



Working Today for Your Tomorrow

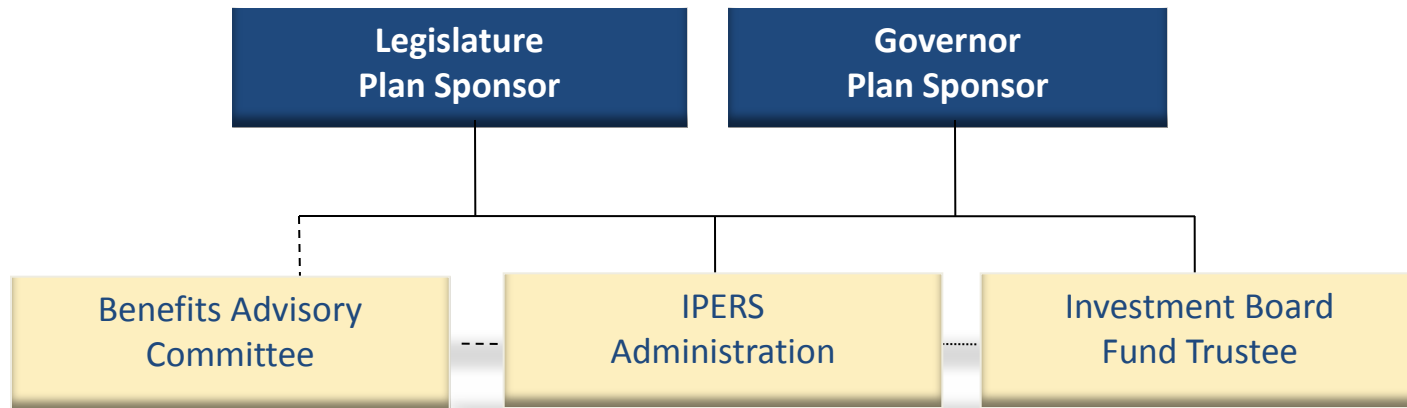
STATUS OVERVIEW & UPDATE

Presented to the Joint Administration and Regulation Appropriations Subcommittee

Donna M. Mueller, CEO

February 19, 2013

Governance



What is the role of the Plan Sponsor?

