employer is covered by IPERS.
- Start receiving monthly retirement benefit payments and not return to work with an IPERS-covered employer for one month or to IPERS-covered employment for three additional months. A member cannot agree (in writing or verbally) to go back to work with an IPERS-covered employer until the member has received his or her first IPERS benefit payment.

People who retire from certain positions may have a shortened bona fide retirement period. See the Member Handbook for a list.



Rehiring IPERS Retirees:
Is It a Good Idea, continued

Wage Limits After Retirement

There are certain earning restrictions for IPERS retirees who return to IPERS-covered employment. They are:

- Retirees age 55–65 cannot earn more than \$30,000 a year or the annual Social Security wage limit, whichever is higher. These wage limits may change each year.
- If the retiree earns more than \$30,000, monthly benefits from IPERS will be reduced.

Retirees who have reached age 65 do not face an earnings limit. Also, the limit does not apply if the retiree is elected to public office.

REMEMBER:

A bona fide retirement is not met if there is a prearranged agreement to rehire after the 4-month period expires.

Both the employer and employee must contribute to IPERS upon rehiring.

Benefit Adjustments After Reemployment

When a retiree retires again, he or she should contact IPERS. IPERS will recalculate the retiree's benefits. Reemployment does not always increase a retiree's monthly benefit, in which case, a lump-sum payment is made.

When You Need to Report a Death...

Call 1-800-622-3849 and provide the following information:

- The employee's name
- The employee's Social Security number
- The date of the employee's death
- The name, address, and phone number of a contact person

When an IPERS-covered employee passes away, it's very important to notify IPERS immediately. IPERS depends on having correct and timely information when calculating death benefits.

To notify IPERS of a death, please call the IPERS toll-free number (1-800-622-3849) and provide the information listed at left.

Even if you don't have all of the information listed, please call to provide what you can. Your assistance with this will help speed up benefits paid to the employee's beneficiary.

I-Que Update to Launch in 2012

Employers have benefited from the new IPERS' Quest for Excellence (I-Que) benefit administration software system upgrade for several years. IPERS has been reengineering business processes and implementing a new system since 2006. The time investment alone indicates that this is a major overhaul of the technology used to streamline pension processing.

The earlier online Member Self-Service application, called My Account, has been taken down in order to enhance its features and capabilities. A new and improved version will be available at the end of the year.

During the interim, members can access IPERS account information, request a benefits statement or forms, and make general inquiries through our 24/7 automated voice response system at 1-800-622-3849.

While this has stretched out further than the original target date, the enhanced online capabilities for members promise to be well worth the wait.

The logo for I-Que, featuring the letters "I-Que" in a stylized font. The "I" is large and bold, followed by a hyphen and "Que". The "Q" has a decorative flourish that extends upwards and to the right, resembling a leaf or a stylized "e".

Good Luck, Linda Guffey!



After 15 years of service to IPERS, Linda Guffey, former bureau chief with IPERS' employer relations and account maintenance bureau, has moved on. Linda accepted the position of executive officer for Peace Officers' Retirement System (PORS), at the Iowa Department of Public Safety and began her new job on May 13. We recently caught up with Linda and asked her a few questions.

What is your new title?

PORS executive officer.

What are you responsible for?

I work with the PORS Board, and active and retired PORS members for administration of benefits and the implementation of the provisions of Iowa Code chapter 97A.

How is it going?

It's going well. There are lots of new, interesting things to learn and my IPERS background has definitely made the transition much easier! It is very interesting to work with another defined benefit plan; some things are very similar while others are much different!

What do you miss most about IPERS?

Those I worked with on a daily basis: my coworkers (naturally) and the employers who I have come to know well over the years.

You were with IPERS for a long time. In terms of your work at IPERS, what are you most proud of?

Public service is never-ending and while there is always more work to do, the employer relations bureau made great progress in refining employer processes and improving customer service since I started as a compliance officer 15 years ago. We implemented regularly scheduled employer training and greatly increased the number of compliance reviews, as well as just overall increased services and communications with employers. This was definitely a group effort made possible by the work of great staff and support from IPERS' management.

Thanks for all your hard work, Linda, and good luck at PORS!

MEMBER TOOLS

MESSAGE FROM DONNA

GOOD LUCK,
Linda Guffey

Do Your Employees Have Questions?

IPERS Has Answers

Helping your employees understand their IPERS benefits is not always easy. We have several resources you can use to help members educate themselves about retirement.

Webinars

Audio files of recent presentations are available online. These webinars are geared toward members. You and your employees can listen to the audio files and follow along with a PDF of the presentation anytime. Take a look and listen to the following presentations:

- IPERS Law Changes
- Purchasing IPERS Service Credit
- Choosing Your Benefit Option

Webinars usually last 30–60 minutes. IPERS will schedule more webinars soon. When we do, the schedule will be posted online and members will be able to register online to attend live.



