



Welcome to IPERS

Iowa Public Employees' Retirement System

For New IPERS Members | Protection Occupations



I  **PERS**[®]

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CONGRATULATIONS ON BECOMING AN IPERS MEMBER!

Regardless of your retirement plans or anticipated retirement age, you want a financially secure retirement. IPERS helps provide the security you need through guaranteed benefits.

Unlike benefits from other retirement plans, IPERS benefits aren't tied to the performance of the stock market. With IPERS, you don't need to make investment decisions for your retirement dreams to become a reality.

Remember, IPERS benefits are only one part of your overall retirement savings. Your total retirement income will come from a combination of your IPERS benefits, Social Security, personal savings, and any other retirement plan benefits.



This booklet briefly explains certain rights and benefits of IPERS membership. It is not a substitute for federal and state laws governing IPERS, which provide complete information and are subject to change. Although IPERS makes every attempt to ensure its materials are accurate and up to date, any conflict between the contents of the booklet and law must be resolved in favor of the law. The Member Handbook provides a more detailed description of IPERS benefits. It is available on the IPERS website.



A Plan Designed for You

The IPERS plan is a defined benefit pension plan. The lifetime monthly benefit you receive is predictable and stable because it is calculated using a formula. Your benefits grow with you throughout your IPERS-covered employment. As your years of service and salary increase, your IPERS benefits grow too.

IPERS was established for the sole purpose of providing a retirement plan to public employees throughout Iowa. As a public agency, IPERS' goals are aligned with members' goals.

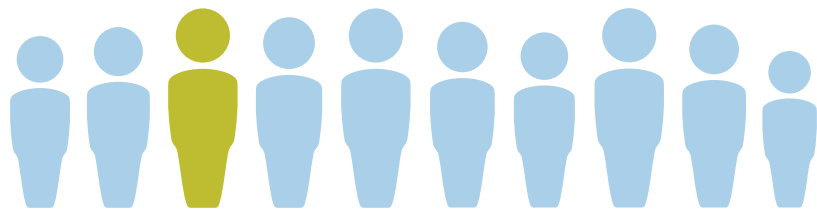
IPERS benefits are designed to supplement personal savings and Social Security benefits in retirement. Benefits also offer financial protection for families in the event of death or disability.

SECURE AND DEPENDABLE RETIREMENT BENEFITS

No hassle, no risk — guaranteed! IPERS uses a formula to calculate your benefits, providing you with guaranteed lifetime retirement benefits. Your benefits aren't tied to the performance of the stock market, so you don't have to worry about riding out the bumps in the market. IPERS takes on all the investment risk, providing you with retirement benefits you can depend on.

Strength in Numbers: Our Membership

IPERS covers most Iowa public employees. With 355,000 members and 2,000 covered employers, IPERS is the largest public retirement system in Iowa. IPERS offers retirement benefit stability and security that members can count on.



Did you know? **One in ten**
Iowans is an IPERS member.

Most public employees in Iowa automatically become members of IPERS when they start employment with an IPERS-covered employer.

Covered employers include:

- Schools
- Counties
- State agencies
- Cities
- Townships
- Other public employers

Membership Groups



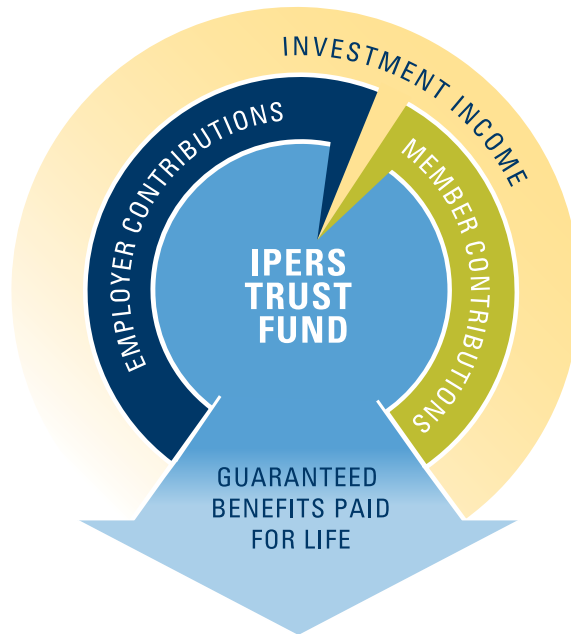
IPERS has three membership groups: the Regular membership group (which makes up about 95 percent of the membership), the sheriff/deputy membership group, and the protection occupation membership group. Sheriffs/deputies and members in protection occupations are known as Special service members. These members work in public safety occupations. Their careers tend to be shorter because of the physical demands of their jobs. There are some differences in the retirement benefits offered to each membership group.

