

Plan Comparisons	Iowa Public Employees Retirement System	Teacher's Insurance Annuity Association
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Plan Definition	<p>The IPERS plan is a defined benefit plan, sometimes called traditional pension plans.</p> <p>The retirement income is determined by a formula based on years of service and the salary earned.</p>	<p>TIAA is a type of defined contribution plans (<i>403b</i>).</p> <p>The amount contributed to the plan is known at the beginning, the retirement income is not known. The income will be determined by investment performance.</p>
Contribution amounts are subject to change as determined by the governing bodies (see plan design)		
Employee Contribution	<p>July 1, 2018: 6.29% of budgeted salary</p> <p>Each July 1: IPERS may adjust rate up or down by no more than 1.0 percentage point.</p>	<p>Year 1-5: 3.33% of first \$4,800 of budgeted salary 5.00% of budgeted salary over \$4,800</p> <p>Year 6: 5.00% of budgeted Salary</p>
Employer Contribution	<p>July 1, 2018: 9.44% of budgeted salary</p> <p>Each July 1: IPERS may adjust rate up or down by no more than 1.0 percentage point.</p>	<p>Year 1-5: 6.66% of first \$4,800 of budgeted salary 10.00% of budgeted salary over \$4,800</p> <p>Year 6: 10.00% of budgeted Salary</p>
Contribution Example	<p>\$3,000.00 monthly budgeted salary</p> <p><i>Employee contribution 7-1-2018</i> 6.29% of \$3,000 = \$188.70</p> <p><i>ISU contribution</i> 9.44% of \$3,000 = \$283.20</p> <p>Monthly Total \$471.90</p>	<p>\$3,000.00 monthly budgeted salary</p> <p><u>Year 1-5</u> (except B-base faculty or 9-month pay employees) <i>Employee contribution</i> 3.33% of first \$400 (\$4,800/12=\$400) = \$ 13.33 <i>B-base divide by 9 (\$4800/9=\$533.34)=\$17.76</i></p> <p>5.00% of the remaining salary (\$2,600) = \$ 130.00 <i>B-base (\$2,466.66)=\$123.34</i></p> <p><i>ISU contribution</i> 6.66% of first \$400 (<i>B-base \$533.34</i>) = \$ 26.66 10.00% of the remaining salary = \$ 260.00 <i>B-base (\$2,466.66)=\$246.67</i></p> <p>Monthly Total \$ 429.99</p> <p><u>Year 6 +</u></p> <p><i>Employee contribution</i> 5.00% = \$ 150.00</p> <p><i>ISU contribution</i> 10.00% = \$ 300.00</p> <p>Monthly Total \$ 450.00</p>
Vesting (Ownership in the retirement funds deposited in your account by ISU)	<p><u>Employee Contributions</u> A member is always entitled to 100% of their IPERS contributions and interest earnings. If changing jobs, you keep your IPERS coverage if your new job is an IPERS-covered position. If you work for a non-IPERS-covered employer, you may leave your money in IPERS or take a refund. You can roll your IPERS refund to another qualified retirement plan.</p> <p><u>ISU Contributions</u> A member not vested by July 1, 2012 will be vested after 7 years of participation or upon reaching 65 while contributing to IPERS, whichever comes first, to be vested. Vesting is qualifying for ownership in the retirement funds contributed by the employer. See IPERS website and the member handbook for the formula for determining retirement income when vested.</p>	<p><u>Your Contributions</u> A member is always 100 percent vested in their contributions.</p> <p><u>ISU Contributions</u> A member not vested by July 1, 2009 will become vested after any of the following:</p> <ul style="list-style-type: none"> • 3 years of service • age 65 • designated as a disabled employee • die while employed • ISU discontinues the retirement plan

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<p>Resign from ISU Employment</p>	<p>If a member continues working in an IPERS-covered position (Iowa public employment), participation in IPERS may continue.</p> <p>If leaving public employment, the member may:</p> <ul style="list-style-type: none"> • roll the available funds of the account over to another qualified plan. • take a refund subject to taxes/penalties • leave funds on deposit with IPERS <ul style="list-style-type: none"> - If not vested, funds will be in a non-interest bearing account. - If vested, your eventual retirement income benefit is guaranteed for life, no matter how long you live and no matter how the investments perform. <p>Contact IPERS directly to discuss options for retirement benefit calculation.</p>	<p>The member may roll funds over to another qualified plan or leave money in TIAA for later distribution subject to investment choices earnings or losses.</p> <ul style="list-style-type: none"> • Only member funds and the vested ISU Contribution account balances will be portable. • Members may receive a lump sum payment once employment ends. • Members interested in beginning retirement income benefits should meet with TIAA consultants to discuss income options. <p>Contact TIAA directly to discuss options for distribution.</p>
<p>Retirement Age</p>	<p>Normal Retirement Age</p> <ul style="list-style-type: none"> • Age 65 • Age 62 if 20 or more years of IPERS covered employment (62/20) • When years of IPERS covered employment plus age equals or exceeds 88 (Rule of 88) <p>Early retirement, same as above plus reduction: The amount lifetime monthly benefits are reduced for early retirement increases to 6 percent times the number of years the member receives benefits before age 65. The 6 percent reduction for early retirement will affect only people who retire before reaching normal retirement age.</p> <p>Age 70 or older, members may receive IPERS income and continue active IPERS employment.</p>	<p>Normal Retirement Age</p> <ul style="list-style-type: none"> • Age 55 or older <p>While there are members that may qualify for access to retirement funds without tax penalties, prior to age 59½; members are encouraged to discuss tax issues with a tax consultant prior to beginning distribution.</p>
<p>Plan Design</p>	<p>The rules governing the operation of IPERS are controlled by the Iowa legislature.</p> <p>Changes are communicated by IPERS directly to members.</p>	<p>Established by Iowa State University (ISU) and approved by the State Board of Regents.</p> <p>The design is subject to change. Any change is communicated to members by ISU.</p>

NOTE: The initial election (or default) of IPERS or TIAA may only be changed following a qualifying break in service from Iowa State University.
