

# IPERS Update

## Public Retirement Systems Committee

Gregory S. Samorajski, CEO

December 9, 2025



All data as of FY2025 unless noted

# IPERS' Background

**Established in 1953**

**IPERS is a workforce recruitment tool**

**Mission:** IPERS is the fiduciary responsible for administering the IPERS Trust Fund. IPERS exists for the exclusive benefit of its members and fulfills its obligations to cost-effectively pay benefits, maintain stable contribution rates, protect member information and provide outstanding service.

# Governance

## Legislature and Governor

- Plan sponsors

## Public Retirement Systems Committee

## IPERS Investment Board

- Fund trustee

## Benefits Advisory Committee

- Advises on benefits

## State Treasurer

- Fund custodian

## IPERS Administration

- Carries out the law, collects contributions, invests assets, pays benefits



## Plan Sponsors' Roles:

- Creates/amends plan
- Determines plan participation
- Determines plan benefits
- Appropriates funds from the IPERS Trust Fund for administrative expenses

# Core Elements

**Mandatory participation**

**Pooled investment risk**

**Pooled longevity risk/Lifetime annuity**

**Employer/Employee cost-sharing**

**Works with Social Security and personal savings**

# Sources & Uses of Funds

**\*Expected annual revenue - \$5 Billion**

**Sources:**

- 30% of annual revenue from contributions
- 70% of annual revenue from investment returns**

**Expenditures (as a percent of annual revenue):**

- Benefit payments 47%
- Admin., investment expenses 1%

**Annual revenue retained in IPERS' trust fund:**

- Set-aside for growing liabilities 45%
- Unfunded liability reduction 7%**



**70%**

**OF FUNDS USED TO PAY  
BENEFITS COME FROM  
INVESTMENT INCOME**

\*based on 7% return on investments

# Contribution Rates

	Member Share	Employer Share	Total
<b>Regular Members</b>			
<b>7/1/25 – 6/30/26</b>	6.29%	9.44%	15.73%
<b>7/1/26 – 6/30/27</b>	6.29%	9.44%	15.73%
<b>Sheriffs and Deputy Sheriffs</b>			
<b>7/1/25 – 6/30/26</b>	12.215%	11.965%	24.18%
<b>7/1/26 – 6/30/27</b>	12.335%	12.085%	24.42%
<b>Protection Occupations</b>			
<b>7/1/25 – 6/30/26</b>	6.335%	9.185%	15.52%
<b>7/1/26 – 6/30/27</b>	6.335%	9.185%	15.52%

