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Legislative Interim Report

Public Retirement Systems Committee

December 9, 2025

Board of Trustees

Municipal Fire & Police Retirement System of Iowa

7155 Lake Drive, Suite 201

West Des Moines, IA 50266

MFPRSI

MFPRSI

MUNICIPAL FIRE & POLICE
RETIREMENT SYSTEM OF IOWA

Mission Statement

The system is an independent leader delivering promised retirement and disability benefits to eligible municipal firefighters and police officers through responsible stewardship of assets held in trust.

Table of Contents

Establishment and Governance	4
System Creation	5
Responsibilities & Major Program Activities of MFPRSI	7
Program Description & Statistics	9
Challenges Facing MFPRSI	14
Legislative Activities	17
July 1, 2025, Actuarial Report	18
Funded Ratio	21
Attachment 1: Contribution Rate 25-Year Forecast	22
Attachment 2: Alternative Statutory Actuarial Reporting	25

Establishment and Governance

Establishment

MFPRSI was created on January 1, 1992, by an act of the 1990 Iowa General Assembly, Iowa Code Chapter 411. House File 2543 stated that a 13-member Board of Trustees (9 voting members, 4 nonvoting legislative members) oversee the retirement system.

Governance

The Board of Trustees is comprised of the following:

Two firefighter representatives and two police representatives:

- Marty Pottebaum, retired police officer, Sioux City (Chairperson)
- Frank Guihan, retired firefighter, Burlington
- Pending Appointment, active firefighter, City
- Eric Snyder, active police officer, Ames

Four representatives of the participating cities:

- Corey Goodenow, Ames
- Laura Schaefer, Carroll
- Nicholas Schaul, Des Moines
- Jennifer Sease, Ankeny

One private citizen selected by the Board of Trustees:

- Duane Pitcher, Ames (Vice Chairperson)

Two Senators from the Iowa Senate and two Representatives from the Iowa House of Representatives. All four legislative members are non-voting participants.

- Senator Tim Kraayenbrink, Senate District 4
- Senator Thomas Townsend, Senate District 36
- Representative Christian Hermanson, House District 59
- Representative Kenan Judge, House District 27

System Creation

In May of 1990 the Iowa General Assembly enacted legislation, House File 2543, to consolidate 87 local (municipal) police and fire retirement plans. House File 2543 provided the following requirements for participating cities in the newly created retirement system:

- Cities whose police and fire departments were under the State of Iowa’s civil service law at the time of the legislation’s adoption were required to enroll in the retirement system.
- Cities whose population was under 8,000 prior to the federal census in 1990 were not required to join. If a city surpasses 8,000 citizens after 1990, they are also not required to join.
- Cities that did not have a paid fire and/or police department at the time of the legislation were not required to enlist in the retirement system.

These criteria grouped the 49 participating cities that are still associated with MFPRSI today.

- Additionally, the legislation conceived a “statewide” system rather than a “state” system. The implication was that the 49 participating cities act in a coordinated fashion rather than the retirement system exist as a state entity separate and distinct from the cities.
- Approximately \$575 million in investment assets were transferred from the cities to the retirement system in 1992.
- As of June 30, 2025, MFPRSI manages over \$3.5 billion in assets. The retirement system currently has over 9,000 members.

System Creation

Membership Cities

Ames	Ankeny	Bettendorf	Boone	Burlington
Camanche	<i>Carroll</i>	Cedar Falls	Cedar Rapids	Centerville
Charles City	Clinton	<i>Clive</i>	Council Bluffs	Creston
Davenport	Decorah	Des Moines	<i>DeWitt</i>	Dubuque
<i>Estherville</i>	<i>Evansdale</i>	Fairfield	Ft. Dodge	Ft. Madison
Grinnell	<i>Indianola</i>	Iowa City	Keokuk	<i>Knoxville</i>
<i>Le Mars</i>	<i>Maquoketa</i>	Marion	Marshalltown	Mason City
Muscatine	Newton	Oelwein	Oskaloosa	Ottumwa
<i>Pella</i>	Sioux City	Spencer	Storm Lake	Urbandale
Waterloo	<i>Waverly</i>	Webster City	West Des Moines	

Italics denote police department participation only.

Responsibilities & Major Program Activities of MFPRSI

Program Responsibilities

- Collection of member and employer contributions.
- Pre-retirement and refund counseling.
- Administration of a permanent disability program.
- Execution of regular benefit and refund payrolls.
- Compliance with federal legal/tax requirements.
- Implementation of a diversified investment policy.
- Application of statutory provisions (including marital and dependent provisions).
- Extensive member communications.