Creates plan

Determines participation

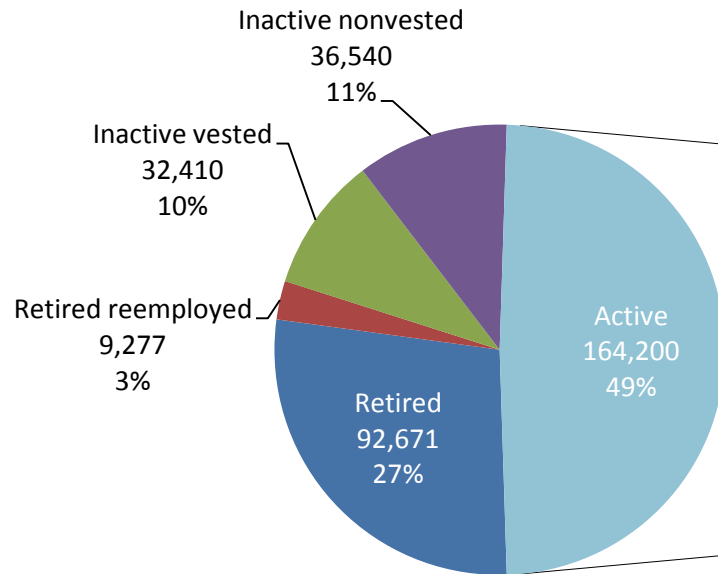
Establishes funding

Determines benefits

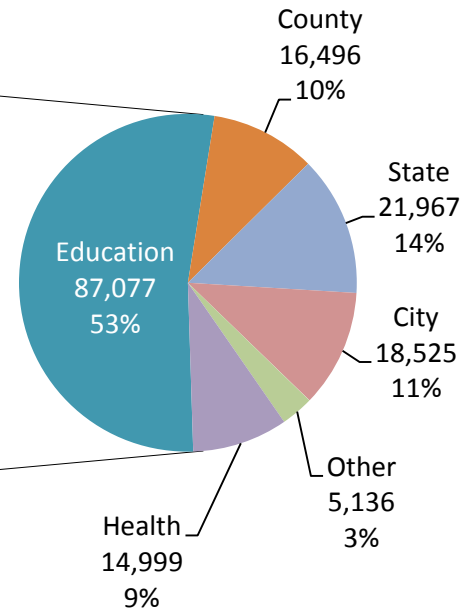
Monitors performance against plan goals

Over 335,000 Members

Membership Status



Active Members Grouped by Major Employers



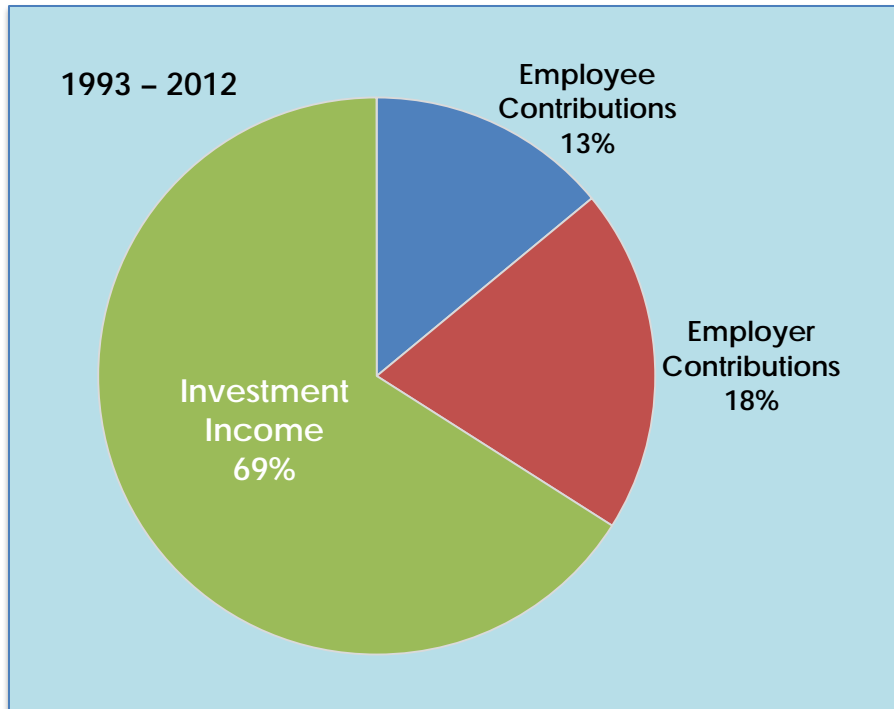
As of June 30, 2012

Regular members = **95%**
Special Service members = **5%**

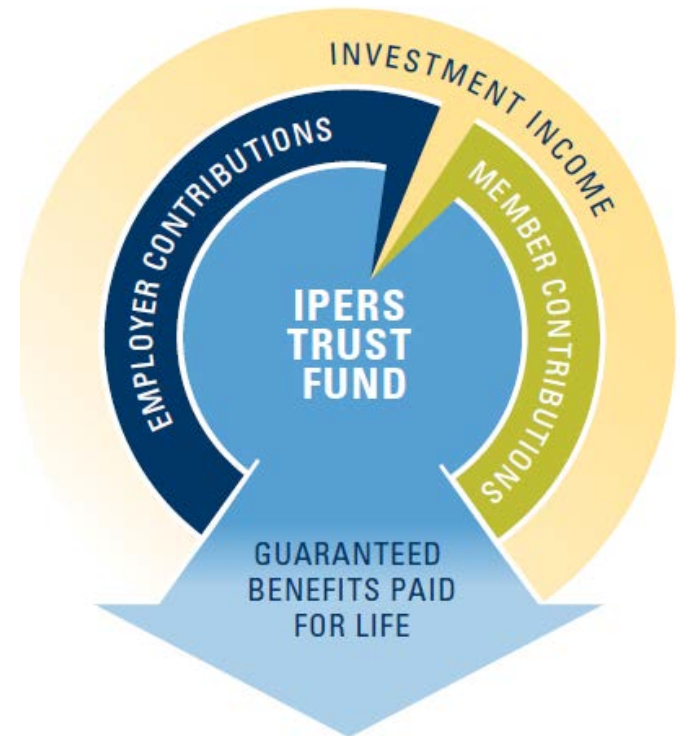
IPERS By the Numbers

- Nearly **102,000** retirees and beneficiaries
- Paid **\$1.5** billion in benefits in FY2012
 - **89%** paid in Iowa
- Prepared **78,359** benefit estimates
- Provided retirement counseling to **12,420** members
- Welcomed **6,021** new retirees

Prefund – Not Pay As You Go



Contributions + investment income fund promised benefits.



Current employees contribute for their own *future* retirement.

