My Account

Connect with us — at your convenience!

Before Retirement
- Create estimates of your projected IPERS benefits.
- View a record of your IPERS contributions.

After Retirement
- Change withholding amounts.
- View 1099-R information and other documents.
- See your benefit payment history.

You can also:
- Update your contact information.
- See your designated beneficiary.
- Access records of your IPERS forms and correspondence.
Congratulations! You’ve reached an important milestone: retirement.

As you embark on this exciting time, we’re here to help you. This booklet is designed to help guide you through the steps to begin receiving your IPERS benefit payments. We want to help make the retirement process easier for you by giving you all the information you need in one place.

Your IPERS benefits are meant to be only one part of your overall retirement savings. Your total retirement income will come from your IPERS benefits, Social Security, personal savings, and other retirement plans.

Before completing your application for benefits, review this booklet and your benefit estimate. Make sure you understand all the benefit options. If you discover any errors or discrepancies in your estimate, or have any questions, contact IPERS.
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Deciding When to Retire

Requirements for Receiving Monthly Benefit Payments

The minimum requirements to receive benefit payments are listed below. If you meet all of these requirements, and you have decided the timing is right for you to retire, then you are ready to apply!

You can start receiving monthly benefit payments from IPERS if you are:

- A vested IPERS member (see right for vesting requirements)
- AND At least age 55 (age 50 if you are a sheriff or deputy sheriff with 22 years of qualified service)
- AND Eligible for a monthly benefit of at least $50

In addition, to remain eligible for benefits, you must:

- Have a bona fide retirement (see next page)
- Live into the month in which you receive your first benefit (or your benefit application will be canceled)

Have You Reached Age 70?

If you are age 70 and still working for an IPERS-covered employer, you may apply for IPERS retirement benefit payments while still employed.

Vesting Requirements

There are two different ways to become a vested IPERS member in a Special Service occupation. To be vested, you must:

- Have at least four years of service in IPERS-covered Special Service employment,
- OR Have worked in IPERS-covered employment after age 55.

Deciding when to retire is a big decision and may be a difficult one. While the decision is yours to make, using this resource will make it easier for you.
Staying Eligible for Benefits

Before you decide when to begin receiving benefits, be sure you are ready to leave all employment with an IPERS-covered employer for several months. This is called a **bona fide retirement** period.

### Your Bona Fide Retirement Period

Your bona fide retirement period is a legally required time of separation from IPERS-covered employment and IPERS-covered employers. If you violate this requirement, your application will be canceled and you will have to pay back all benefits you received, plus interest.

### Requirements for a Bona Fide Retirement

- Apply for monthly benefit payments.
- Leave employment with all IPERS-covered employers, including noncovered employment with covered employers.
- Begin receiving benefits.
- Follow the time restrictions on providing services for an IPERS-covered employer (described below).

### Example

**For New Retirees Ages 50 to 70**

If you receive your first benefit in January:

- You may begin employment in a noncovered position with an IPERS-covered employer in **February**.
- You may begin employment in a covered position, or independent contracting with your former covered employer(s), in **May**.
- You may begin or continue employment with a non-IPERS-covered employer **anytime**.

### Action | Time Restriction
---|---
Entering into an *agreement (written or verbal)* to perform services (as an employee, independent contractor, or volunteer) for an IPERS-covered employer | Not until the first of the month after you receive your *1st* benefit payment

**Non-IPERS-covered employment** or temporary employment with an IPERS-covered employer | Not until the first of the month after you receive your *1st* benefit payment

**Independent contracting** for your former IPERS-covered employer(s) | Not until the first of the month after you receive your *4th* benefit payment

**Covered employment** with or volunteering for a traditionally paid position for an IPERS-covered employer | Not until the first of the month after you receive your *4th* benefit payment

You can remain employed or start employment with a **non-IPERS-covered employer** anytime.

See exceptions on the next page.
Increasing Benefits: Purchasing Service and Free Service

You may purchase IPERS service at the time of your retirement. IPERS also grants free service credit in certain situations.

Purchasing Service
Service purchases increase the multiplier used in the benefit formula when IPERS calculates your benefit amount. If you are vested by service (with at least four years of Special Service, as shown in the vesting requirements on page 5), you can purchase service during the retirement process.

Request a cost estimate anytime during your career to help you plan for a future service purchase. After your Application for Retirement Benefits is on file with IPERS, you will receive your official cost quote and can then decide whether to make your service purchase. Your service purchase must be completed by the expiration date on your cost quote. Service purchases can take several months to complete, so start the process as soon as you submit your retirement application.

Free Service
You may be entitled to free service credit for military service and leaves qualified under the Family Medical Leave Act. See the IPERS Purchasing Service brochure at www.ipers.org or contact IPERS for more information.