Responsibilities & Major Program Activities of MFPRSI

Major Program Activities

- Adoption of national standards for the pre-employment medical protocols and review of activities of the medical examination network.
- Use of document imaging system to electronically maintain member records and data, thus eliminating dependence on paper records.
 - The document system also enhances the staff's efficiency of processing and long-term security of data.
- The administration maintains online access for its membership, allowing members to obtain and review forms and basic personal information.
 - The platform, called My411, has over 3,400 registered members.
- Systematic investment policy revisions (asset - liability forecasting).
- Annual investment policy implementation and oversight (scheduled meetings, quarterly updates).
- Review and evaluation of goals.
- Legislative changes (i.e., technical advice and implementation).
- Escalator program (annual benefit adjustment – July 2025: 3,989 individuals, \$95.40 per individual per month, 2.1% increase).
- Federal legislative interest in public funds (i.e., monitor and comment as warranted).
- Litigation representation (e.g., District, Appeals, and Iowa Supreme Court).
- DROP implementation in 2007 – 47% of those eligible have participated.
- Annual comprehensive review of audit controls and safeguards for the retirement system's portfolios.
- Conduct annual actuarial valuation of benefit program and establish contribution rates.
- Keep members and stakeholders informed of the retirement system's activities through a comprehensive communications program.
- Reviewed, revised, and adopted the Board Manual.

Program Description & Statistics

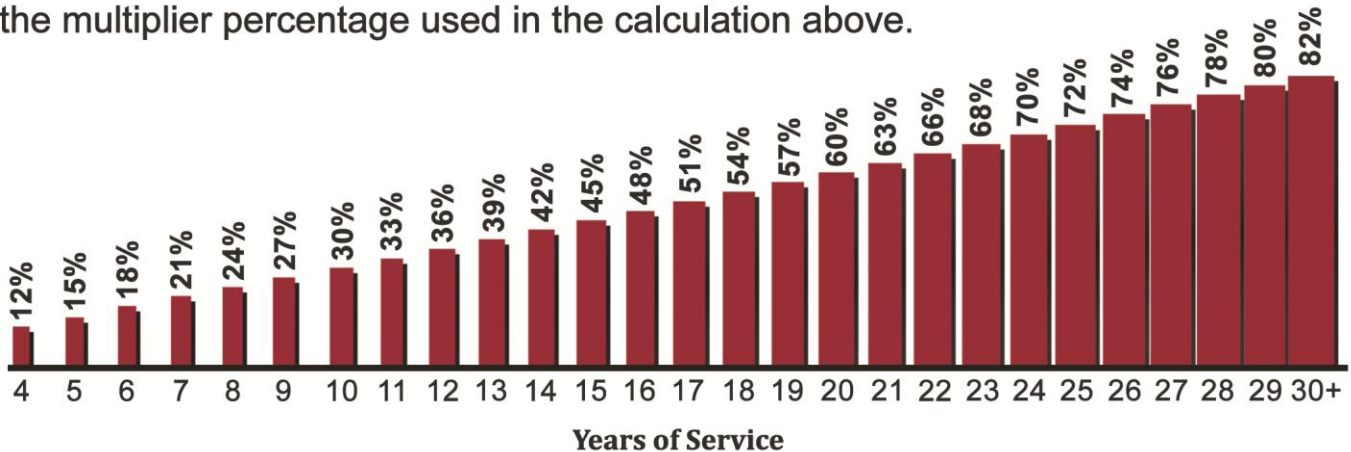
Basic Benefit Calculation

The average of
a member's

$$\begin{array}{ccc}
 \text{HIGHEST} & & \text{MULTIPLIER} & & \text{BASIC} \\
 \text{THREE YEARS} & \times & \text{PERCENTAGE} & = & \text{BENEFIT} \\
 \text{of earnable} & & \text{found on} & & \\
 \text{compensation} & & \text{the chart below} & &
 \end{array}$$

Basic Benefit Multiplier Percentages

To find a member's basic benefit multiplier percentage, locate their number of years served on the chart. The corresponding percentage is the multiplier percentage used in the calculation above.



Benefit Program Description – Disability Benefit Percentages

Basic Accidental Disability Retirement Formula* 60%

Basic Ordinary Disability Retirement Formula* 50%

*An individual retiring on disability is entitled to the greater of the disability formula or the percentage payable corresponding to the number of years of service that the individual has earned.

