

Retirement re\$olutions for every age

There is one New Year's resolution that is ageless—this year, resolve to do more to prepare for retirement. IPERS has some online calculators to help you keep your resolution.

One of the greatest risks in retirement is that you will outlive your money. It is becoming more of a threat because people are living longer. Retirees can spend as many—or more—years in retirement as they did working.

Some people also find they cannot work as long as they planned because of family duties or health. For them, retirement becomes a necessity rather than a choice.

Although IPERS provides a benefit that is guaranteed for life, IPERS benefits were designed to work with social security benefits *and* your own savings. Good retirement planning involves saving for retirement throughout your career. Use our calculators to help make sure your money will last through your retirement.

IF YOU ARE IN YOUR 20s: JUST START

Resolution: Use your technological know-how to develop good savings habits.

Use online information and tools to start a savings plan. Try the **Savings Calculator** to discover how even small additions to your savings add up over time.

IF YOU ARE IN YOUR 30s: REVIEW AND ADJUST

Resolution: Adjust your savings plan to make the most of the time ahead of you.

By reviewing your savings plan now, you can make adjustments and use time to make your money grow. Experiment with the **Investment Returns Calculator** and find out why there is more to investing than your annual rate of return. See how inflation, taxes, and time can impact your bottom line.

IF YOU ARE IN YOUR 40s: STAY ON COURSE

Resolution: Be a money role model by continuing to save.

You may need to model good savings behavior by *not* diverting accumulated

assets to your children. Financial advisers note financing is available for college but not retirement, and your children have more time to pay off loans than you have to save for retirement. Enter what you own and what you owe in to the **Net Worth Calculator**, and use the **Life Insurance Calculator** to plan for the unexpected.

IF YOU ARE IN YOUR 50s: LOOK BACK

Resolution: Assess your savings and face the facts.

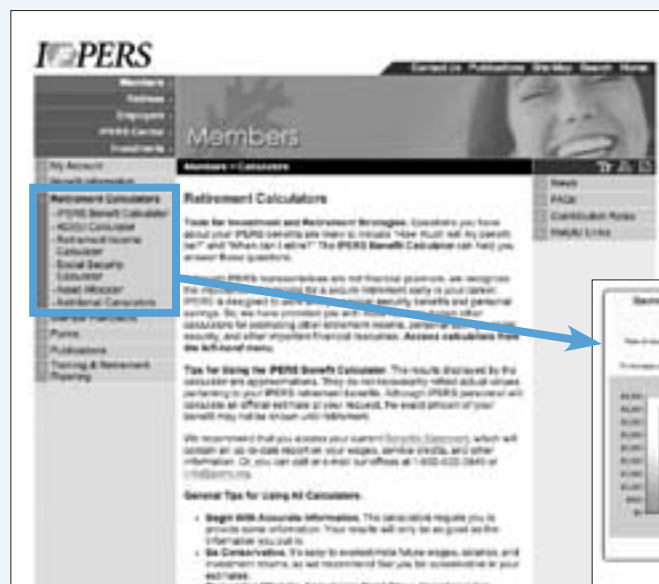
Look back and see how well you have done. If you find out you have not saved enough for retirement, there is still time to do something about it. Discover how much monthly income your retirement savings may provide by using the **Retirement Income Calculator**.

IF YOU ARE IN YOUR 60s: LOOK FORWARD

Resolution: Share your savings wisdom with others.

You are looking forward to retirement. Instead of using calculators to get ballpark figures, you have received benefit estimates directly from IPERS and the Social Security Administration. You have learned through experience and can share your wisdom with others.

What do you know now that you wish you knew in your 20s? Send your words of wisdom to info@ipers.org or **Inside IPERS, P.O. Box 9117, Des Moines, IA 50306-9117** and we may publish them in future issues and on our Web site.

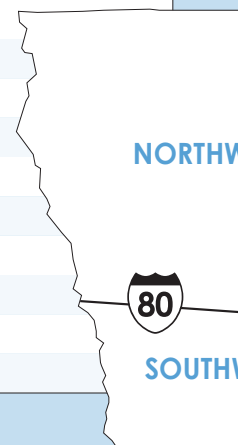


To use these calculators at www.ipers.org, go to the *Members* section and select the *Retirement Calculators* tab. You can also use the *IPERS Benefit Calculator* to project your monthly IPERS benefit at different retirement ages.