# Membership Groups

Total members: 423,989



# IPERS Members

## All Members by Status

**186,221**  
Active

**99,935**  
Inactive

**129,176**  
Retired

**8,657**  
Retired  
Reemployed

## Active Members by Employer Type

**95,033**  
Education

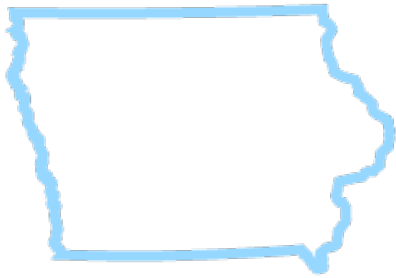
**25,695**  
City

**29,445**  
County

**6,055**  
Other

**29,993**  
State

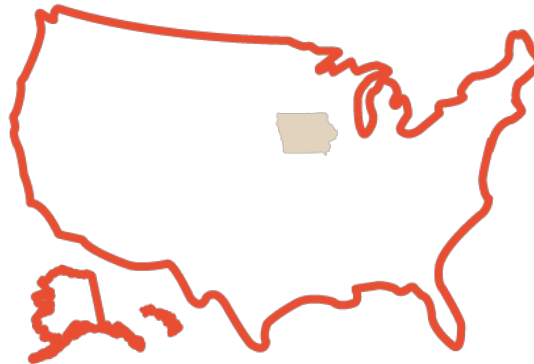
# Benefit Payments



Iowa

124,070 payees

\$2,442,849,336 paid



United States

19,903 payees

\$316,596,066 paid



World

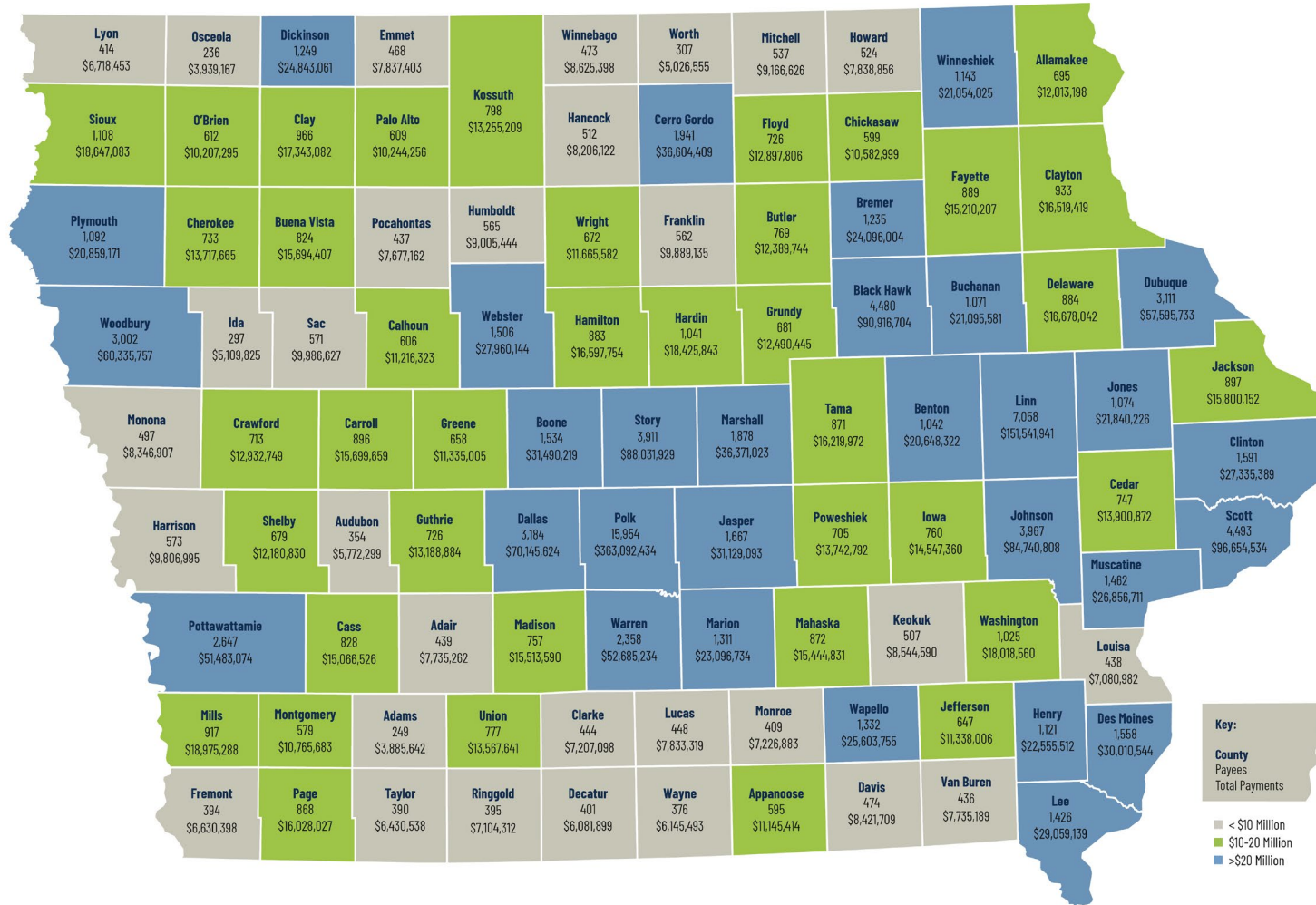
59 payees

\$641,413 paid

# Benefit Payments

## BENEFIT PAYMENTS BY IOWA COUNTY

Fiscal Year 2025



**Key:**

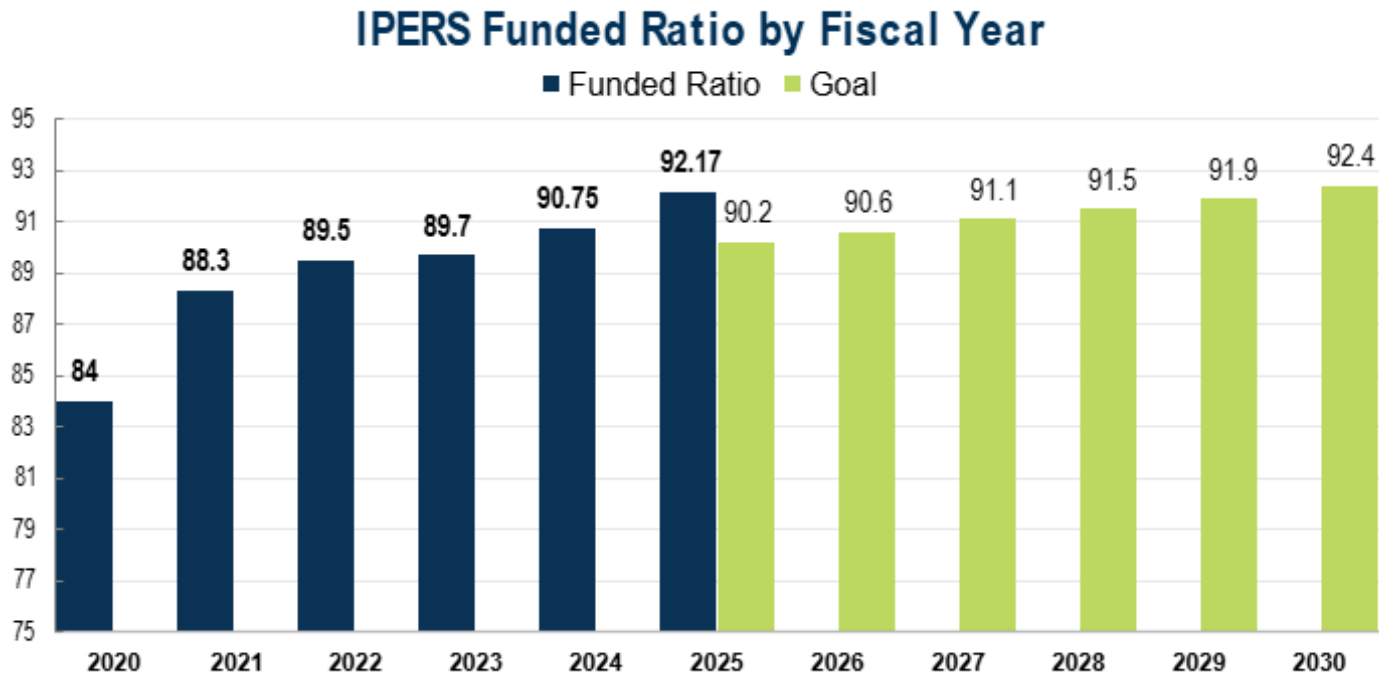
- County
- Payees
- Total Payments

- < \$10 Million
- \$10-20 Million
- > \$20 Million

# FY2025-FY2030 Strategic Plan

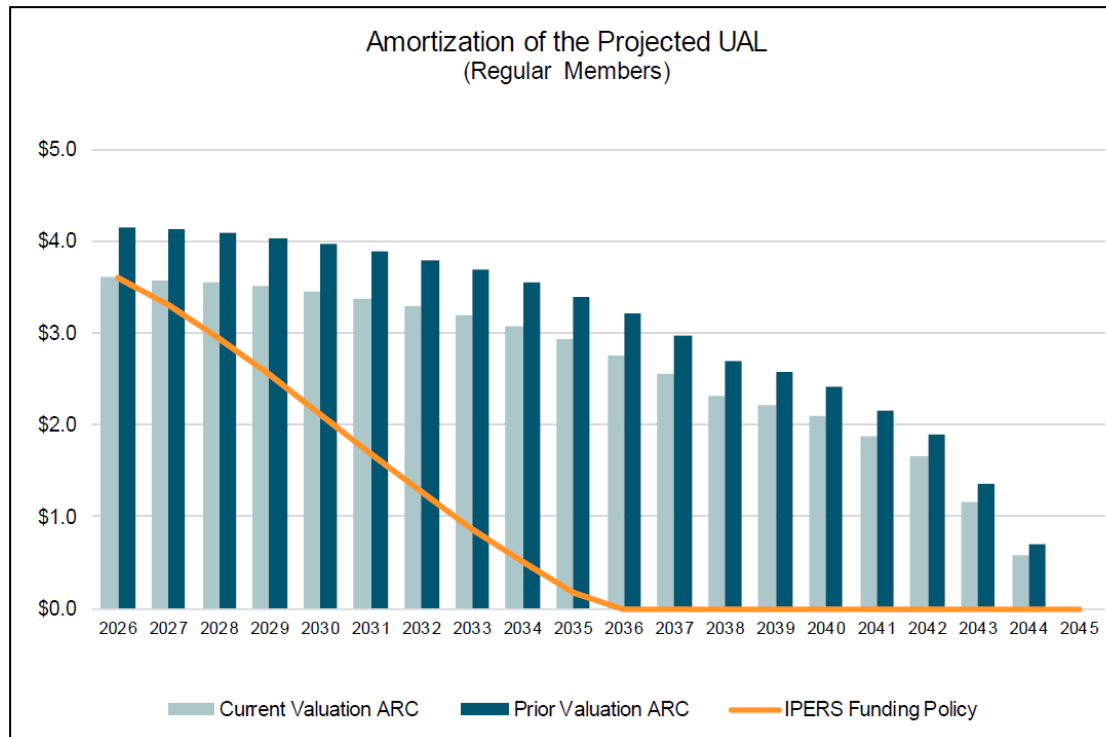
# Investment Management

- **Strategic Initiative:** Achieve actuarial milestones on the path to full funding and maintain stable or achieve reduced contribution rates