Program Description & Statistics

As of July 1, 2025

Active Members

Number	4,254
Average Attained Age	39.4
Average Past Service	12.2
Total Annual Compensation	\$408,343,756
Average Annual Compensation	\$95,991

Non-Active Members in Pay Status

Number	4,596
Average Age (excluding children)	70.4
Total Annual Benefits	\$235,459,668
Average Annual Benefit	\$51,231
Average Age of New Service Retirements	57.9

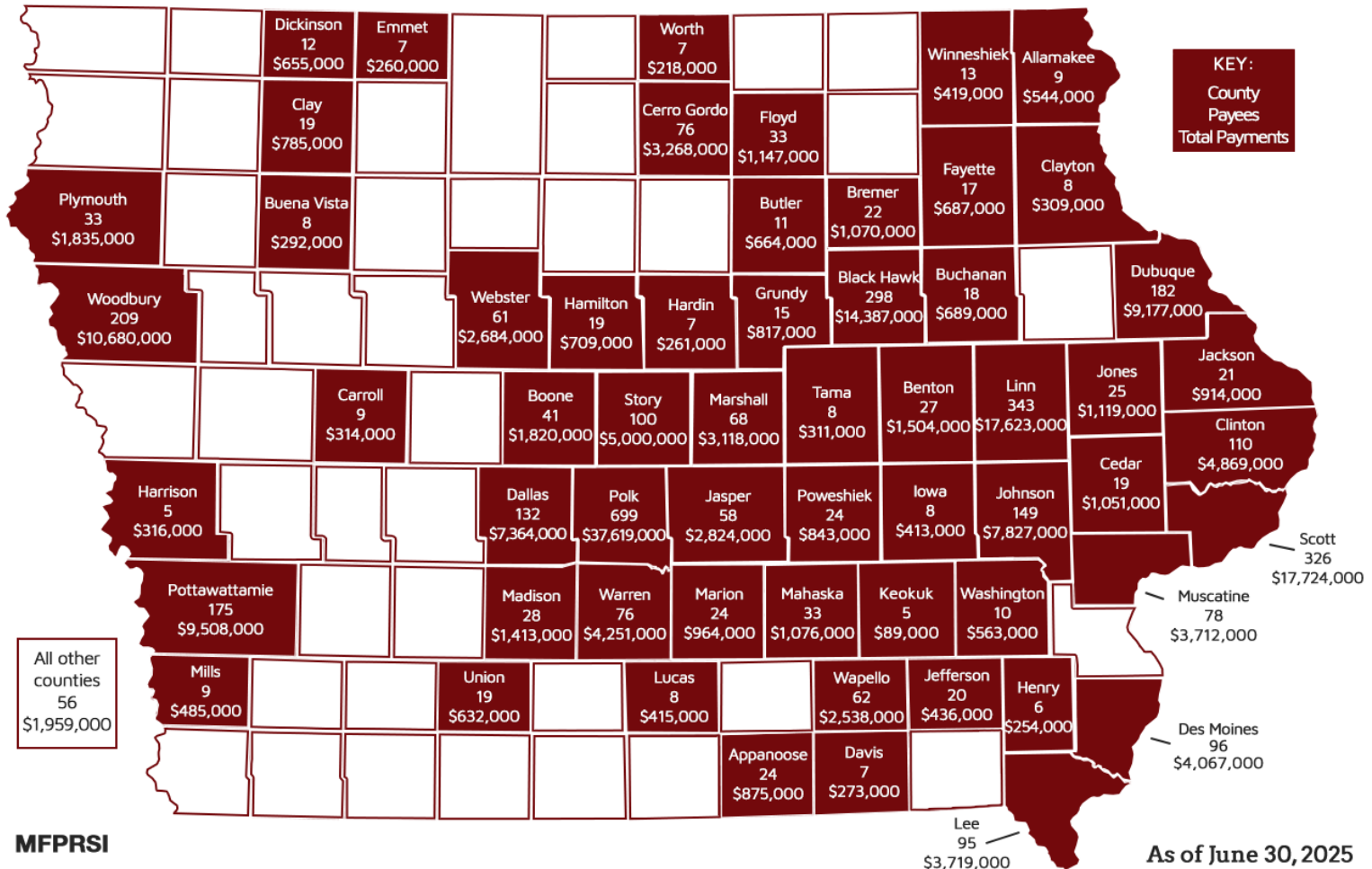
Non-Active Members with Deferred Benefits

Number*	504
Average Age	43.7
Total Annual Benefits	\$11,493,252
Average Annual Benefit	\$22,804

*Excludes 130 terminated non-vested members who had not yet received a refund of contributions as of 2025.

Program Description & Statistics

Benefit Plan – Payees and Total Benefit Payments by County



- \$234 million total benefits paid, including \$201* million paid in Iowa.
- 85%* of retirees and beneficiaries reside in Iowa.
- \$89 million total state-wide employer contributions.

*Data includes regular payroll participants, MPOs, DROP, and refunds in the June 30, 2025, payroll.