Exceptions to Bona Fide Retirement
You must meet one of the following conditions:
• You are age 70 or older when you start receiving benefits.
• You are elected to a new public office. (If you are reelected to the same position, you must have a bona fide retirement.)
• You are a member of the Iowa National Guard and you are called to state duty; for example, when the Guard responds to a disaster such as a flood.

• You are a part-time elected official, as long as you:
  • Officially leave all other employment with an IPERS-covered employer, other than as an elected official,
  • AND send a letter to IPERS and the organization that employs you as an elected official. The letter must state you intend to retire and stop contributing to IPERS.

WANT MORE INFORMATION ON PURCHASING SERVICE OR FREE SERVICE?
Read the IPERS Purchasing Service brochure at www.ipers.org or contact IPERS.

If you have both Regular service and Special Service, you can “buy up” your quarters of Regular service. Buying up means you’re converting Regular service into Special Service. Then, more of your benefit will be calculated using the Special Service formula, which uses a larger multiplier for up to 30 years of service.
When to Apply

We encourage you to file your completed application 60 days before the month you want to begin receiving benefits. For example, if you are entitled to begin monthly benefits in July, we recommend filing your application by the beginning of May.

Your benefits cannot start until your completed application is received by the IPERS office. Your application for retirement benefits is not final until it has been reviewed and approved by IPERS.

It is your responsibility to file your application in a timely manner. All incomplete applications will be returned to you, which may cause you to lose benefits.

Timing Your Last Paycheck and First Benefit Payment

Knowing when you’ll receive your last paycheck and first benefit payment will help you decide when to start your benefit payments.

Your “first month of entitlement” is the month you will receive your first monthly retirement benefit. It cannot be changed after your first benefit has been paid.

Receiving Your Last Paycheck

You may receive your last paycheck in the month after you leave employment and still be entitled to retirement benefits. For example, you could terminate employment June 30, receive your last paycheck July 8, and receive your first monthly benefit from IPERS in July.

When You Can Start Receiving Benefits

If you do not select a first month of entitlement, we will select the earliest possible month for you.

- If You Are at Least Age 50 and Under Age 70
  You can receive your first benefit starting in the month after the last month you are considered an employee of a covered employer.

- If You Have Reached Age 70
  You can receive your first benefit the month you reach your 70th birthday, and you do not need to leave covered employment. When you stop working, and upon your application, IPERS may adjust your benefit to account for your additional years of service and salary.

Your First Benefit Payment

If your final paycheck is paid: | You can receive your first benefit:
---|---
During the same quarter you leave employment or during the quarter after (and your employer reports wages under the normal pay schedule) | The month after you leave employment
More than one quarter after you leave employment* | The month after your last paycheck is paid

*Trailing wages may add no more than one-quarter of service credit to your record.

Timing of Payments

Benefits are paid the last business day of the month for which the payment is issued. For example, if you submit an application to begin benefits in January, the payment for January will be paid the last business day of January.
Completing Your Application

Your Payment Option Choices

As part of your application, you must choose a benefit option. There are six benefit options from which to choose. Options 1 through 5 may also be paid as a Level Payment Option. Be sure you understand your selection; it cannot be changed after your first benefit payment is issued.

Your benefit estimate shows the estimated amount you can receive under each option. If your benefit estimate is older than six months, or Option 4 or 6 is not shown, please call IPERS and request an updated estimate.

- Monthly benefits are paid to you for life, no matter which option you choose.
- Your choice will determine what kind of death benefits may become available to your beneficiary(ies) or contingent annuitant, after your death — a lump-sum death benefit, monthly death benefits, or no death benefit.
- Your option choice may affect your monthly benefit amount.
- If you are married, your spouse must consent in writing to the payment option you elect.
- You cannot change your payment option after your first benefit payment is issued.

The table on the following page gives an example of each option. Your personal situation may vary.

Review the tax consequences of the death benefits you are considering with your tax adviser. Death benefits may be subject to federal and state taxes, so it’s important to understand potential tax consequences.

If you have a valid qualified domestic relations order (QDRO) in your member record, IPERS will follow the terms of the QDRO first and pay remaining benefits as applicable.

Level Payment Options

With level payment options, you receive higher IPERS benefits before age 62 and then reduced IPERS benefits after age 62 to provide nearly equal monthly income to you before and after you become eligible for Social Security benefits. If you choose a level payment option, your IPERS benefits will be permanently reduced after you become eligible for Social Security benefits at age 62.

If you choose a level payment option, you must provide IPERS with an estimate of what your Social Security benefits will be at age 62 at least 60 days before you want to begin receiving IPERS benefits. The amount of your IPERS benefits will not be recalculated later based on the actual Social Security benefits you receive.
Your Payment Options

WHEN SELECTING A PAYMENT OPTION YOU SHOULD CONSIDER:

- What your expenses will be after you retire
- The type of death benefit you want your beneficiary(ies) to receive

Death benefits can be either lump-sum or monthly benefits, depending on the option you choose, your beneficiary(ies), or contingent annuitant, and other circumstances such as your date of death and your beneficiary’s date of death.

