

IPERS BENEFITS ADVISORY COMMITTEE

Monday, March 2, 2009

IPERS Board Room

The following people were in attendance at IPERS Benefits Advisory Committee meeting that was held in the IPERS Board Room on Monday, March 2, 2009.

Members of the Benefits Advisory Committee

Len Cockman, Brad Hudson, Jim Maloney, Mark Tomb, Ray Walton, Walt Galvin, Susanna Brown, Lewis Washington, Pat Lynch, Martha Henrichs, and Gaylord Tryon.

Participation via teleconference: Diane Reid

Absent: Bill Sage and Janie Garr

IPERS Administration and Staff

Donna Mueller, Chief Executive Officer; David Martin, Chief Benefits Officer; Melinda Prince, Executive Assistant; Leon Schwartz, Chief Operations Officer; Karl Koch, Chief Investment Officer; and Bob Sharp, Project Manager

BAC Alternates or Representatives

Doug Olson and Mathelle Carlson, IPERS Improvement Association; and Steve Hoffman, Iowa State Sheriffs and Deputies Association.

Public Members

Steve Timmins, Department of Management; Jennifer Acton, Legislative Service Agency; Bruce Hopkins, CEM; and Tom Frolick, ING.

Call to Order

Meeting called to order at 1:00 p.m. by chair Len Cockman.

Gaylord Tryon made the motion to approve the minutes from the February 2, 2009, BAC meeting. Pat Lynch seconded, the motion carried by unanimous voice vote.

CEM Performance Measurement Presentation

Bruce Hopkins, director of CEM Benchmarking Inc. presented IPERS' Benefit Administration Benchmarking Results for FY2008.

Actuarial Studies on Changes in Benefit Structure

David Martin reviewed previous discussions of options for bringing the Trust Fund into actuarial balance for the general members. David also recounted IPERS discussion with the System's actuaries (Pat Beckham and Brent Banister of Milliman) of potential plan design changes and transitional issues. David reminded everyone that pension systems cannot reduce benefits for members who are currently receiving benefits or benefits already earned by current members. Plan changes that impact future accruals for current members will

have to be carefully reviewed by legal counsel to ensure they fully comply with federal and state laws.

David reviewed with the BAC two plan design examples illustrating how a monthly retirement benefit is reduced from the current plan when the average salary is changed from high three years to high five years of service, reducing the multiplier to 1.8 percent for all years of service (no max), and eliminating early retirement incentives.

Pat Lynch made the motion to table further discussions and invite Pat Beckham of Milliman to attend the next BAC meeting. Brad Hudson seconded, the motion carried by unanimous voice vote.

Legislative Update

Donna Mueller reported on House Amendment 1098 regarding average covered wage recalculation for members of IPERS who have an employer mandated reduction in hours (furloughs). She next reported on House File 308 establishing a presumption that cancer is work related for purposes of disability benefits for protection occupation members who are employed as fire fighters. She concluded by stating that she has been asked to appear before the government oversight committee to update them on IPERS' investment in Westridge Capital Management.

Investment Update

Karl Koch reported on the status of IPERS' investment in Westridge Capital Management. Federal court appointed a receiver to take custody, manage, and preserve assets subject to litigation.

Other Business

Donna Mueller reviewed the Appeals Status Report for March 2009.

Public Comments

None

Future Meeting Dates

An April meeting date of April 13, 2009, was added. With no further business to come before the committee, Pat Lynch made the motion to adjourn the meeting. Lewis Washington seconded, the motion carried by unanimous voice vote. Meeting adjourned at 3:22 p.m.