[CLICK HERE TO SEE THE PRESENTATIONS](#)

Individual Counseling

Let our benefit counselors come to you. Individual counseling for members is available across the state this fall and winter. Dates and locations are listed at www.ipers.org under Members > Training & Retirement Planning.



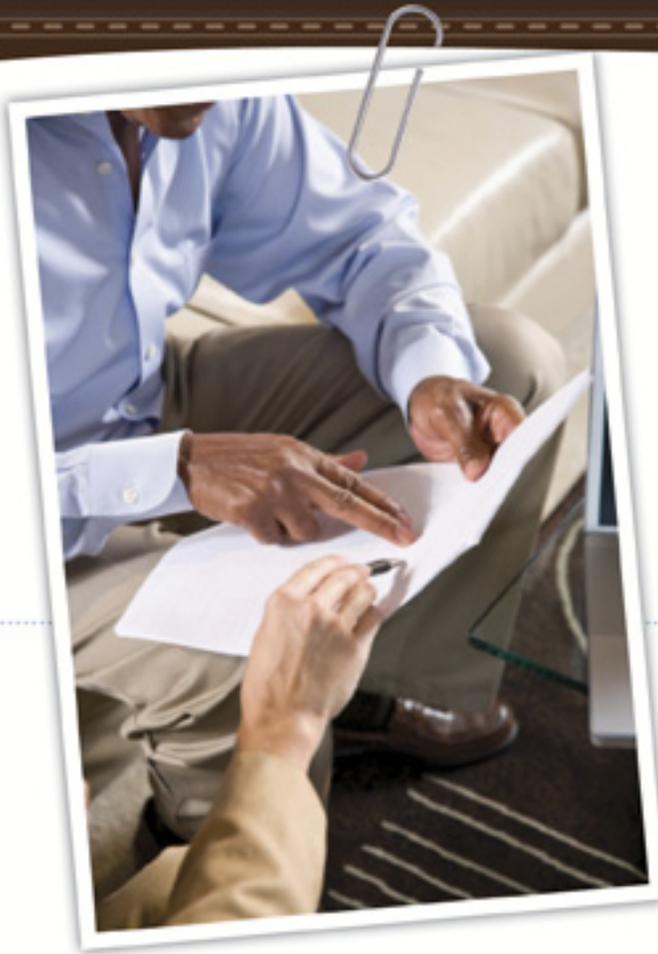
[CLICK HERE TO VIEW THE COUNSELING DATES & LOCATIONS](#)

Booklets

Publications are available for all membership classes online at www.ipers.org under Members > Publications. The booklets explain IPERS retirement benefits, death benefits, disability benefits, refunds, and other membership perks such as purchasing service. You and your employees may look at the publications online or you may order publications to have available for your employees.



[CLICK HERE TO GO TO THE PUBLICATIONS PAGE](#)



Do Your Employees Have Questions?
IPERS Has Answers, continued

Enrollment/Beneficiary Designation Forms

Enrollment/Beneficiary Designation forms are available online under Members > Forms. Make sure your employees who are new IPERS members fill one out. In addition, members should use this form whenever it is time to change a beneficiary. Remind members to consider changing a beneficiary in instances such as marriage, divorce, or a beneficiary's death. Do not keep copies of this form in your files; these forms contain confidential information meant only for IPERS and the employee.



[CLICK HERE TO
DOWNLOAD THE FORM](#)

Member ID Reminder

Identity theft crimes must be taken seriously. Identity theft occurs when a criminal uses personal information to take on another person's identity. Resolving problems caused by identity theft can be expensive and time-consuming.

IPERS works hard to protect personal information to help prevent identity theft. All IPERS members have been assigned a member ID number. When contacting IPERS, this number will be used rather than the member's Social Security number. This is one way to help deter this type of crime. The new online Member Self-Service, which is scheduled to launch in 2012, requires members to use their member ID number to log in. Members may contact IPERS to request a new member ID number if needed.

Making Sense of Service Purchases

Did you know your employees who are vested in IPERS can purchase IPERS service credit? Purchasing service can increase the amount of a member's IPERS benefits or allow for an earlier retirement date. Service is important because it helps determine retirement benefit amounts. IPERS service credits are earned for each quarter worked in an IPERS-covered position. Employees can earn a maximum of four quarters per calendar year.

COMMONLY ASKED QUESTIONS:

Q: Why buy service?

A: Buying service can increase your retirement benefits and may allow you to retire earlier. You must be a vested member to purchase time.

Q: How is the cost calculated?

A: The cost is based on actuarial tables as certified by IPERS' actuary. Cost quotes expire in six months.

Q: Am I required to buy all of the service I qualify for?

A: No. It is entirely optional. You may purchase service in quarter-year increments. For example: If you are eligible to purchase two years of service (eight quarters), you may buy any amount of service from one quarter of a year to all eight quarters.

