



Iowa Department of Public Safety

Peace Officers' Retirement, Accident, and Disability System

Retirement Planning Presentation

What is POR?



POR is a qualified 401(a) Defined Benefit plan under the IRS code.

- Provides a predictable benefit at retirement.
- Benefits are paid for your lifetime based on a formula, not on the amount of your investment.

POR Administration



- *Iowa Code, 97A*
- *Iowa Administrative Code – 661, Chapters 400-403*
- Board of Trustees
 - Commissioner of Public Safety – Stephan Bayens (Chairperson)
 - Treasurer of State – Roby Smith
 - Governor’s Appointee – Mark Oiler, AVP & Actuary, Principal Financial Group
 - Active Member Representative – Robert Conrad (Trooper)
 - Retired Member Representative – Michael Metzger (Captain)
- DPS provides administrative staff
 - POR Administrator – Erinn Castleberry
 - Senior Retirement Benefit Officer – Jasmine Cripps
- Investments administered through office of the Treasurer of State

Membership



- 1,279 members as of 7/1/2023 valuation
 - +/- FY2023 activity
 - +28 DOT MVE officers
- Sworn peace officers of the Iowa Department of Public Safety
 - Division of Criminal Investigation
 - Division of Narcotics Enforcement
 - Division of Intelligence
 - Iowa State Patrol Division
 - State Fire Marshal Division

Vesting



- Requires four full years of membership service.
- Employees who terminate employment prior to completing four (4) full years of service may take a distribution of their contributions and interest, either paid to them or (if qualified) rolling it over to another qualified retirement plan.

Service Creditable



Service for fewer than six months of a year is not creditable as service. Service of six months or more of a year is equivalent to one year of service, but in no case shall more than one year of service be creditable for all service in one calendar year, nor shall the board of trustees allow credit as service for any period of more than one month duration during which the member was absent without pay.

“6 months plus 1 day” for retirement purposes



Plan Overview



- Employee contribution 11.4%; Employer contribution 37%
- Provides a service retirement with 7 optional benefit selections
- Normal retirement age is 55
- Early retirement option as early as age 50 with 22 years of service
- Pays 2.75% per year of service, up to 88% at 32 years
- Provides you with disability and death benefits (amount varies)

Average Final Compensation



- Average of earnable compensation during your high three (3) years of service
- Earnable compensation includes:
 - Regular or bi-weekly base pay
 - Longevity
 - Per diem meal allowance under Iowa Code §80.6
- Earnable compensation excludes:
 - Overtime compensation or special additional compensation
 - Other payments for meal expenses
 - Uniform cleaning allowances
 - Travel expenses
 - Uniform allowances
 - Any amount received upon termination or retirement in payment of accumulated sick leave or vacation

Retirement Example



Service Retirement Calculation:

Average Final Compensation:

High 1: 90,702.30

High 2: 96,526.30

High 3: 102,724.70

High 3 Years Total: \$295,353.30

÷ 36 months

\$8,204.26

Service Multiplier* X 88%

Gross Monthly Allowance: \$7,219.75

Service Multiplier

Years	%
22	60.50
23	63.25
24	66.00
25	68.75
26	71.50
27	74.25
28	77.00
29	79.75
30	82.50
31	85.25
32	88.00



-Service multiplier assumes member retires with 32 years of service.

-Total of the 3 years of highest annual compensation used; dividing by 36 will produce the average monthly compensation.

-*Early Retirement:* If member retires after age 50, but prior to age 55, the monthly pension benefit would be adjusted according to the Early Retirement Actuarial Table.

