Every year I look forward to sharing our annual report with you because it gives a clear snapshot in time of how IPERS is doing financially.

We all know it’s been a challenging couple of years with low investment returns, but we must keep in mind that IPERS invests for the long term – not just one year, or even 10. We look at 30- to 50-year time periods to evaluate our performance. A few years of low returns will not knock us off course toward becoming fully funded.

As trustees, it is IPERS’ Investment Board’s responsibility to safeguard IPERS’ funding for its members. If slow economic growth continues, the Investment Board may consider lowering the long-term investment return assumption of 7.5%. This decision will not be taken lightly, as doing so may require an increased contribution rate.

Six years ago, the Legislature made changes to strengthen and sustain the plan. That put us on the path to become 100% funded in 28 years. If that sounds like a long time period, think of it like a mortgage that gets paid off over 30 years. Today’s contributions are used to fund future benefits, with a portion going toward paying down the shortfall.

IPERS paid $1.8 billion in benefits this year. That money goes directly into the economy for the purchase of goods and services and allows members to care for themselves in retirement.

Together IPERS members teach our children, maintain our roads and parks, care for our most vulnerable citizens and protect Iowans across our state. That’s why IPERS is here for you – today and in the future.

We are IPERS.

Donna M. Mueller
CEO
IPERS is a prefunded system. Prefunding means investment earnings and contributions paid over a member’s career should pay for the future retirement benefits of those members. Over the past two decades, 70 percent of benefit payments came from IPERS’ investment earnings. IPERS has made steady progress in recent years to our goal of full funding. IPERS is now

84% FUNDED

FUNDING EQUATION: Contributions + Investments

Long-Term Investment Performance

Annual returns for fiscal year ending June 30

- 30-year annualized return = 8.64%
- Current actuarial assumed investment return = 7.50%

#WeAreIAPERS
Benefits paid in FY2016 that stayed in Iowa and fueled our economy:

$1.63 billion

Benefits + Expenses

Number of IPERS members in FY2016

350,000

Average years of service before retirement

22

Average annual benefit paid

$16,000*

*Annual pension amount for a recent retiree is $20,000

According to CEM Benchmarking Inc., IPERS’ administrative expenses are consistently among the lowest, averaging 50% less than our peers.
FROM THE GOVERNOR AND LIEUTENANT GOVERNOR

Slow and steady wins the race! That's true for a lot of things – including the Iowa Public Employees' Retirement System. Defined benefit plans, like IPERS, measure success in decades-long periods. It's the long-term performance that's important and indicates financial health. IPERS is secure, strong and sustainable. Simply put, it's good for Iowa.

Since 1953, IPERS has helped Iowa's public employers attract and retain a quality workforce while IPERS benefit payments help Iowans and their communities thrive. With $1.6 billion in benefit payments staying in Iowa, IPERS is a powerful economic engine that helps create jobs, keeps retirees off public assistance, and provides security for all members. Many people don't realize that IPERS is prefunded with contributions from both the employee and employer. When those funds are pooled and professionally invested, the contributions grow to cover the earned retirement benefit payments in the future. IPERS benefits combined with Social Security and personal savings help to ensure a secure retirement income. One in ten Iowans is an IPERS member, providing service to all in our community. They are teachers, social workers, public nurses, firefighters and police, snowplow drivers, and many more who are dedicated to improving the lives of others.

We're proud. We are proud of the difference IPERS makes to Iowans. We are proud of the public service and commitment from IPERS members. We hope you are too.

WeAreIPERS