You select your option on your benefit application. If you are married, your spouse must consent in writing to your option choice. You cannot change your option after your first benefit payment is issued. No matter which option you choose, monthly benefits are paid to you for life if you are vested and your monthly benefit under Option 2 would be at least $50.

The table below gives an example of each option. Your personal situation may vary.

<table>
<thead>
<tr>
<th>Payment Option</th>
<th>Description</th>
<th>Important to Note</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Annuity With Fixed Lump-Sum Survivor Benefit</td>
<td>Monthly benefit for life. You specify an amount, in $1,000 increments, to be paid in a lump sum to your beneficiary when you die.</td>
<td>• After retirement, you cannot change the death benefit amount. • The death benefit amount cannot exceed your total contributions plus interest.</td>
</tr>
<tr>
<td><strong>2</strong> Annuity With Variable Decreasing Lump Sum</td>
<td>Monthly benefit for life. After your death, your beneficiary receives the difference between the retirement benefits you received and your total contributions plus interest.</td>
<td>• A death benefit is not guaranteed. • Once you have received monthly benefits adding up to the amount of your contributions plus interest, no death benefit will be payable to your beneficiary(ies).</td>
</tr>
<tr>
<td><strong>3</strong> Single Life Annuity</td>
<td>Monthly benefit for life.</td>
<td>• After your death, no further benefits are payable.</td>
</tr>
<tr>
<td><strong>4</strong> 100%, 75%, 50%, or 25% Joint and Survivor Annuity</td>
<td>Monthly benefit for life. After your death, your contingent annuitant receives 100%, 75%, 50%, or 25% of your monthly benefit for life.</td>
<td>• Restrictions on percentages apply if your contingent annuitant is not your spouse and is more than 10 years younger than you. • You cannot change your contingent annuitant after IPERS has made your first monthly payment.</td>
</tr>
<tr>
<td><strong>5</strong> 120-Month Term Certain Annuity</td>
<td>Monthly benefit for life. If you die before receiving 120 payments, your beneficiary begins receiving a monthly benefit (otherwise, no further benefits payable).</td>
<td>• If you designate only one person as your beneficiary, your beneficiary receives the same monthly benefit for 120 months minus the number of payments you received. • If you designate more than one person, a trust, or an estate as your beneficiary, payment is made in a lump sum equivalent to the value of the remaining monthly payments as of your date of death. • Must be under age 90 to elect this option.</td>
</tr>
<tr>
<td><strong>6</strong> 100%, 75%, 50%, or 25% Joint and Survivor Annuity With Pop-Up Annuity</td>
<td>Monthly benefit for life. After your death, your contingent annuitant receives 100%, 75%, 50%, or 25% of your monthly benefit for life.</td>
<td>• Restrictions on percentages apply if your contingent annuitant is not your spouse and is more than 10 years younger than you. • If your contingent annuitant dies before you, your benefit pops up to what it would have been under Option 2. You may designate a new beneficiary at this time. • You cannot change your contingent annuitant after IPERS has made the first monthly payment.</td>
</tr>
</tbody>
</table>
### All Benefit Payment Options

Ken retires at the age of 56 and 4 months, after working in IPERS-covered Special service for 20 years, with a highest 3-year average salary of $42,068.57. His wife is age 57 and 4 months. His IPERS contributions plus interest total $60,741.71. Here’s the amount of his benefits under each option.

<table>
<thead>
<tr>
<th>Lump-Sum Benefit</th>
<th>Monthly Benefit Payable to Ken</th>
<th>Death Benefit Payable to Ken’s Wife After Ken Dies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes.</td>
<td>$1,913.17</td>
<td>Minimum lump sum: $1,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum lump sum: $60,000 (Ken’s monthly benefit would be $1,819.36.)</td>
</tr>
<tr>
<td>Maybe.</td>
<td>$1,912.02</td>
<td>Lump sum: $14,853.23 after 2 years. After Ken receives 32 monthly payments, there will not be any death benefit payable to his wife.</td>
</tr>
<tr>
<td>No.</td>
<td>$1,914.76</td>
<td>None.</td>
</tr>
<tr>
<td>Yes, if your contingent annuitant outlives you.</td>
<td>$1,881.56</td>
<td>Monthly benefit after 24 months: $1,881.56 for 96 months; thereafter, no benefits payable.</td>
</tr>
<tr>
<td>Maybe. If your beneficiary is several people, a trust, or an estate, payments will be made in a commuted lump sum based on today’s value of the remaining monthly payments.</td>
<td>$1,881.56</td>
<td>OR</td>
</tr>
<tr>
<td>Maybe. If your contingent annuitant dies before you and any balance remains of your total contributions plus interest.</td>
<td>$1,881.56</td>
<td>Lump sum: $141,068.25 if Ken dies after 24 months of pension payments.</td>
</tr>
</tbody>
</table>