# Investment Management

## Unfunded Actuarial Liability projected through time

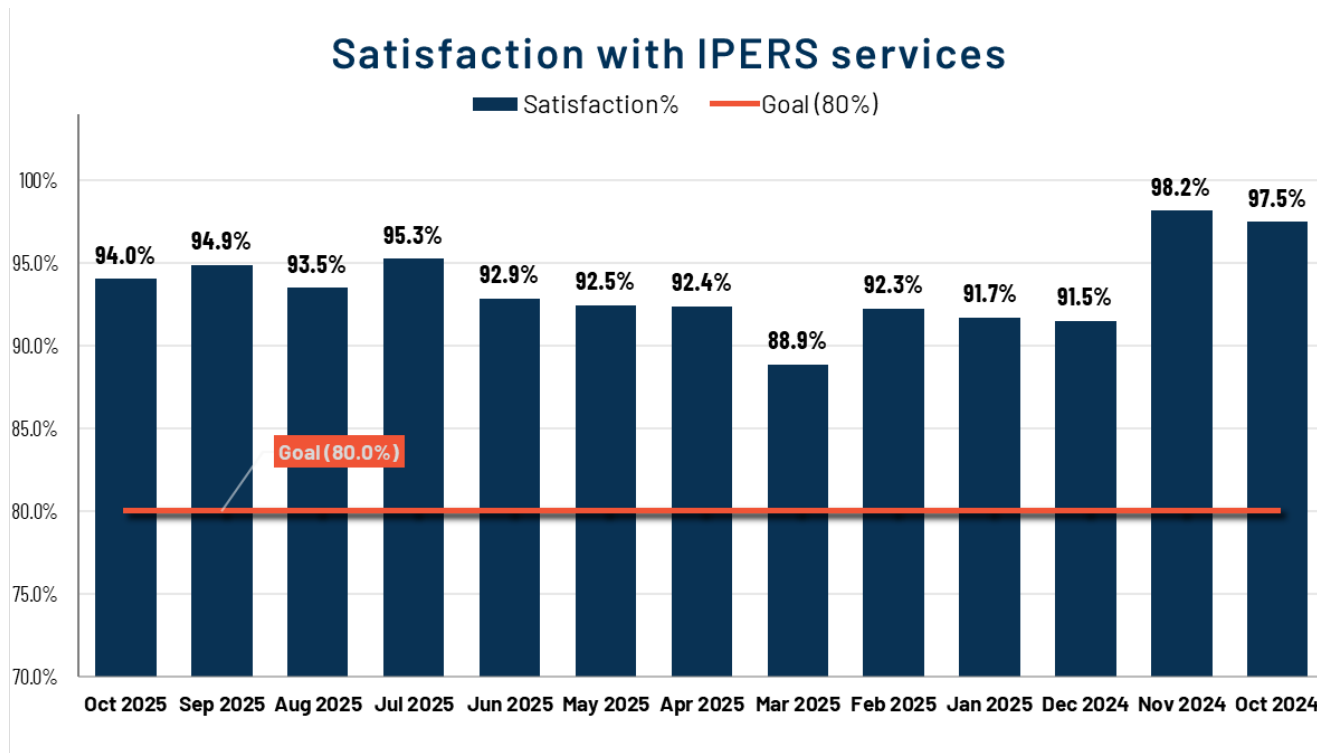


Current Funding Policy accelerates strategic initiative\*

\***Strategic Initiative:** Achieve actuarial milestones on the path to full funding and maintain stable or achieve reduced contributions (2025 funded ratio 92.17%).

# Service Delivery

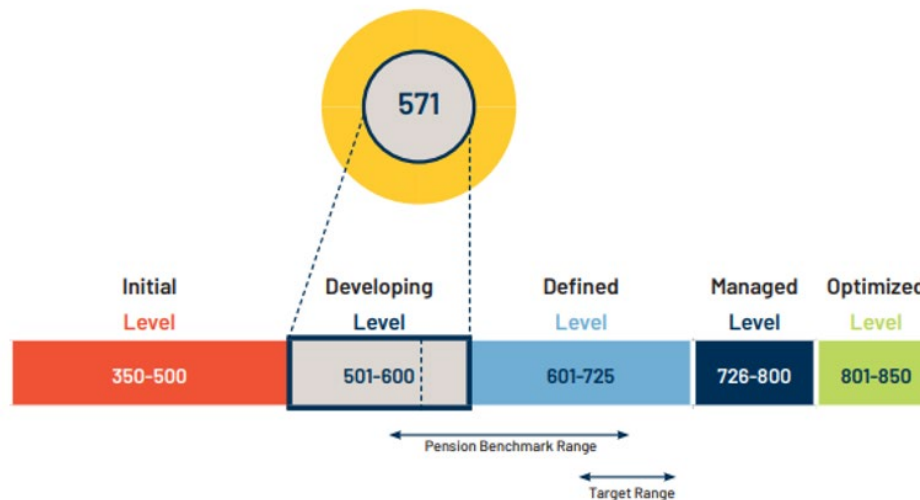
**Strategic Initiative:** Modernize and improve all facets of service delivery using multiple methods, including in-person, virtual and digital.



# Risk Management and Compliance

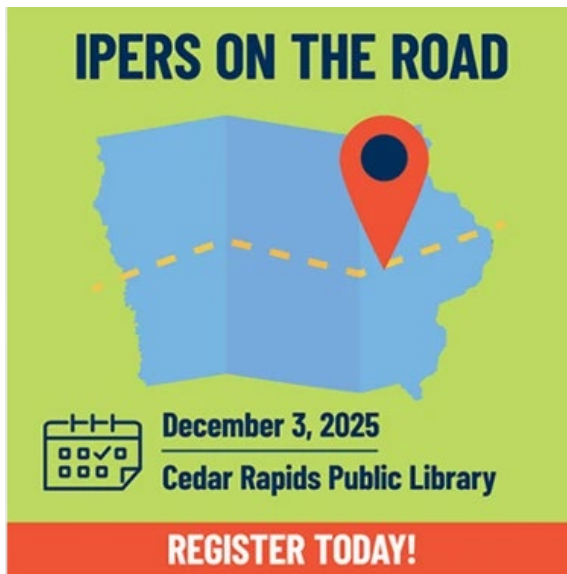
**Strategic Initiative:** Bolster IPERS' business process to ensure the security of member data, the accuracy of payments and the overall quality of performance.

- Pension Administration System
- Risk Management and Compliance Division



# Shared Costs and Services

**Strategic Initiative:** IPERS members will engage with a highly committed, professional and knowledgeable workforce supported by appropriate job classifications, compensation plans, professional development and growth opportunities throughout their careers at IPERS.



# Benefits Advisory Committee

Iowa Public Employees' Retirement System

Matt Carver, Chair



# Benefits Advisory Committee



**Matt Carver**  
Chair  
Rep: School Administrators  
Voting Member  
Term Expires: 2027



**Melissa Peterson**  
Vice-Chair  
Rep: Teachers  
Voting Member  
Term expires: 2031



**Mark Campbell**  
Rep: State of Iowa  
Voting Member



**Susanna Cave**  
Rep: State Police Officers  
Council



**Todd Copley**

Rep: AFSCME  
Voting Member  
Term Expires: 2028



**Len Cockman**

Rep: Local School Districts  
Voting Member  
Term Expires: 2027



**Lowell Dauenbaugh**

Public Member  
Voting Member  
Term Expires: 2026



**Andrew Hennesy**

Rep: IPERS Improvement  
Association



**John Hieronymus**

Rep: Retired IPERS  
Members



**Richard Hoffman**

Rep: International  
Brotherhood of  
Teamsters



**Steve Hoffman**

Rep: ISSDA  
Voting Member  
Term Expires: 2028



**Connie Kuennen**

Rep: Community Colleges



**Brian McDonough**

Rep: Counties  
Voting Member  
Term Expires: 2027



**Ty Wheeler**

Rep: Cities  
Voting Member  
Term Expires: 2026

- Represents member, employer and retiree groups
- Important liaison between members, administrators and legislators
- Associations choose BAC representatives
  - Nine voting members
  - Public member and DAS Director
- Studies issues and makes plan recommendations to IPERS and legislature
- Ensures IPERS meets member and employer needs

# Resolution

On October 28, the Benefits Advisory Committee approved a resolution encouraging IPERS' plans sponsors to maintain its current legal framework.