Q: Can I roll over money from another retirement plan to purchase service credit?

A: IPERS will accept money from most qualified retirement plans. A complete list will be provided with your personalized cost quote.

HOW TO PURCHASE SERVICE



1. Review the [types of service purchases available](#) to see if you are eligible for a service purchase.
2. Complete an [Application for Service Purchase](#). Keep in mind that simply submitting an application does not obligate you to make a service purchase.
3. Submit any requested documentation with your application.
4. Return your completed application and any supporting documentation to IPERS.
5. After you submit your application, IPERS will send you a cost quote if you are eligible to purchase service.
6. Review the cost quote and the estimates of monthly pension payments provided to determine whether a service purchase is in your best interest. If you decide to proceed, remember to complete the purchase before the expiration of the cost quote (within six months).
7. Contact IPERS if you have questions about the cost quote or need help determining whether a service purchase makes sense for you.

Q & A: Vesting

What is vesting?

Vesting is when a member gains rights to disability benefits, death benefits, and lifetime retirement benefits; and the right to buy service credit. In addition, when leaving IPERS-covered employment before retirement and taking a refund, vested members can receive some of the contributions the member's employer made to IPERS.



Are vesting requirements changing?

Yes. Before July 1, 2012, a member must meet one of these two requirements to vest.

- (a) Complete at least four years of service.
- (b) Reach at least age 55 while in IPERS-covered employment, regardless of years of service.

Starting July 1, 2012, a member must meet one of these two requirements to vest.

- (a) Complete at least seven years of service.
- (b) Reach at least age 65 while in IPERS-covered employment, regardless of years of service.

Will the change affect a member who is already vested or one who will be vested before July 1, 2012?

No. Members who are vested before July 1, 2012, will remain vested.

How will the change affect members who have not vested by July 1, 2012?

Members who have not vested by July 1, 2012, must work until they complete at least seven years of service to vest.

Those members can also vest by turning 65 while in IPERS-covered employment if that occurs first. All members who have not become vested by July 1, 2012, must work seven years, or be at least age 65 while working in IPERS-covered employment, to vest.



Donna M. Mueller
CHIEF EXECUTIVE OFFICER

From Donna M. Mueller, CEO

Update on GASB Exposure Drafts

If you are involved in preparing your organization's financial report, you are probably familiar with the acronym GASB. (No, it isn't a sharp intake of breath.) If you aren't, let me take a moment to explain. GASB stands for Governmental Accounting Standards Board. GASB is the group responsible for developing standards for state and local governmental accounting and financial reports, including standards related to the reporting and calculation of pension costs and obligations. Two standards in particular deal with governmental employee pension plans:

- GASB Statement No. 27, which addresses employers' financial reporting, and
- GASB Statement No. 25, which addresses financial reporting by the pension plan (such as IPERS).

The current standards

Current GASB standards require pension plans to report on pension funding measurements: whether the employer (your organization) is making its required contributions, and the funding progress of the pension plan (IPERS). If your organization is making its required contributions, no liability is placed on your balance sheet and your pension expense equals the required contribution amount.

Radical amendments proposed

The Exposure Drafts of the proposed amendments are currently open for public comments. If adopted, the Exposure Drafts will become effective for employers contributing to IPERS for the fiscal year beginning after June 15, 2013.

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Proposals involve a dramatic turn away from reporting on funding

The GASB amendments propose recording a share of the pension plan's net pension liability (similar to unfunded actuarial liability) on the employer's balance sheet. This will be a new liability not previously reported on the employer's balance sheet. This balance sheet entry will vary from year to year, primarily depending on the pension plan's investment returns and other actuarial experiences.

The net pension liability, which is to be recorded on your organization's balance sheet, will not match the unfunded actuarial liability, which is calculated for IPERS' funding purposes. That is because these amounts are calculated using two different methods, which may cause some confusion.

Big changes in the pension expense column

Currently, the amount you record for your pension expense equals the IPERS contributions you are required to make. Under the proposed amendments, the pension expense amount will reflect the change in IPERS' net pension liability from the prior year. It will have no relationship to whether your organization is making the required contributions and no relationship to how much is needed to fund the pensions. Again, this will be a volatile number driven by the pension plan's investment and actuarial experience.

Stay tuned—there's more to come

Many questions remain as to how pension liabilities and expenses should be allocated for cost-sharing multiple-employer plans such as IPERS. I expect that reporting requirements for cost-sharing plans will be the subject of many comments submitted during GASB's comment period, which ends October 14, 2011.

Learn more

The Exposure Drafts, Summary of the Drafts, and several recorded presentations on the subject can be found at www.gasb.org. For a brief overview of the Exposure Drafts, I recommend the PowerPoint presentation by the National Institute on Retirement Security. As always, IPERS will strive to keep you informed on further developments.



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