



TO: The Public Retirement Systems Committee
FROM: Doug Neys, Iowa Professional Fire Fighters
Matt Harkin, Iowa State Police Association
DATE: December 9, 2019
RE: 411 Municipal Fire and Police Retirement and Disability System

Thank you for allowing Iowa Professional Fire Fighters and Iowa State Police Association to submit comments on the 411 Municipal Fire and Police Retirement and Disability (MFPRSI) System. Below is a summary of the System from the perspective of our members.

- MFPRSI retirement is 66% of high three-year salary average (not including overtime). Members are eligible at age 55 with 22 years of service. Additional 2% per year beyond 22 years of service, not to exceed 30 years of service, for a maximum benefit of 82% of a member's high three-year average salary. This is taxable income.
- MFPRSI serves as the disability system for full-time Fire Fighters and Police Officers. Death benefits to surviving spouses and children are also provided by the system. Both the employer and the employee pay for this benefit. This saves the cities on workers' compensation claims.
- MFPRSI members lack full Social Security benefits. Most Fire Fighters and Police Officers, covered by the MFPRSI, *are not covered by, or eligible for full social security benefits*. MFPRSI benefits may be their sole source of retirement income.
- No current State contribution, Fire Fighters, Police Officers and their employing cities pay contributions to the retirement system, however, once the employee retires the *benefits are paid solely from MFPRSI assets, not from city accounts*. IPFF believes the state should reinstate its contribution. Reinstating the state's contribution to the 411 system at 3.79%, which is \$9.2 million – gives the state a stake in the 411 system while potentially reducing property taxes.
- MFPRSI is healthy and sustainable. The system is 82% funded and has exceeded its actuarial assumptions since inception.
- MFPRSI contributes to Iowa economy providing reliable retirement security to 8500 members, paying \$169 million in benefits. 86% of those funds remain in Iowa resulting in \$145,340,000 of positive economic impact.