# IPERS Investment Board

Public Retirement Systems Committee

Kris Rowley, Vice-Chair



# IPERS Investment Board



**Bill Bemis**  
*Chair*

*Voting Member*  
*Term expires: 2027*



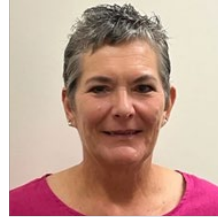
**Kris Rowley**  
*Vice-Chair*

*Voting Member*  
*Term expires: 2031*



**Roby Smith**

*State Treasurer*  
*Voting Member*



**Tami Loge**

*Voting Member*  
*Term Expires: 2028*



**Brent Mathisen**

*Voting Member*  
*Term Expires: 2031*



**Sara Meinders**

*Voting Member*  
*Term Expires: 2029*



**Matthew Watters**

*Voting Member*  
*Term Expires: 2029*



**Molly Donahue**

*State Senator*  
*Nonvoting Member*



**Mark Lofgren**

*State Senator*  
*Nonvoting Member*



**Michael Bergan**

*State Representative*  
*Nonvoting Member*



**Elizabeth Wilson**

*State Representative*  
*Nonvoting Member*

**Trustee is a fiduciary with a legal duty to act:**

- Solely in the interest of the participants and beneficiaries
- For the exclusive purpose of providing benefits to participants and beneficiaries in a cost-effective manner

# IPERS Investment Board

## Roles and Responsibilities:

- Establish the investment policy and risk tolerance of the investment program
- Set an allocation and diversification plan
- Approve the hiring of investment managers, actuaries and consultants
- Review investment performance, investment management expenses and consult on IPERS' administrative budget
- Adopt actuarial methods, mortality tables and assumptions for the actuary to prepare the annual valuation of assets and liabilities

# Investment Update

Public Retirement Systems Committee

Sriram Lakshminarayanan, CIO



# Investment Staff

## Chief Investment Officer

- **Manages eight investment officers**
- **Oversees \$46+ billion global portfolio**
- **Key responsibilities:**
  - Implement the Board's investment policies
  - Manage active investment risk within budgets set by the Board
  - Add value – Earn more than the Board's strategic asset allocation plan
  - Advise Board on investment issues; make recommendations for asset allocation and implementation
  - Recommend, oversee and evaluate external investment managers; administer competitive bidding process; implement internal investment programs

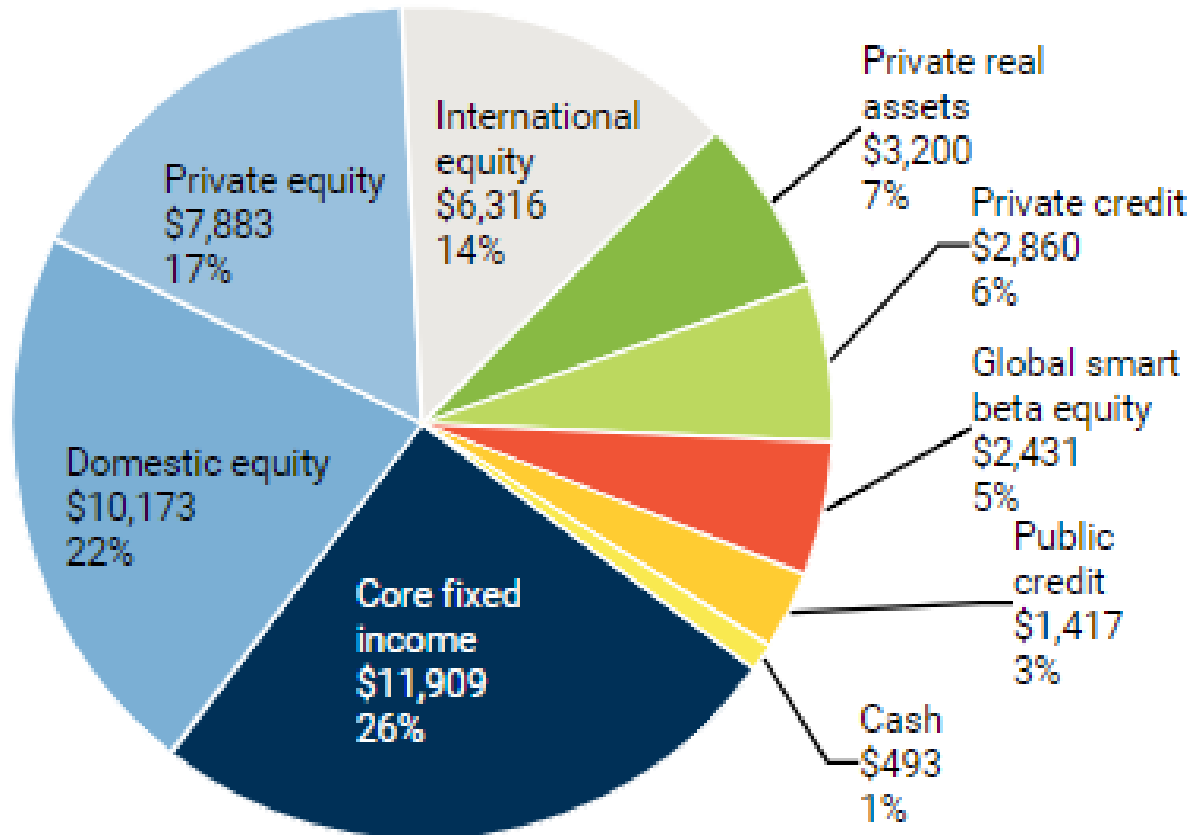
# Asset Allocation

**Investment Board annually reviews, periodically adjusts**

**Most important policy decision, drives >90% of total return**

## How much risk?

- Long-dated liabilities allow for longer investment horizon
- Can afford to take more growth and illiquidity risk
- Cash flows must be monitored diligently



# FY2025 Investment Summary

**IPERS' 9.87% net investment return outperformed the actuarial assumed investment return of 7%.**

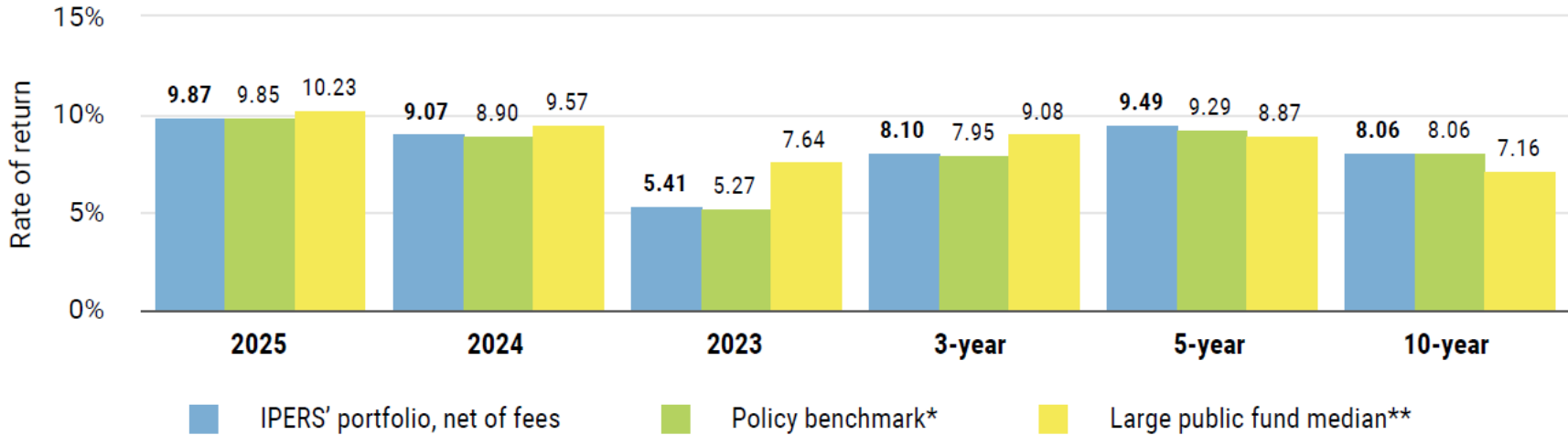
**Investment expenses (\$58.9 million) were 0.13% of the trust fund's total quarterly average fair value.**