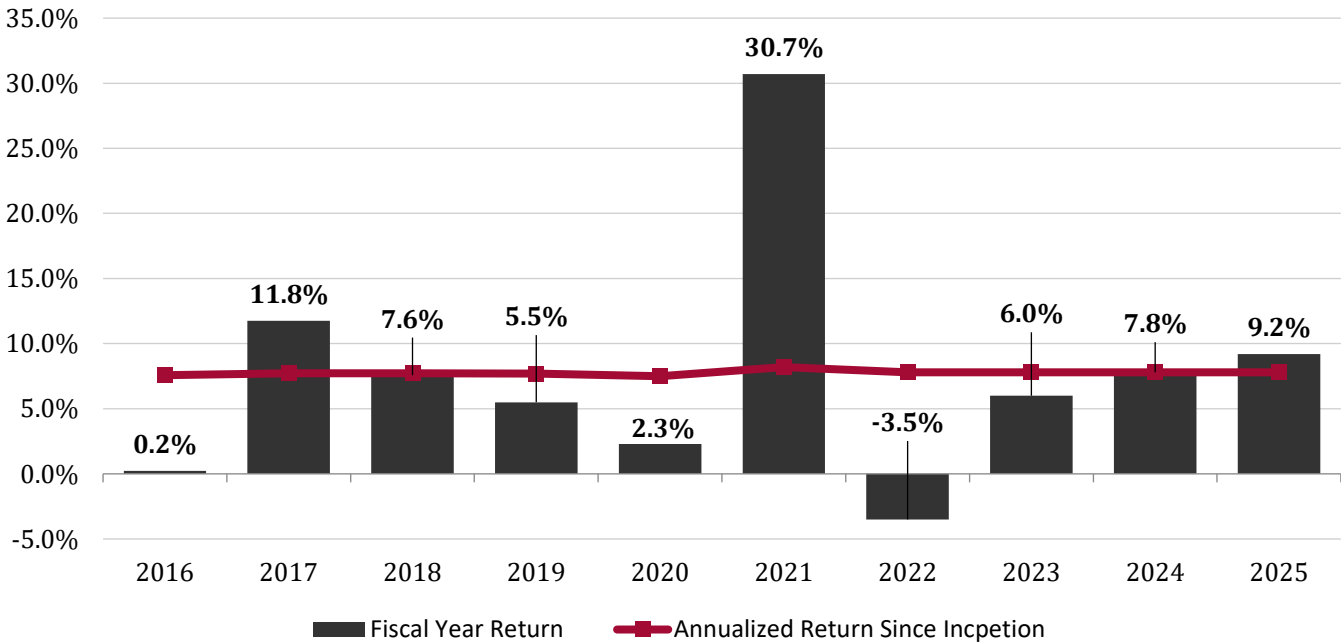
Program Description & Statistics

Assets and Investments

- Initial transfer liability January 1, 1992: \$574,500,000
- Market value of MFPRSI’s assets, June 30, 2025: \$3.5 billion, a positive change of about \$91 million year over year according to the retirement system’s investment consultant, Marquette Associates.

Investment Returns

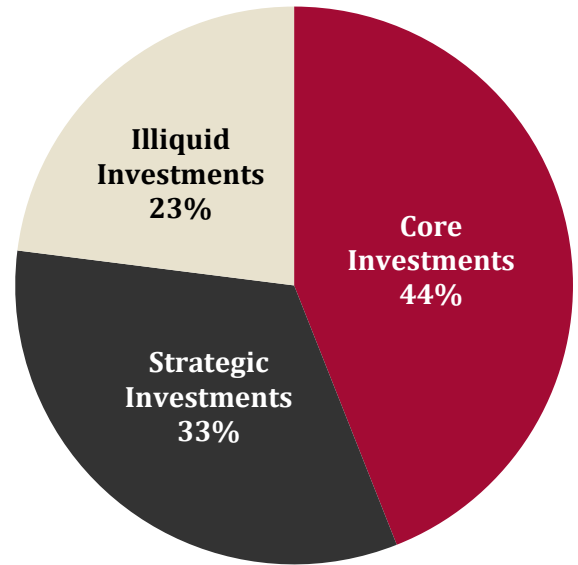
July 1, 2016 - June 30, 2015



Program Description & Statistics

Current Investment Allocation Policy

Core Investments	44%
Strategic Investments	33%
Illiquid Investments	23%
<hr/>	
Total Allocation	100.0%



Performance and Risk Expectation

Average annualized 10-year return	7.57%
Average annualized 10-year volatility	9.44%
Actuarial Return Assumption %	7.50%

Performance expectation and risk projection based upon Marquette Associates' March 2025 assumptions.

* In August 1991, the Board adopted 7.5% for its targeted rate of return for both the transition of assets from cities to the retirement system and for its ongoing investments. The 7.5% target rate has been reviewed periodically since, as recently as August 2025, and has remained as the retirement system's target rate.