Contributing to IPERS

Both you and your employer contribute to IPERS. IPERS invests the contributions and holds the investment income in a Trust Fund for the exclusive purpose of paying benefits to members and their beneficiaries.

The Iowa Legislature and Governor determine the positions of employment in each membership group and the benefits provided. Most members are Regular members. The rest are Special service members, who work in public safety jobs.

IPERS sets contribution rates as part of its annual actuarial valuation, which applies actuarial assumptions and IPERS' funding policy.



Rates for all membership groups are released and posted on the IPERS website in November. New rates take effect the following July 1.

IPERS is a prefunded retirement plan. That means the money employees contribute today is pooled and invested so it can grow and pay for their own future benefits.

Benefits of Contributing to IPERS

- **Automatic retirement savings.** Automatic deductions from your paycheck ensure you set aside retirement savings.
- **Income you won't miss.** Since the deductions come out of your check automatically, you won't miss the income.
- **Pretax deductions.** Your contributions reduce your taxable income.
- **It's easy.** IPERS takes on all the investment risk. You don't have to worry about investment market fluctuations.



Membership Rewards

Saving for retirement is important.

IPERS benefits are designed to supplement personal savings and Social Security benefits. Consider these rewards of IPERS membership.

Security

IPERS is a well-funded retirement plan. IPERS' administration and an independent actuary scrutinize IPERS' financial statements yearly. IPERS' administrators evaluate the retirement plan's sustainability and request changes when appropriate.

Worry-Free Benefits

Since IPERS provides a defined benefit, you don't have to worry about monitoring where your money is invested or how the stock market performs. It's easy and worry-free.

You have the option of receiving your benefits as a monthly lifetime payment – which means you can never outlive your benefits. The amount of your benefit is based on a formula that factors in your years of service, age, and highest 3-year average salary. By design, IPERS takes on all the investment risk; with a defined contribution plan, you take on the investment risk and must ensure your investment grows at a sufficient rate to provide benefits for your lifetime.

**“The IPERS plan works for me.
Making contributions is effortless, and I know
that I'll get a benefit for the rest of my life.”**

—IPERS MEMBER, AGE 22, STARTING PUBLIC SERVICE CAREER

A Safety Net

IPERS provides death and disability benefits. These benefits provide important protection for you and your family. If you die before beginning to receive IPERS benefits, your beneficiary(ies) may be eligible for a one-time lump-sum payment or monthly benefits. If you die in the line of duty, you may also be entitled to a line-of-duty death benefit. You may be eligible for an IPERS disability benefit if you meet certain requirements. Contact IPERS for more information.

Accountability

The Iowa Legislature and Governor are the plan sponsors for IPERS. The Legislature authorizes spending from the Trust Fund for administrative expenses. IPERS closely monitors and negotiates investment management expenses, does not spend money on costly advertising campaigns, and operates with a small and efficient staff. Annual financial statements on the Trust Fund are available online or from IPERS for free.

Portability

You are always entitled to 100% of your IPERS contributions and interest earnings. If you change jobs, you keep your IPERS coverage if your new job is an IPERS-covered position. If you start working for a non-IPERS-covered employer, you may leave your money in IPERS, or take a refund, which you can roll over to another qualified retirement plan.

If you are vested and decide not to leave your money in IPERS, you will receive a portion of your employer's contribution (based on your years of service) along with your own contribution. If you remain in Special service employment only, you become a vested IPERS member when you have four years of service or when

you reach age 55 while in covered employment, whichever occurs first. If you take a job in Regular IPERS-covered employment, your vesting requirements change.

At retirement, you can purchase IPERS service using personal funds or by rolling over money from a qualified retirement plan.

Resources

IPERS helps you plan for a secure retirement. You can speak one-on-one with a representative who can answer your questions and address your individual situation. In addition, online resources and periodic mailings keep you informed about your IPERS benefits.

LOW ADMINISTRATIVE EXPENSES

Consider this:

According to CEM Benchmarking Inc., an independent company that reviews pension systems, IPERS' administrative expenses are among the lowest of similarly sized public retirement systems, averaging 50% less than our peers.