### Important to Note

- You cannot change your contingent annuitant after IPERS has made the first monthly payment.
- You cannot change your contingent annuitant after IPERS may designate a new beneficiary at this time.
- A death benefit is not guaranteed.
- The death benefit amount cannot exceed your total contributions plus interest.
- After your death, no further benefits are payable.
- After retirement, you cannot change the death benefit amount.

### Restrictions on Percentages

- Restrictions on percentages apply if your contingent annuitant is not your spouse and is more than 10 years younger than you.
- Restrictions on percentages apply if your contingent annuitant outlives you.
- Restrictions on percentages apply if your contingent annuitant is younger than you.
- Restrictions on percentages apply if your contingent annuitant does not die after 24 months of pension payments.
- Restrictions on percentages apply if your contingent annuitant receives less than 120 payments.
Designating Your Beneficiary(ies) or Contingent Annuitant

Designating Your Beneficiary(ies)
For Options 1, 2, or 5
If you name two or more people as beneficiaries at one level (primary or secondary), IPERS will pay the same amount to those beneficiaries at your death.

Who Is Eligible to Be a Beneficiary?
Any person (related to you or not), church, charity, or estate may be designated as a primary or secondary beneficiary. If you designate your estate as beneficiary, your benefits will be paid according to your testamentary will or according to state laws for intestate distribution. You cannot designate a commercial entity, such as a funeral home, as your beneficiary.

<table>
<thead>
<tr>
<th>Beneficiary Name</th>
<th>Relationship</th>
<th>Sex (M/F)</th>
<th>Date of Birth (mm/dd/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Susan Smith</td>
<td>Spouse</td>
<td>F</td>
<td>05/17/1950</td>
</tr>
</tbody>
</table>

Naming your primary beneficiary(ies)

<table>
<thead>
<tr>
<th>Beneficiary Name</th>
<th>Relationship</th>
<th>Sex (M/F)</th>
<th>Date of Birth (mm/dd/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Smith</td>
<td>Son</td>
<td>M</td>
<td>01/31/1970</td>
</tr>
<tr>
<td>Jill Smith</td>
<td>Daughter</td>
<td>F</td>
<td>07/21/1975</td>
</tr>
<tr>
<td>Bob Smith</td>
<td>Son</td>
<td>M</td>
<td>05/15/1977</td>
</tr>
</tbody>
</table>

Naming your secondary beneficiary(ies)

<table>
<thead>
<tr>
<th>Beneficiary Name</th>
<th>Relationship</th>
<th>Sex (M/F)</th>
<th>Date of Birth (mm/dd/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>My estate</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Naming an Estate as Beneficiary
You may name your estate as either primary or secondary beneficiary. If you name your estate as a primary beneficiary, you cannot name a secondary beneficiary.

<table>
<thead>
<tr>
<th>Beneficiary Name</th>
<th>Relationship</th>
<th>Sex (M/F)</th>
<th>Date of Birth (mm/dd/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>My estate</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Naming a Trust or Trustee as Beneficiary
You may name a living trust or a testamentary trust as a primary or secondary beneficiary. At your death, the successor trustee will be contacted about the death benefits payable.
Naming a living trust as beneficiary

<table>
<thead>
<tr>
<th>Beneficiary Name</th>
<th>Relationship</th>
<th>Sex (M/F)</th>
<th>Date of Birth (mm/dd/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Name of the trust), (date the trust was created)</td>
<td>REQUIRED</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Name of the trustee), trustee, (address of the trustee)</td>
<td>REQUIRED</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Name of the successor trustee), successor trustee, (address of the successor trustee)</td>
<td>RECOMMENDED BUT NOT REQUIRED</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The living trust of Jane J. Smith, 01/01/2000

Jane J. Smith, trustee, 123 Main St., Anytown, WI 53001

Albert J. Doe, successor trustee, 123 Main St., Anytown, WI 53001

Naming a testamentary trust as beneficiary

<table>
<thead>
<tr>
<th>Beneficiary Name</th>
<th>Relationship</th>
<th>Sex (M/F)</th>
<th>Date of Birth (mm/dd/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Name of the trust), created under my last will and testament.</td>
<td>REQUIRED</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Name of the trustee), trustee, (address of the trustee)</td>
<td>REQUIRED</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

John L. Doe Trust, created under my last will and testament.

