



MINUTES

Public Retirement Systems Committee

Tuesday, December 9, 2025

MEMBERS PRESENT

Senator Tim Kraayenbrink, Co-chairperson
Senator Tony Bisignano
Senator Mark Lofgren
Senator Jason Schultz
Senator Thomas Townsend

Representative Charley Thomson, Co-chairperson
Representative Jane Bloomingdale (teleconference)
Representative Elizabeth Wilson (teleconference)
Representative Adam Zabner

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I. Procedural Business

The meeting of the Public Retirement Systems Committee was called to order by temporary Co-chairperson Kraayenbrink at 9:10 a.m., Tuesday, December 9, 2025, in Room 103 of the State Capitol, Des Moines. The meeting was adjourned at 3:11 p.m.

Election of Permanent Co-chairpersons. Members of the committee unanimously elected temporary Co-chairpersons Kraayenbrink and Thomson as permanent co-chairpersons.

Adoption of Rules. Members of the committee adopted procedural rules.

Committee Charge. The charge of the committee was, in accordance with Iowa Code section 97D.4, to review and evaluate all public retirement systems in place in Iowa, including the Iowa Public Employees' Retirement System (IPERS), the Municipal Fire and Police Retirement System of Iowa (MFPRSI), the Department of Public Safety Peace Officers' Retirement System (PORS), and the Judicial Retirement System.

II. Presentation Concerning the Judicial Retirement System

Mr. Robert Gast, State Court Administrator and Ms. Patrice Beckham, Consulting Actuary, CavMac Actuarial Consulting Services, provided background on the retirement system which covers all full-time judges and other judicial officers.

Mr. Gast provided a general overview of the Judicial Retirement System, which is established in Iowa Code chapter 602 and referenced in the Iowa Constitution. Mr. Gast explained that the State Court Administrator, appointed by the Iowa Supreme Court, oversees the system. The Judicial Retirement System is a defined benefit plan with mandatory participation, including from Supreme Court Justices, Court of Appeals Judges, district and associate court judges, and full-time probate and juvenile judges. Magistrates and other Judicial Branch employees are members of IPERS. System investments are managed by professional investment managers hired by the State Treasurer's office.

Mr. Gast provided an overview of the system membership and plan finances. Mr. Gast stated that as of June 30, 2025, the fund was valued at \$300,855,184 with total pension benefit payments of \$18,427,053. Mr. Gast noted that there are currently 217 active members and 263 persons collecting benefits from the system.

Mr. Gast explained certain benefit provisions of the Judicial Retirement System. Benefits are payable for the life of the judge at a rate of 65 percent of highest monthly salary and available at a 50 percent rate for a surviving spouse. A judge is entitled to receive a percentage of their retirement benefits beginning at 65 years of age with four years of service and at 50 years of age with 20 years of service. Mr. Gast commented the system has been impacted by recently raising the mandatory retirement age from 72 years of age to 78 years of age. Mr. Gast also discussed the senior judge program, which provides additional judicial resources of a minimum of 13 weeks per year per judge. A senior judge may serve for no more than 6 years and may not serve after 84 years of age.

Ms. Beckham gave the actuarial report regarding the Judicial Retirement System. Ms. Beckham began her presentation by explaining certain actuarial concepts. Ms. Beckham explained the basic actuarial funding equation, which is contributions plus investment income equals benefits plus expenses. Ms. Beckham stated that because investing in retirement systems represents a long-term obligation, there is an advantage for investment purposes in utilizing long-term assumptions and funding methodologies. As such, the assumptions used to estimate the amount and timing of future benefit payments may



be allocated for the benefit of different generations of members and taxpayers. Ms. Beckham stated that even though life expectancy has seen recent decreases, white-collar retirees, including judges, are expected to live longer. Ms. Beckham explained that growth in the number of retirees and other beneficiaries was expected, but the number of contributors (judges) is relatively stable.

Ms. Beckham explained the actuarial valuation process, which is a budgeting tool that allocates the cost of the benefits to different years of service worked by members. The purpose of a valuation is to assist with monitoring funding progress and evaluating or setting contribution rates. For the Judicial Retirement System, the methodology to determine valuation uses the normal entry age to create a level percent of pay that is over a member's working career. Ms. Beckham noted that variations from the assumed actuarial value, known as "actuarial experience gains or losses," are expected to occur from year to year because the assumptions are long-term in nature. Ms. Beckham defined the term "actuarially funded" to mean that current assets plus future contributions and future investment earnings equal the present value of future benefit payments.