**IPERS' net investment returns over 5 and 10-year periods ending June 30, 2025, exceeded the median large public pension fund return and were earned with less risk.**

**IPERS' staff commenced implementing our second and third internal investment programs.**

# Investment Performance Summary

For Periods Ended June 30

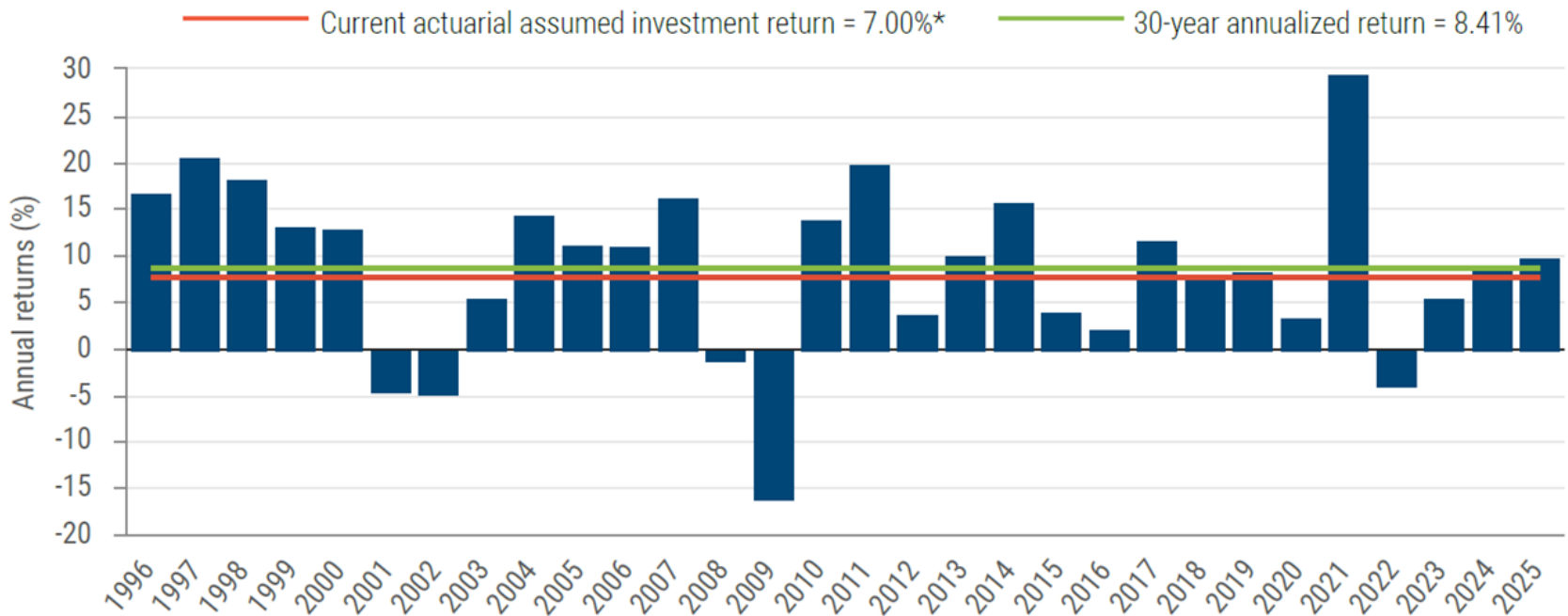


\*A benchmark composed of market indexes with weightings reflective of IPERS' asset allocation targets.

\*\*Investment Metrics' Universe of All Public Funds > \$1 Billion Index

Note: 3-, 5- and 10-year results are annualized returns.

# Investment Returns



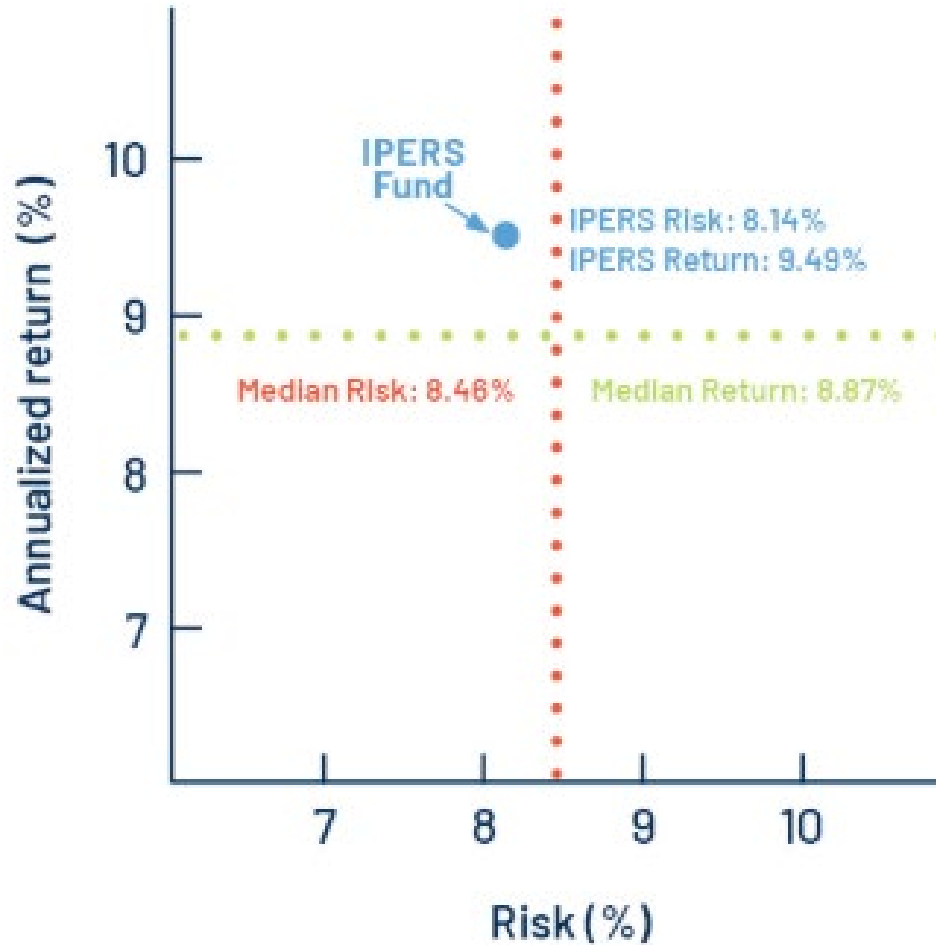
**\*Actuarial assumed investment return**

1977 - 1993:	6.50%	1996 - 2016:	7.50%
1994 - 1995:	6.75%	2017 - 2025:	7.00%

**Annualized returns for periods ended June 30, 2025**

1-year return:	9.87%	10-year return:	8.06%
3-year return:	8.10%	20-year return:	7.64%
5-year return:	9.49%	30-year return:	8.41%

# Risk vs. Total Return



# FY2025 Actuarial Valuation

Cavanaugh Macdonald Consulting



Patrice A. Beckham, FSA, EA, FCA, MAAA



# Actuarial Reserve Funding

Builds funds during working careers.

Investment returns help pay for benefits.

