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State of Iowa

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Wm. S. Beardsley, Governor

REVISED
HANDBOOK
ON
IOWA PUBLIC EMPLOYEES'
RETIREMENT SYSTEM

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Questions and Answers
for the Information of Persons Employed by
the State of Iowa, its Cities, Counties,
Townships and School Districts.

Administered by
IOWA EMPLOYMENT SECURITY COMMISSION
J. C. Blodgett, Chairman Claude M. Stanley, Vice-Chairman
Carl B. Stiger, Commissioner

Published by the
STATE OF IOWA
Des Moines

PB—20414 — SP

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**RETIREMENT BENEFITS
FOR
MEMBERS OF THE
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

The purpose of this pamphlet is to better acquaint you with the provisions for benefits under the Iowa Public Employees' Retirement System which became effective on July 4, 1953, referred to hereafter as the Retirement System.

The Retirement System has a membership of over 75,000 people. These people hold many different kinds of public jobs — some requiring little or no special training and others requiring a great deal of it. The information in this pamphlet is presented in a question and answer style. It is believed that this style of presentation will prove to be the most readily understandable to the greatest number of the membership.

Q. 1. Who are members?

- A. In general, if you are a public employee of the State of Iowa you are a member of the Retirement System. Persons employed by the State of Iowa, its counties, cities, townships and public school districts are public employees. However, persons who are
- (i) members of the State Legislature
 - (ii) elective officials compensated on a fee basis
 - (iii) elective officials of school districts
 - (iv) elective officials of townships
 - (v) elective officials of other political subdivisions in part-time positions
 - (vi) students devoting their time and efforts chiefly to their studies and who perform part-time services in public employment mainly during school vacations or outside of school hours
 - (vii) public employees earning less than \$200 per calendar quarter
 - (viii) members of any other Retirement System in the State (except the Iowa Old Age and Survivors Insurance System) which is maintained in whole or in part by State taxes
- are not members of the Retirement System.

Q. 2.(a) How much money do I contribute?

A. You will contribute 3½ percent of your salary up to \$4,000.00 per year. Your contribution is deducted from your salary check by your employer.

Q. (b) Does my employer contribute?

A. Yes. He contributes the same amount as you do.

Q. (c) Where do my contributions go?

A. Your contributions and your employer's contributions are forwarded to the Iowa Employment Security Commission for recording and then deposited with the State Treasurer to the credit of the Iowa Public Employees' Retirement Fund.

Q. (d) What happens to my contributions if I leave public employment before I retire?

A. You may elect to have your contributions returned to you with interest or you may elect to leave your contributions in the Retirement System and thereby retain your rights to retirement benefits provided that you have met certain minimum age and service requirements at the time you quit. These requirements are stated in detail under question No. 7 of this pamphlet.

Q. 3. What determines how much retirement income I will receive?

A. The amount of monthly retirement income you receive depends mainly on

- (i) the total amount of your contribution and your employer's contributions (with interest not to exceed 2 percent)
- (ii) whether you are male or female.
- (iii) your age at the time of retirement.
- (iv) whether or not you elected to receive credit for your prior service. Prior service means public employment in the state of Iowa prior to July 4, 1953. (Application for prior service credit must have been made to the Iowa Employment Security Commission on or before October 1, 1953).

- (v) the kind of retirement income you select (i. e. an income payable to you alone until death or an income to you as long as you live and then a certain fraction of your income to your named beneficiary for the rest of his or her life.)

You may wonder why the amount of your retirement income is affected by sex. Statistical data accumulated over many years shows that the average lifetime for females is approximately 5 years greater than the average lifetime for males. Therefore, a man is entitled to a larger monthly retirement income than a woman retiring at the same age (assuming both contributed the same amount of money to the Retirement System) because the woman can reasonably expect to receive her monthly retirement income for a longer time than the man receives his monthly retirement income.

Q. 4. Can I estimate NOW how much retirement income I will receive when I retire?

A. Yes. Your total monthly retirement income is calculated in 2 parts. One part is for "prior service" and the other is for "future service."

(a) for prior service (service before July 4, 1953)

If you elected to receive credit for your years of prior service by making proper application to the Iowa Employment Security Commission on or before October 1, 1953, you will receive some monthly retirement income based on your years of prior service. You may compute this monthly retirement income as follows:

(i) Figure $\frac{1}{3}$ of 1 percent of your highest salary for any 12 consecutive months prior to July 4, 1953 not in excess of \$3,000.

(ii) Figure your years of prior service. This will be the number of years between the date you were first employed and July 4, 1953 except

that you cannot take credit for years you were out of public employment for other than summer vacations, seasonal or temporary layoffs, military service or leave of absence up to 12 months. You should take credit for time spent in the armed forces only if you went directly from your job in public employment to service in the armed forces and then returned to public employment within 90 days after discharge from the armed forces.