IPERS Membership Has Rewards

- **Security.** IPERS is a large, well-funded plan.
- **A guaranteed benefit.** Your benefit is based on a formula; benefits are predictable.
- **A safety net.** IPERS provides death and disability benefits.
- **Public accountability.** You elect the officials who sponsor the plan; these officials want to provide sound, yet cost-effective benefits. Plan financials must be fully disclosed.
- **Portability.** If you change jobs to another IPERS-covered position, you continue to grow your IPERS benefits. If you leave public employment, you can take your contributions with you.
- **Retirement planning resources.** Talk or meet with an IPERS representative to discuss your IPERS benefits.



Eligibility for Benefits & Benefit Amount

WILL YOUR BENEFIT BE REDUCED FOR EARLY RETIREMENT?

If all of your IPERS-covered jobs are considered Special service, your benefit is not reduced for early retirement. If you work in a Regular IPERS-covered position at any point in your career, a hybrid formula may be used to calculate your benefit, in which case your benefit may be reduced for early retirement.

You are eligible for monthly retirement benefits if you are vested, no longer working for an IPERS-covered employer, and meet one of these conditions:

- Reach age 55
- Qualify for disability benefits

Benefit Calculation for Special Service Members

$$\frac{\text{Average Salary} \times \text{Multiplier}}{\text{Your Annual IPERS Benefit}}$$

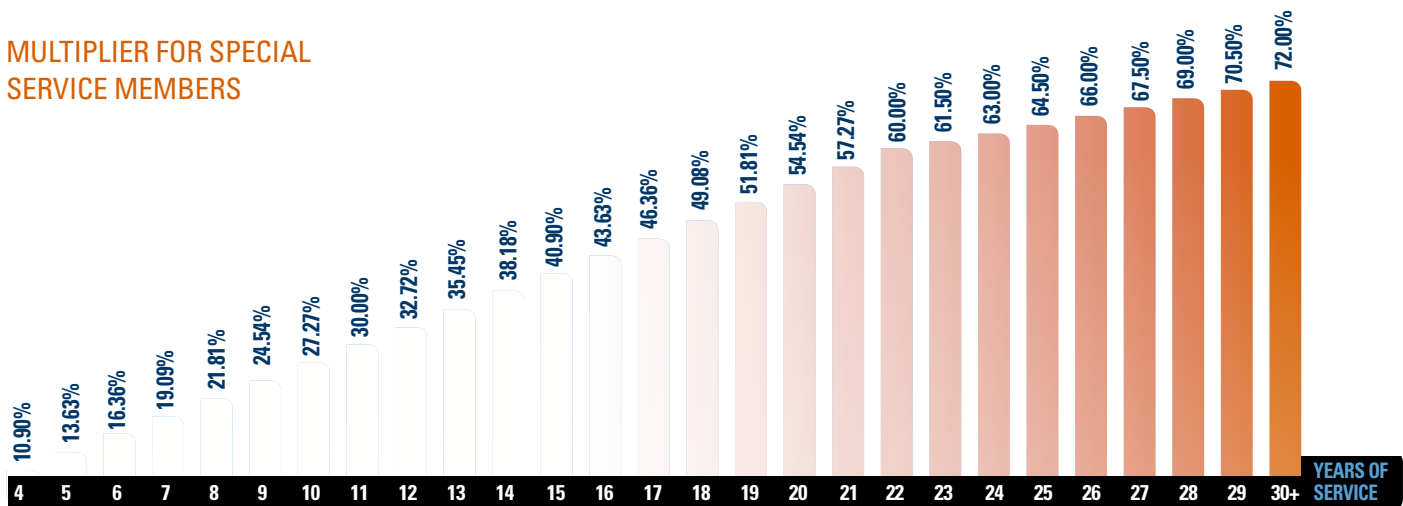
The formula used to calculate your annual IPERS benefit includes:

- **YOUR AVERAGE SALARY**
(average of your highest three years' salaries)
- **A MULTIPLIER**
(based on your years of service)

IPERS will compare your highest 3-year **average salary** to your highest calendar year salary (control-year salary) not being used in the formula. If your highest 3-year average salary is more than 121% of your control-year salary, your salary in the benefit formula will be reduced to 121% of your control-year salary. Additional rules apply when your control-year salary does not represent a full year of salary.

Your **multiplier** increases with every year you work in IPERS-covered employment. Purchasing IPERS service also increases your multiplier. The maximum multiplier is 72%.

