
FISCAL UPDATE Article

Fiscal Services Division

March 27, 2018



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

IPERS BENEFITS ADVISORY COMMITTEE

Meeting. The [Benefits Advisory Committee](#) (BAC) met on Monday, March 26, 2018.

Recognition. Len Cockman, BAC Chairperson, presented Donna Mueller, Chief Executive Officer of the Iowa Public Employees' Retirement System (IPERS), with a certificate of achievement for 15 years of service with IPERS.

Presentation. The BAC heard a presentation from Paul Martiniello of CEM Benchmarking, Inc., regarding the cost effectiveness of IPERS compared to its peer group consisting of 12 other public pension systems. Highlights of the presentation included the following:

- The total pension administration cost was \$55 per active member and annuitant. This was \$44 below the peer average of \$99.
- The pension administration cost per active member and annuitant increased by 0.6% per annum between 2014 and 2017.
- IPERS continues to have the lowest administration cost in its peer group.

Deferred Retirement Option Plan (DROP). The BAC moved to amend a motion from a previous BAC meeting to request the IPERS actuary to conduct an actuarial study to determine the cost of implementing a DROP Program for all member groups in IPERS (Sheriffs and Deputies, Protection Occupation, and Regular membership). The BAC approved up to \$18,000 to be expended for the study. The motion passed six to one. The request for an actuarial study for the DROP Program was in response to [SF 2073](#) (Deferred Retirement Option Plan, Iowa Public Employees' Retirement System Bill) that would have created a DROP Program for special service members of IPERS, similar to a program offered to active fire fighters and police officers covered by Iowa Code chapter [411](#). A DROP Program allows a member of a defined benefit plan, who is otherwise eligible to retire and commence benefits, to choose to continue to work.

School District Employee Retirement System Merger Update. During the 2017 Legislative Session, legislation was enacted that authorized a possible retirement system merger between Des Moines Public Schools and IPERS ([2017 Iowa Acts, ch 141](#)). Discussions continue between the two groups and data continues to be reviewed. At the time the legislation was enacted, it was determined by IPERS that all costs associated with the merger were to be borne by the employer requesting the merger, and IPERS would proceed with the merger only in the event that there would be no financial hardship to the IPERS System.

Next Meeting. The next meeting of the BAC is Monday, April 13, 2018.

LSA Staff Contact: Jennifer D. Acton (515.669.9007) jennifer.acton@legis.iowa.gov

961131