

FY2019

AN ANNUAL SUMMARY FOR THE
FISCAL YEAR ENDED JUNE 30, 2019



IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

This report conforms with generally accepted
accounting principles (GAAP).

You + IPERS



Think about this: Your relationship with IPERS is likely among the longest and most important connections in your life. From the first day of your career in public service to your years in retirement, IPERS works hard for you. We're passionate about the financial security of your retirement because, after all, we're Iowans and IPERS members, too. IPERS is Iowans working for Iowans.

In FY2019, IPERS was proud to mark several achievements that directly benefit you. This publication reviews those accomplishments, but some of our most important work is highlighted below.

- + IPERS recently teamed up with Iowa State University Extension to travel throughout Iowa offering a retirement planning course called "Creating a Secure Retirement." The course covers a range of topics, including IPERS benefits, Social Security, Medicare and tips for personal savings. If you're nearing retirement, these workshops are an excellent opportunity to prepare for life after work.
- + In the fall of 2018, we launched a major upgrade to the pension administration software that manages all aspects of your individual IPERS membership, including records of your IPERS contributions, employment history, beneficiary information and much more.
- + After the software system's upgrade, we tested its integrity with a daylong emergency preparedness drill in which IPERS staff worked remotely to ensure that our essential functions could be completed in the event of an emergency at our headquarters. Overall, the drill proved successful, although we gained valuable insights that will challenge us to continue to refine and enhance our processes and technology infrastructure.

We at IPERS are committed to the administration of a successful, sustainable and cost-effective retirement system.

As we look to FY2020 and beyond, we're poised for continued success, and we value our partnership with you.

Donna M. Mueller
CEO

LEARN MORE

Read the full FY2019
Comprehensive Annual
Financial Report at:

www.ipers.org/financial-and-investment

www.ipers.org    

Investment earnings are the largest source of IPERS' funding.

Contributions from employees and employers are pooled and invested to pay benefits and expenses. Nearly 70% of benefit payments come directly from investments.

Our investment program strives to meet performance benchmarks at a low cost. You can be confident IPERS' risk-aware investment strategy ensures that we achieve our long-term obligations to our members.

Investment Performance

Our investment policy goal is to maximize the total rate of return on investments within prudent risk parameters. Solid performance over time is important.

8.35%

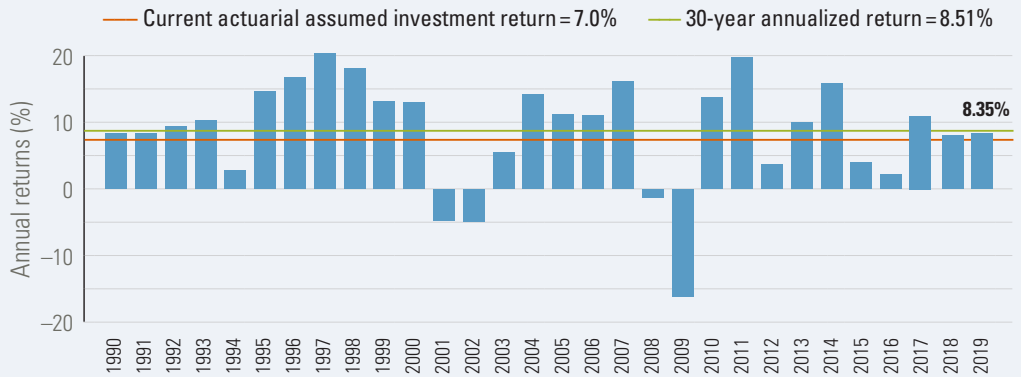
FY2019 Investment Return

7.0%

Long-Term Assumption

Investment Returns

Fiscal Years Ended June 30



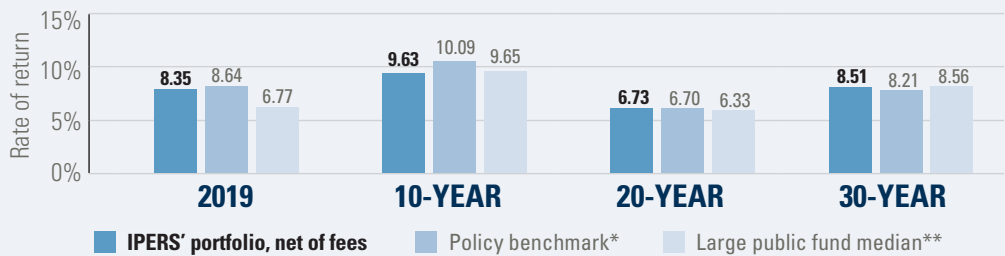
Funded Ratio

The funded ratio equals the value of assets divided by pension obligations or liabilities. A ratio of 80% or greater is an indicator of a strong and secure pension fund.