- (iii) Multiply the amount you figured in (i) above by the number of years you figured in (ii) above.
- (iv) Your monthly retirement income (for prior service credits) is equal to the amount you determined in (iii) above divided by 12.

Example

Employee John Doe went into public employment on August 15, 1937 and has worked in public employment ever since that time except for $3\frac{1}{2}$ years in the armed forces, a three months leave of absence and several short layoffs. John's highest annual salary prior to July 4, 1953 was \$2750. John can figure the amount of monthly retirement income he will receive on account of his service prior to July 4, 1953 by following the directions in the four steps outlined above:

- (i) $\frac{1}{3}$ of 1 percent of \$2750 is \$9.17
- (ii) John's total years of prior service is 16 (note: the actual total is 15 years, 10 months and 19 days. However, a fractional part of a year of 6 months or more is counted as 1 year. If John Doe had worked 15 years and 4 months his total years of prior service would have been 15)
- (iii) \$9.17 times 16 is \$146.72.
- (iv) \$146.72 divided by 12 is **\$12.23**. This is the amount of retirement income John will receive each month beginning at age 65 due to service prior to July 4, 1953.

(b) **for future service** (service after July 4, 1953). The **exact** amount of your retirement income for future service cannot be determined until the time you retire because the amount it will be depends a great deal on the total amount of money you and your employer contribute during your working lifetime. However, you can make an **estimate** now of the amount of retirement income you will receive each month beginning at age 65 by using the following table:

**Monthly Retirement Income
beginning at age 65 per \$1.00
monthly salary**

Your Age on July 4, 1953 or on the date you were employed if later	Multiply the appropriate number in this column by your monthly salary on July 4, 1953 or on the date you were employed if later*	
	Male	Female
18	.412	.357
19	.398	.345
20	.385	.334
21	.372	.323
22	.360	.312
23	.348	.301
24	.336	.291
25	.324	.281
26	.312	.271
27	.301	.261
28	.290	.251
29	.279	.242
30	.268	.232
31	.257	.223
32	.247	.214
33	.237	.205
34	.227	.197
35	.217	.188

* If your monthly salary was over \$333.33, use \$333.33 to enter the above table.

**Monthly Retirement Income
beginning at age 65 per \$1.00
monthly salary**

**Your Age on July 4, 1953
or on the date you were
employed if later**

**Multiply the appropriate
number in this column by
your monthly salary on
July 4, 1953 or on the date
you were employed if
later***

	Male	Female
36	.208	.180
37	.199	.172
38	.189	.164
39	.180	.156
40	.172	.149
41	.163	.141
42	.155	.134
43	.146	.127
44	.138	.120
45	.130	.113
46	.122	.106
47	.115	.099
48	.107	.093
49	.100	.087
50	.093	.080
51	.086	.074
52	.079	.068
53	.072	.062
54	.065	.057
55	.059	.051
56	.052	.045
57	.046	.040
58	.040	.035
59	.034	.029
60	.028	.024
61	.022	.019
62	.016	.014
63	.011	.009
64	.0054	.0046

* If your monthly salary was over \$333.33, use \$333.33 to enter the above table.

The estimate of your monthly retirement income that you obtain by using the above table assumes that you will continue in public employment until age 65 without any change in salary. Your future salary increases (up to \$333.33 monthly) will give you more retirement income than the estimate you obtained by using the above table. Future decreases in salary (below \$333.33 monthly) will tend to decrease the amount of retirement income you may expect.

Example

Employee John Doe was making \$250 per month on July 4, 1953 and was 35 years old on that date. Assuming that John stays in public employment at that same salary until age 65 and then retires he will receive approximately $\$250 \times .217 = \mathbf{\$54.25}$ monthly retirement income for his service from July 4, 1953 to the time he becomes age 65. This amount plus the \$9.17 monthly retirement income that John is entitled to from service prior to July 4, 1953 (see example on prior service retirement income) makes the estimate of his total monthly retirement income \$63.42.

Q. 5. May I retire and receive benefits from the Retirement System before I am 65 years old?

A. Yes. You may retire and receive a monthly retirement income at anytime after you become 55 years old. However, the amount of monthly retirement income you receive will be less than if you had waited until age 65 to retire. For example, if you retire at age 55 your monthly retirement income will be 25 percent to 50 percent less than it would be if you waited to retire at age 65. If you retire at age 60 your monthly retirement income will be 15 percent to 40 percent less than it would be if you waited to retire at age 65.

Q. 6. Do I have to retire when I become 65 years of age?

A. No. You may retire at any time from age 65 to 70. You may keep working in public employment after age 70 with the approval of your employer. If you retire after age 65, the monthly retirement income you receive will be greater than it would have been

if you had retired at age 65. For example, if you retire at age 70 your retirement income may be as much as 20 percent greater than it would have been if you retired at age 65. If you retire at age 75 your retirement income may be as much as 50 percent greater than it would have been if you retired at age 65.

