

FY2023

ANNUAL SUMMARY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



A LETTER FROM THE CHIEF EXECUTIVE OFFICER

On July 4, 1953, the Iowa Public Employees' Retirement System (IPERS) officially replaced the Iowa Old-Age Survivors' Insurance Program, giving public employees access to a defined benefit retirement plan. Seventy years later, IPERS' assets under management exceed \$41 billion and support nearly 180,000 active members and more than 133,000 retirees. One in 10 Iowans is an IPERS member.

This milestone is a good time to remember that IPERS takes a long-term approach to its funding strategy, with liabilities that extend as much as 100 years into the future. As IPERS celebrates seven decades, we're reminded that many of today's youngest members will live long enough to receive retirement benefits another 70 years from now. This is why IPERS is constantly looking to the future, mindful of our commitment to those who are in the earliest days of their careers in public service and to our handful of retirees who are receiving benefits past the age of 100.

This Summary Annual Financial Report gives plenty of reasons to feel a sense of pride about our current financial position and strong optimism about the future of the retirement plan. Along with the entire IPERS team, I am honored to serve you now and in the future.



Sincerely,

A handwritten signature in black ink that reads "Gregory S. Samorajski".

Gregory S. Samorajski
CEO

Scan this QR code to read the FY2023 Annual Comprehensive Financial Report or visit our website at www.ipers.org.



BY THE NUMBERS

All data is as of June 30, 2023, unless noted otherwise.



FUNDED RATIO

A funded ratio equals the value of assets divided by pension obligations or liabilities.

89.70%

INVESTMENT PERFORMANCE

IPERS' investment policy goal is to maximize the total rate of return on investments with prudent risk parameters. Solid performance over time is important.