Benefit education and retirement planning

INDIVIDUAL COUNSELING BY APPOINTMENT

| | | | |
|------------------|------------------------|--|--|
| NORTHWEST | Humboldt | Apr. 10–11, 2008 | City Hall, 29 Fifth Street South |
| | Dubuque | Apr. 14–17, 2008 | Country Inn & Suites, 1315 Associates Drive |
| | Le Mars | Apr. 21–25, 2008 | Holiday Inn Express, 1285 Sleepy Eye Drive |
| | Fort Dodge | May 12–14, 2008 | AmericInn, 100 Kenyon Road |
| | Jefferson | May 15–16, 2008 | Greene County Medical Center, 1000 West Lincolnway Street |
| | Clarion | June 4, 2008 | Wright County Courthouse, 115 North Main Street |
| | Algona | June 5–6, 2008 | Kossuth County Courthouse, 114 West State Street |
| | Storm Lake | June 16–18, 2008 | Buena Vista Regional Medical Center, 1525 West Fifth Street |
| | Carroll | June 19, 2008 | ISU Carroll County Extension, 1205 West U.S. Highway 30, Suite G |
| | Clear Lake | June 23–26, 2008 | AmericInn, 1406 North 25th Street |
| | Webster City | July 2–3, 2008 | Hamilton Hospital, 800 Ohio Street |
| | Sioux City | July 21–25, 2008 | AmericInn, 4230 South Lewis Boulevard |
| SOUTHWEST | Creston | Feb. 27, 2008 | Union County Soil & Water Conservation, 904 East Taylor Street |
| | Red Oak | Feb. 28–29, 2008 | City Hall, 601 Sixth Street |
| | Mount Ayr | Mar. 12, 2008 | City Hall, 200 South Taylor Street |
| | Clarinda | Mar. 13–14, 2008 | City Hall, 200 South 15th Street |
| | Council Bluffs | Apr. 1–3, 2008 | Country Inn & Suites, 17 Arena Way |
| | Corning | May 7, 2008 | City Hall, 601 Sixth Street |
| NORTHEAST | Glenwood | May 8–9, 2008 | City Hall, 107 South Locust Street |
| | Marshalltown | Mar. 3–4, 2008 | AmericInn, 115 Iowa Avenue West |
| | Newton | Mar. 5–6, 2008 | Quality Inn, 1700 West 19th Street South |
| | Waterloo | Mar. 10–14, 2008 | Country Inn & Suites, 4025 Hammond Avenue |
| | Cedar Rapids | May 5–9, 2008 | Country Inn & Suites, 9100 Atlantic Drive, SW |
| | Iowa Falls | July 1, 2008 | Ellsworth Municipal Hospital, 110 Rocksylvania Avenue |
| SOUTHEAST | Clinton | July 28–29, 2008 | Country Inn & Suites, 2224 Lincoln Way |
| | Coralville | Feb. 18–21, 2008 | Suburban Extended Stay, 2491 Holiday Road |
| | Corydon | Mar. 26–27, 2008 | Wayne County Hospital, 417 South East Street |
| | Albia | Apr. 7–8, 2008 | Monroe County Hospital, 6580 165th Street |
| | Hampton | Apr. 9, 2008 | City Hall, 122 First Avenue, NW |
| | Davenport | Apr. 28–May 1, 2008 | Staybridge Suites, 4729 Progress Drive |
| | Centerville | May 7–8, 2008 | City Hall, 312 East Maple Street |
| | Ottumwa | May 19–22, 2008 | AmericInn, 222 West Second Street |
| | Corydon | May 28–29, 2008 | Wayne County Hospital, 417 South East Street |
| | West Burlington | June 9–12, 2008 | AmericInn, 628 South Gear Avenue |
| | Albia | June 23–24, 2008 | Monroe County Hospital, 6580 165th Street |
| | Centerville | July 1–2, 2008 | City Hall, 312 East Maple Street |
| Corydon | July 15–16, 2008 | Wayne County Hospital, 417 South East Street | |
| Oskaloosa | July 30–31, 2008 | Comfort Inn, 2401 A Avenue West | |



Check www.ipers.org often for updates and news.

RETIREMENT SEMINAR, 5:30 P.M.–8 P.M. (REGISTRATION REQUIRED)

- Comprehensive resource for retirement planning for all ages.
- Experts in financial planning, deferred savings programs, and Social Security.
- IPERS retirement estimates provided.
- Informal group setting.
- Registration required. Call IPERS.



COUNCIL BLUFFS

March 31, 2008
 Council Bluffs Public Library
 400 Willow Avenue

JEFFERSON

May 14, 2008
 Greene County Medical Center
 1000 West Lincolnway Street

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INDIVIDUAL COUNSELING

- Projection of benefits and discussion of options.
- Recommended for everyone retiring in three to five years, and open to anyone.
- Evening appointments fill up fast; call soon.
- Appointment confirmation letter mailed to you. (Please call if you can't keep your appointment so we can schedule someone else.)