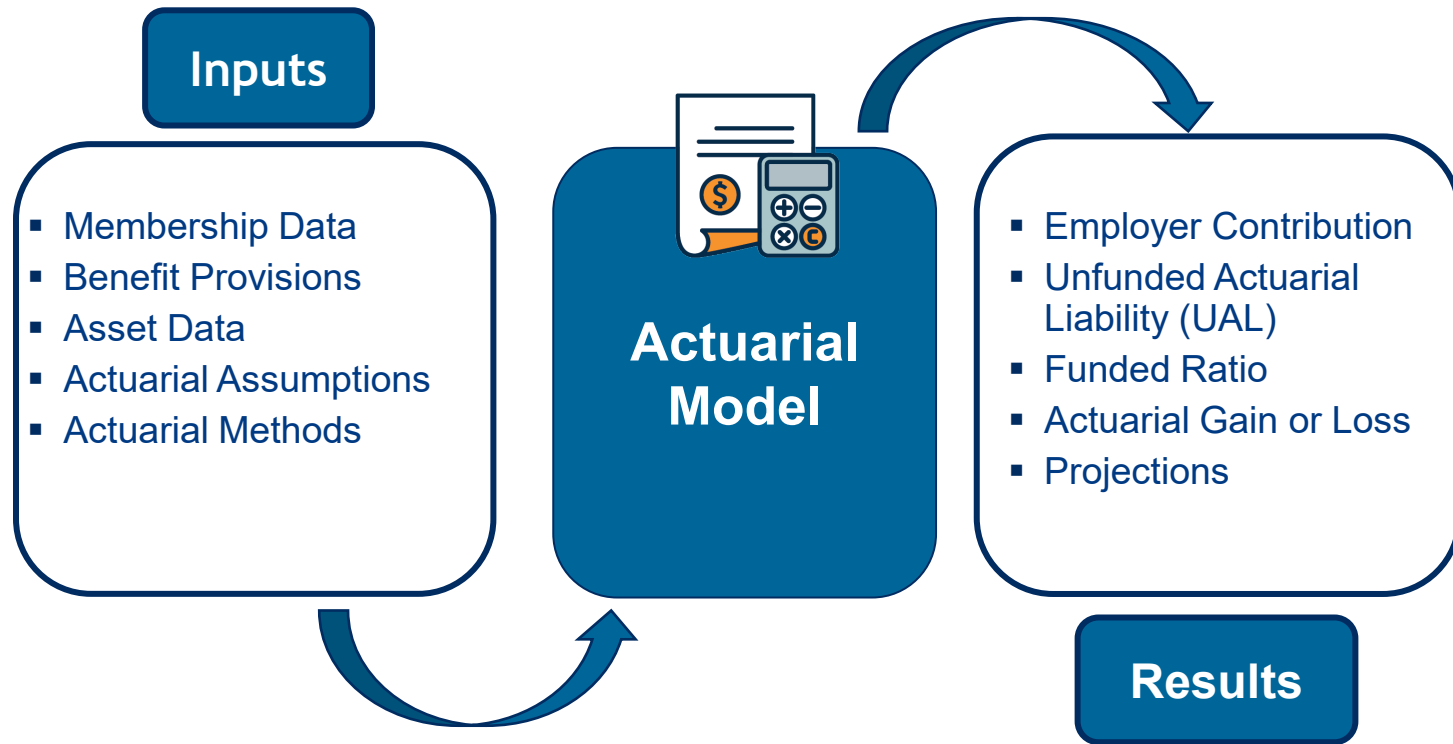
Actuarial valuation is mathematical model of financial future of system.

Actuarial cost method's goal is level contributions as percent of payroll.

Goal is contribution equity among generations of active members and taxpayers.



# The Actuarial Model



$$\text{Basic Funding Equation: } C + I = B + E$$



# Purpose of an Actuarial Valuation



## Performed Annually as of June 30

- Update previous valuation and reflect fiscal year 2025 events
- Comment on, and quantify, fiscal year 2025 events that impacted the June 30, 2025 valuation
- Assess and disclose key funding risks



## Funding Results

- Disclose key asset and liabilities measures
- Monitor funding progress including Funded Ratio and Unfunded Actuarial Liability (UAL) as of July 30, 2025
- Determine Actuarial and Required Contribution Rates for FY 2027



## Projection Results

- Using modeling tool, project System's funded status and Required Contribution Rates in the future, if all assumptions are met.
- Sensitivity analysis on projection results if investment returns vary from the assumed rate of return.



# Impacts on the FY2025 Valuation

## Asset Experience

- Net market return for fiscal year 2025 of 9.87%.
- Due to asset smoothing, return on actuarial (smoothed) assets was 8.20%.
- **Resulted in an actuarial gain of \$506 million.**

## Liability and Other Experience

- Unfavorable experience for FY 2025 resulted in higher liability than expected due to more retirements and higher than expected salary increases .
- **Net liability loss of \$241 million.**
- Contributions above the actuarial rate decreased the UAL by \$188 million.

## Legislative Changes

- HF 969 broadened cancer coverage for Sheriffs/Deputies and Protection Occupation. Increased member contribution rates by a fixed 0.125%.
- No impact on actuarial liability because disability assumption was not changed.



# Key Valuation Results\*

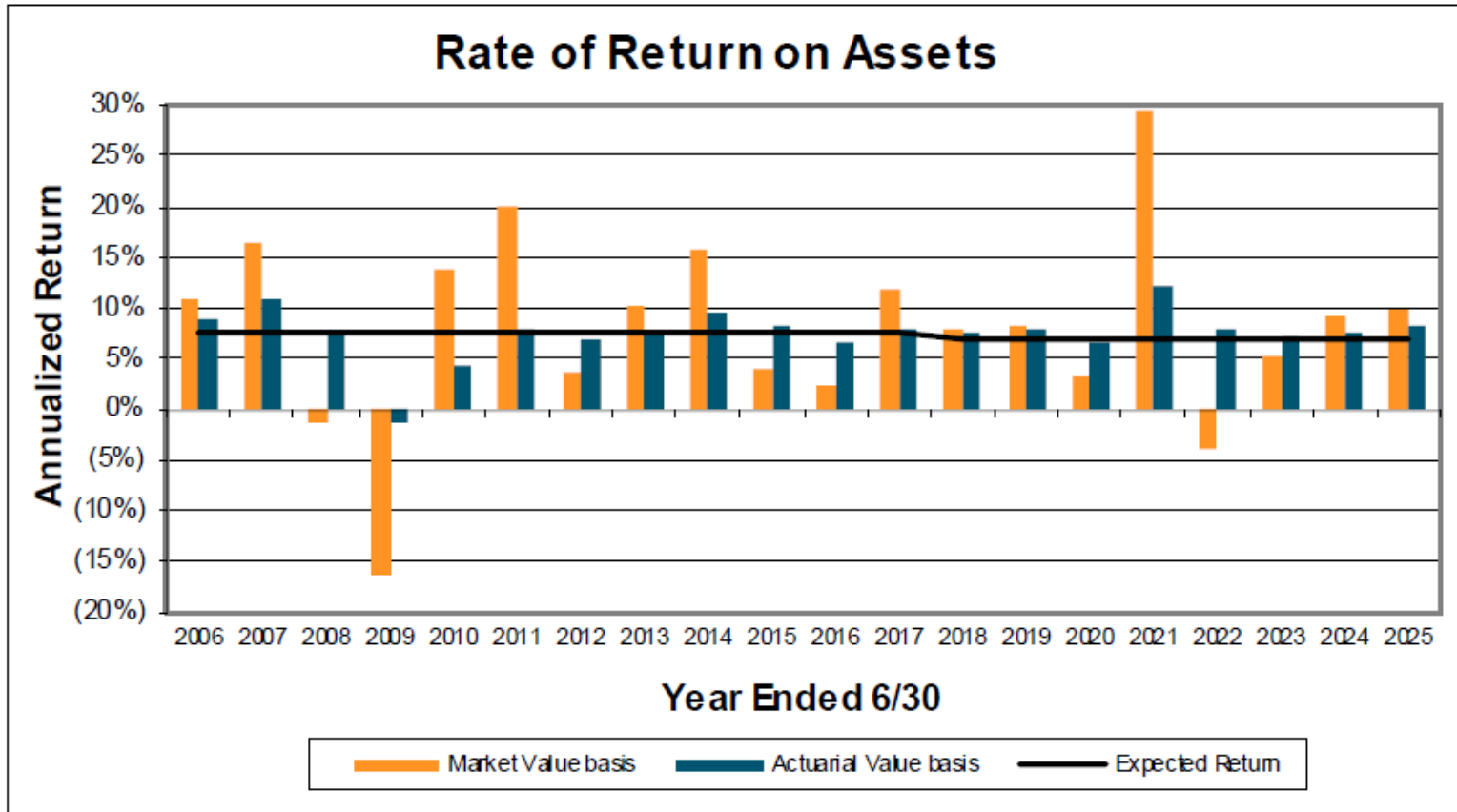
	June 30, 2025	June 30, 2024
Actuarial Liability (\$M)	\$49,063	\$47,303
Actuarial Assets (\$M)	\$45,222	\$42,927
UAL (\$M)	\$ 3,841	\$ 4,375
Funded Ratio - AVA	92.17%	90.75%
Funded Ratio - MVA	95.27%	92.30%
Actuarial Contribution Rate*	13.10%	13.54%
Required Contribution Rate	(15.73%)	(15.73%)
Shortfall/(Margin)*	(2.63%)	(2.19%)