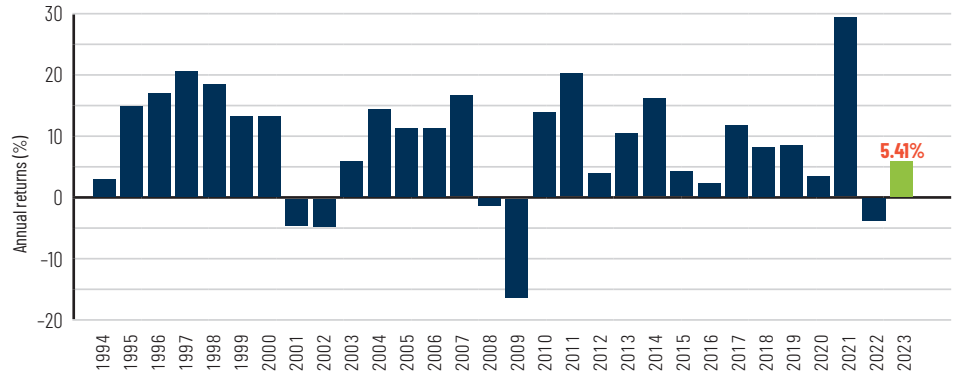
5.41%

FY2023
Investment
Return

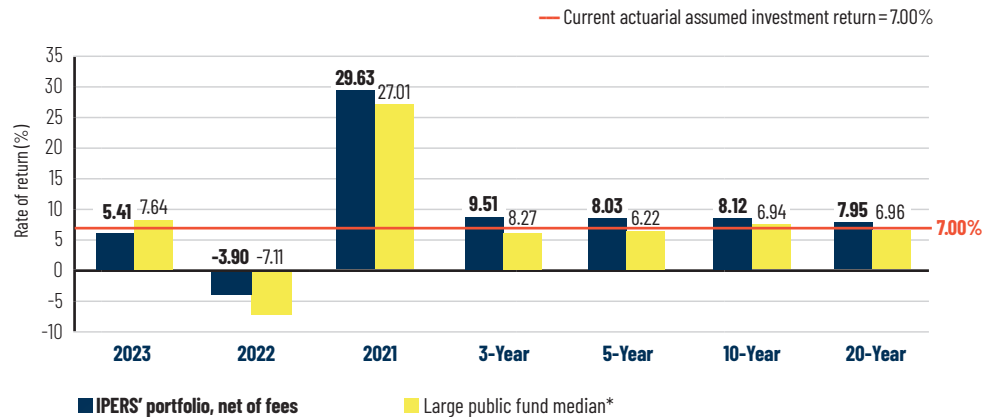
7.00%

Long-Term
Investment
Assumption

INVESTMENT RETURNS

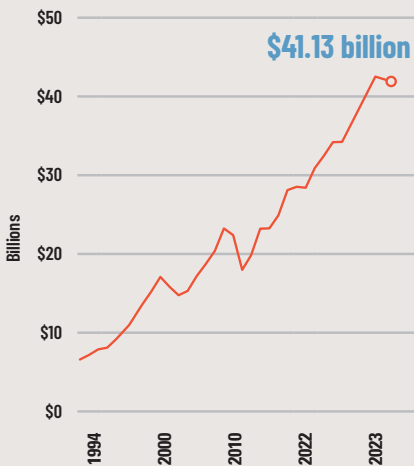


INVESTMENT PERFORMANCE SUMMARY



IPERS TRUST FUND

At the end of FY2023, the value of the IPERS Trust Fund equaled more than \$41 billion.

