

THE LATEST WORD

FOR IPERS EMPLOYERS



Iowa Public Employees' Retirement System | Spring 2013

FROM DONNA M. MUELLER, CEO

Welcome to Our New Design

Welcome to the new format of *The Latest Word*. We continue to strive to make improvements in our communications. This new format is a result of feedback from you!

In our fast-paced world, we know you want your news and information to be organized well, so you can find what you need when you need it. That's why we've packed this edition with hyperlinked information that you can use as a resource now or later.

What's missing is some of the fancier graphics and photos that you told us are hard to download. We aim to make *The Latest Word* a no-frills, useful tool to help you resolve situations you encounter as an IPERS reporting official. A great example of this is the hyperlink to the online training registration form in the following article.

You'll find a lot of helpful information, so please make some time to look this over. Remember, it's posted online for your future reference.

--Donna



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DONNA M. MUELLER,
CEO

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TRAINING & EDUCATIONAL EVENTS

Reporting Officials: Register Now for a Spring Session

Do you have questions about your duties as a reporting official? Have you had situations arise that you are unsure how to handle in the I-Que system? Join us for a training session!

Sessions will be held at the IPERS office on April 16 (from 1 to 4 p.m.) and April 17 (from 9 a.m. to noon). There is no cost to attend but registration is required. Session size is limited to 35 participants--so [register early](#) to secure the date and time you desire.

Save the Date: Annual Update

IPERS' Annual Update for reporting officials will be held July 9-11 in Des Moines at the IPERS office, and July 16-18 in other locations around the

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state (to be determined). Watch for registration details.

What's the Bottom Line?

Changes to GASB standards are coming soon. Take time to learn more about how these changes apply to you.

You may have read in previous editions of *The Latest Word* and other industry publications that the Governmental Accounting Standards Board (GASB) has issued new reporting standards for public pension plans and the participating employers. The new standards will place a pension liability on your organization's balance sheet and expand the disclosures required in financial reporting. If you or others in your organization would like to learn more about the new GASB reporting standards, there are two upcoming opportunities.

Free webinar for everyone responsible for preparing your organization's financial reports

June 18

Presented by Darla Iverson, IPERS CFO, and Glenna Musselman, accountant

Watch for registration information in mid-May.

Conference for city clerks and city finance managers

[Iowa Municipal Professionals Academy](#)

July 24-26

[Gateway Hotel & Conference Center, Ames](#)

IPERS will present a breakout session on July 25. Click on the link to learn more about the conference and download the registration information.

NEWS & ANNOUNCEMENTS

IPERS' Financial Health Explained in Summary Report

[Long-Term Performance: It's What Counts](#) appeared in your employees' home mailboxes in early March. All IPERS members and retirees received a copy. The report is a summary of IPERS' finances and financial health over the last fiscal year (July 1, 2011-June 30, 2012). One year is a small fraction of time in IPERS' history, and it takes several years to make noticeable improvements in our status. But for now, we are trending in the right direction. For in-depth information, see IPERS' FY2012 [Comprehensive Annual Financial Report](#).

Annual Benefits Statements to Mail in Late Spring

The annual benefits statements are scheduled to mail in late spring. The statements show estimated future monthly benefits for vested members. Covered employees who are 3-5 years from retirement are encouraged to contact IPERS and speak with a benefits counselor.

Statements are mailed to all members who have contributed to IPERS but have not yet taken retirement benefits or a refund of their money. Members who are already receiving retirement benefits and have

returned to IPERS-covered employment will also receive statements.

Death benefits, disability benefits, and refunds are also estimated. Advise your employees to review their statements carefully and confirm that employment records are correct. Beneficiaries will also appear on the statements. If an employee needs to change beneficiaries, use the [Enrollment/Beneficiary Designation](#) form. The beneficiary form contains confidential information to be shared between the employee and IPERS. *Do not keep copies of the form.*

Members can view their statements anytime by visiting the IPERS [website](#) and logging in to [My Account](#). Statements available in My Account are updated frequently for working members, as wages are reported.

Contribution Rates: Fiscal Year 2014

July 1, 2013-June 30, 2014

Membership Class	Member Share	Employer Share	Total
Regular	5.95%	8.93%	14.88%
Sheriffs and deputies	9.88%	9.88%	19.76%
Protection occupations	6.76%	10.14%	16.90%

[Contribution rates](#) for the upcoming fiscal year are recommended by IPERS' actuary each November. Rates are set using the actuary's recommendations; however, Regular members' rates cannot increase or decrease by more than 1 percentage point each year. FY2014 is the first year in more than a decade when the Regular member rate will match the actuarially recommended rate--a major sign of progress for IPERS' future funding.

FED Payments for Retirees to End Next Year

Good information for anyone already receiving IPERS monthly benefits

If you have employees who receive retirement benefits from IPERS, be ready with answers if they bring you questions about their [IPERS dividends](#).

Most IPERS retirees do not have a guaranteed cost-of-living adjustment. By design, IPERS members must supplement their benefit with Social Security and personal savings to combat the effects of inflation.

After more than a decade of payments, the Favorable Experience Dividend, or January FED, payment will end in January 2014.

By law, the FED Reserve Account cannot be replenished until the IPERS plan is at least 100 percent funded and can remain so after the transfer.

Note: The November dividend is a guaranteed payment for all IPERS members who began receiving benefits before July 1, 1990. All members who have received November dividends in the past will continue to receive one each year.

