

IPERS BENEFITS ADVISORY COMMITTEE

Monday, March 10, 2008

IPERS Board Room

The following people were in attendance at the IPERS Benefits Advisory Committee meeting that was held in the IPERS Board Room on Monday, March 10, 2008.

Members of the Benefits Advisory Committee

Len Cockman, Brad Hudson, Jim Maloney, Mollie Anderson, Walt Galvin, Craig Lonneman, Lewis Washington, M.J. Dolan, Gaylord Tryon, and Janie Garr.

Participation via conference call: Diane Reid and Pat Lynch.

Absent: Bill Sage and Alan Kemp.

IPERS Administration and Staff

Donna Mueller, Chief Executive Officer; David Martin, Chief Benefits Officer; Melinda Prince, Executive Assistant; Julie Economaki, Public Information Officer; Leon Schwartz, Chief Operations Officer; Karl Koch, Chief Investment Officer, Bob Sharp, Project Manager; and Kelly Lovell, General Counsel.

BAC Alternates or Representatives

Mathelle Carlson, IPERS Improvement Association and Terry Timmins, Iowa League of Cities.

Public Members

Steve Timmins, Department of Management; Jennifer Acton, Legislative Service Agency; Deb Helsen, Legislative Service Agency; Tim Waddingham, IPERS Improvement Association; and Jim Twedt, Iowa Parole Board.

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 11, 2008, BAC meeting. Lewis Washington seconded, the motion carried unanimously by voice vote.

Chair Cockman introduced Craig Lonneman as the new SPOC representative on the Benefits Advisory Committee.

CEM Performance Measurement - Bruce Hopkins

Bruce Hopkins, director of CEM Benchmarking, Inc., presented IPERS' Benefit Administration Benchmarking Results for FY2007.

2008 Legislative Session Update

Julie Economaki distributed a handout and reported that the Public Pension Omnibus Bill, Senate Study Bill 3244, was released on February 26, 2008, meeting the first funnel deadline. The bill addresses the Peace Officers Retirement, Municipal Fire and Police Retirement, and Judicial Retirement System as well as IPERS. The omnibus bill also includes IPERS' technical bill, policy bill, and requested changes to IPERS that various interest groups presented to the Public Retirement Systems Committee last fall.

Accounting Methods for Members with Special Service & Regular Service Credits

Leon Schwartz reviewed that historically IPERS has only been able to provide the actuary with one occupation code per member. For members with split service the true liabilities may differ if the member eventually receives benefits based on membership in a different group. With continued data improvement and the implementation of the new I-Que system, this refinement of accounting and actuarial processes makes an incremental improvement in both how liabilities are determined and assets are classified. The end result will be a closer match of liabilities with assets and therefore a more refined contribution rate. Staff plans to implement these changes effective with the FY2008 Annual Actuarial Valuation.

Educational Topic – Protection Occupation

With the number of groups requesting protection occupation status, David Martin gave an educational presentation showing the formula comparison and the different benefit structures for the three membership classes.

Staff Reports

Member Demand Measures – David Martin reviewed the report for January 2008.

I-Que Project Update – Bob Sharp stated that the implementation date for employer reporting on I-Que, has been moved from the first wage report of April 2008 wages to the first wage report of July 2008 wages. The employer I-Que training previously planned for April will be held in July, giving employers the opportunity to attend training just before the new system becomes available in early August.

Investment Returns – Karl Koch reviewed IPERS' investment returns through December 31, 2007, as well as market returns January 1 to February 29, 2008.

Appeals Update – Kelly Lovell reviewed the March 2008 Appeal Status Report.

Other Business

None

Public Comments

Jim Twedt, from the Board of Parole, asked the BAC to consider adding members of the Parole Board to the protection occupation class. The committee suggested Mr. Twedt review the BAC's established guidelines for protection occupation membership and make a formal presentation to the BAC at a future meeting.

David Martin reviewed an e-mail received and his response to an IPERS member who requested the BAC consider removing the retiree earnings limitation of \$30,000.

Future Meeting Dates

Brad Hudson made the motion to tentatively schedule an additional BAC committee meeting for April 14, 2008, in case there was legislative action requiring their attention. Pat Lynch seconded, the motion carried by unanimous voice vote. The next regularly scheduled meeting of the BAC is Monday, May 12, 2008. With no further business to come before the committee, Jim Maloney made the motion to adjourn the meeting. Pat Lynch seconded, the motion carried unanimously by voice vote. The meeting adjourned at 3:06 pm.