



IPERS Retirement Dividend Payments Lunch and Learn

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Not a traditional cost-of-living adjustment

- A retiree's monthly benefit payment is determined by formula at the time of retirement and the amount does not change.
- Instead of adjusting for inflation, the General Assembly created two separate once-a-year payments for retirees:
 - ◆ November Dividend (for pre-1990 retirees)
 - ◆ Favorable Experience Dividend (FED) for 1990 and later retirees.

November Dividend Payment History

Paid In Fiscal Year	November Dividend	Number of Recipients	Median Payment Amount	Percent Multiplier
1999	\$ 14,086,374	33,414	\$ 327	1.33
2000	15,451,127	31,462	391	1.59
2001	19,010,893	29,644	524	3.00
2002	22,282,087	27,861	664	3.00
2003	20,835,973	26,106	662	0.00
2004	19,300,657	24,262	658	0.00
2005	17,911,022	22,554	657	0.00
2006	16,542,558	20,870	655	0.00
2007	15,231,083	19,227	654	0.00
2008	13,937,278	17,604	653	0.00
2009	12,613,373	15,982	651	0.00
2010	11,407,690	14,496	650	0.00
2011	10,265,166	13,098	647	0.00
2012*	9,187,585	11,755	652	0.00
2013*	8,173,398	10,484	649	0.00

*FY 2012 and FY 2013 numbers are estimates.

Note: The November dividend was first paid in November 1997 (FY 1998) to 34,215 retirees; however, the FY 1998 CAFR did not separately report the dividend payment from the benefits paid that year.

FED Reserve Account (continued)

Favorable Experience Dividend Reserve Account

Fiscal Year	FED Transfer	1 FED Payments	3 Net Investment Income	4 Fiscal Year-End Balance
1999	\$ 229,000,000	2 \$ (12,152,683)	\$ 29,523,325	\$ 246,370,642
2000	264,908,935	(18,797,522)	38,522,151	531,004,206
2001	108,440,545	(46,219,145)	(22,197,795)	571,027,811
2002		(57,890,007)	(26,518,247)	486,619,557
2003		(25,570,783)	26,210,587	487,259,361
2004		(31,067,817)	67,497,454	523,688,998
2005		(37,178,186)	56,650,354	543,161,166
2006		(43,988,077)	58,021,055	557,194,144
2007		(51,378,132)	86,964,919	592,780,931
2008		(59,512,875)	(8,301,373)	524,966,683
2009		(68,463,353)	(85,779,297)	370,724,033
2010		(78,080,966)	46,466,138	339,109,205
2011		(88,569,816)	59,248,895	309,788,284
2012		(100,428,496)	9,406,974	218,766,762
* 2013		(113,268,961)	12,506,607	118,004,408 5
	<u>\$ 602,349,480</u>	<u>\$ (832,566,819)</u>	<u>\$ 348,221,747</u>	

* estimates

NOTES:

1 FED Transfers are made January 15.

2 The Fund did not exist in June 1998 (FY 1998). The Fund was seeded with money to cover an estimated five years of payments on July 1, 1998.

3 FED payments are always made in January.

4 Net investment income is applied as of June 30.

5 The FY 2013 amounts are estimates. The FY 2013 estimated rate of return is 7.5%.

FED Example

Monthly IPERS Benefit For December	Multiplied By 12	Percentage Multiplier	Number Of Calendar Years Retired	Equals The FED Payment Amount
\$500	x 12	x 3.00%	x 2	= \$360.00
\$500	x 12	x 1.07%	x 3	= \$192.60
\$500	x 12	x 1.07%	x 4	= \$256.80
\$500	x 12	x 1.07%	x 5	= \$321.00

FED Payment History

Paid In Fiscal Year	FED	Number of Recipients	Median Payment Amount	Percent Multiplier
1999	\$ 12,152,683	26,993	\$ 317	1.33
2000	18,797,522	29,590	425	1.59
2001	46,219,145	35,152	915	3.00
2002	57,890,007	39,445	1,014	3.00
2003	25,570,783	44,619	392	1.07
2004	31,067,817	48,347	445	1.07
2005	37,178,186	52,712	491	1.07
2006	43,988,077	56,509	537	1.07
2007	51,378,132	60,329	588	1.07
2008	59,512,875	64,518	619	1.07
2009	68,463,353	68,797	674	1.07
2010	78,080,966	72,707	729	1.07
2011	88,569,816	76,936	782	1.07
2012*	100,428,496	83,931	761	1.07
2013*	113,268,961	87,931	860	1.07

*FY 2012 and FY 2013 numbers are estimates.

Questions?

- This information has been provided to answer questions regarding the IPERS Retirement Dividend Payments.
- If you have any further questions, please call or email:

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