Ms. Beckham reported that the Judicial Retirement System was fully funded on July 1, 2021, and as a result, the actuarial required contribution rate required employees to contribute 40 percent of the actuarial contribution rate and the state to contribute 60 percent. Previously, the statutory contribution rates were 9.35 percent for employees and 30.60 percent for the state. There was a recent change in 2024 that changed the split once more. The actuarial contribution rate is now split 35 percent employee and 65 percent employer.

Ms. Beckham noted that the number of persons receiving benefits exceeds the number of active members in the current year. Ms. Beckham compared the funded ratio, which is the actuarial assets divided by the actuarial liability of the trust, between July 1, 2024, and July 1, 2025. As of July 1, 2025, the funded ratio is now 101 percent. Ms. Beckham cautioned that member and state contributions are expected to vary from year to year, potentially significantly, as the actuarial contribution rate fluctuates due to actual versus expected returns.

III. Presentation Concerning the Iowa Public Employees' Retirement System (IPERS — Chapter 97B)

Mr. Gregory S. Samorajski, Chief Executive Officer, IPERS, presented on IPERS and provided a general overview and background of the system. The system was established in 1953 with the mission to administer "a cost-efficient retirement plan that provides lifetime pension payments to public employees and serves to attract and retain a quality workforce." The system is a workforce recruitment tool and serves 404,124 members. Mr. Samorajski provided a breakdown of the system's membership into various groups. Mr. Samorajski explained that there are three groups for IPERS membership: regular members, protection occupations members, and sheriffs and deputy sheriffs. Of the total membership of IPERS, 186,221 are active members and 129,176 are retired members, and 8,657 are retired and reemployed. Mr. Samorajski noted that of the \$2.7 billion in benefits payments made from the system each year, over \$2.442 billion of the benefits are paid to beneficiaries living in Iowa, with the remaining payments being made outside of Iowa in the United States and globally.

The core elements of IPERS include mandatory participation by eligible employees; pooled investment risk, which is managed by professionals and a board of trustees; pooled longevity risk, which is necessary because people often underestimate how long they will live after retirement; employer-employee cost-sharing; lifetime annuity, though there is not a cost-of-living adjustment; and



supplementation of IPERS benefits with Social Security, personal savings, and deferred compensation payments.

Ms. Beckham explained the system's contribution rate funding policy. The goal of the system's contribution rate policy is to attempt to hold steady the required contribution rate for members. In order to achieve the policy's goal, the required contribution rate from the previous year is compared against the actuarial contribution rate from the current year. Based upon IPERS contribution rate policy, the total contribution rate for the regular membership classification will remain at 15.73 percent of pay, payable on a 60-40 employer and employee basis. For members of the sheriffs and deputies classification, the total contribution rate rose slightly to 24.42 percent of pay, payable on a 50-50 employer and employee basis. For members of the protection occupation classification, the total contribution rate will remain at 15.52 percent, payable on a 60-40 employer and employee basis.

Ms. Beckham discussed the July 1, 2025, actuarial valuation of the system, which is currently \$45 billion. Key funding measures based on the July 1, 2025, actuarial report include an increase in the funded ratio of actuarial assets to actuarial liabilities for the system as a whole from 90.75 percent to 92.17 percent, and a decrease in the unfunded actuarial liability in the amount of \$548 million. Ms. Beckham noted that the funded ratio for IPERS regular membership is 91.56 percent; for the sheriffs and deputies classification, 90.94 percent; and for the protection occupation classification, 104.47 percent. Ms. Beckham also commented that the projected unfunded liability balance for regular members is scheduled to be paid off by 2036.

Mr. Samorajski provided an overview of the FY 2025-2030 Strategic Plan to the committee. The goals include improving investment management to achieve actuarial milestones on the path to full funding, enhancing service delivery, and improving risk management and compliance.

IV. IPERS Benefit Advisory Committee (BAC)

Matt Carver, chairperson of BAC, addressed the committee on behalf of the BAC. The goal of membership groups represented on the BAC is the long-term viability of the IPERS trust fund. The BAC reviews proposals for benefit changes, but did not offer any benefit changes at the meeting. In October, BAC approved a resolution encouraging IPERS to maintain its current plan design.

V. IPERS Investment Board

Ms. Kris Rowley, Vice Chairperson of the IPERS Investment Board, discussed the role of the board and IPERS investments. Ms. Rowley noted the fiduciary responsibility of the board as a trustee of the IPERS fund and its role in setting and reviewing investment policy and actuarial assumptions.

