



LifeTimes

Tax time



IPERS will mail the 2007 Form 1099-R, which reports the taxable and nontaxable (if any) portions of your IPERS benefits, by January 31. Form 1099-R reflects all amounts paid during the tax year.

If you turned 59½ during the year, you will receive more than one Form 1099-R. This occurs because of changes in the code the IRS uses, but it does not affect your total tax liability. If you have more than one type of distribution from IPERS (for example, if you are a retiree and a beneficiary of death benefits), you will also receive more than one Form 1099-R.

Please allow for normal delivery time to receive your Form 1099-R. However, if you have not received your Form 1099-R by February 8, 2008, contact IPERS.

2008 BENEFITS CALENDAR

MONTH	CHECKS MAILED	DIRECT DEPOSIT
January	30	31
February	28	29
March	28	31
April	29	30
May	29	30
June	27	30
July	30	31
August	28	29
September	29	30
October	30	31
November	25	26
December	30	31



IPERS CEO Donna M. Mueller

From the CEO: 2008 legislation

Every two years the Iowa Legislature reviews public pension issues, and 2008 is an "IPERS year."

A committee of the legislature met this fall to study all public retirement systems in Iowa, including IPERS. The committee develops recommendations for the full legislature to consider

during the 2008 legislative session, which runs from January through April.

I discussed with the committee why it is important to protect and preserve the benefits provided under IPERS. Read about my other legislative recommendations inside.

2008 legislative recommendations from the CEO of IPERS

RECOMMENDATION

Allow IPERS to adjust contribution rates for current public employees in IPERS' regular membership class.

IPERS already adjusts rates for Special Service members, which include sheriffs, deputies, police officers, firefighters, correctional officers, and others. The promised benefits for these members are over 100 percent funded. Benefits promised to regular IPERS members, about 96 percent of the total membership, are only 89.5 percent funded. Although Special Service contribution rates vary from year to year, they are about the same as they were 10 years ago. The sooner IPERS receives needed contributions, the sooner IPERS can invest the contributions. Promised benefits must be paid, and delaying the inevitable just increases costs.

RECOMMENDATION

Remove bonuses and allowances from the definition of IPERS-covered wages.

Contributions and benefits are based on IPERS-covered wages. Bonuses do not reflect a normal progression of wages over a career.

Bonuses can be used to increase retirement payments by inflating the wages included in the benefit formula without commensurate contributions. Most public employees do not receive bonuses and allowances, and would not be affected. IPERS will work with education groups and others to ensure appropriations intended to improve salaries are not defined as bonuses but also do not inflate the wages used in the benefit formula.

RECOMMENDATION

Support I-Que and do not implement changes to benefits in fiscal year 2009.

I-Que is modern benefits administration technology that will improve services and help control costs. IPERS is installing I-Que to help manage increasing workloads with less risk of errors. Members and retirees also will have online access to more information about their own accounts.

Employers will have 24/7 access to file monthly reports and pay contributions; they will receive timely and complete information online. In turn, IPERS will charge employers for

administrative costs incurred if employers send paper reports or pay contributions late.

Changes to the basic benefits structure before I-Que is implemented will require programming changes and increase costs. I-Que will be fully implemented by the beginning of fiscal year 2010 (July 1, 2009).

RECOMMENDED FOR STUDY

The following are complex items that need further study.

- Explore ways to address the lack of a guaranteed [cost-of-living adjustment](#) to IPERS monthly benefits and lack of continuing funding for the current Favorable Experience Dividend program.
- Evaluate how early retirement incentives included in the IPERS plan and provided by employers may hurt retention and add to concerns about having enough qualified employees.
- Consider whether phased retirement (reducing work hours and phasing in benefits) and changes to the benefit formula multiplier may be useful incentives to delay retirement.

Legislative updates are posted in the Newsroom on <www.ipers.org> when the legislature is in session.



Here's why it is so important to address the effect of inflation on your retirement income.

Assume this year you spent \$60,000 from your pension, social security benefits, and other retirement savings; and inflation is 3 percent a year. You would need \$61,800 next year ($\$60,000 \times [1 + \text{the inflation rate}]$, or $\$60,000 \times 1.03$) to have the same buying power. In two years you would need \$63,654 ($\$60,000 \times 1.03 \times 1.03$, or $\$60,000 \times 1.03^2$). To maintain the same buying power in 20 years that you have today, you would need about \$108,367 ($\$60,000 \times 1.03^{20}$).

Source: CNNMoney.com,
November 2, 2007

During the 2008 legislative session, the House and Senate State Government Committees will review bills that address IPERS.

HOUSE STATE GOVERNMENT COMMITTEE

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During the legislative session, you can reach senators at the Iowa Capitol by calling the senate switchboard at 515-281-3371. You can reach representatives by calling the house switchboard at 515-281-3221. The Iowa General Assembly Web site, <www.legis.state.ia.us>, lists legislators' e-mail addresses.

www.ipers.org

Find news on IPERS-specific legislation.

www.legis.state.ia.us

Find your legislator, track legislation, and hear audio of debates while the house and senate are in session.

Legislative Information Office

State Capitol Building
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 Room G16
 Des Moines, Iowa 50319
 515-281-5129
lioinfo@legis.state.ia.us

House switchboard

515-281-3221

Senate switchboard

515-281-3371

From idea to law

- A group or individual has an **idea**.
- A legislator asks legislative staff to turn the idea into a **bill draft**. (State agencies also can ask for a bill draft.)
- The bill is assigned a **bill number**.
- The bill goes to a **committee**. A smaller subcommittee studies the bill and advises the full committee, which may pass the original bill or an amended version. The committee also can send the bill to the floor without recommendation.
- The bill is placed on a calendar for **floor debate**. Legislators can file **amendments** to the bill. It takes a simple majority of legislators voting to approve an amendment. A constitutional majority, at least 26 senators or 51 representatives, must vote "yes" for the bill to pass.
- If the bill passes, it goes to the **second chamber** (if the bill started in the house, it goes to the senate; if the bill started in the senate, it goes to the house) and the process repeats.
- If the second chamber approves the bill as passed by the first chamber, the bill is sent to the governor for his signature. If the bill is amended, it goes back to the first chamber to approve the amendments. If the two chambers cannot agree, the bill goes to a conference committee. Once the bill passes both chambers in **identical form**, it goes to the governor.
- The **governor** may sign the bill into law, veto the bill, or take no action. If the governor takes no action within three days on a bill he receives while the legislature is meeting, the bill becomes law. The governor has 30 days to act on bills he receives during the last three days of session. If he takes no action after 30 days, a pocket veto occurs.

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Tours of the Capitol

Tour guides conduct free tours of the Capitol weekdays and Saturdays. Tours last about one hour. The tour guides also provide general information at the information desk in the first-floor rotunda of the Capitol. For more information and to schedule a tour, call 515-281-5591, or use the electronic scheduling on the Iowa General Assembly Web site at <www.legis.state.ia.us>.