Contribution Rates

FY2013

Membership Class	Member Share	Employer Share	Total
Regular IPERS Members	5.78%	8.67%	14.45%
Sherrifs and Deputies	9.90%	9.90%	19.80%
Protection Occupations	6.84%	10.27%	17.11%

FY2014

Membership Class	Member Share	Employer Share	Total
Regular IPERS Members	5.95%	8.93%	14.88%
Sherrifs and Deputies	9.88%	9.88%	19.76%
Protection Occupations	6.76%	10.14%	16.90%

IPERS' Trust Fund Value

As of 6/30/12, the Trust Fund was
\$23.2 billion,
up from \$23.1 billion
on 6/30/11.

Investment Performance Summary

For periods ended June 30

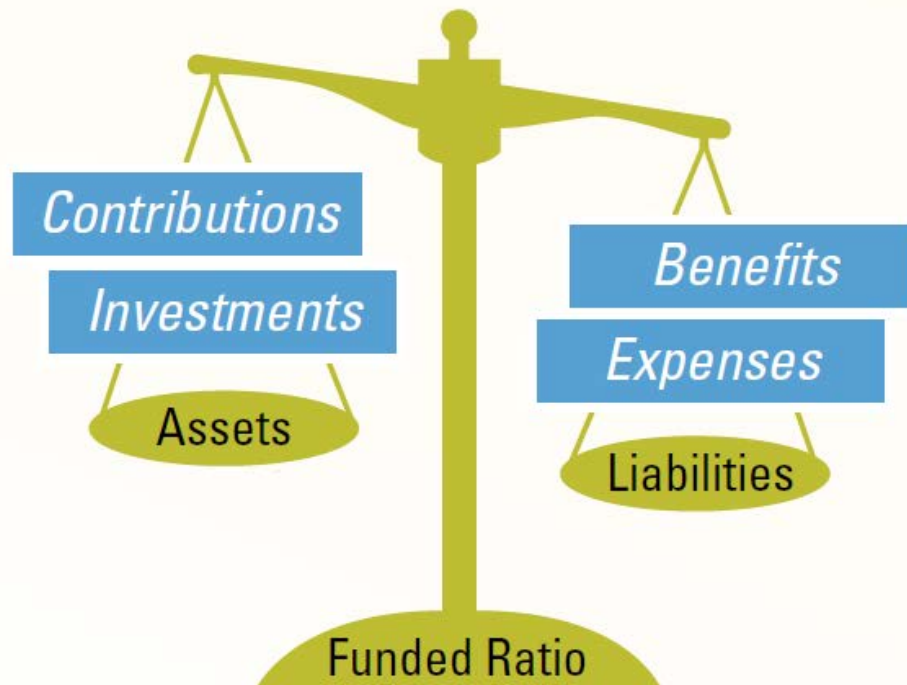
	FY2012	FY2011	FY2010	3 Year	5 Year	10 Year	20 Year
IPERS Portfolio*	3.73%	19.91%	13.82%	12.29%	3.18%	7.33%	8.48%
Policy Benchmark†	5.09%	20.15%	16.98%	13.88%	4.01%	7.64%	8.14%
Large Public Fund Median‡	1.12%	21.46%	13.09%	11.85%	1.74%	6.63%	8.14%

*Net of fees.