Susan J. Smith, trustee, 123 Main St., Anytown, WI 53001

Naming a charity as beneficiary

<table>
<thead>
<tr>
<th>Beneficiary Name</th>
<th>Relationship</th>
<th>Sex (M/F)</th>
<th>Date of Birth (mm/dd/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Juvenile Diabetes Research Foundation</td>
<td></td>
<td></td>
<td>123 Main St., Anytown, IA 50000</td>
</tr>
</tbody>
</table>

Designating Your Contingent Annuitant

For Options 4 and 6

Who Is Eligible to Be a Contingent Annuitant?

Any person (related to you or not) is eligible to be your contingent annuitant.

Naming your contingent annuitant

<table>
<thead>
<tr>
<th>Social Security Number</th>
<th>First name:</th>
<th>Middle Initial</th>
<th>Last name:</th>
<th>Date of birth:</th>
<th>Is this person your spouse?</th>
</tr>
</thead>
<tbody>
<tr>
<td>987-65-4321</td>
<td>Susan</td>
<td>A</td>
<td>Smith</td>
<td>05/17/1950</td>
<td>Yes ☑ No ☐</td>
</tr>
</tbody>
</table>

If your contingent annuitant is not your spouse and is at least ten years younger than you, your contingent annuitant’s monthly death benefits may be limited.

<table>
<thead>
<tr>
<th>If the difference between your ages is:</th>
<th>Your contingent annuitant can receive up to ___% of your benefit amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10 years</td>
<td>100%</td>
</tr>
<tr>
<td>At least 10 years, but less than 20 years</td>
<td>75%</td>
</tr>
<tr>
<td>At least 20 years</td>
<td>50%</td>
</tr>
</tbody>
</table>
Tax Withholding Information

At least part of your IPERS benefit will be subject to federal income tax and, if you are an Iowa resident, state income tax. As part of the application process, you need to complete IRS Form W-4P.

Your retirement benefit application contains questions in the Federal Withholding Certificate section of Form W-4P. Before completing an IRS Form W-4P, you should:

• Consult your tax adviser.
• Review the instructions in this book. They will help you determine how much money to withhold from your benefit for federal taxes.

You can change your withholding anytime (before or after you start receiving benefits) by completing a new IRS Form W-4P. If you have already started receiving payments from IPERS, you can change your withholding by logging in to My Account on ipers.org.

If you are not an Iowa resident, IPERS benefits are not subject to Iowa income tax.

If You Are a Resident of Iowa
IPERS benefits are subject to Iowa income tax for all Iowa residents, unless you qualify for a low-income tax exemption. Withholding for Iowa income tax is required if:

• You elect federal withholding
• AND You are an Iowa resident
• AND Your annual benefit is more than $12,000 for a married couple or $6,000 for a single person

If you are a non-U.S. citizen or a nonresident alien living outside the United States, go to www.irs.gov and print, complete, and attach IRS Form W-8BEN to your application.

A Few More Things to Plan For

• Notarized Signatures You must sign the application in front of a notary. If you are married, your spouse must also sign in front of a notary.

• Proof of Birth Date You must submit proof of your date of birth. If you choose Option 4 or 6 (see pages 10-11), you must also submit proof of your contingent annuitant’s birth date. Your contingent annuitant is the person you choose to receive monthly benefits after your death. A photocopy of a birth certificate, U.S. passport, REAL ID-marked driver’s license (with a star in the upper right corner), or infant baptismal certificate is preferred. Other acceptable alternatives for birth date proof are listed on the application.

• Direct Deposit Direct deposit means your monthly benefit payment will be deposited electronically into your checking or savings account. It is the most efficient and secure way to receive your payments. To sign up for direct deposit, attach a voided check or savings account deposit slip where indicated on your application. There is no fee for direct deposit. If you prefer to receive a paper check, there is a fee of $1.00 a month. IPERS checks cannot be forwarded by the U.S. Postal Service. If you have a change of address, notify IPERS as soon as possible or your check may be returned to IPERS.
After You Apply

Changes After Filing Your Application

If you want to change the month you will receive your first benefit or cancel your application, you must submit a written request with your signature, postmarked by the last business day of the month you selected to receive your first benefit.

If you want to change your benefit option, complete the Retirement Option Change form (available at www.ipers.org). This form must be notarized, which means you must sign it in front of a notary, and if you are married, your spouse must also sign it in front of a notary. The form must be postmarked by the last business day of the month you selected to receive your first benefit.

Initial Benefit Amount and Recalculations

When you first begin receiving benefits, your benefit will be calculated using the wages your employer has reported for you by that date.

If your employer reports additional wages that change your benefit amount, we will recalculate your benefits when the final wages are accounted for, and any increase due will be paid retroactively.

