

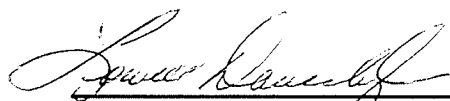
**Resolution by the Benefits Advisory Committee
Regarding the Need to Address Unfunded Actuarial Liability**

The Benefits Advisory Committee is charged by Iowa Code section 97B.8B, to consider and make recommendations to the system and the general assembly concerning the provision of benefits and services to members of the retirement system. Acting upon this charge,


BE IT RESOLVED BY THIS BENEFITS ADVISORY COMMITTEE on the 1st day of November, 2004, that we member and employer associations:

1. Urge the Governor and General Assembly to take action in the 2005 session of the Iowa General Assembly in setting a schedule of phased-in contribution rate increases to the Iowa Public Employees' Retirement System;
2. Recommend that:
 - a. The contribution rate increases begin no later than July 1, 2005;
 - b. The increase be phased in over a period of 4 years, at the combined rate of 1 percentage point per year for each of the four years;
 - c. The current 60-40 sharing split of contribution rates and the increase in contribution rates between employer and employee be retained; and
3. Recommend that following the implementation of the above-referenced phase-in of increased contribution rates, IPERS be authorized to adjust contribution rates as recommended by the IPERS' actuary. This would allow rates to be adjusted up or down within statutorily approved guidelines and would work to keep IPERS' fiscally sound. Such authority would be in alignment with the authority currently exercised by IPERS in setting actuarial contribution rates for the protection occupation group membership within IPERS.
4. Re-affirm that it is imperative to the statutory mission of IPERS to *maintain* the current benefit structure which provides a core retirement benefit and attracts competent men and women to public employment in Iowa;

Affirmed by a recorded vote of the Benefits Advisory Committee of IPERS this 1st day of November 2004, to which we attest by our signatures:



Lowell Dauenbaugh, Chairman



Gene Gardner, Vice-Chair