INDIVIDUAL COUNSELING AT THE IPERS OFFICE

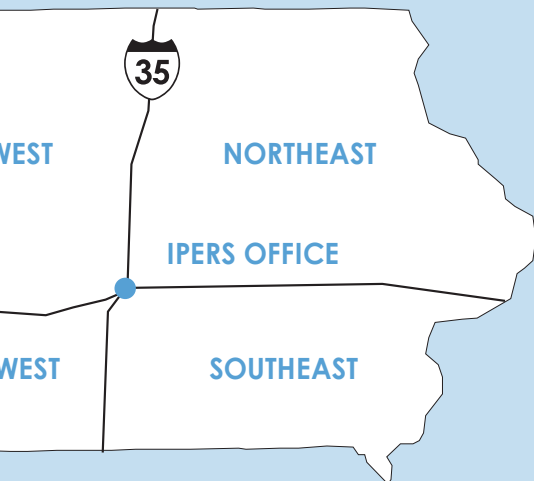
7401 Register Drive
 8 a.m.–4:30 p.m.
 Monday–Friday

Evening appointments available:

February 12–13, 2008
 March 18–20, 2008
 April 15–17, 2008
 May 27–29, 2008
 July 8–10, 2008

TELEPHONE COUNSELING

Call IPERS at 1-800-622-3849 weekdays, 7:30 a.m.–5 p.m. if you are unable to meet with an IPERS representative in person. Counselors can send you benefit projections by mail.





From the CEO Donna M. Mueller

My 2008 legislative recommendations

Every two years the Iowa Legislature reviews public pension issues, and 2008 is an "IPERS year."

A committee of the legislature met this fall to study all public retirement systems in Iowa, including IPERS. The committee develops recommendations for the full legislature to consider during the 2008 legislative session, which runs from January through April.

I discussed with the committee why it is important to protect and preserve the benefits provided under IPERS. I also discussed the following recommendations with the committee.

Legislative updates are posted in the Newsroom on <www.ipers.org> when the legislature is in session.

RECOMMENDATION: Allow IPERS to adjust contribution rates for regular members.

IPERS already adjusts rates for Special Service members (sheriffs, deputies, and protection occupations), whose promised benefits are over 100 percent funded. Benefits promised to regular IPERS members, about 96 percent of the total membership, currently are only 89.5 percent funded. Although Special Service contribution rates vary from year to year, they are about the same as they were 10 years ago. The sooner IPERS receives needed contributions, the sooner we can invest the contributions. Promised benefits must be paid, and delaying the inevitable just increases costs.

RECOMMENDATION: Remove bonuses and allowances from the definition of IPERS-covered wages.

Contributions and benefits are based on IPERS-covered wages. Bonuses do not reflect a normal progression of wages over a career. Bonuses can be used to increase retirement payments by inflating the wages included in the benefit formula without commensurate contributions. Most public employees do not receive bonuses and allowances, and would not be affected. IPERS will work with education groups and others to ensure appropriations intended to improve salaries are not defined as bonuses but also do not inflate the wages used in the benefit formula.

IPERS contribution rates set for fiscal year 2009

The IPERS contribution rate for regular members will increase one-half percentage point, to 10.45 percent, effective July 1, 2008. Employees will see a difference of \$20 for each \$10,000 in wages covered by IPERS. An employee with annual IPERS-covered wages of \$40,000 will pay \$80 more, or about \$6.67 a month.

This is the second of four adjustments approved by the Iowa Legislature in 2006, the first time the legislature increased the rate since 1979. During the next legislative session, IPERS will ask for the authority to set future contribution rates for regular members as it does for sheriffs, deputies, and members in protection occupations. Their rates are adjusted each year.




Each year IPERS' actuary completes an actuarial valuation, which is a

Adjusting the contribution rate regularly costs less than catching up after getting behind.

snapshot of IPERS' funding. To complete the valuation, the actuary uses assumptions the IPERS Investment Board has approved, such as when people will retire, how long they will

live in retirement, and IPERS' rate of return on investments.

The valuation shows the contribution rates necessary to fund benefits that are being earned. Adjusting contribution rates at regular intervals costs less than catching up after getting behind because IPERS is able to put the contributions to work by investing them, and reinvesting the earnings.

| IPERS CONTRIBUTION RATES JULY 1, 2008–JUNE 30, 2009 (Percent of wages) | | | |
|--|----------|----------|-------|
| MEMBERSHIP CLASS | EMPLOYEE | EMPLOYER | TOTAL |
|  REGULAR MEMBERS | 4.10 | 6.35 | 10.45 |
|  SHERIFFS & DEPUTY SHERIFFS | 7.52 | 7.52 | 15.04 |
|  PROTECTION OCCUPATIONS | 5.63 | 8.45 | 14.08 |