If any information used to determine your benefit changes or is found to be incorrect, your benefit will be adjusted accordingly, IPERS must recover any overpayment, and interest may be charged.
Returning to Work

You may decide to return to work after retirement. Whatever the reason, it’s important to understand how your retirement benefits may be affected, based on:

- Your age
- The type of employer you work for
- How much you earn

If you decide to return to employment after you start receiving IPERS benefits, certain restrictions may apply. It’s important to consider the following before accepting employment:

**If You Exceed the Earnings Limit**

There is a penalty of 50 cents for each dollar you earn over the earnings limit. After the end of the calendar year, IPERS will determine the amount you exceeded the limit by, and let you know the amount that must be recovered. To repay, you may choose to have your monthly benefit reduced or pay a lump sum. You will be required to confirm your decision with IPERS in writing.

As an alternative, you may ask IPERS in writing to suspend your IPERS benefits at the time you exceed the limit. This way, you will avoid benefit overpayments and recovery procedures.

If you die and the overpayment has not been repaid, the remaining amounts will be deducted from the death benefits, if any, to be made to your beneficiary or contingent annuitant. If there are no death benefits to be paid, or the death benefits are insufficient, the unrecovered amounts will be charged to your estate.

**Re-Employment With a Non-IPERS-Covered Employer**

If the employment is with a non-IPERS-covered employer, there are no restrictions. However, keep in mind that Social Security has certain income limitations that apply to your Social Security benefits.

**Re-Employment With an IPERS-Covered Employer**

**At Least Age 50, but Younger Than Age 65**

You must have a bona fide retirement (see page 6). If you return to IPERS-covered employment, you will have an earnings limit of $30,000 a year, or the Social Security wage limit, whichever is higher. This earnings limit may change each calendar year. The limit does not apply if you are elected to public office.

Although you do not pay IPERS contributions for all types of compensation, most types of wages from reemployment count toward the earnings limit. Wages that count toward the limit include bonuses, allowances, and employer contributions to defined contribution and deferred compensation retirement plans.

**At Least Age 65, but Younger Than Age 70**

You must have a bona fide retirement (see page 6). There is no limit on your earnings.

**Age 70 and After**

You may start receiving monthly benefits while working, or return to covered employment anytime without any restrictions. However, you must end all employment with covered employers for at least 30 days to have your retirement benefit recalculated.
Recalculating Your Benefit
When you stop working again, you should apply for a recalculation of your benefit using IPERS’ Re-Employment Termination Verification form. This form must be completed and submitted in order to receive a monthly benefit increase.

You may choose to receive a lump-sum payment for your period of re-employment instead of adding to your monthly benefit amount, unless you started receiving benefits after age 70.

Note that re-employment does not always increase your monthly benefits, in which case you will receive a lump-sum payment for your period of employment.

If you leave employment again and do not request a monthly benefit or lump sum within a year, IPERS will automatically pay you the lump sum if your gross payment is less than the IRS limit (currently $1,000).

See IPERS’ Returning to Work After Retirement booklet for more information.

If You Die Before the Month You Start Receiving Benefits
If you die before the beginning of the month you will receive your first benefit, your benefit application will be canceled. The beneficiary you designated in your retirement benefit application will be eligible for a preretirement death benefit.

- If you have only one beneficiary designated, your beneficiary may choose between a lump-sum payment or a lifetime monthly payment, when eligible (provided the monthly benefit would be $50 or more).
- If you have more than one individual listed as a beneficiary or your designated beneficiary is an estate, trust, church, charity, or other similar organization, your beneficiary(ies) will only receive a lump-sum payment.

If the death benefit is:

<table>
<thead>
<tr>
<th>The beneficiary must apply:</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lump sum</td>
</tr>
<tr>
<td>Monthly</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

MANDATORY PAYOUT
If you leave employment again and do not request a monthly benefit or lump sum within a year, IPERS will automatically pay you the lump sum if your gross payment is less than the IRS limit (currently $1,000).
Disability Benefits

Requirements for Receiving Monthly Disability Benefits

To qualify for Regular disability benefits, you must:
- Be vested.
- Have ended all IPERS-covered employment.
- Be receiving federal Social Security disability or Railroad Retirement disability benefits.
- Have a bona fide retirement (see page 6).
- Live into the month you receive your first benefit in (or your benefit application will be canceled).

In addition, to remain eligible for Regular disability benefits, you must:
- Provide proof to IPERS that you remain eligible for federal Social Security disability or Railroad Retirement disability benefits each year.

If you cannot show proof and you are under age 55, your benefits will stop. If you cannot show proof and you are between ages 55 and 65, your benefits will be reduced to “nondisability” benefits.

To qualify for Special Service disability benefits, you must:
- Be vested.
- Have a disability that began while you were employed by an IPERS-covered Special Service job — but not necessarily while you were on duty.
- Leave your IPERS-covered Special Service job because of your disability.
- Apply for benefits within one year of leaving IPERS-covered employment.
- Complete a medical exam by the Medical Board of the University of Iowa, unless waived by IPERS.