83.73%

FY2019

Investment Performance Summary



*A benchmark composed of market indexes with weightings reflective of IPERS' asset allocation targets.

**Trust Universe Comparison Service (TUCS) Public Funds with Total Market Value > \$1 Billion Index.

Note: 10-, 20-, and 30-year results are annualized returns.

Administration Cost

IPERS' pension administration costs per member are significantly less than its peers.



Peer average cost \$96

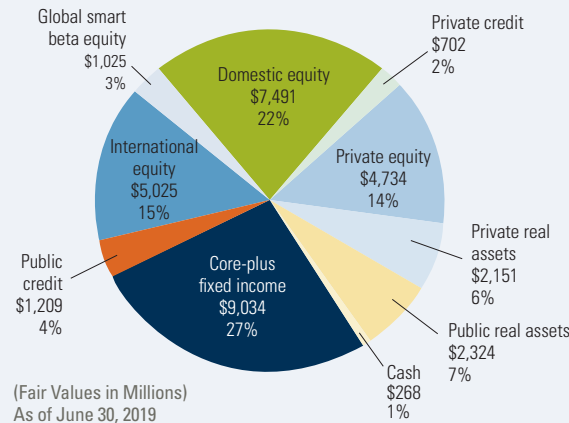


IPERS' cost \$51

Source: CEM Benchmarking Inc. FY2018

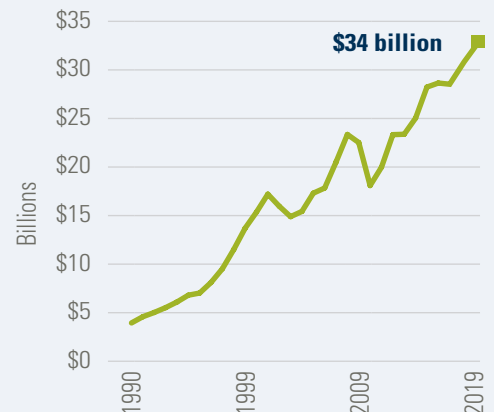
Asset Allocation

An investment portfolio constructed of diversified assets will, on average, yield higher long-term returns and lower the risk of any individual holding or security.



Trust Fund Growth

This year, the Trust Fund grew to \$34 billion; that's after more than \$2 billion in benefit payments.