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

‡ Trust Universe Comparison Service (TUCS) Public Funds with Total Market Value Greater than \$1 billion.

Funded Ratio



For two consecutive years, IPERS' funded ratio has remained steady at 79.9%.

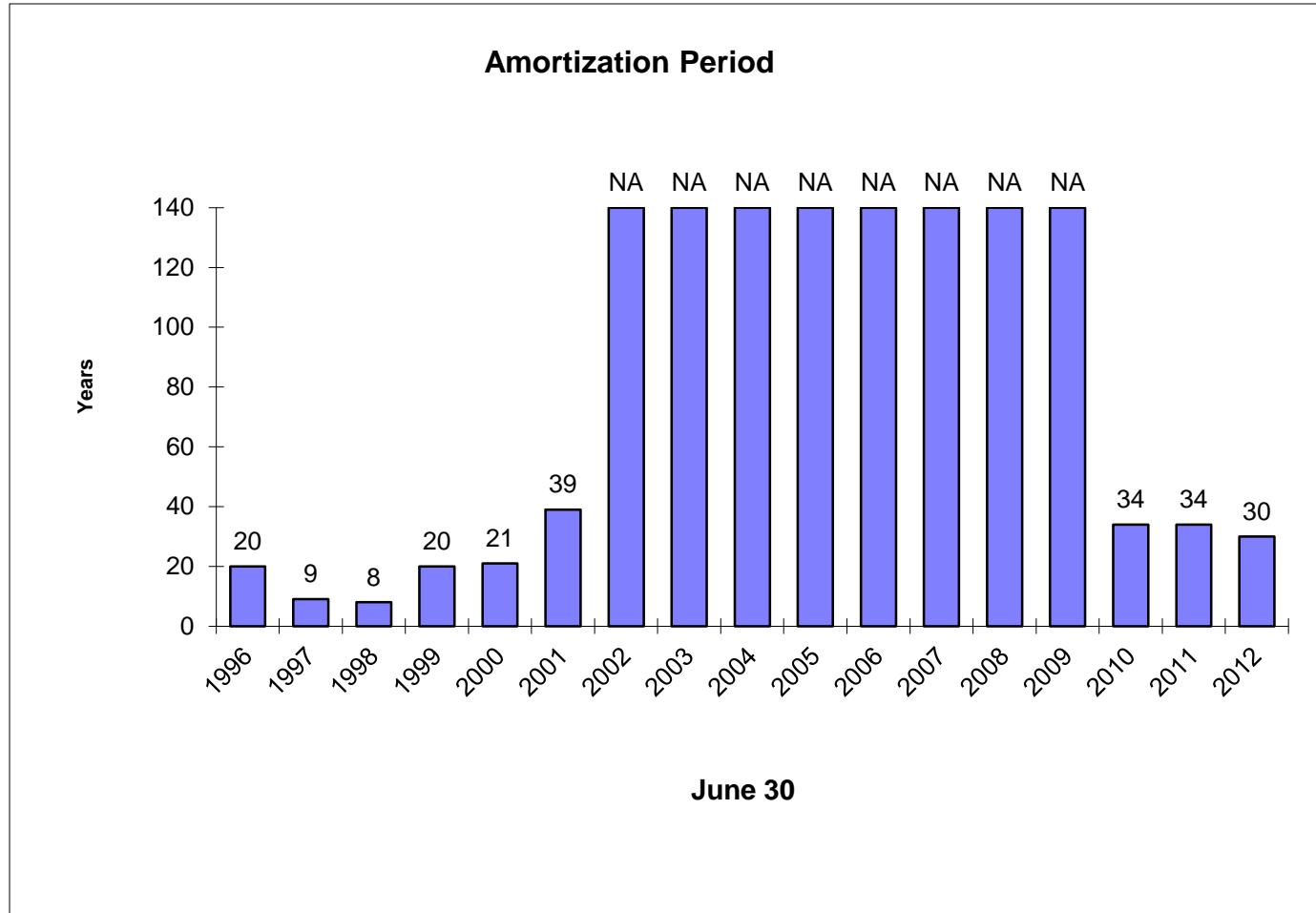
Key Measurements of Funding

<i>Funding Measures from the Actuarial Valuation</i>				
<i>(\$Millions)</i>	Regular Membership	Special Service 1	Special Service 2	Total*
Actuarial Liability	\$27,852	\$503	\$1,091	\$29,446
Actuarial Value of Assets	22,047	446	1,038	23,530
Unfunded Actuarial Liability (UAL)	5,806	57	53	5,916
Funded Ratio	79.2%	88.7%	95.1%	79.9%

*Totals may not add due to rounding.

Period ended June 30, 2012

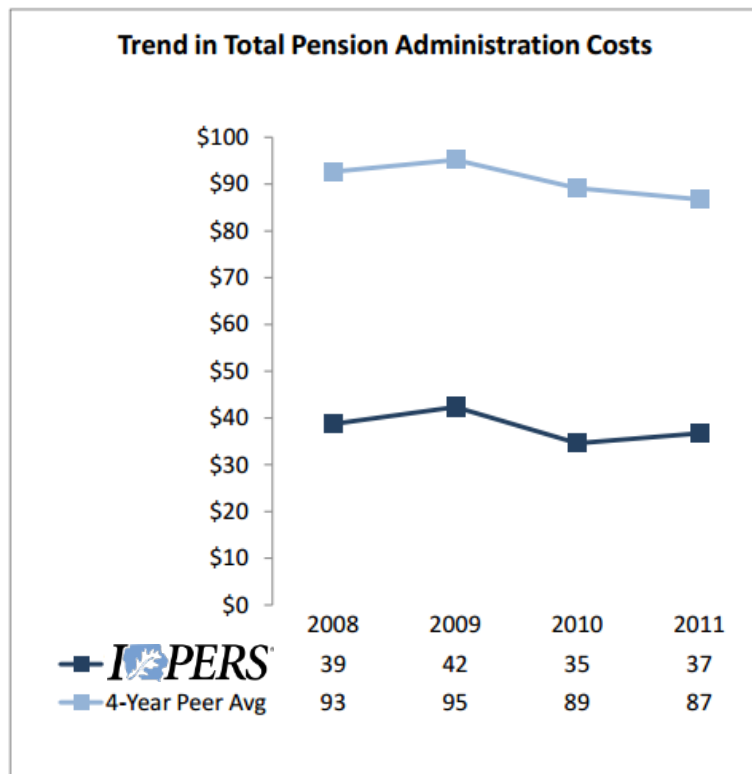
Amortization Period History



For Regular membership

Consistent Low Cost

Administration Cost
for each working member & retiree



As a well-run
public pension plan,
IPERS consistently
delivers low-cost
pension
administration,
especially as
compared to its peers.

Source: CEM Benchmarking Inc., March 2012

Budget Request Summary

- No General Funds are requested
- IPERS' administrative expenses are paid by the IPERS Trust Fund
