

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.</p> <p>The retirement income is determined by a formula based on years of service and the salary earned.</p> <p>Defined benefit plans are sometimes called traditional pension plans.</p>	<p>TIAA is a type of defined contribution plans (403b).</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, 2014: 5.95% 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, 2014: 8.93% 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</i> 5.95% of \$3,000 = \$178.50</p> <p><i>ISU contribution</i> 8.93% of \$3,000 = \$267.90</p> <p>Monthly Total <u>\$446.40</u></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 B-base divide by 9 (\$4800/9=\$533.34)=\$17.76</p> <p>5.00% of the remaining salary (\$2,600) = \$ 130.00 B-base (\$2,466.66)=\$123.34</p> <p><i>ISU contribution</i> 6.66% of first \$400 (B-base \$533.34) = \$ 26.66 10.00% of the remaining salary = \$ 260.00 B-base (\$2,466.66)=\$246.67</p> <p>Monthly Total <u>\$ 429.99</u></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 <u>\$ 450.00</u></p>
Vesting <i>(Ownership in the retirement funds deposited in your account by ISU)</i>	<p><u>Employee Contributions</u> A member is always 100 percent vested in their own contributions.</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 100% 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 value of the account over to another qualified plan • take a refund • 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, the funds will continue to accumulate interest. <p>Contact IPERS directly for options and forms (800-622-3849).</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. <p>Contact TIAA directly to discuss options for distribution (800-732-8353).</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.