Trust Fund Value

\$34 billion



Total Members

368,292



The Average IPERS Retiree

\$17,484 Annual Benefit

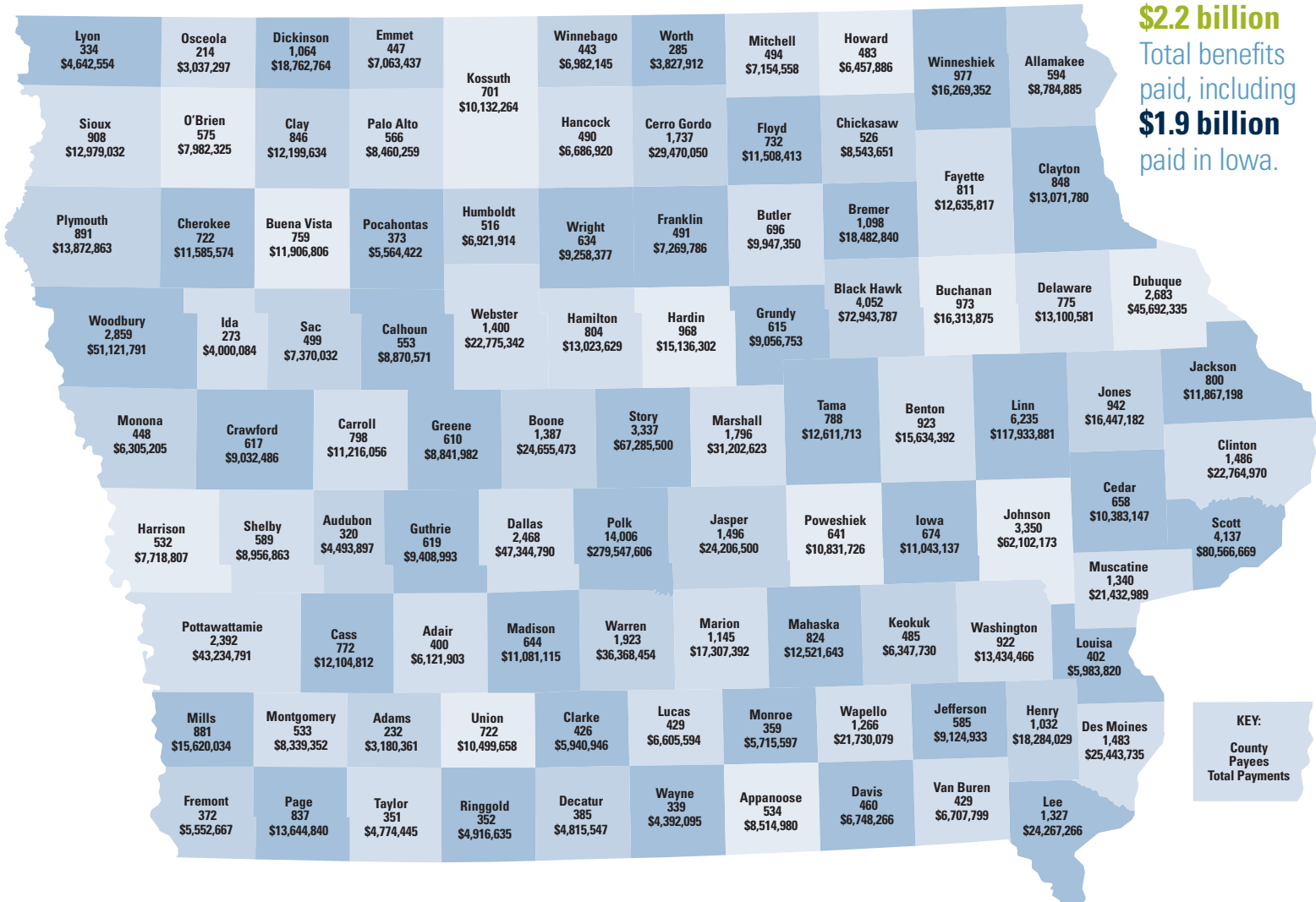
61 Retirement Age

Years of Service

23

Years of Service

Benefit Payments and Payees by County

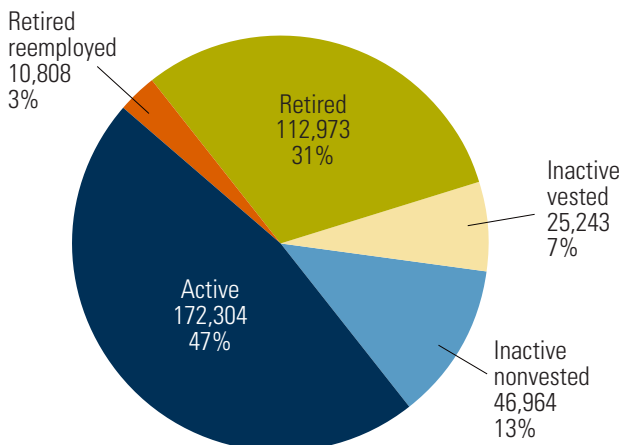


\$2.2 billion Total benefits paid, including **\$1.9 billion** paid in Iowa.