Challenges Facing MFPRSI

1. Financial status of the plan and the restoration of a 100% funding status.
 - The decline in the investment markets in 2007-2009 caused a substantial reduction in the funding status of the plan. In accordance with Iowa Code Chapter 411, the cities' contribution rate is annually adjusted to meet the actuarially determined requirement.
 - MFPRSI's funding ratio has risen to 85% after falling to 74% following the Great Recession.
2. Financial support for the retirement system from the State of Iowa.
 - MFPRSI continues to request restoration of the full State funding of 3.79% of earnable compensation that was committed to in 1977 by the State of Iowa.
 - Total impact on participating cities due to the elimination of the State of Iowa's contribution, since inception (1992): approximately \$200,000,000.
3. The steady rise of the number of members applying and receiving disability retirements.
4. Under Iowa Code 411.1A, the purpose of Chapter 411 is to promote economy and efficiency in the municipal public safety service by providing a retirement system for the payment of pensions and a comprehensive disability program for covered members.
 - To promote the economy and efficiency in the municipal public safety service, MFPRSI has established a goal to help municipalities attract and retain quality public safety personnel.
 - There has been a substantial increase in the turnover of public safety personnel over the last 5 years.
 - Terminations are a financial gain for the retirement system, but replacement costs create a substantial burden for the municipalities

Challenges Facing MFPRSI

5. Investment return expectations and surpassing the 7.5% actuarial assumption for the plan while assuming reasonable risk and ensuring proper liquidity.
 - The Board of Trustees periodically reviews the asset/liability profile of the plan including the asset allocation policy based upon long-term expectations for the investment markets and regularly evaluates the performance of the retirement system's portfolios in the context of long-term horizons.
6. The increasing pressure from special interest groups and legislative bodies to divest from specific investments.
 - Investors, including pension funds, are under increasing pressure to leverage their investments to influence change in the global marketplace.
 - The cost of divesting can be significant, both on the opportunity cost of not experiencing the accumulative returns of holding the divested asset and on the sell-side where expunging the asset due to divestment pressures can lead to lower prices when selling.
 - Compliance with divestment legislation creates significant administrative burdens. Since 2011, MFPRSI has spent approximately \$107,000, in addition to manpower hours, to comply with Iowa's current divestment laws.
7. Evaluation of the investment activities of the firms currently managing MFPRSI's portfolios and review of asset allocation, as well as review of the operational controls and audit processes of the investment managers.
8. Maintaining up-to-date controls regarding cyber security and electronic data.
 - The threat of cyber crime is growing as criminals become increasingly sophisticated.
 - MFPRSI offers members a static view of their retirement account information through its online portal, www.my411.org.
 - Protocols are in place to help ensure the safety of member data.

Challenges Facing MFPRSI

9. Keeping the spending power of retired members in line with the cost of goods during periods of inflation.
 - MFPRSI offers a cost-of-living adjustment type benefit raise each year on July 1, called the “escalator.”
 - Members receiving benefits for service retirements and disability retirements are eligible for the escalator.
 - The escalator is a 1.5 percent increase on a member’s gross monthly benefit plus a flat dollar amount depending on how long the member has been retired.
 - \$35 for members retired more than 20 years
 - \$30 for members retired between 15 and 20 years
 - \$25 for members retired between 10 and 15 years
 - \$20 for members retired between 5 and 10 years
 - \$15 for members retired fewer than 5 years.

Legislative Activities

Legislative Changes in the Past Two Years

- MFPRSI continues to request restoration of the full State funding of 3.79% of earnable compensation that was committed to in 1977 by the State of Iowa.
- Responded to fiscal note requests and other legislative inquiries for information.
- 2025 Legislative Changes:
 - House File 969 modified the definition of cancer to include all cancers.
 - Also increased the member contribution rate by 0.125% effective July 1, 2025.
 - House File 706 required members of governmental bodies to take training in Open Meetings/Records laws.
 - House File 976 exempted lump sum retirement distributions from income tax if the person is over age 55, disabled, or a surviving spouse.
- 2024 Legislative Changes:
 - House File 2680 made the following changes:
 - Increased the member contribution rate from 9.4% to 9.55% effective July 1, 2025.
 - Added a mental health evaluation to the entrance exam process.
 - Changed the definition of “Member in Good Standing” for disability benefits.
 - Added the right for members on an ordinary disability to appeal for accidental disability up to 3 years following retirement.
 - Removed the “definite time and place” requirement for accidental disability and accidental death benefits.
 - Codified the requirements for an accidental mental disability.
 - Made several changes to the cities’ responsibilities for covered medical costs under Iowa Code 411.15.
 - Clarified that the Iowa retirement income exclusion applies to all surviving spouses of MFPRSI members.
 - Senate File 2096 repealed the requirements for boards to be gender balanced.

July 1, 2025, Actuarial Report

Contribution Rate Requirement

The contribution rate derived from this formula and approved by the Board will be effective July 1, 2026.