\*Regular members only

Contribution margin serves to pay off the UAL more rapidly than scheduled.



# Historical Asset Returns



# Unfunded Actuarial Liability (UAL) by Group

	Regular	Sheriffs/Deputy Sheriffs	Protection Occupation	Total
Actuarial Liability	\$45,527	\$1,150	\$2,386	\$49,063
Actuarial Value of Assets	41,683	1,046	2,493	45,222
UAL	\$ 3,843	\$ 104	\$ (107)	\$ 3,841
Funded Ratio	91.56%	90.94%	104.47%	92.17%

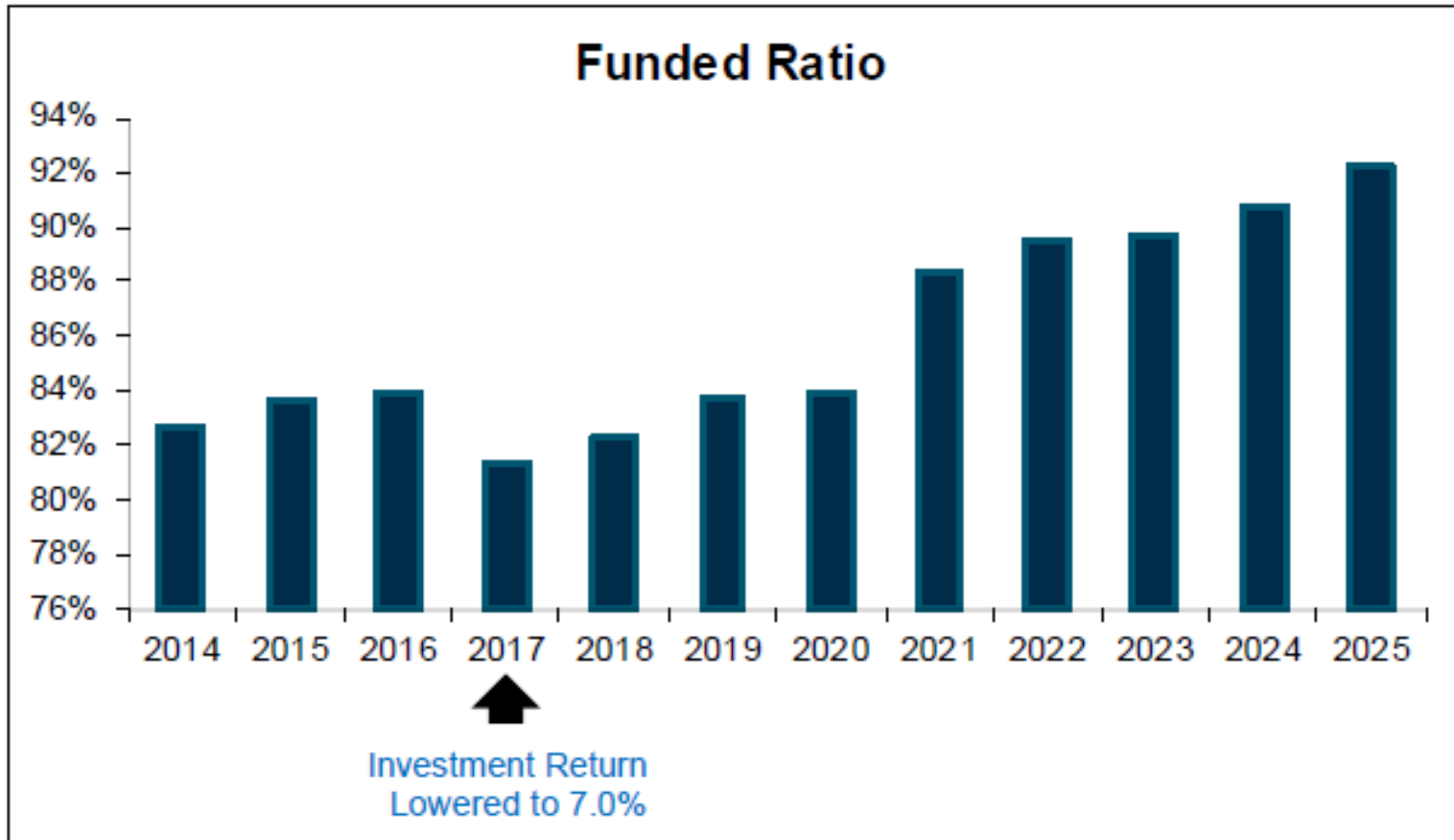


# Change in UAL (all groups)

	Total
<b>UAL 6/30/24</b>	<b>\$4,375</b>
Expected decrease from amortization method	(19)
Expected decrease from contributions above actuarial rate	(188)
Investment experience	(506)
Liability experience	241
Other	(62)
<b>UAL 6/30/25</b>	<b>\$3,841</b>