Choosing Optimal Retirement Date



- Recommend getting estimate 3-4 years before retirement date
- **Years of Service:** 31 years, 6 months, 1 day
- **Insurance:** Employee premiums are in effect through the month of retirement. Retiree rates begin the following month.
- **Holidays:** Employee must be in paid status the day before and after the holiday.
- **Raises:** Is there a pending increase or raise that would impact the final SLTF calculations or final paycheck?
- Submit “Application for Benefits” 30-90 calendar days prior to retirement date
 - If married, include a copy of your spouse’s birth certificate & marriage certificate



Early Retirement Reduction Factors

State of Iowa Peace Officers' Retirement, Accident and Disability System Early Retirement Reduction Factors - Effective 1/1/2023

Factor to be applied to a Normal Retirement Benefit to convert it to an actuarially equivalent benefit payable at Early Retirement Age

AGE	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
50	0.6830	0.6874	0.6918	0.6963	0.7006	0.7050	0.7094	0.7138	0.7182	0.7227	0.7271	0.7315
51	0.7359	0.7407	0.7455	0.7503	0.7551	0.7599	0.7647	0.7695	0.7743	0.7792	0.7839	0.7887
52	0.7935	0.7988	0.8040	0.8093	0.8145	0.8197	0.8249	0.8302	0.8354	0.8407	0.8459	0.8512
53	0.8563	0.8620	0.8678	0.8735	0.8793	0.8849	0.8907	0.8964	0.9021	0.9079	0.9135	0.9193
54	0.9250	0.9313	0.9376	0.9437	0.9500	0.9563	0.9626	0.9687	0.9750	0.9813	0.9876	0.9937
55	1.0000											

Assumptions:

Interest rate = 6.50%

Mortality = Pub-2010 Public Safety Median Mortality Table with Projections to 2040 using Scale MP-2021 (Males -2, Females -2)

Percent Married (electing Joint Annuity) = 90%

Spouse Age Difference = Males 4 years older than Females

Member Gender = All Males

Benefit Options



- All options provide a retiree with a lifetime benefit.
- Monthly amounts vary depending on the death/survivor benefit chosen.
- Payment benefit option can never be changed once POR issues the first payment.
- Beneficiary: Death benefits are payable to certain individuals as defined in Iowa Code section 97A (typically surviving spouse, children, or dependent parent(s)).
- While still employed, please keep POR records updated for any beneficiary or life changes. These are in addition to forms filed with HR.



Benefit Options



- Option 1 – Straight Life Annuity
- Option 2 – Straight Life Annuity with 5 years certain
- Option 3 – Straight Life Annuity with 10 years certain
- Option 4 – Joint and 50% Survivor Annuity (Base Benefit)
 - Only option that allows you to change beneficiary
 - If you have a QDRO, must select Option #4
- Option 5 – Joint and 75% Survivor Annuity
- Option 6 – Joint and 100% Survivor Annuity
- Option 7 – Single Life Annuity (with a designated lump sum amount)

Escalations (Pay Increases) in Retirement



For members with 22 years of service:

- Flat amounts: The first July after retirement, a guaranteed benefit escalation of \$15 per month is given; then an additional \$5 per month is given at 5/10/15/20 years.
- Across-the-board: Retirees receive 40% of any across the board increases paid to active employees in the same position held at retirement.

Leaving DPS Early



Early Retirement

- May retire as early as age 50
- Early reduction factor applied to monthly benefit amount
- Draw pension immediately
- Keep sick leave bank

Terminated Vested

- Can leave any time after 4 years vested
- No early reduction factor applied to monthly benefit amount
- Wait to draw pension at age 55
- Lose sick leave bank
- No opportunity to stay in retiree health plan

Tips



- Ask for a retirement estimate 3-4 years before you are planning to retire.
- You must submit your retirement application 30-90 days prior to your retirement date.
- There is a full retirement packet that needs submitted.
- We suggest an individual retirement planning meeting with POR staff about 6-12 months out from your retirement. (Invite your spouse, if married!)



Erinn A. Castleberry
POR Administrator

Jasmine Cripps
Senior Retirement
Benefits Officer

POR@dps.state.ia.us

POR Website: <https://dps.iowa.gov/divisions/administrative-services/peace-officer-retirement>



Questions?