VI. IPERS Investment Update

Mr. Sriram Lakshminarayanan, Chief Investment Officer, IPERS, explained his role as the Chief Investment Officer of IPERS. The Chief Investment Officer reports to the Chief Executive Officer and manages seven investment officers. The investment officers implement the board's investment policies, manage investment risk within the risk budgets set by the board, advise the board on investment issues, make recommendations to the board for asset allocation and implementation, oversee and evaluate investment managers, and administer competitive bidding processes and divestment mandates. Mr. Lakshminarayanan explained that the IPERS Investment Board annually reviews and periodically adjusts its asset allocation, dependent upon how much risk the board finds prudent given



the long investment horizon. Mr. Lakshminarayanan noted he has a staff of seven employees who implement the board's investment policies and oversee and evaluate investment managers. IPERS began internally managing about \$90 million in 2023, with authorization from the board to manage \$500 million in three different programs. Mr. Lakshminarayanan stated it has been difficult to recruit talent to Iowa and that the ability to manage some moneys in-house can help attract talent, as it is interesting work. IPERS remains a well-diversified portfolio and does well managing risk. Mr. Lakshminarayanan discussed the asset allocation of the IPERS portfolio, noting that the determination of this allocation is critical in determining the rate of return. Mr. Lakshminarayanan discussed managing the liquidity of the fund to ensure monthly benefits are paid. He noted that the rate of return for FY 2025 was 9.87 percent, and the target rate is 7 percent. Representative Zabner asked about how much was paid in fees to the different asset classes. Mr. Lakshminarayanan explained that private markets are the most expensive, with private equity being the most expensive, followed by private credit, then real assets. IPERS paid over \$500 million in fees last year. Most of the fees are dependent on the performance of the assets, and Mr. Samorajski stated that IPERS has benefited from investing in private markets despite the fees.

VII. Presentation Concerning the Peace Officers' Retirement System

Mr. Jim Witenwyler, Administrative Services Director, Iowa Department of Public Safety, and Ms. Patrice Beckham presented an overview of the Peace Officers' Retirement, Accident, and Disability System (PORS), which is created in Iowa Code chapter 97A, governed by a board of trustees. Mr. Witenwyler reported that the PORS trust fund had a value of \$817.7 million as of July 1, 2025. Mr. Witenwyler stated that the system has a total membership of 1,332 members with 577 of those being active members. In FY 2025, members contributed \$7.24 million to the fund and the state contributed \$21.7 million plus an additional \$5 million that the state is required to contribute until the system is 85 percent funded. The member contribution rate was 11.525 percent and the state statutory contribution rate before the additional contribution was 37.00 percent. Contribution rates have changed over the years, most recently as the result of legislation enacted in 2025 that broadened the cancer coverage for accidental disability. Mr. Witenwyler stated that the members, who are sworn peace officers within the Department of Public Safety, are exempt from Social Security and therefore do not receive Social Security benefits, but members are required to pay into Medicare Part A. Mr. Witenwyler provided information on the plan options available to PORS members upon retirement and ancillary benefits available due to death or disability. Mr. Witenwyler reviewed benefit provisions and the target asset allocation applicable to the system, and noted the investment return assumption is 6.5 percent.

Ms. Beckham presented actuarial information related to PORS. Ms. Beckham provided a historical overview of the funded status of the system, noting that the funded ratio has increased from a low of 61 percent in 2012 to 79 percent as of July 1, 2025. Long term, the financial health of the system is dependent on future investment returns and scheduled contributions, including continued payment of the state supplemental payments of \$5 million until the system is 85 percent funded. Ms. Beckham noted the unfunded actuarial accrued liability of the fund decreased from \$221 million to \$220 million, and the impact of the \$5 million supplemental annually deposited into the fund diminishes each year as the size of the fund increases. Ms. Beckham noted that although returns are good, there is a decline in the active membership population and the system uses a fixed contribution funding rate. Members of PORS pay a similar amount to their retirement accounts as public employees in other retirement systems. Co-chairperson Kraayenbrink commented that all solutions need to be reviewed relating to the unfunded liabilities of the fund.



VIII. Presentation Concerning the Municipal Fire and Police Retirement System of Iowa (MFPRSI)

Mr. Dan Cassady, Executive Director, MFPRSI, presented an overview of the retirement system as established in Iowa Code chapter 411. Mr. Cassady stated that the main goal of the system is to provide a comprehensive set of retirement and disability benefits to eligible local police officers and fire fighters in a sound, sustainable, and efficient manner in accordance with the requirements of the program's governing statute. Mr. Cassady explained that the system is governed by a board of trustees that consists of nine voting members: two are fire fighter representatives, two are police representatives, four represent participating cities, one is a private citizen, and four are nonvoting legislative members. Mr. Cassady discussed the legislative history of the system and stated that in 1992, when the statewide system was established, approximately \$575 million in investment assets were transferred from cities into the system. Today, the system manages over \$3.5 billion in assets.

