

THE LATEST WORD

March 2003

Official IPERS Information ▲ Retain For Your Records

Iowa Public Employees' Retirement System ▲ PO Box 9117 ▲ Des Moines IA 50306-9117
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New IPERS CEO

We are pleased to introduce our new Chief Executive Officer (CEO) Donna Mueller. She was selected following a nation-wide search, and she began her duties January 31, 2003.

Since 1996, Donna had been the CEO of the Boston Retirement Board retirement system, serving 33,000 members and managing \$3 billion in assets. Donna's educational background includes a law degree from Washington & Lee University; Bachelor of Arts in Political Science from the University of Minnesota; Certificate of Completion from the Institute of Chartered Pension Professionals, Boston, MA; and, completion of the Program for Senior Executives, Harvard University, John F. Kennedy School of Government. She is licensed to practice law in Wisconsin and Massachusetts.

Donna is a Midwest native, and she is delighted to return to this region. The IPERS staff looks forward to working with Donna to meet the challenges ahead.

Employer Internet Project

IPERS is continuing to make progress on the Employer Internet Project. As you will recall from previous newsletter articles, this project will make wage reporting

easier, which will result in increased efficiency for you and our members. This system will not replace or change reporting for the larger employers who currently report wages via tape, but it will have an impact on those employers who currently report wages via diskette or on paper.

Currently, we are in the second phase of a four phase testing plan. We will soon finalize the selection of the employers who will participate as our pilot group. Once the results from the pilot group are positive, we will move into a phased implementation. We will be preparing written documentation and training on how to use the new system to assist your transition to this new system.

Township Officials

Not all township trustees and township clerks in Iowa are elected to their offices. For example, it is possible under Iowa Code 39.22 that a county board of supervisors may fill these positions by appointment if a resolution by the county board approving that process is submitted to the registered voters of the township during a general election. For IPERS purposes, township trustees and clerks appointed in this manner will continue to be covered as part-time elected officials. The following information addresses the most often asked questions about this issue.

Township trustees are board members, and coverage is determined by applying the IPERS coverage rules for board members. Regardless of whether the trustee is elected or appointed, if board members are paid per diem, they are exempt from IPERS coverage. If board members are paid a salary (e.g. hourly, monthly, annual, etc.), they have optional IPERS coverage and wages must be covered unless they file, within 60 days of taking office, a one-time only irrevocable election to opt out of IPERS coverage. Re-election does not offer another opportunity to elect out of IPERS coverage.

Part-time township clerks also have optional IPERS coverage. Their wages must be covered unless they file a one-time only irrevocable election to opt out of coverage within 60 days of taking office.

Occasionally, a township official is appointed by the township trustees or county board of supervisors to fill a vacancy on the township board or township clerk's office. These appointees are considered part-time elected officers, even though appointed to office. IPERS coverage is determined by whether the official is a trustee (board member) or a clerk, as described above.

If the wages of a township trustee or township clerk would be subject to Social Security (FICA) contributions, the election of IPERS coverage will bar further Social Security coverage. See the Part-time Elected Officials/Social Security Coverage

article in this newsletter for more details. If you have not been administering coverage for your township officials according to these guidelines, please contact a compliance officer with the Employer Relations Team for additional information.

Part-time Elected Officials -

Coordinating Coverage under Social Security and IPERS

Iowa's Section 218 Agreement with Social Security, from 1953 until 2002, excluded all part-time elected officials from Social Security coverage. However, that broad exclusion was superseded by federal law that mandated Social Security coverage for nearly all employees, unless some exception applied. One of the exceptions was coverage under a retirement plan like IPERS.

The net result, prior to the 2002 amendment, was that most part-time elected officials in Iowa had mandatory Social Security coverage, unless they elected IPERS. However, if the part-time elected official elected IPERS, then they had to be excluded from further Social Security coverage. Not surprisingly, some employers were unaware of their obligation to terminate mandatory

Social Security coverage for IPERS covered officials.

In 2002, the Iowa legislature adopted an amendment to Iowa Code Chapter 97C authorizing such dual coverage. The authorization process requires each affected employer to hold a referendum, **IF** that employer has and wishes to retain **prior** dual coverage for part-time elected officials or wishes to **begin** dual coverage.

If an employer does not act to ratify the prior dual coverage, Social Security contributions made after IPERS coverage began must be corrected. Those employers will be required to file corrected tax reporting and refund forms.

IPERS will be contacting each employer served by part-time elected officials to review the employer's coordination of Social Security and IPERS coverage, and to assist in the process of either correcting erroneous Social Security coverage or authorizing current or future dual coverage arrangements. IPERS' plan is to contact cities and towns in early February, and to contact counties, townships, and other governmental employers in July 2003.

Credit Balances

IPERS will not issue a check for a credit balance of less than \$10.

Credit balances of any size may be deducted from contribution payments. You must indicate on your remittance advice the numbers of the credit memos being used or debit memos being paid or offset.

Update on IPERS 50th Anniversary Celebration

Anna Sullivan, Director of the Nebraska Public Employees Retirement System (NPERS), has tentatively agreed to be the keynote speaker for the IPERS 50th Anniversary Celebration scheduled for July 30 –31. Sullivan is scheduled to speak at 10:00 a.m. on July 31.

Sullivan, a recognized national leader on pension policy, will share information on a study done by the NPERS on the performance of their defined benefit and defined contribution plans. NPERS is one of the few public retirement systems that has recently replaced their defined contribution plans with defined benefit plans.

A complete program will be included in the next edition of this newsletter. Program and registration information is also available at the IPERS website: www.ipers.org.

Special Class Rates

<u>Special Service Group:</u>	<u>Effective:</u>	<u>Member:</u>	<u>Employer:</u>	<u>Total:</u>
Sheriffs, Deputies, and Airport Firefighters:	7/1/2002	5.37%	8.05%	13.42%
	7/1/2003	4.99%	7.48%	12.47%
Protection Occupations:	7/1/2002	6.04%	9.07%	15.11%
	7/1/2003	5.93%	8.90%	14.83%

NEW REPORTING OFFICIAL TRAINING

- This training session is offered semi-annually and is designed to assist new reporting officials, who are responsible for IPERS reporting, in understanding their responsibilities. There is no charge for this training. Sessions will be held at IPERS, 7401 Register Drive, Des Moines.
- This training session includes basic information on topics such as temporary employment, optional coverage, coverage of wages and benefits, and reporting forms and procedures.
- Please complete and return the attached registration to IPERS at the location on the bottom of the registration. Remember to indicate the day you wish to attend.
- Registrations are due by April 18, 2003. Return your registration early for best availability.
- After IPERS has processed your registration, you will receive a confirmation by mail or email with detailed location information.
- Training materials will be distributed the day of the session.
- Due to logistics and because there is no fee for this training, we are unable to provide refreshments. There are vending machines available at IPERS, but feel free to bring your own refreshments.
- Questions? Call IPERS at 800/622-3849 and ask for Melinda, Jim, Pat, or Linda.

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Employer _____ IPERS Employer ID _____
Address _____
City _____ State _____ Zip _____
Email Address _____
Attendee _____ Daytime Phone _____

Please indicate 1st and 2nd choice, if applicable.

_____ Tuesday, April 29, 2003	1:00 am – 4:00 pm
_____ Wednesday, April 30, 2003	9:00 am – 12:00 pm

RETURN TO:
IPERS Employer Relations Team • PO Box 9117 • Des Moines, Iowa 50306-9117
Fax number: 515/281-0053