You can become eligible for IPERS disability benefits at any age. Your disability benefits will not be reduced because of your age.

Navigating the disability benefits application process can be complex for IPERS Special Service members. Please read the booklet “Understanding Your Disability Benefits” and speak with an IPERS Special Service disability benefits counselor to make the process easier for you.

You can become eligible for IPERS disability benefits at any age. Your disability benefits will not be reduced because of your age.
How Your Benefits Are Calculated

The IPERS Benefit Formula

The formula used to calculate your annual IPERS benefit includes:

- YOUR AVERAGE SALARY
- A MULTIPLIER

**IPERS Benefit Calculation**

\[
\text{Average Salary} \times \text{Multiplier} = \text{Your Annual IPERS Benefit}
\]

**Your Average Salary**

Your average salary is the wage amount IPERS uses to calculate your benefit amount. The salaries we will use in the calculation are determined by the covered wages reported for you over a calendar year (January 1–December 31).

Your average salary is your highest three-year average salary.

When calculating your benefit, IPERS tests for wage spiking, to prevent overpaying your benefits. Your average salary will be decreased if wage spiking occurred.

This formula is the starting point for your benefit amount. Your benefit amount will be adjusted if you choose a payment option other than Option 2.
If you stop working before the end of a calendar year, we will calculate your final calendar year’s wage as follows:

1) We will look at the wages you earned in each quarter of your last year of employment.

2) We will look at your highest calendar year wage not used in the highest average salary calculation and calculate the average quarterly wage for that year.

3) We will use the amount calculated in Step 2 for the quarters you did not work in your last year, and add up the amounts for all four quarters. This is called your computed-year wage.

4) If the computed-year wage is more than your third- (or fifth-) highest calendar year wage, then the computed-year wage is used as your final year’s wage. (The computed-year wage is limited to 103% of your highest calendar year wage. This calculation will not result in additional service credit.)

Your Multiplier

The multiplier used in the benefit formula is based on how many years of service you have. To determine the multiplier used in the calculation, refer to the chart below.

Your multiplier increases 2.7272% for every year of service from 1 to 22 and 1.5% for each year of service from 22 to 30.
Calculation Examples

Here are some examples of the IPERS benefits a member might receive. These examples are for illustrative purposes only. Retirement benefits in the following examples are calculated under Option 2. The amounts will be adjusted if another option is chosen. Depending on the payment option, the benefit amount will be different. Call IPERS to receive a benefit calculation based on your factors.

These calculations use Special Service credit only (employment in the protection occupation membership group or the sheriff/deputy membership group, but not in the Regular membership group).

**EXAMPLE 1:**
**Retirement Benefits Calculated With Average Salary**

**JOE, AGE 55**
Joe works for an IPERS-covered employer for 21 years. He retires at age 55, when he qualifies for a normal retirement pension. His highest 3-year average salary is $51,814.

\[
\text{Joe's highest 3-year average salary} \times \text{Multiplier from years of service} = \text{Joe's annual benefit}
\]

\[
\begin{align*}
\text{Joe's highest 3-year average salary} &= \$51,814.00 \\
\text{Multiplier from years of service} &= 57.27\% \\
\text{Joe's annual benefit} &= \$29,673.88
\end{align*}
\]

**JOE, AGE 58**
If Joe worked another 3 years and retired at age 58 with a highest 3-year average salary of $55,056, his annual benefit would be as follows.

\[
\begin{align*}
\text{Joe's highest 3-year average salary} &= \$55,056.00 \\
\text{Multiplier from years of service} &= 63\% \\
\text{Joe's annual benefit} &= \$34,685.28
\end{align*}
\]

**Preretirement Death Benefits**
If Joe died at age 58 before his benefits started, a lump-sum benefit of $289,044 would be payable to Joe’s beneficiary.

**EXAMPLE 2:**
**Retirement Benefits Calculated With Control-Year Salary**

**BRENDA, AGE 65**
Brenda works for an IPERS-covered employer for 30 years and decides to retire at age 65. Her highest 3-year average salary is $60,000. Her control-year salary is $46,000. To find out what to use as Brenda’s salary in the benefit formula, IPERS multiplies $46,000 by 121 percent, which equals $55,660.

Because $55,660 is less than $60,000, IPERS will adjust Brenda’s salary used in the benefit formula to $55,660.

\[
\text{Multiplier from years of service} = 72\%
\]

\[
\begin{align*}
\text{Brenda's control-year salary} &= \$55,660.00 \\
\text{Multiplier from years of service} &= 72\% \\
\text{Brenda's annual benefit} &= \$40,075.20
\end{align*}
\]

**Preretirement Death Benefits**
If Brenda died before she started receiving her retirement benefits, her beneficiary would be eligible for a death benefit of $333,960.