Mr. Cassady stated that the system includes 4,254 active members, and over 9,000 total members. Mr. Cassady discussed the board's responsibilities and major activities. Responsibilities include collecting member and employer contributions based on the rate recommended by the actuary; providing preretirement and refund counseling; administering a permanent disability program; executing regular benefit and refund payrolls; monitoring compliance with legislative and tax requirements; implementing a diversified investment policy; applying benefits to statutorily eligible persons, including spouses and dependents; and communicating extensively with members. Activities include adopting national standards for preemployment medical protocols and review of the medical examination network; using new technology to maintain member records and data; revising investment policies; completing an annual investment policy implementation and oversight review; making recommendations for legislative changes; and technical language modifications.

Mr. Cassady presented statistics relating to the system. The average age of nonactive beneficiaries, excluding children, is 70.4 years of age and the average age of new retirees is 57.9 years of age. Mr. Cassady explained the retirement benefit percentages based on a member's service time and disability status. The system has maintained a 7.5 percent actuarial return assumption.

Mr. Cassady described the system's investment policy. Core investments make up 44 percent of investments, which include public securities and open-ended real estate funds. Strategic investments make up 33 percent of investments, which are generally determined by multi-asset managers who build portfolios and who make better sense of the market and make adjustments. The remainder of the system's investments go to private markets, which generally include real estate holdings.

Current challenges for the system include investment return expectations of 7.5 percent, restoration of 100 percent funding status, financial support for the system from the state, steady rise in number of disability claims, increasing pressure from groups to divest from specific investments, maintaining up-to-date controls, keeping spending power of members in line with inflation, veterans' reemployment rights and the implementation of federal and state requirements, and the evaluation of the investment activities of the firms currently managing MFPRSI's portfolios including reviews of asset allocation, operational controls, and audit processes of the investment managers. Mr. Cassady noted that the report of the system's board of trustees supports having the state resume its contribution to the retirement system at 3.79 percent of earnable compensation in order to reinstate the funding agreement between the state and the participating cities from 1976.



Mr. Glen Gahan, Actuary, HUB International, presented the July 1, 2025, actuarial report of the system. Mr. Gahan stated that the member contribution rate is 9.675 percent, which is fixed by statute. As of July 1, 2023, the funded ratio of the system based on the actuarial value of assets is 85.42 percent and the city contribution rate beginning July 1, 2025, decreased to 22.555 percent. The contribution rate of the cities is not a fixed rate. He noted that of the total required contribution, about half is utilized to address the unfunded actuarial accrued liability of the system. Mr. Gahan discussed future trends in the actuarial contribution rate to be paid by cities and the system's funded ratio over the next 25 years using current assumptions.

IX. Retirement Investors' Club

Mr. Mark Campbell, Interim Director, Department of Administrative Services (DAS), discussed the supplemental deferred compensation programs operated by DAS collectively called the Retirement Investors' Club (RIC). The programs are differentiated by the three applicable Internal Revenue Code sections describing public employee deferred compensation programs, 457, 401a, and 403b. The 457 program is available to primarily state employees, includes an employer match component (401a), and is utilized by about 69 percent of eligible state employees. The state's 403b program, which covers primarily educational employees, was established in 2009, is available to educational employers and their employees who participate in the program, does not provide an employer match, and is utilized by only about 13,086 participants, which reflects a fairly low participation rate. All programs offer core providers of investment products pursuant to certain requirements relating to fees and other service and performance metrics. In addition, the 403b program offers optional providers that are made available for school districts.

X. Committee Actions

The committee did not adopt any formal recommendations.

XI. Materials Filed with the Legislative Services Agency

The following materials listed were distributed at or in connection with the meeting and are filed with the Legislative Services Agency. The materials may be accessed from the "Committee Documents" link on the committee's Internet site:

www.legis.iowa.gov/committees/meetings/meetingsListComm?groupID=655&ga=90

1. Department of Administrative Services – Retirement Investors' Club (RIC) – System Presentation – 2025
2. Judicial Branch Retirement System Presentation – 2025
3. IPERS – System Presentation – 2025
4. Peace Officers' Retirement, Accident, and Disability System (PORS) – System Presentation – 2025
5. MFPRSI – System Presentation – 2025
6. Judicial Retirement System – 2025 Actuarial Valuation Report
7. PORS – 2025 Actuarial Valuation Report
8. MFPRSI – 2025 Actuarial Valuation Report
9. IPERS – 2025 Actuarial Valuation Report



10. Resolution adopted by the IPERS BAC supporting current IPERS plan design

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