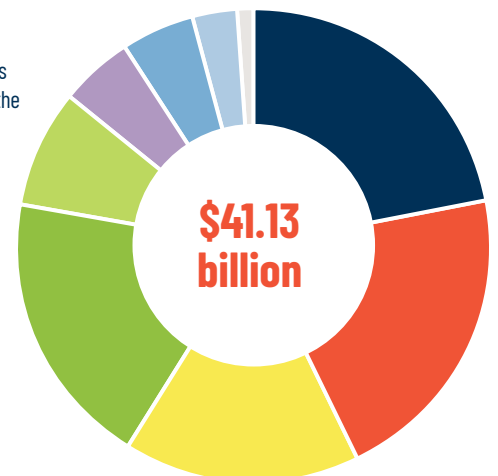


ASSET ALLOCATION

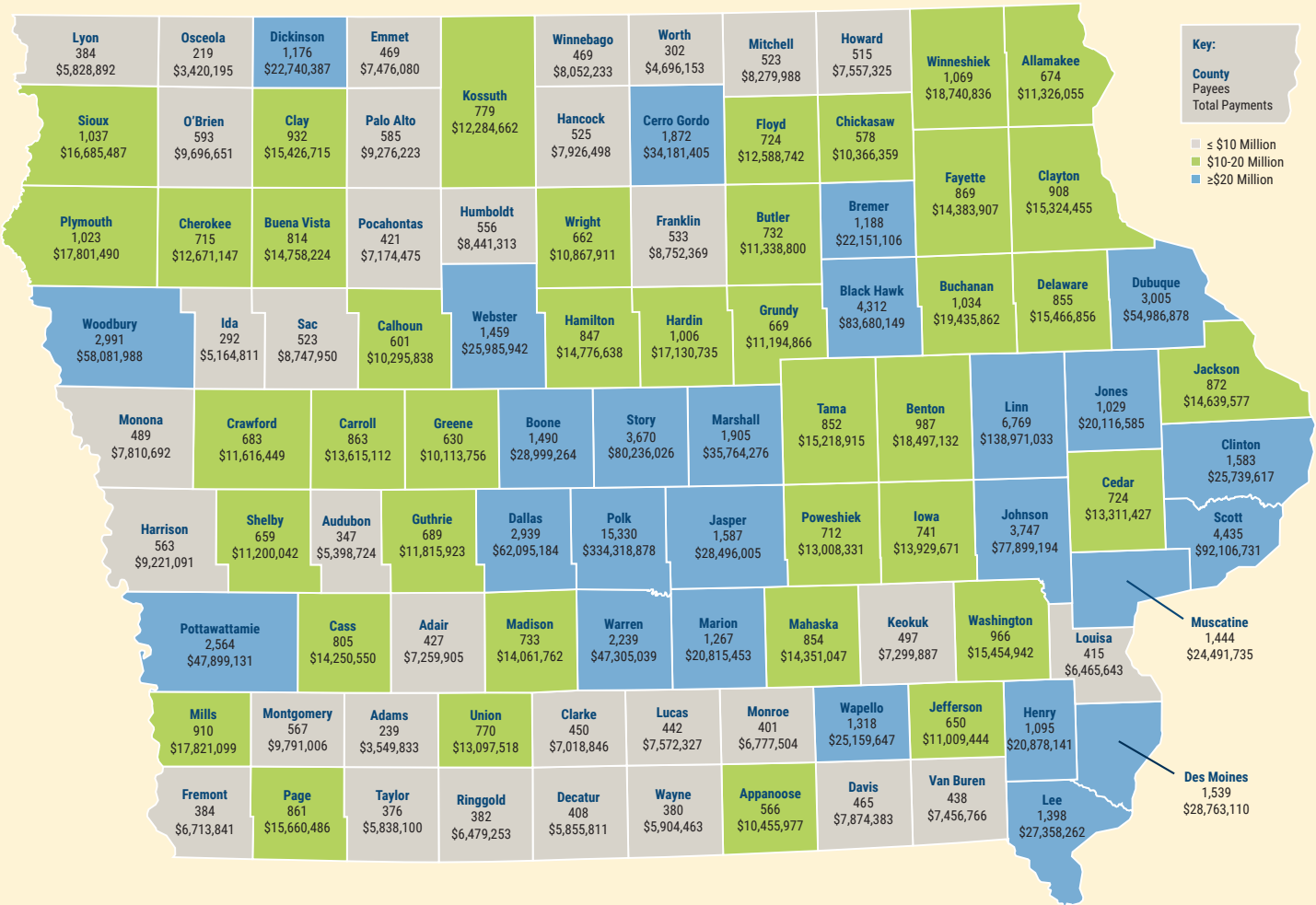
An investment portfolio constructed of diversified assets will, on average, yield high long-term returns and lower the risk of any individual holding or security.

(Fair Values in Millions)

- Core fixed income (22%) \$8,958
- Domestic equity (21%) \$8,560
- Private equity (19%) \$7,865
- International equity (16%) \$6,606
- Private real assets (8%) \$3,249
- Private credit (5%) \$2,179
- Global smart beta equity (5%) \$2,042
- Public credit (3%) \$1,185
- Cash (1%) \$485



BENEFIT PAYEES AND PAYMENTS BY COUNTY

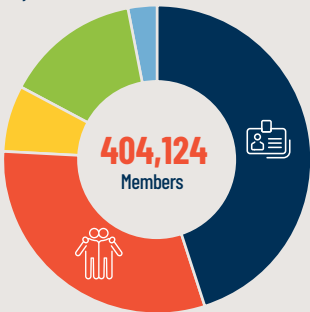


\$2.6 billion
TOTAL BENEFITS PAID

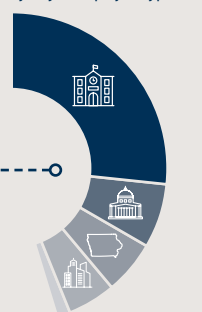
\$2.3 billion
BENEFITS PAID TO RETIREES LIVING IN IOWA

MEMBERSHIP

ALL MEMBERS by Status



ACTIVE MEMBERS by Major Employer Type



- Active (45%) 179,903
- Retired (31%) 125,397
- Inactive vested (7%) 26,857
- Inactive nonvested (16%) 63,517
- Retired reemployed (2%) 8,450
- Education (52%) 93,034
- County (16%) 28,215
- State (15%) 27,821
- City (14%) 24,856
- Other (3%) 5,976

Note: Due to rounding, chart may not equal 100%.

NEW IPERS RETIREES IN FY2023



5,747
Number of retirees



\$2,084
Average monthly benefit



21.75
Average years of service

ADMINISTRATION COST

IPERS' pension administration costs per active member and annuitant are significantly lower than its peers.