- Continued pension administration system upgrade
- Status quo in FY 2014
 - FY2014 request: \$17,686,968 and 90.13 FTE
- FY 2015 request: \$15,686,968 and 90.13 FTE
 - \$2,000,000 decrease in FY 2015

FY14 & FY 15 Budget Appropriation Request By Service Category

	General Fund	Other Funds (IPERS Trust Fund) FY 2014	Other Funds (IPERS Trust Fund) FY 2015
Investment Management (Oversee investments and investment policy)	\$ 0	\$1,101,316	\$ 1,122,985
Retirement Services (Paying benefits, service purchases, disability services)	0	3,567,804	3,631,004
Member Services (Benefit education and estimates; retirement counseling)	0	2,912,426	2,971,231
Employer Relations and Data Management (Employer training; compliance reviews; employer reporting)	0	1,456,949	1,485,616
Governance, Plan Design, and Financial Control (Legal compliance, administrative rules, internal auditing, actuarial services)	0	2,433,545	2,486,925
Facility Maintenance	0	200,000	200,000
IPERS Quest for Excellence (I-Que) Project	0	<u>6,014,928</u>	<u>3,789,207</u>
Total	0	<u>\$ 17,686,968</u>	<u>\$ 15,686,968</u>
Increase/(Decrease) From Previous Fiscal Year	0	0	\$ (2,000,000)