# Historical Funded Ratio (All groups)



# Contribution Rates

## Components

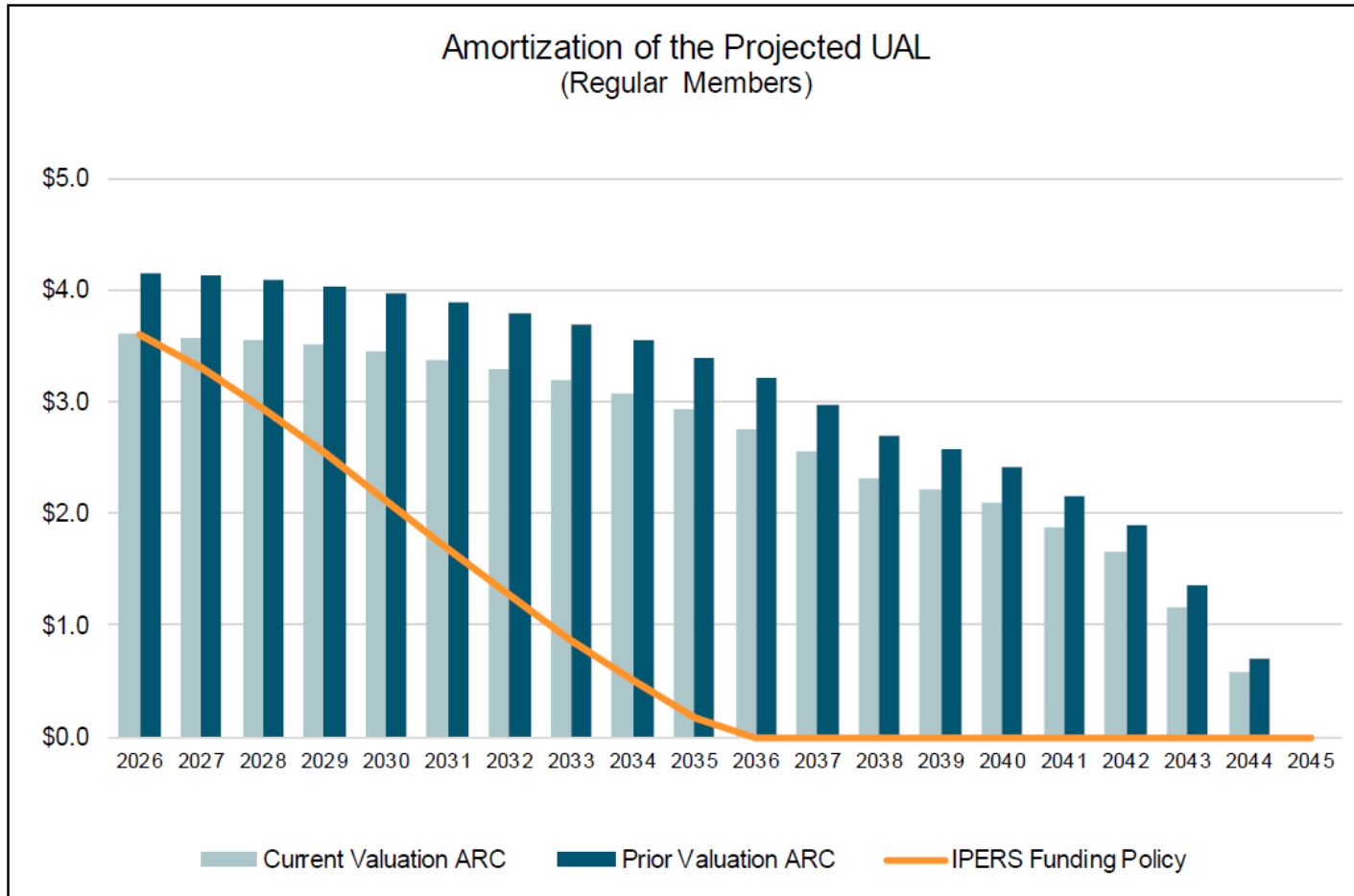
- Normal Cost (ongoing cost for active members)
- Amortization payment on Unfunded Actuarial Liability (UAL)

## UAL Amortization Policy (Layered Amortization)

- June 30, 2014 base (legacy base) is amortized over a closed 30-year period (19 years remaining).
- After the 2014 valuation, variations in the expected vs. actual UAL are established as a new amortization base with a closed 20-year period.
- Changes in UAL due to revised assumptions (2017, 2018 and 2022) were amortized over separate closed 20-year periods.
- Once a group becomes 100% funded, all outstanding bases are eliminated, and the surplus (actuarial assets over actuarial liability) is amortized over an open 30-year period.



# Projected UAL Balance



Contributions above the actuarial rate accelerate paying off the UAL (orange line).



# Contribution Rates

## Contribution Rate Funding Policy

- Compare Required Contribution Rate (RCR) from prior year to Actuarial Contribution Rate (ACR) in current year
- If  $ACR < \text{previous RCR}$ , then:
  - If difference is  $< 0.50\%$ , RCR is unchanged
  - If difference is  $\geq 0.50\%$ , RCR is lowered by  $0.50\%$  *if funded ratio is 95% or higher*

## If $ACR > \text{previous RCR}$ , then current RCR shall be:

- Regular members: increased to ACR or 1% more than previous RCR, whichever is smaller
- Sheriffs/Deputy Sheriffs: increased to ACR
- Protection Occupation: increased to ACR



# Contribution Rates



	Valuation Date (Contribution Rates for FY2027/FY2026)	
	June 30, 2025	June 30, 2024
Normal Cost	10.63%	10.63%
UAL Payment	2.47%	2.91%
<b>Total Actuarial Rate</b>	<b>13.10%</b>	<b>13.54%</b>
Required Contribution	15.73%	15.73%
<b>Shortfall/(Margin)</b>	<b>(2.63%)</b>	<b>(2.19%)</b>
Employee Rate	6.29%	6.29%
Employer Rate	9.44%	9.44%



# Contribution Rates



	Valuation Date (Contribution Rates for FY2027/FY2026/FY2025)		
	June 30, 2025	June 30, 2024*	June 30, 2023
UAL Payment	4.32%	4.12%	(0.89%)
Funded Ratio	90.9%	91.8%	102.6%
Normal Cost	20.10%	20.06%	16.80%
Applicable UAL Rate**	4.32%	4.12%	0.00%
<b>Total Actuarial Rate</b>	<b>24.42%</b>	<b>24.18%</b>	<b>16.80%</b>
Employee Rate	12.335%	12.215%	8.51%
Employer Rate	12.085%	11.965%	8.51%
<b>Required Contribution</b>	<b>24.420%</b>	<b>24.180%</b>	<b>17.02%</b>
<b>Shortfall/(Margin)</b>	<b>0.00%</b>	<b>0.00%</b>	<b>(0.22%)</b>



\* FY 2026 ACR increase of 7.38% (HF 2661, 2024); employee rate additionally increased 0.125%. (HF 969, 2025).

\*\* The UAL Rate is allowed to be negative only if the funded ratio was at least 110% for the last three years.

# Contribution Rates



	Valuation Date (Contribution Rates for FY2027/FY2026)	
	June 30, 2025	June 30, 2024*
UAL Payment	(1.12%)	(0.92%)
Funded Ratio	104.5%	103.7%
Normal Cost	15.42%	15.43%
Applicable UAL Rate**	0.00%	0.00%
<b>Total Actuarial Rate</b>	<b>15.42%</b>	<b>15.43%</b>
Employee Rate	6.335%	6.335%
Employer Rate	9.185%	9.185%
<b>Required Contribution</b>	<b>15.520%</b>	<b>15.520%</b>
<b>Shortfall/(Margin)</b>	<b>(0.100%)</b>	<b>(0.090%)</b>

Note: The ACR is not less than the prior year's RCR by more than 0.50%, so the RCR was not decreased by 0.50%.



\* FY2026 employee rate increased by a fixed 0.125% (HF 969)

\*\* The UAL Rate is allowed to be negative only if the funded ratio was at least 110% for the last three years.

# Summary

## Favorable actuarial experience (actual vs expected) for FY 2025

- Return of 9.87% on market value of assets produced a return of 8.20% on actuarial assets, resulting in an actuarial gain of \$506 million.
- Market value of assets now exceeds actuarial value by \$1.5 billion, up from \$734 million last year.
- Net actuarial loss on liabilities of \$241 million, primarily due to retirement and salary experience.
- Unfunded actuarial liability for entire System decreased from \$4.38 billion last year to \$3.84 billion in the 2025 valuation.

## Contribution Rate Funding Policy

- Required Contribution Rate is unchanged for Regular members and Protection Occupation and remains greater than Actuarial Contribution Rate for FY 2027.
- Required Contribution Rate increased 0.24% for Sheriffs & Deputies and is equal to the Actuarial Contribution Rate (no contribution margin exists).



# Contact Us



[info@ipers.org](mailto:info@ipers.org)



515-281-0020  
800-622-3849 (toll-free)

