

IPERS BENEFITS ADVISORY COMMITTEE

Monday, October 5, 2009

IPERS Board Room

The following people were in attendance at the IPERS Benefits Advisory Committee meeting held in the IPERS Board Room on Monday, October 5, 2009.

Members of the Benefits Advisory Committee

Len Cockman, Brad Hudson, Steve Hoffman, Jim Maloney, Mark Tomb, Ray Walton, Diane Reid, Susanna Brown, Danny Homan, Pat Lynch, Martha Henrichs, and Gaylord Tryon.

Absent: Walt Galvin, Janie Garr

IPERS Administration and Staff

Donna Mueller, Chief Executive Officer, David Martin, Chief Benefits Officer; Melinda Prince, Executive Assistant; Karl Koch, Chief Investment Officer; Leon Schwartz, Chief Operations Officers; Julie Economaki, Public Information Officer; Gregg Schochenmaier and Kelly Lovell, General Counsel; Linda Guffey, Sam Hoerr and Brian Karn, IPERS Benefits staff.

BAC Alternates or Representatives

Lewis Washington, AFSCME; Susan Cameron, Iowa State Sheriffs and Deputies Association; and Andrew Hennessey and Mathelle Carlson, IPERS Improvement Association.

Public Members

The members of the public in attendance at the BAC meeting were asked to sign in prior to the meeting.

Call to Order and Election of Officers

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

Pat Lynch made the motion to approve the minutes from the September 14, 2009, Benefits Advisory Committee meeting. Gaylord Tryon seconded, the motion carried by unanimous voice vote.

Update on Long-Term Funding

Pat Beckham of Milliman reviewed that at the previous meeting, BAC members asked her to run the next set of long-term funding studies simply on increased contribution rates using both an open and closed amortization period with no benefit reductions. She reviewed those study results.

Gaylord Tryon made the motion that the BAC go on record as supporting a 30-year closed amortization period. Jim Maloney seconded. Motion failed 5 to 4.

Brad Hudson made the motion to have Milliman study the following: Effective July 1, 2011, contribution rates increase to 13.45 percent with up to a one percentage point variation thereafter. Effective July 1, 2012, a 6 percent early retirement factor penalty be applied from age 65, change final average salary from three years to five years, increase vesting period from 4 years to 7 years, and contribution rates cannot be decreased until a transition to 30-year closed period. Danny Homan seconded. Motion carried 6 to 3.

Ray Walton made the motion to have Milliman also study the following: Effective July 1, 2011, contribution rates increase to 12.45 percent with up to a one percentage point variation thereafter, with rates capped at 15 percent. Effective July 1, 2012, a 6 percent early retirement factor penalty be applied from age 65, change final average salary from three years to five years, increase vesting period from 4 years to 7 years, reduce the multiplier to 1.9 percent for all years of service keeping the 65 percent cap on benefits, and contribution rates cannot be decreased until a transition to a 30-year closed period. Mark Tomb seconded. Motion carried 7 to 2.

The results of these studies will be presented to the BAC at their November 2, 2009, meeting.

Licensed Health Care Professionals

Donna Mueller shared a copy of her report to the Legislature outlining the experience of the reduced bona fide retirement period for licensed health care professionals over the study period of July 2004 through June 2009. The report included a recommendation to extend the study period until after the next quadrennial experience study.

Other Business

None

Public Comments

None

Future Meeting Dates

The next BAC meeting is scheduled for Monday, November 2, 2009. A tentative 2010 meeting calendar was distributed for review at this meeting.

With no further business to come before the committee, Ray Walton made the motion to adjourn the meeting. Pat Lynch seconded, the motion carried by unanimous voice vote. Meeting adjourned at 3:55 p.m.