I-QUE HELP

Making IPERS Contribution Payments via EFT

There were a lot of challenges for you to conquer when you started using [I-Que](#). Just one of many changes was that for the first time, you could submit your organization's IPERS contribution payments by EFT (Electronic Funds Transfer). If you don't use EFT to pay contributions to IPERS, consider starting soon.

The advantages of making payments by EFT are:

- You don't have to write or print a check.
- You can pay the total amount you owe in one payment instead of sending in multiple checks.
- It's fast, so you have more control over when the payment arrives to IPERS.
- You can schedule payments for future dates.
- It's secure. Only you and IPERS can see your private bank account information.

If you would like to start using EFT to submit your contributions, the first step is adding your organization's bank account information to I-Que.

- See *Adding a Financial Institution*, starting on page 39 of the [I-Que Help Guide](#).

Then decide if you want to make a payment right away, or schedule a payment to be made later.

- To pay now, see *Making an Online EFT Payment*, starting on page 43 of the [I-Que Help Guide](#).
- To pay later, see *Schedule Future EFT Payments*, starting on page 45 of the [I-Que Help Guide](#).

ONLINE RESOURCES

Need a Publication Fast?

Have you ever wondered what the quickest way was to get a publication from IPERS? Here is one solution: look online at IPERS [Publications](#)! Here you will have access to our wide range of publications. All publications are online for immediate download. If you prefer, you can order hard copies for you or your employees.

COMPLIANCE TIPS

Reporting Correct Information After Terminations Is Essential

We rely on you!

When an employee terminates employment, you must report to IPERS

the person's last date of employment and date of the last IPERS-covered check. We recommend doing this as soon as you can. Here's how:

1. Go to the View/Update Member screen in [I-Que](#).
2. Enter the employee's Social Security number and select *Search*. The employee's name will appear.
3. Enter the information.

As an alternative, you can enter the information the next time you are in I-Que to report wages.

We rely on you to give correct information. Make sure the dates you report are correct. These dates can affect the person's IPERS service credits, refund amount, and even vesting status. After you provide the information, IPERS will send the person a benefits statement and a [booklet](#) detailing what the member can do with his or her IPERS account.

Less Than Six Months of Employment

If an employee hired for permanent employment terminates within six months, you will receive a notice from IPERS. You may file a [wage adjustment](#) to receive a credit for both your organization's and the employee's portions of the contributions.

Temporary Employees

When an employee is hired for temporary employment, the employee's start date is the date of hire--not when the temporary employee qualifies for IPERS coverage. If the temp earns at least \$1,000 in each of two consecutive quarters before qualifying for IPERS coverage, and then terminates after less than six months of IPERS-covered employment, you are not allowed to do a wage adjustment.

Occupation Code 17: Especially for Elected Officials

If your organization employs any elected officials, use Occupation Code 17 for their wages. This code flags these members so IPERS can correctly track and verify their service credits.

Get the official word from the Iowa Code.

Section 97B.1A(10) states:

Elected officials are deemed to be in employment for all quarters of the elected officials' respective terms of office, even if the elected officials have selected a method of payment of wages which result in the elected official not being credited with wages every quarter of a year.

IPERS Coverage for Part-Time Elected Officials

The following special opt-out provisions do *not* apply to *full-time* elected officials, for whom IPERS coverage is mandatory starting the day they take office.

Part-time elected officials have the choice to be covered under Social Security or under IPERS, but not both. After election results are known, talk with the people you will employ who are starting terms as elected officials. Find out if they would like to be covered under IPERS. If the part-time elected official wants to be covered under IPERS, make sure the person is IPERS-covered starting the day the person takes office.

If the part-time elected official wants to be covered under Social Security, he or she must elect out of IPERS coverage using the [Election for Termination of IPERS Coverage](#) form. You must submit the completed form to IPERS within the first 60 days of the employee's term of office.

It's easy to overlook this issue if the elected official is paid infrequently. The 60-day opt-out period stands, even if the elected official does not receive any compensation during that time.

If the form is not completed and filed with IPERS by the 60th day after the person takes office, the part-time elected official must remain IPERS-covered for the remainder of the official's time serving in that capacity, even if it spans more than one term of office.

Wage Report and Contribution Payment Schedule and Corresponding Fees

Special reprint from Employer Bulletin 2008-2

1. All employers must report wages monthly. Wage reports and contributions are due on the same schedule.
2. The manual processing fee for added costs when employers do not process their wage reports using I-Que's online employer self-service will be \$20 plus \$0.25 per employee. This fee is intended to cover the cost of IPERS' additional staff time and of mailing paper statements and forms to employers.
3. The fee for a late wage report will be \$20 plus \$0.25 per employee. This fee will also be charged to employers with no wages to report if they did not notify IPERS by the report's due date that they had no wages to report.
4. Wage adjustments will generate charges for the employer and employee contributions that are due, as well as interest on both the employer and employee contributions. Interest will be calculated and charged to the employer in one lump sum since, by law, it must be paid by the employer. If the contributions and interest resulting from the adjustment are paid by the due date of the statement in which they are billed to the employer, there will be no additional interest due for the adjustment. A manual processing fee will not be charged for wage adjustments.
5. All items billed to employers will have a due date. Interest will be assigned to the outstanding balances not paid in full by the statement due date until the balance is paid in full.

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CONTACT US

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