Contribution Rate

Estimated Earnable Compensation	\$408,343,756
Estimated State's Contribution	\$0
Member's Contribution Rate	9.675%
Actuarial Calculated Rate for Cities	21.859%

Valuation of Assets and Liabilities

Market Value vs. Actuarial Value of Investment Assets

Market Value of Total Assets (Net)	\$3,496,382,132
Actuarial Value of Assets*	3,538,125,209
Actuarial Accrued Liability	4,142,002,011
Investment Rate of Return Assumption	7.5%

*MFPRSI utilizes 5-year rolling average to value assets for actuarial calculation.

July 1, 2025, Actuarial Report

MFPRSI Liabilities

The unfunded actuarial accrued liability is the amount the actuarial accrued liability exceeds the actuarial value of plan assets determined as of the actuarial valuation date.

Unfunded Actuarial Accrued Liability

	2024	2025
1. Actuarial Accrued Liability		
Active members	\$1,456,795,407	\$1,497,434,869
Inactive members	2,512,384,440	2,643,950,227
Total	3,969,179,847	4,141,385,096
2. Actuarial Value of Plan Assets	3,355,469,275	3,538,125,209
3. Unfunded Actuarial Accrued Liability before assumption changes (Excess of #1 over #2)	613,710,572	603,259,887
4. Change in Unfunded Actuarial Accrued Liability	3,211,535	616,915
5. Unfunded Actuarial Accrued Liability after changes (#3 plus #4)	616,922,107	603,876,802

July 1, 2025, Actuarial Report

MFPRSI Contributions

Annual Contributions

	2024	2025
<u>Preliminary Total Contribution</u>		
1. Annual Normal Cost	\$68,020,131	\$71,147,666
2. Estimated Member Contributions	37,312,211	39,507,258
3. Unfunded Actuarial Accrued Liability Amortization Payment	57,908,658	57,620,053
4. Total (Cities plus State) Contribution = #1 - #2 + #3	88,616,578	89,260,461
<u>Cities' Contribution</u>		
5. Preliminary Total Contribution = #4	88,616,578	89,260,461
6. Estimated State Contribution	0	0
7. Preliminary Cities' Contribution = #5 - #6	88,616,578	89,260,461
8. Covered Payroll	390,703,785	408,343,756
9. Cities' Contribution as a percent of payroll = #7 / #8	22.680%	21.859%
10. Minimum required contribution rate for Cities	17.00%	17.00%
11. Cities' Contribution = Greater of #9 x #8 or #10 x #8	88,611,618	89,259,862

Funded Ratio

Current and Projected Funded Ratio of the Plan

The following information is provided to assist the Public Retirement Systems Committee in its deliberation concerning MFPRSI. Information provided is as of the July 1, 2025, actuarial valuation study. Responses are shown using the Entry Age Normal actuarial methodology, as adopted by the Board of Trustees beginning July 1, 2011.

Funded Ratio and Contribution Rates

	2024	2025
Current Funded Ratio		
Entry Age Normal	84.47%	85.42%
Contribution Rates		
Employee	9.55%	9.675%
Employer - Actuarially determined each year. Minimum of 17%.		
Fiscal Year 2024	22.66%	
Fiscal Year 2025		22.555%
State Contribution	\$0	\$0

Contribution projection over 25 years, using an interest rate assumption of 7.5%.
See Attachment 1.

Attachment 1: Contribution Rate 25-Year Forecast

Municipal Fire & Police Retirement System of Iowa Forecast of Contribution Rates and Funded Status (Amounts in Thousands)

Valuation Date	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/2029	7/1/2030	7/1/2031	7/1/2032	7/1/2033	7/1/2034
Actual Prior Year										
Investment Return on Assets										
- Market Value	N/A	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
- Actuarial Value	N/A	5.45%	7.65%	7.88%	7.79%	7.50%	7.50%	7.50%	7.50%	7.50%
Covered Payroll	408,344	423,861	439,968	456,686	474,040	492,054	510,752	530,161	550,307	571,218
Current Entry Age Normal Method 25-Year Amortization Period of UAL Level Dollar, Closed Layered Amortization										
Actuarial Accrued Liability	4,142,002	4,293,904	4,436,307	4,580,909	4,727,475	4,875,732	5,025,369	5,176,030	5,327,308	5,478,747
Asset Values										
- Market Value	3,496,382	3,635,758	3,776,344	3,927,086	4,080,334	4,236,516	4,394,984	4,555,808	4,718,716	4,883,387
- Actuarial Value	3,538,125	3,609,389	3,753,399	3,916,525	4,080,334	4,236,516	4,394,984	4,555,808	4,718,716	4,883,387
Funded Ratio (Actuarial Value Assets)	85.42%	84.06%	84.61%	85.50%	86.31%	86.89%	87.46%	88.02%	88.58%	89.13%
Contribution Rates (% of Payroll)										
- Cities	21.859%	23.221%	22.775%	22.477%	22.098%	21.797%	21.506%	21.224%	20.951%	20.685%
- Members	9.675%	9.675%	9.675%	9.675%	9.675%	9.675%	9.675%	9.675%	9.675%	9.675%
- State	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
- Total	31.534%	32.896%	32.450%	32.152%	31.773%	31.472%	31.181%	30.899%	30.626%	30.360%
Actual Cities Contribution Rate	22.555%	21.859%	23.221%	22.775%	22.477%	22.098%	21.797%	21.506%	21.224%	20.951%
Assumptions and Data										
Interest Rate	7.5%									
Active Members										
- Population Growth	0.2%									
- Average Age	39.4									
- Average Service	12.2									
Non-Investment Expense Growth	3.0%									
Census Data										
- As of July 1, 2025										
Asset Data										
- As of July 1, 2025										