Q. 7. If I quit public employment before I retire may I receive any benefits from the Retirement System?

A. Yes. If at the time you quit public employment you have either (a) attained the age of 48 and completed 8 years of service, or (b) attained the age of 55, you will be entitled to retirement benefits from the Retirement System **provided** that you elect to leave your own contributions in the Retirement System. Of course, the amount of retirement benefits you will be entitled to will be less than it would have been if you remained in public employment and continued contributing to the Retirement System.

Q. 8.(a) What benefits will my beneficiary receive in the event of my death?

A. If you die before you retire your beneficiary will receive a lump sum cash payment equal to the total of all the money you contributed to the retirement system, with interest. If you die after you retire (and you have **not** elected to receive one of the optional forms of retirement income described in question 9 below) your beneficiary will receive a lump sum cash payment equal to the total of all the money you contributed to the retirement system, with interest, less the total amount of retirement income received by you.

Q. (b) How do I name my beneficiary?

A. By filing a Designation of Beneficiary, Form IPERS 503, with the Iowa Public Employees Retirement System in Des Moines. Forms are available at your local Employment Service Office.

You may change your beneficiary at any time by filing a new designation of beneficiary form. If you fail to name a beneficiary your estate will be the beneficiary.

Q. 9. Does the Retirement System provide optional forms of retirement income?

A. Yes. Instead of electing to receive a retirement income for yourself only, you may wish to provide that part of your retirement income be continued after your death to a person you select. If so, you may elect, any time prior to your retirement, one of the following retirement options:

(a) A retirement income payable to you until your death with the same amount of retirement income continued after your death to a person you select for so long as that person lives. Selection of the person to whom your retirement income is to be continued after your death must be made before your retirement income begins; this is also true for the options listed under (b) and (c) following.

(The foregoing election is null and void if the member dies prior to retirement.)

(b) A retirement income payable to you until your death with one-half of your retirement income continued after your death to a person you select for so long as that person lives.

(c) A retirement income payable to you until your death with one-fourth of your retirement income continued after your death to a person you select for so long as that person lives.

Note:

(i) No death benefit after retirement is provided if you elect one of the optional forms of retirement income.

(ii) The amount of monthly retirement income you will receive under an optional form is usually less than the amount of monthly retirement income you would normally receive.

Q. 10. May I return to public employment after I retire and begin receiving retirement income payments?

A. Your retirement income payments will be suspended during any period of re-employment in public service on a regular full-time basis. Income payments made to you after re-employment ceases will be greater than the income payments you were receiving before re-employment. The increase will be due to

(i) contributions, if any, made by you and your employer during your period of re-employment, and

(ii) your increase in age during re-employment.

Q. 11. Must I make application for benefits under the Retirement System?

A. Yes! This is extremely important to you. RETIREMENT BENEFITS FOR WHICH YOU ARE ELIGIBLE WILL BECOME PAYABLE TO YOU ONLY AFTER YOU MAKE WRITTEN NOTIFICATION TO THE COMMISSION. Written notification to the Commission may be made through your nearest local office of the Iowa State Employment Service.

Q. 12 Where are offices of the Iowa State Employment Service located?

A. The Iowa State Employment Service maintains full-time offices in each of the cities listed below. Consult your telephone directory for street addresses or telephone numbers.

Algona	Davenport	Newton
Ames	Decorah	Oelwein
Atlantic	Des Moines	Oskaloosa
Boone	Dubuque	Ottumwa
Burlington	Fairfield	Perry
Carroll	Fort Dodge	Shenandoah
Cedar Rapids	Iowa City	Sioux City
Centerville	Keokuk	Spencer
Charles City	Marshalltown	Storm Lake
Clinton	Mason City	Waterloo
Council Bluffs	Muscatine	Webster City
Creston		



In addition to the full-time offices listed above a part-time office is maintained in each county, not otherwise served, usually located in the county courthouse or other public building. The part-time offices are open one day each week or in some cases one day in two weeks.

Q. 13. How are the benefits under the Retirement System related to Federal Social Security benefits?

A. All of the benefits under the Retirement System are in addition to the benefits to which you may be entitled under Federal Social Security. For information concerning your Federal Social Security benefits contact one of the offices listed below:

SOCIAL SECURITY FIELD OFFICES

Serving Residents of the State of Iowa

Burlington, Iowa	809-12 Farmers & Merchants Bank Bldg.
Cedar Rapids, Iowa	Federal Building
Davenport, Iowa	Post Office Building
Des Moines, Iowa	301 Valley Bank Building, 300 Fourth St.
Dubuque, Iowa	Post Office Building
Fort Dodge, Iowa	302 State Bank Bldg., 629 Central Ave.
Mason City, Iowa	Room 300, Post Office Building
Omaha, Nebraska	Foster-Barker Bldg., 204 South 19th St.
Ottumwa, Iowa	Room 339, Post Office Building
Sioux City, Iowa	Room 202, Post Office Building
Waterloo, Iowa	Room 324, Post Office Building
Winona, Minnesota	Room 233, Post Office Building