



FROM DONNA M. MUELLER, CEO

### Greetings From IPERS!

It's that time of year when IPERS starts the process of closing out the past year and evaluating our performance. Wilshire, IPERS' investment consultant, reports that we've earned 10.12 percent on our \$25 billion Trust Fund. This is good news because it indicates our pension system continues to recover from the Great Recession and that our investment policy aligns with our investment goals.



Cavanaugh Macdonald, IPERS' actuary, has begun its annual valuation of IPERS. This valuation determines the contribution rate for the following year and the current funding status. It will be presented to the Investment Board in early December. The upcoming legislative session is considered an "IPERS" year. The [Public Retirement Systems Committee](#), a standing committee that reviews all public retirement systems, meets in the fall. As the largest public pension system in the state, IPERS will report on economic and retirement trends and the funding status of the System.

I've mentioned the upcoming GASB changes in past newsletters so I hope you're feeling familiar, if not comfortable, with what to expect. Your IPERS team is working closely with the state auditor's office to provide you with the details you'll need next fiscal year as you implement GASB Statement 68. IPERS has participated in various meetings and training sessions around the state in an effort to provide a high-level understanding of the upcoming changes. If you haven't had a chance to participate in one of these offerings, we've also posted recorded webinars on our [website](#).

--Donna

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DONNA M. MUELLER,  
CEO

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Que, IPERS' pension administration system, which will be your mainstay as a reporting official.

Sessions will be held at the IPERS office in Des Moines on November 6 (from 1 to 4 p.m.) and November 7 (from 9 a.m. to noon). There is no cost to attend but registration is required. Class size is limited to 35 participants--so register early to secure your seat! Registration will begin soon.

## COMPLIANCE TIPS

### IPERS Coverage for Newly Elected Officials

November is election month! Plan ahead to make sure proper documentation is in place for your part-time and full-time elected officials who do not want IPERS coverage.

As newly elected officials take office, notify all eligible employees of their optional coverage rights. Most part-time elected officials are IPERS-covered unless they complete and submit an [Election for Termination of IPERS Coverage](#) form within 60 days of taking office. The form includes a list of all positions with optional coverage. See [Section 3](#) of IPERS' [Employer Handbook](#) for detailed instructions.

### A Refresher on Your IPERS Monthly Documents

*You are the go-between for IPERS and your organization. The items we most regularly use to communicate with one another are the monthly wage report (from you to IPERS) and the employer monthly statement (from IPERS to you).*

#### *Wage Reports*

Wage reports contain vital information. They detail the gross IPERS-covered wages paid to each of your employees, along with other demographic information about those employees. Submitting timely and accurate contributions to IPERS is critical. Even if you have a month without wages to report or contributions to pay, you must still submit a wage report to IPERS.

As you prepare your IPERS wage reporting forms, you must report all IPERS-covered wages **during the calendar month in which they are paid**, not when they are earned.

**Important:** Wage reports and contributions are due on the 15th of each month for the previous month's liability. When the 15th falls on a holiday or weekend, the deadline is the next business day.

#### *Employer Monthly Statements*

When your monthly statement becomes available, always check your balance. Your balance may include charges for fees and interest. Any fees and interest charges will be included in the balance of your employer monthly statement for the month in which they are assessed, and are due by the 15th of the following month.

When IPERS discovers costs that are directly related to a specific member or employer, we must recover that cost. Late contributions and

wage reports can result in additional work for IPERS staff, reduced investment earnings, delayed payments to members and beneficiaries, and delayed mailing of member benefits statements.

- **Interest assessed for late contributions and unpaid balances:** Assessed interest accrues daily, with a \$20 minimum per month. Interest will be assessed at the same annual rate credited to member accounts as set by statute, which is the 1-year CD rate + 1 percentage point. Interest is charged to all outstanding balances not paid on time until the balance is paid in full. This charge will be posted on the summary screen of I-Que after IPERS receives your wage report--but no earlier than the last day of the month.
- **Fee for late wage report:** This fee is \$20 per late report plus a per-employee charge of \$0.25 (based on the number of employees reported on the last wage report filed). The late fee will post to your organization's account at the end of the month. This fee also applies if you do not submit a report on time, even if you don't have any wages to report.

If you are unable to pay contributions or submit wage reports on time due to reasons beyond your control, submit a [Request for Extension](#) form by the due date to avoid interest charges.

## I-QUE HELP

### It Pays to Check Your Balance Monthly

*Friendly guidance from Compliance Officer Wayne Goos*

As an IPERS compliance officer, one of my main responsibilities is to conduct compliance audits for IPERS-covered employers.

During compliance reviews, I confirm that the employer submits timely wage reports and makes timely and accurate payments. I review the employer's I-Que account and look at their account summary and their wage report listing. Typically, I find one or two employers who have a rather large unpaid balance on their account summary. These balances can be thousands of dollars. Some reporting officials are aware of the balance, but many are not. Very few understand why the balance is on their account.

Many things can lead to a debit balance:

- When contribution rates change, an employer may forget to make the change in the organization's payroll system.
- An employer may complete a wage adjustment but may not make the payment required as a result of the adjustment.
- An employer may not have paid a late charge.

**Whenever your account balance is over \$1.00 after the payment due date has passed, an interest charge is assessed.**

If you discover you have a debit balance, do your own detective work to learn the cause. You will normally see a \$20.00 interest charge each month that your account balance was over \$1.00. Trace back to the first month you see a \$20.00 interest charge. Usually the issue that caused your debit balance occurred the month prior. There have been times

when in researching the employer's account I had to go back five years before identifying the initial cause. Don't let this happen to you.