Attachment 1: Contribution Rate 25-Year Forecast

Municipal Fire & Police Retirement System of Iowa Forecast of Contribution Rates and Funded Status (Amounts in Thousands)

Valuation Date	7/1/2035	7/1/2036	7/1/2037	7/1/2038	7/1/2039	7/1/2040	7/1/2041	7/1/2042	7/1/2043	7/1/2044
Actual Prior Year										
Investment Return on Assets										
- Market Value	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
- Actuarial Value	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Covered Payroll	592,925	615,456	638,843	663,119	688,318	714,474	741,624	769,805	799,058	829,422
Current Entry Age Normal Method 25-Year Amortization Period of UAL Level Dollar, Closed Layered Amortization										
Actuarial Accrued Liability	5,629,828	5,774,203	5,916,402	6,055,656	6,191,108	6,321,808	6,440,263	6,551,150	6,653,147	6,744,797
Asset Values										
- Market Value	5,049,460	5,216,508	5,384,061	5,551,042	5,716,801	5,863,006	6,006,664	6,146,946	6,282,934	6,413,608
- Actuarial Value	5,049,460	5,216,508	5,384,061	5,551,042	5,716,801	5,863,006	6,006,664	6,146,946	6,282,934	6,413,608
Funded Ratio (Actuarial Value Assets)	89.69%	90.34%	91.00%	91.67%	92.34%	92.74%	93.27%	93.83%	94.44%	95.09%
Contribution Rates (% of Payroll)										
- Cities	20.427%	20.095%	19.775%	17.000%	17.000%	17.000%	17.000%	17.000%	17.000%	17.000%
- Members	9.675%	9.675%	9.675%	9.675%	9.675%	9.675%	9.675%	9.675%	9.675%	9.675%
- State	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
- Total	30.102%	29.770%	29.450%	26.675%	26.675%	26.675%	26.675%	26.675%	26.675%	26.675%
Actual Cities Contribution Rate	20.685%	20.427%	20.095%	19.775%	17.000%	17.000%	17.000%	17.000%	17.000%	17.000%
Assumptions and Data										
Interest Rate	7.5%									
Active Members										
- Population Growth	0.2%									
- Average Age	39.4									
- Average Service	12.2									
Non-Investment Expense Growth	3.0%									
Census Data										
- As of July 1, 2025										
Asset Data										
- As of July 1, 2025										

Attachment 1: Contribution Rate 25-Year Forecast

Municipal Fire & Police Retirement System of Iowa Forecast of Contribution Rates and Funded Status (Amounts in Thousands)

Valuation Date	7/1/2045	7/1/2046	7/1/2047	7/1/2048	7/1/2049	7/1/2050
Actual Prior Year						
Investment Return on Assets						
- Market Value	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
- Actuarial Value	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Covered Payroll	860,940	893,656	927,615	962,864	999,453	1,037,432
Current Entry Age Normal Method 25-Year Amortization Period of UAL Level Dollar, Closed Layered Amortization						
Actuarial Accrued Liability	6,824,500	6,890,497	6,940,860	6,973,474	6,986,021	6,991,313
Asset Values						
- Market Value	6,537,842	6,654,389	6,761,875	6,858,784	6,943,448	7,014,036
- Actuarial Value	6,537,842	6,654,389	6,761,875	6,858,784	6,943,448	7,014,036
Funded Ratio (Actuarial Value Assets)	95.80%	96.57%	97.42%	98.36%	99.39%	100.33%
Contribution Rates (% of Payroll)						
- Cities	17.000%	17.000%	17.000%	17.000%	17.000%	17.000%
- Members	9.675%	9.675%	9.675%	9.675%	9.675%	9.675%
- State	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
- Total	26.675%	26.675%	26.675%	26.675%	26.675%	26.675%
Actual Cities Contribution Rate	17.000%	17.000%	17.000%	17.000%	17.000%	17.000%
Assumptions and Data						
Interest Rate	7.5%					
Active Members						
- Population Growth	0.2%					
- Average Age	39.4					
- Average Service	12.2					
Non-Investment Expense Growth	3.0%					
Census Data						
- As of July 1, 2025						
Asset Data						
- As of July 1, 2025						