IPERS' Trust Fund Assets & Expenses

<u>FY</u>	<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>	<u>REFUNDS PAID</u>	<u>REFUNDS % OF TRUST</u>	<u>BENEFITS PAID</u>	<u>BENEFITS % OF TRUST</u>	<u>ADMIN EXPENSES</u>	<u>ADMIN EXP % OF TRUST</u>	<u>INVESTMENT MGT EXPENSE</u>	<u>INV MGT EXPENSE % OF TRUST</u>
1993	6,136,131,480	22,610,294	0.37%	222,863,750	3.63%	3,251,098	0.05%	15,893,685	0.26%
1994	6,841,201,336	21,025,322	0.31%	246,123,627	3.60%	3,289,949	0.05%	17,128,037	0.25%
1995	7,306,409,847	21,811,912	0.30%	278,097,597	3.81%	3,250,710	0.04%	14,099,790	0.19%
1996	9,587,104,982	23,743,427	0.25%	303,812,003	3.17%	3,409,775	0.04%	14,584,775	0.15%
1997	11,533,968,923	25,285,487	0.22%	348,536,733	3.02%	3,828,712	0.03%	17,380,143	0.15%
1998	13,692,899,832	24,557,597	0.18%	402,544,698	2.94%	4,012,736	0.03%	20,285,406	0.15%
1999	15,325,576,009	14,442,111	0.09%	466,752,949	3.05%	4,620,009	0.03%	34,555,214	0.23%
2000	17,140,231,190	65,608,628	0.38%	533,747,215	3.11%	5,865,985	0.03%	31,008,690	0.18%
2001	15,928,547,166	42,073,825	0.26%	624,259,449	3.92%	7,264,447	0.05%	42,597,049	0.26%
2002	14,874,419,194	37,915,199	0.25%	705,767,690	4.74%	7,581,105	0.05%	37,634,731	0.25%
2003	15,403,200,907	35,591,323	0.23%	736,330,878	4.78%	8,041,113	0.05%	29,908,131	0.21%
2004	17,249,916,851	36,430,011	0.21%	792,866,773	4.60%	7,959,601	0.05%	31,224,356	0.19%
2005	18,767,228,779	43,113,458	0.23%	868,557,596	4.63%	8,214,903	0.04%	48,784,645	0.27%
2006	20,404,852,110	41,667,603	0.20%	924,361,399	4.53%	9,320,559	0.05%	46,104,211	0.23%
2007	23,217,167,946	38,116,271	0.16%	1,013,972,987	4.37%	9,060,968	0.04%	58,315,192	0.26%
2008	22,370,594,989	36,204,512	0.16%	1,096,097,859	4.90%	9,885,467	0.04%	39,275,497	0.17%
2009	17,974,040,651	34,337,453	0.19%	1,183,118,816	6.58%	10,896,866	0.06%	32,538,795	0.18%
2010	19,878,080,628	41,470,129	0.21%	1,278,555,844	6.43%	8,968,236	0.05%	32,884,753	0.16%
2011	23,082,132,935	41,214,717	0.18%	1,457,005,631	6.31%	9,650,259	0.04%	41,933,207	0.19%
2012	23,243,540,508	43,328,126	0.19%	1,549,176,636	6.66%	12,964,185	0.06%	50,174,760	0.22%
Average yearly % of Trust Fund			0.23%		4.44%		0.04%		0.21%

Our Mission

To provide a cost-efficient statewide retirement plan that helps employers recruit and retain employees in public service and allows members to care for themselves in retirement.



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