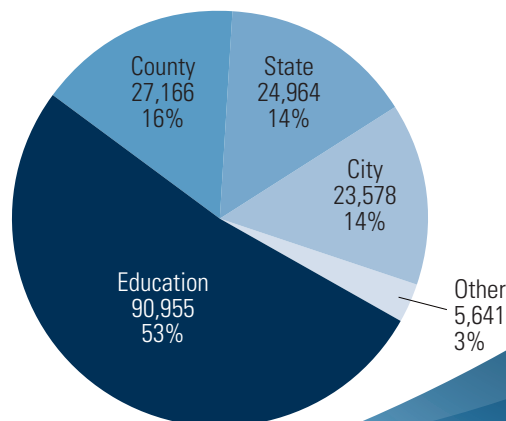
KEY:
County
Payees
Total Payments

Membership

By Status



Active Members by Major Employer Type





Working Today for Your Tomorrow

Iowa Public Employees' Retirement System

P.O. Box 9117
7401 Register Drive
Des Moines, Iowa 50306-9117

QUESTIONS? CONTACT US.

515-281-0020 or 800-622-3849

Monday–Friday 7:30 a.m. – 5 p.m. Central Time

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A Letter from the Governor & Lt. Governor



When the Iowa Legislature created IPERS in 1953, it did so with the intent of establishing a core retirement plan that attracts and retains the quality workforce necessary to fulfill the critical duties of government. More than 60 years later, IPERS continues to accomplish that mission, and the citizens of Iowa benefit from the services of thousands of hard-working public servants.



IPERS is committed to our public employees and is dedicated to the prudent management of the state's largest retirement system. In FY2019, IPERS marked several important achievements that demonstrate this dedication. For example, investment earning in FY2019 equaled 8.35%, surpassing the 7.0% assumed rate of return. This strong investment performance means the Trust Fund from which pension benefits are paid grew from \$32 billion to \$34 billion and keeps IPERS on the path for a strong, sustainable future.

IPERS also maintained its low cost of administration, meaning it costs only \$51 per member to administer the plan. That's nearly half of the average per-member administration cost of IPERS' peers.

One in 10 Iowans rely on IPERS to serve as the foundation for their retirement. This is a responsibility we and IPERS take seriously. We are proud to serve you now and into the future.

Kim Reynolds
Governor

Adam Gregg
Lieutenant Governor

Fiduciary Net Position

(Dollar Values Expressed in Thousands)
Fiscal Years Ended June 30

	2019	2018	2019/2018 Percentage Change	2017	2018/2017 Percentage Change
Cash and investments at fair value	\$35,059,231	\$33,247,956	5.4	\$31,962,524	4.0
Receivables	1,017,467	776,570	31.0	659,813	17.7
Capital assets	15,073	16,494	(8.6)	18,681	(11.7)
Other assets	554	1,357	(59.2)	315	330.8
Total assets	36,092,325	34,042,377	6.0	32,641,333	4.3
Deferred outflows of resources	46	30	53.3	—	NA
Total liabilities	2,081,664	1,727,814	20.5	1,862,217	(7.2)
Deferred inflows of resources	26	4	550.0	—	NA
Total net position	\$34,010,681	\$32,314,589	5.2	\$30,779,116	5.0

Changes in Fiduciary Net Position

(Dollar Values Expressed in Thousands)
Fiscal Years Ended June 30

	2019	2018	2019/2018 Percentage Change	2017	2018/2017 Percentage Change
Additions					
Contributions and service purchases	\$1,294,438	\$1,202,788	7.6	\$1,182,392	1.7
Net investment and securities lending income	2,640,007	2,458,969	7.4	3,279,743	(25.0)
Total additions	3,934,445	3,661,757	7.4	4,462,135	(17.9)
Deductions					
Benefits and refunds	2,222,656	2,111,352	5.3	1,993,554	5.9
Administrative costs	15,697	14,754	6.4	15,899	(7.2)
Total deductions	2,238,353	2,126,106	5.3	2,009,453	5.8
Increase in net position	\$1,696,092	\$1,535,651	10.4	\$2,452,682	(37.4)

Total net position restricted for pensions increased from \$32.315 billion on June 30, 2018, to \$34.011 billion on June 30, 2019. These assets consist of capital assets owned by IPERS and investment portfolio assets.

In FY2019, employee and employer contributions, including service purchases, totaled \$1.294 billion, while total member benefits equaled \$2.223 billion. The resulting \$929 million contribution shortfall was funded with earnings and sales proceeds from the investment portfolio.