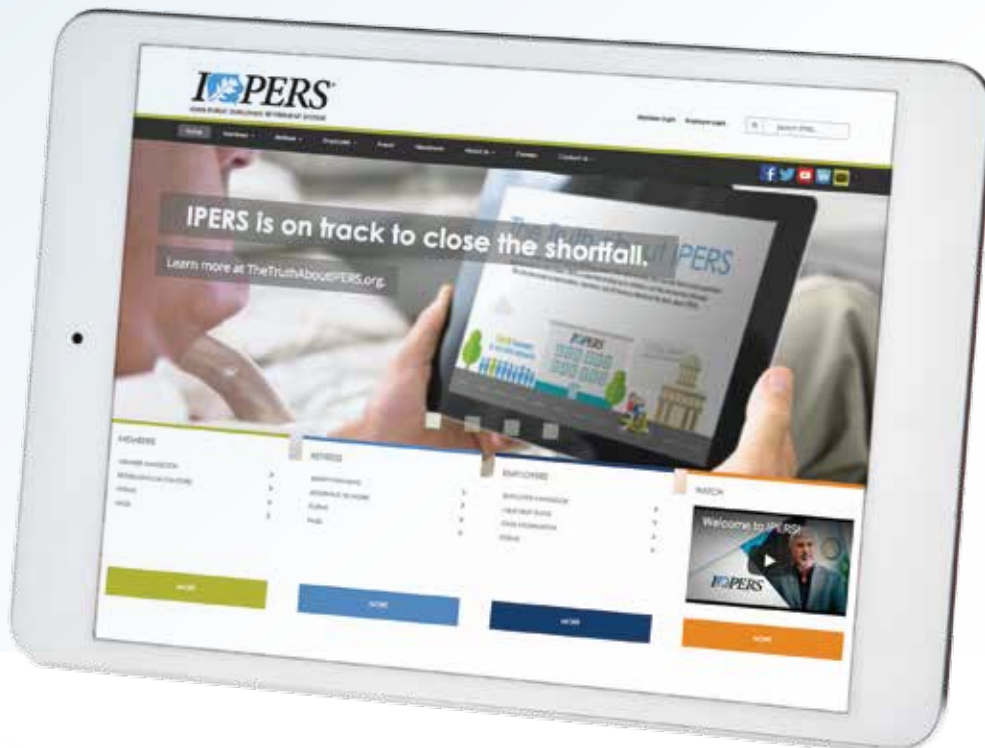
MULTIPLIER FOR SPECIAL SERVICE MEMBERS



Member Resources

IPERS exists exclusively to provide retirement security for you. We strongly encourage you to take advantage of our resources:

- **Knowledgeable representatives are here to help you.** Call IPERS at 515-281-0020 or toll-free at 1-800-622-3849 with your questions. Or, you can schedule an appointment to meet with an IPERS representative face-to-face.
- **Educational sessions allow you to learn more about IPERS.** For our schedule of online and face-to-face presentations, give us a call or visit our website.
- **Annual benefits statements provide personal benefit information.** You will receive a benefits statement each year that summarizes your service credits, reported wages, contributions, estimated amount of benefits, and beneficiary information. You may also request a more detailed benefit estimate of your retirement benefits.
- **Resources and personalized information 24/7 at www.ipers.org.** Our website provides benefits summaries, retirement planning tools, downloadable forms, and various retirement benefit calculators. You can log in to see your account information, access forms, and update your contact information.



DEFINED BENEFIT PENSION PLANS, SUCH AS IPERS, HELP CREATE SECURE RETIREMENTS

Middle-income earners, such as teachers, **fare better** in terms of savings with a DB [defined benefit] pension than with a DC [defined contribution] plan.

— CHRISTIAN E. WELLER, "WINWIN: PENSIONS EFFICIENTLY SERVE AMERICAN SCHOOLS AND TEACHERS," NATIONAL INSTITUTE ON RETIREMENT SECURITY, OCTOBER 2017

In 2017, 88% of Americans say those with a pension are **more likely** to have a secure retirement.

— DIANE OAKLEY AND KELLY KENNEALLY, "RETIREMENT SECURITY 2017: A ROADMAP FOR POLICY MAKERS / AMERICANS' VIEWS OF THE RETIREMENT CRISIS AND SOLUTIONS," NATIONAL INSTITUTE ON RETIREMENT SECURITY, FEBRUARY 2017

Notes

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Questions? *Contact us.*

www.ipers.org

info@ipers.org

515-281-0020

1-800-622-3849 (toll-free)

7:30 a.m. – 5 p.m. Central Time

Monday – Friday

Fax: 515-281-0053



MAILING ADDRESS

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Monday – Friday

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Working Today for Your Tomorrow