These examples are for illustrative purposes only. Your benefits may be different depending on your employer, length of service, covered wages, and the payment option you choose at retirement.
If you have worked in IPERS-covered Special Service and Regular service, a hybrid formula may be used to calculate your benefit. The hybrid formula cannot be used if you have 30 or more years of Regular service or 22 or more years of Special Service. Years of Special Service (years in which you contributed at Regular rather than Special Service rates while working in a Special Service position) are treated as Regular service in this formula.

The hybrid formula takes all of your service (up to the maximum) into account by applying the appropriate multiplier for each membership group to the service you earned in that group. The multiplier for your first 30 years of Regular service is 2% for each year. The multiplier for the first 22 years of Special Service is shown on the previous page.

Generally, your highest five-year average salary is used with your Regular service multiplier. Your highest three-year average salary is used with your Special Service multiplier.

Your benefits under the hybrid formula will be reduced if you begin receiving them before normal retirement age. An early-retirement reduction will apply only to your Regular service credits. Normal retirement age is one of the following, whichever comes first:

- Age 65
- Age 62 if you have 20 or more years of service (Rule of 62/20)
- When your years of service plus your age equals or exceeds 88 (Rule of 88)

The maximum retirement benefit under the hybrid formula is 65% of your average salary, with 35 total years of service. The following examples show benefits calculated using the hybrid formula.
EXAMPLE 3:
Hybrid Retirement Benefits Payable at Normal Retirement Age

NANCY, AGE 62
Nancy works for an IPERS-covered employer for 21 years. During those years, she worked as a Regular-group employee for 6 years and in a protection occupation for 15 years. She retires at age 62, after reaching normal retirement age.

FROM SPECIAL SERVICE
$53,754 Nancy’s 3-year average salary
× 40.90% Multiplier (2.7272% × 15 years of service)
$21,985.39

FROM REGULAR SERVICE
$52,054.40 Nancy’s 5-year average salary
× 12% Multiplier (2% × 6 years of service)
$6,246.53

TOTAL HYBRID BENEFIT
$21,985.39 From Special Service
+ $6,246.53 From Regular service
$28,231.92 Nancy’s annual benefit

EXAMPLE 4:
Retirement Benefits Payable Before Normal Retirement Age

JERRY, AGE 55
Jerry retires at age 55 with 5 years of Special Service and 9 years of Regular service (5 years before 7/1/12, and 4 years after 6/30/12). Because he has not reached normal retirement age (65), Jerry’s benefits will be reduced. The early-retirement reduction applies only to his Regular service credits.

FROM SPECIAL SERVICE
$57,500 Jerry’s 3-year average salary
× 13.636% Multiplier (2.7272% × 5 years of service)
– $0 No early-retirement reduction
$7,840.70

FROM PRE-7/1/12 REGULAR SERVICE
$55,000 Jerry’s 5-year average salary
× 10% Multiplier (2% × 5 years of service)
– $1,650 Reduction (3% × 5 years of early retirement)
$3,850

FROM POST-6/30/12 REGULAR SERVICE
$55,000 Jerry’s 5-year average salary
× 8% Multiplier (2% × 4 years of service)
– $2,640 Reduction (6% × 10 years of early retirement)
$1,760

TOTAL HYBRID BENEFIT
$7,840.70 From Special Service
+ $3,850.00 From pre-7/1/12 Regular service
+ $1,760.00 From post-6/30/12 Regular service
$13,450.70 Jerry’s annual benefit
Notes
Notes
Questions? Contact us.

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www.ipers.org

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Des Moines, IA 50306-9117

Retirement Checklist

• Keep your address updated with IPERS. Your employer does not tell IPERS when you move.

• Review and update your beneficiary designation. Everyone must complete a new beneficiary designation when applying for benefits — unless you select Option 3. To change your beneficiary before you apply, fill out an Enrollment/Beneficiary Designation form. You can check your current beneficiary designation by logging in to My Account at www.ipers.org.

• Request a benefit estimate. The estimate will show your estimated retirement benefit and death benefit payable under each option. It may also help you decide when to retire.

• Talk with an IPERS representative. Retirement planning sessions are held periodically across Iowa and in our Des Moines office. Call IPERS to schedule an appointment.

• Tell your beneficiary to contact IPERS as soon as possible after your death. This will help ensure timely processing of any benefits.

• Consider a service purchase. Service purchases can be made after you have filed your application for retirement benefits. Service purchases can take several months to complete, so start the process early.

• Visit www.ipers.org. Our website provides benefits summaries, retirement planning tools, and forms. You can also register for My Account to access your account information online at anytime.