

IPERS BENEFITS ADVISORY COMMITTEE
Monday, August 11, 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, August 11, 2008.

Members of the Benefits Advisory Committee

Len Cockman, Brad Hudson, Bill Sage, Jim Maloney, Alan Kemp, Mollie Anderson, Walt Galvin, Diane Reid, Lewis Washington, Susanna Brown, Gaylord Tryon, and Janie Garr.

Absent: Pat Lynch and M.J. Dolan.

IPERS Administration and Staff

Donna Mueller, Chief Executive Officer; Melinda Prince, Executive Assistant; Julie Economaki, Public Information Officer; Leon Schwartz, Chief Operations Officer; Bob Sharp, Project Manager; and Gregg Schochenmaier, General Counsel.

BAC Alternates or Representatives

Mathelle Carlson, IPERS Improvement Association and Matt Ballard, International Brotherhood of Teamsters.

Public Members

Jennifer Acton and Ed Cook, Legislative Service Agency; Mark Johnson and Ed Holland, Department of Administrative Services; Steve Timmins, Department of Management; and Tom Frolick, ING.

Call to Order and Election of Officers

Meeting called to order at 1:02 p.m. by chair Len Cockman.

Bill Sage nominated Len Cockman as chair of the Benefits Advisory Committee. Jim Maloney seconded the nomination. Walt Galvin made the motion to cease nominations, Jim Maloney seconded. The nomination carried by unanimous roll call vote of the full BAC membership.

Lewis Washington nominated Brad Hudson as vice chair of the benefits Advisory Committee. Gaylord Tryon seconded the nomination. Bill Sage made the motion to cease nominations, seconded by Jim Maloney. The nomination carried by unanimous roll call vote of the full BAC membership.

Alan Kemp made the motion to approve the minutes from the May 11, 2008, BAC meeting. Gaylord Tryon seconded, the motion carried unanimously by voice vote.

BAC Budget

Donna Mueller reviewed the BAC's budget for fiscal year (FY) 2008 and the proposed budget for FY2009. For FY2008 the BAC expended \$31,739.40 of its appropriated \$50,000. In reviewing the proposed FY2009 budget Donna suggested adding a line item for membership dues. Leon Schwartz briefly reported on IPERS' FY2010 budget. Gaylord Tryon made the motion to approve the BAC's proposed FY2009 budget. Alan Kemp seconded, the motion carried by unanimous roll call vote.

National Institute on Retirement Security Membership

Donna Mueller reported that NIRS was created in 2007 through a joint effort of the Council of Institutional Investors, the National Association of State Retirement Administrators, and the National Council on Teacher Retirement. These organizations show the need for a separate organization dedicated to conducting research and education on the value of defined benefit pension plans. Jim Maloney made the motion that the BAC authorizes the expenditure of \$1,000 from the BAC's budget to sponsor IPERS as a charter member. Mollie Anderson seconded, the motion carried by unanimous roll call vote.

IPERS Staff Report

Investment Returns – Karl Koch stated that IPERS does not have finalized year end returns. Fourth quarter returns are expected to be approximately -0.7 percent. He estimated that the year end returns would be in the neighborhood of -1.4 percent.

I-Que Project Update – Bob Sharp reported that approximately 1,107 employers (1,306 participants) attended I-Que training. The Employer User Guide is available on IPERS' Web site. Rollout 1 will go live on August 18, 2008. Bob concluded his report with a preview of the I-Que training videos available on IPERS' Web site.

Benefits Division Update – Member Demand Measures Report for June 2008 was reviewed.

Administrative Rules – Gregg Schochenmaier reviewed that IPERS filed two administrative rules packages. The first package addresses Iowa Code §598.20B compliance, IRS plan qualification requirements, and clarifies IPERS' procedures for naming a successor alternate payee and the paying of death benefits to beneficiaries of divorced members. The second package contains proposed amendments to implement the provisions of 2008 Iowa Acts, Senate File 2424.

Appeals Update – Gregg Schochenmaier reviewed the August 2008 appeal status report.

Educational Topic – The State of Iowa's Deferred Compensation Program

Ed Holland with the Department of Administrative Services gave an educational presentation on the State of Iowa's Deferred Compensation program.

CEO Report

Donna Mueller gave an update on the IRS' governmental plan initiative and reviewed a NASRA White Paper on Public Pensions and Market Value of Liabilities.

Other Business

Mollie Anderson stated that she is resigning as Director of the Department of Administrative Services. She plans to return to Nebraska where her family lives.

Over the next year, Brad Hudson suggested studying COLA/Hybrid COLA alternatives.

Public Comments

None

Future Meeting Dates

The next regularly scheduled meeting of the BAC is Monday, October 13, 2008. With no further business to come before the committee, the meeting was adjourned.