

Plan Comparisons	Iowa Public Employees Retirement System	Teacher's Insurance Annuity Association
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<b>Plan Definition</b>	<p>The IPERS plan is a defined <b>benefit</b> plan.</p> <p>The retirement income is determined by a formula based on years of service and the salary earned.</p>	<p>TIAA is a defined <b>contribution</b> 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>
<b>Contribution amounts are subject to change as determined by the governing bodies (see Plan Design on second page)</b>		
<b>Employee Contribution</b>	<p>July 1, 2020: 6.29% of budgeted salary</p> <p>Each July 1: IPERS may adjust rate by no more than 1.0 percentage point.</p> <p><b>Note:</b> Protected Occupations (Police): 6.41%</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>
<b>Employer Contribution</b>	<p>July 1, 2020: 9.44% of budgeted salary</p> <p>Each July 1: IPERS may adjust rate by no more than one percentage point.</p> <p><b>Note:</b> Protected Occupations (Police): 9.61%</p>	<p>Year 1-5: 6.66% of first \$4,800 of budgeted salary</p> <p><b>Effective 7-1-2021:</b> 10.00% of budgeted salary over \$4,800</p> <p>Year 6+: 10.00% of budgeted Salary</p>
<b>Contribution Example</b>	<p>\$3,000.00 monthly budgeted salary</p> <p>Regular employee Example:</p> <p><b>Employee contribution</b> 6.29% of \$3,000 = \$188.70</p> <p><b>ISU contribution</b> 9.44% of \$3,000 = \$283.20</p> <p><b>Monthly Total \$471.90</b></p> <p>Protected Occupations (Police) Example:</p> <p><b>Employee contribution</b> 6.41% of \$3,000 = \$192.30</p> <p><b>ISU contribution</b> 9.61% of \$3,000 = \$288.30</p> <p><b>Monthly Total \$480.60</b></p>	<p>\$3,000.00 monthly budgeted salary</p> <p><u>Year 1-5</u> <b>Employee contribution</b> 3.33% of base pay until \$4,800.00 is reached. Rest of year after \$4,800; 5% of base pay.</p> <p>First pay period: 3.33% x \$3,000 of first \$4,800 = \$ 99.90</p> <p>Next pay period: 3.33% x \$1,800 (\$4,800 reached) = \$ 59.94 and 5% of \$1,200 = \$ 60.00 <i>Employee total \$119.94</i></p> <p>Next pay period 5% x \$3,000 <i>Employee total \$150.00</i></p>

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		<p><u>Year 1-5</u>  <b><i>ISU contribution</i></b> 6.66% of base pay until \$4,800.00 is reached.  Rest of year after \$4,800, 10% of base pay.</p> <p>First pay period    6.66% x \$3,000 of first \$4,800       = \$199.80</p> <p>Next pay period    6.66% x \$1,800 (\$4,800 reached =    \$119.88  and 10% of \$1,200 = <u>\$120.00</u>  <i>ISU total</i>         \$ 239.88</p> <p>Next pay period    10% x \$3,000 =                                         \$300.00</p> <p><u>Year 6 +</u>  Employee contribution - 5.00%   = \$ 150.00  ISU contribution -                 10.00%   = <u>\$ 300.00</u>  Monthly Total                 \$ <b>450.00</b></p>
<p><b>Vesting</b>  <i>(Ownership in the retirement funds deposited in your account by ISU)</i></p>	<p><b><u>Employee Contributions</u></b>  A member is always 100 percent vested in their own contributions. If changing jobs, you keep your IPERS if your new job is also 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><b><u>ISU Contributions</u></b>  A member not vested by July 1, 2012 will be vested after 7 yrs 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><b><u>Employee Contributions</u></b>  A member is always 100 percent vested in their contributions.</p> <p><b><u>ISU Contributions</u></b>  A member will become vested after any of the following:</p> <ul style="list-style-type: none"> <li>• 3 calendar years of service (not academic years)</li> <li>• age 65</li> <li>• designated as a disabled employee</li> <li>• pass away while employed</li> <li>• ISU discontinues plan</li> </ul>
<p><b>Resign from ISU Employment</b></p>	<p>If a member continues working in an IPERS-covered position (Iowa public employment), participation in IPERS may continue.  If leaving public employment, the member may:</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>

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	<ul style="list-style-type: none"> <li>· roll the available funds of the account over to another qualified plan.</li> <li>• take a refund subject to taxes/penalties</li> <li>• leave funds on deposit with IPERS               <ul style="list-style-type: none"> <li>- If not vested, funds will be in a noninterest bearing account.</li> <li>- If vested, your eventual retirement income benefit is guaranteed for life, no matter how long you live and no matter how the investments perform.</li> </ul> </li> </ul> <p>Contact IPERS directly to discuss options for retirement benefit calculation.</p>	<ul style="list-style-type: none"> <li>· Only member funds and the vested ISU Contribution account balances will be portable.</li> <li>• Members may receive a lump sum payment once employment ends.</li> <li>• Members interested in beginning retirement income benefits should meet with TIAA consultants to discuss income options.</li> </ul> <p>Contact TIAA directly to discuss options for distribution.</p>
<b>Retirement Age</b>	<p>Normal Retirement Age</p> <ul style="list-style-type: none"> <li>• Age 65</li> <li>• Age 62 if 20 or more years of IPERS covered employment (62/20)</li> <li>• When years of IPERS covered employment plus age equals or exceeds 88 (Rule of 88)</li> </ul> <p>Early retirement, same as above, plus a possible 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"> <li>• Age 55 or older</li> </ul> <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>
<b>Plan Design</b>	<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>

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

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