Attachment 2: Alternative Statutory Actuarial Reporting



September 18, 2025

Mr. Dan Cassady
Executive Director
Municipal Fire & Police Retirement System of Iowa
7155 Lake Drive, Suite 201
West Des Moines, IA 50266

RE: July 1, 2025 Alternative Actuarial Reporting to General Assembly

Dear Dan:

Enclosed are the results of the alternative actuarial valuation for the Municipal Fire & Police Retirement System of Iowa under common standards for General Assembly reporting. This reporting is based on the Entry Age Normal Cost Method as required for reporting to the General Assembly reflecting a level percent of pay amortization of the Unfunded Accrued Liability. We present below a summary of the July 1, 2025 actuarial valuation results under the current and alternative reporting and have also attached details of the calculation.

	Current Reporting	Alternative Reporting
Cities Contribution Rate		
- Prior to 17% Minimum	21.859%	14.344%
- After 17% Minimum	21.859%	17.000%
Cost Method	Entry Age Normal	Entry Age Normal
Amortization Period	25 Years	30 Years
Amortization Method	Level Dollar Closed	Level Percent of Pay Open
Asset Valuation Method	5-Year Smoothing	5-Year Smoothing
Interest Rate	7.5%	7.5%
Inflation Growth*	N/A	N/A
Funded Ratio	85.42%	85.42%

Please note the funded ratio is determined by comparing the actuarial value of assets to the actuarial accrued liability for this reporting purpose. All other assumptions and methods are consistent with those used for the July 1, 2025 actuarial valuation.

* For current reporting purposes, there is no explicit inflation growth assumption. Inflation growth is implicitly part of the valuation interest rate and salary growth assumptions, but is not explicitly defined. Further, currently the annual escalator benefit for retirees and beneficiaries is a fixed percentage plus a fixed dollar amount per year, not based on inflation growth.

Please do not hesitate to call me if you have any questions or if we can be of additional assistance.

Sincerely,

Michael S. Ehmke, ASA, EA, MAAA
Senior Vice President

MSE/lsa

Enclosure

Attachment 2: Alternative Statutory Actuarial Reporting

MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA

Current and Alternative Reporting
As of July 1, 2025

Current Reporting*	Entry Age Normal (25 Yr Level \$)
1. Plan Liability- Actuarial Accrued Liability	4,142,002,011
2. Actuarial Value of Assets	3,538,125,209
3. Funded Ratio = (2)/(1)	85.42%
4. Unfunded Accrued Liability = (1)-(2)	603,876,802
5. 25-year Level Dollar Closed Layered Amortization of (4)	57,620,053
6. Normal Cost	71,147,666
7. Total (Cities plus State plus Members) Contribution = (5)+(6)	128,767,719
8. Estimated Member Contributions	39,507,258
9. Estimated State Contribution	0
10. Cities Contribution = (7)-(8)-(9)	89,260,461
11. Cities' Contribution Rate Prior to 17% Statutory Minimum = (10)/(Covered Payroll of \$408,343,756)	21.859%
Alternative Reporting**	Entry Age Normal (30 Yr Level %)
1. Plan Liability- Actuarial Accrued Liability	4,142,002,011
2. Actuarial Value of Assets	3,538,125,209
3. Funded Ratio = (2)/(1)	85.42%
4. Unfunded Accrued Liability = (1)-(2)	603,876,802
5. 30-year Level Percent of Pay Amortization of (4)	26,931,149
6. Normal Cost	71,147,666
7. Total (Cities plus State plus Members) Contribution = (5)+(6)	98,078,815
8. Estimated Member Contributions	39,507,258
9. Estimated State Contribution	0
10. Cities Contribution = (7)-(8)-(9)	58,571,557
11. Cities' Contribution Rate Prior to 17% Statutory Minimum = (10)/(Covered Payroll of \$408,343,756)	14.344%

*Current Reporting: Entry Age Normal Cost Method, 25 Year Level Dollar Closed Layered Amortization of UAL, 7.5% interest rate, RP 2014 Blue Collar Healthy Annuitant Mortality with 50% of Scale BB Improvement Projection and Graded Salary Growth

**Alternative Reporting: Entry Age Normal Cost Method, 30 Year Level Percent of Pay Amortization of UAL, 7.5% interest rate, RP 2014 Blue Collar Healthy Annuitant Mortality with 50% of Scale BB Improvement Projection and Graded Salary Growth

September 18, 2025

HUB International Great Plains