495—21.1(97B) Procedures for merger of qualified pension plans with IPERS.

21.1(1) Effective January 1, 2003, IPERS will begin accepting qualified pension plans for merger into the IPERS pension plan. This merger process shall provide for the transfer of all active and inactive members, retired members, and beneficiaries of retired members of the merging plan into IPERS, except as otherwise agreed to by IPERS and the merging plan.

21.1(2) The merging plan shall transfer assets to IPERS in an amount equal to the actuarial accrued liability created for IPERS as the result of the transfer of pension obligations owed to active, inactive and retired members of the merging plan. Said actuarial accrued liability shall be determined using the merging plan's membership data, the IPERS benefit structure, and the current IPERS actuarial valuation assumptions as of the date of the transfer.

21.1(3) All years of service under the merging plan shall be recognized by IPERS for purposes of determining eligibility and vested status and calculating IPERS benefits.

21.1(4) All wage records for current active members shall be summarized on the quarterly basis used by IPERS to determine a member's IPERS benefits. IPERS will not independently verify wage records, but will monitor those records to ensure that IRC Section 401(a)(17) limits are not exceeded.

21.1(5) The merging plan's actuary may determine that the accrued benefit of an active or inactive member of the merging plan exceeds the member's accrued IPERS benefits based on the merging plan's membership data and the IPERS benefit structure. The compensation of such individuals for any difference between the monthly benefit they accrued in the merging plan and the benefit they will have under IPERS shall be at the merging plan's sole discretion, and IPERS shall have no liability.

21.1(6) The same methods of conversion and cash out will be used for terminated vested members with a current plan account in the merging plan and for members, if any, who previously elected to freeze their accounts in the former plan to begin participation in IPERS.

21.1(7) The merging plan's retired members shall receive annuity payments from IPERS in the same forms and amounts as provided in the merging plan, provided those forms of payment are available under IPERS. If any retired member from the merging plan is also receiving a benefit from IPERS and the forms of benefits under the two plans differ, the retired member must agree to have the benefit payable from the merging plan converted and paid in the same form as the benefit under IPERS. Dividends for retired members transferred to IPERS shall be determined based on the first month of entitlement under the merging plan.

21.1(8) The monthly benefit payable to transferred members (excluding retired members) by IPERS may be greater or less than the monthly benefit they would have received under the merging plan. IPERS shall not be responsible for any difference in the two benefit amounts. It shall be the sole responsibility of the merging plan to ensure the protection of the accrued benefits of the merging plan's members and beneficiaries.

21.1(9) IPERS may agree to accept in-kind transfers of assets in satisfaction of the liabilities created by the merger, but may, in IPERS' sole discretion, decline all in-kind asset transfers and demand cash to fund the merger.