\$104



Peer average cost

\$46



IPERS' cost

Source: CEM Benchmarking Inc., FY2022

Iowa Public Employees' Retirement System

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www.ipers.org |

**A LETTER FROM THE GOVERNOR
AND LT. GOVERNOR**

Iowa is a place where everyone has the freedom to flourish—where families thrive, businesses grow and government is responsive to the people it serves.

Recently, we were pleased to announce that the state of Iowa ended FY2023 with a balance of \$1.83 billion in the state's general fund. This accomplishment is proof of our administration's commitment to fiscal responsibility and growth-oriented policies.

IPERS also achieved financial success in FY2023, earning a 5.41% return on its investments and generating an additional \$1 billion for the trust fund that pays benefits. As the sponsors of IPERS, and as IPERS members ourselves, we're proud of this strong performance.

Equally, we are proud of the thousands of public employers and public workers in Iowa who contribute financially to IPERS and who serve the people of Iowa. To those who are retired and receive a monthly payment from IPERS, thank you for your service. We hope you enjoy a long and happy retirement. And to those who continue to work on behalf of Iowans, we value you and support you on your journey to retirement.

There's never been a better time to live and work in Iowa. Thank you for contributing to the strength of our state.



Kim Reynolds

Kim Reynolds
Governor of the State of Iowa



Adam Gregg

Adam Gregg
Lt. Governor of the State of Iowa



FIDUCIARY NET POSITION

(Dollar Values Expressed in Thousands)
Fiscal Years Ended June 30

	2023	2022	2023/2022 Percentage Change	2021	2022/2021 Percentage Change
Cash and investments at fair value	\$41,275,627	\$41,283,685	(0.02)	\$43,661,649	(5.4)
Receivables	454,280	1,123,264	(59.6)	1,213,789	(7.5)
Capital assets	14,103	15,305	(7.9)	13,127	16.6
Other assets	1,282	1,071	19.7	628	70.5
Total assets	41,745,292	42,423,325	(1.6)	44,889,193	(5.5)
Deferred outflows of resources	264	322	(18.0)	99	225.3
Total liabilities	538,760	2,231,761	(75.9)	1,999,337	11.6
Deferred inflows of resources	483	344	40.4	79	335.4
Total net position	\$41,206,314	\$40,191,542	2.5	\$42,889,876	(6.3)

CHANGES IN FIDUCIARY NET POSITION

(Dollar Values Expressed in Thousands)
Fiscal Years Ended June 30

	2023	2022	2023/2022 Percentage Change	2021	2022/2021 Percentage Change
Additions					
Contributions and service purchases	\$1,511,423	\$1,430,839	5.6	\$1,371,873	4.3
Net investment and securities lending income/(loss)	2,151,173	(1,583,546)	(235.8)	9,895,374	(116.0)
Total additions	3,662,596	(152,707)	(2,498.4)	11,267,247	(101.4)
Deductions					
Benefits and refunds	2,633,902	2,532,040	4.0	2,418,871	4.7
Administrative expenses	13,922	13,587	2.5	13,852	(1.9)
Total deductions	2,647,824	2,545,627	4.0	2,432,663	4.6
Extraordinary item*	-	-	-	7,600	-
Increase/(decrease) in net position	\$1,014,772	(\$2,698,334)	(137.6)	\$8,842,184	(130.5)

*IPERS received the final settlement payment from the Westridge Capital fraud case, CFTC v. Walsh / SEC v. WG. This payment resulted in an extraordinary item during FY2021.

Total net position restricted for pensions increased from \$40.192 billion on June 30, 2022, to \$41.206 billion on June 30, 2023. These assets consist of capital assets owned by IPERS and net investment portfolio assets.

In FY2023, employee and employer contributions, including service purchases, totaled \$1.511 billion, while total member benefits equaled \$2.634 billion (monthly benefits, lump-sum retirement benefits, death benefits, refunds and dividend payments). The resulting \$1.122 billion contribution shortfall was funded with earnings and sales proceeds from the investment portfolio.