It's much easier to fix a problem initially than to wait months or even years to find the problem, fix it, and pay numerous fees and interest charges. The moral of the story is: Check your account balance in [I-Que](#) each month. It will save you time and money in the long run.

## Don't Ignore Errors in Your Wage Reports

You can create your monthly wage report in one program, and import it into I-Que. When you release the report to IPERS, all the member information in it goes into your organization's employer account (in [I-Que](#)) and into the members' individual accounts (in [My Account](#)).

When you release your reports with errors, member data won't transfer into I-Que or My Account. That means IPERS will not have records of the wages your employees earned that month, which can affect their retirement benefits, death benefits, and refunds. The only way to correct this is through wage adjustments.

To prevent the need for wage adjustments, correct all errors before processing your file. But even if you process the file with errors, you still have a chance to correct the file before you release it, by manually adding wages that did not process correctly. Once all the wages are in the wage report and you have confirmed the total contributions due, you can release the wage report.

You can also call the Employer Relations Team for help on correcting the errors at 1-877-473-7799.

## NEWS & ANNOUNCEMENTS

### Accounting Update

GASB stands for Governmental Accounting Standards Board, and in the next couple of years it will create quite a buzz about how the finances of public pensions are reported. Your IPERS team is working closely with the state auditor's office to provide the guidance you'll need next fiscal year as you implement GASB Statement 68. IPERS is presenting at various meetings and training sessions around the state in an effort to provide a high-level understanding of the upcoming changes. If you haven't had a chance to participate in one of these offerings, we've also posted a recorded webinar on our webpage dedicated to GASB.

All school districts, larger municipalities, and the State of Iowa are among the many IPERS-participating employers that will be affected. GASB intends for all organizations that offer a defined benefit pension plan and report financial information using GAAP (generally accepted accounting principles) to abide by the standards of the new Statement 68.

Statement 68 requires organizations to report new information about pension liabilities on their balance sheets. This pension liability, referred to as your net pension liability, may cause concern as it may be a large number. Don't worry--this new balance sheet entry is not payable today. Rather, it will be paid down the same way the pension liability

has always been paid down: through consistently paying the member and employer contributions. GASB Statement 68 takes effect for the fiscal year that begins after June 15, 2014.

If you do not report your financial information using GAAP (generally accepted accounting principles), your organization won't be affected by the new GASB statements.

## Call the Employer Hotline

If you are a reporting official in need of assistance, call us at 1-877-IPERS-99. This number is dedicated to employers. Our knowledgeable compliance officers are ready to answer your reporting and accounting questions.

## New Poster Coming Your Way

Watch your mail this fall for a new poster to arrive from IPERS. The poster shows the part IPERS plays in providing a secure retirement for public employees. We hope you like it!

## It's Simple to Share *The Latest Word* With Others

If you know of others in your organization who would like to receive *The Latest Word*, rather than just forwarding this email, why not add them to our mailing list by entering their email addresses in I-Que? Perhaps your accountants and payroll officials looking for GASB updates, or human resources specialists would appreciate information about IPERS. This issue of *The Latest Word* is the first to be emailed to everyone with an email address listed in I-Que as an employer contact. Employer bulletins, which generally address technical and policy issues, will also be emailed to everyone with an email address in I-Que going forward.

Now is the perfect time to log in and make sure IPERS has correct email addresses for your colleagues.

We will continue to email confidential information only to the person designated in I-Que as the reporting official. This includes employer monthly statements, employer annual statements, and items relating to particular employer reporting situations. In addition, training notices will be distributed only to reporting officials.

## ONLINE RESOURCES

### Stay Up to Date With IPERS' Forms

Did you know many of IPERS' forms are available online? We have separate webpages for [member forms](#), [retiree forms](#), and [employer forms](#). You'll always find the most up-to-date version online.

If you use paper copies of IPERS forms, make sure you have the current version. Look in the bottom left corner for the form number. (It is a six-digit number with a decimal point.) Make sure it matches the online version, or call us to check. This will help you avoid using outdated forms.

## IPERS BENEFITS FOR MEMBERS

### *Enrollment/Beneficiary Designation Forms*

Be sure to ask your new employees to complete an IPERS [Enrollment/Beneficiary Designation](#) form. You can provide the form to them if you would like-or show them where it is located on IPERS' website. We advise you not to keep copies of the form in your files, as they contain information that is confidential between the employee and IPERS.

Employees do not need to complete a new *Enrollment/Beneficiary Designation* form each year unless there's been a major change that warrants a new beneficiary (for example, marriage/ divorce/birth/ death).

If your employees want to confirm who is listed as their beneficiary, encourage them to register for and log in to [My Account](#)--the online portal to members' IPERS benefit information.

### *How to Help Your New Hires*

If you have new employees who are also new to IPERS, it's helpful to give them some information on IPERS. Let them know they can expect to receive an IPERS member ID card soon, as well as a booklet explaining IPERS benefits. They can start a file at home for these items, and add their newsletters (which we mail each winter) and benefits statements (which they will receive each spring).

FALL 2013

#### CONTACT US

[www.ipers.org](http://www.ipers.org) | [employerrelations@ipers.org](mailto:employerrelations@ipers.org) | [ipersaccounting@ipers.org](mailto:ipersaccounting@ipers.org)

#### Employer HelpDesk

1-877-IPERS-99 (1-877-473-7799) | Monday-Friday, 8 a.m.-4:30 p.m.

Fax 515-281-0055

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