



IPERS SERVICE PURCHASE RULE CHANGES

Rule Change. Beginning January 1, 2016, Iowa Public Employees' Retirement System (IPERS) members will only be able to purchase service credit at the time of retirement, after the application for IPERS retirement benefits has been filed and the benefit amount has been finalized. Currently, vested members can purchase service credit at any time. The rule change is intended to provide accuracy of service purchase costs to prevent overpaying or underpaying.

Background. Currently, service purchase credit quotes are valid for six months from the date they are calculated. If a quote is requested prior to January 1, 2016, the quote and ability to purchase credit will remain valid until the expiration date. After December 31, 2015, no additional cost quotes will be generated.

Purchase Limits. The Internal Revenue Service limit on the amount of money that can be used to purchase service in 2015 is \$53,000. However, there is no limit on the amount that can be spent to purchase previously refunded IPERS service, or when money is rolled over from another retirement account to purchase service. In addition, IPERS rules limit the number of service quarters that can be purchased. For example, the maximum amount of air time or time not linked to any particular type of employment is five years.

More Information. Additional information is available at <https://www.ipers.org/> or by calling the IPERS toll-free number at 1-800-622-3849.

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