

# FY2025 Performance Report

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## A LETTER FROM THE CEO

FY2025 was a year of progress and transformation for IPERS. Guided by our strategic plan, IPERS succeeded in strengthening our financial health, improving member services and investing in our future.

### Improved Financial Strength

IPERS' funded ratio reached 92.2% at the end of FY2025, surpassing our goal of 90.2%.

### Enhanced Member Services

We reorganized our Benefits Division to create a more robust Member Operations Division. We also initiated digital delivery of most letters and documents in My Account, IPERS' online retirement toolkit. And – after months of planning – we launched Amazon Connect, a new, sophisticated customer service center software program that helps members interact with IPERS more easily.

### Stronger Systems and Security

IPERS began planning for a multi-year transition to a new pension administration system that will offer modern technology and enhanced security features. The PAS is a vital tool, as it manages all aspects of each member's IPERS account.

### Investing In Our Team

IPERS launched an internal program to support employees who are emerging as the next generation of leaders. We are committed to investing in the knowledgeable, dedicated professionals that will guide IPERS into the future.

These are just a few examples of IPERS' relentless commitment to administering the strongest public pension plan in the country. Thank you for joining us along this journey.

Sincerely,



Greg Samorajski, CEO

## EXECUTIVE SUMMARY

IPERS is pleased to present this summary of its FY2025 performance, according to the goals established in its 2025 Operational Plan. This document shares IPERS' major accomplishments during the last fiscal year, a report of its key performance indicators and an explanation of progress achieved in its four key program areas.

As a multiple-employer, cost-sharing pension plan with 423,989 members, IPERS is the largest public pension system in Iowa. In FY2025, the IPERS Trust Fund paid \$2.759 billion in benefits. Of that, \$2.442 billion was paid to members living in Iowa. One in 10 Iowans is an IPERS member. Further, the value of the IPERS Trust Fund that pays member benefits and IPERS' expenses reached a value of nearly \$47 billion in FY2025, an all-time high.

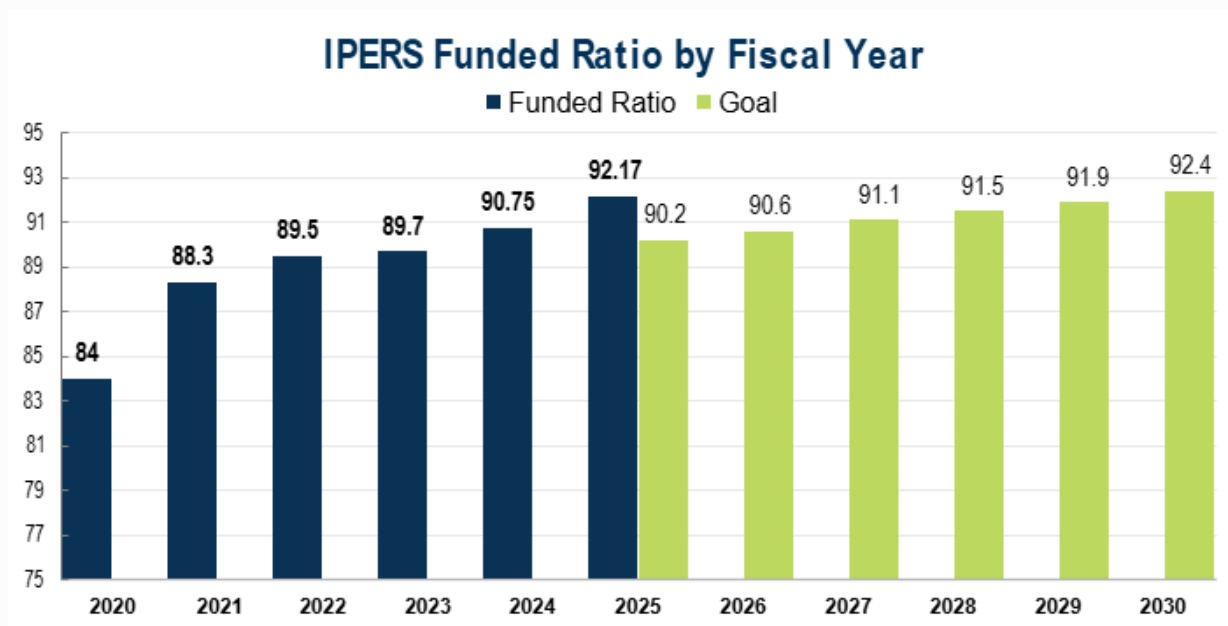
IPERS employees are committed to serving its members and efficiently administering a system that is vital to members' livelihoods and Iowa's economy. Using the strategic plan as our guide, IPERS is poised to achieve continued success.

## PROGRESS MADE IN FY2025 ON OVERALL IMPROVEMENT EFFORTS

### Investment Program

At the close of FY2025, IPERS' net investment portfolio assets had a fair value of \$46.682 billion. This represents an increase of \$3.070 billion from the \$43.612 billion investment asset fair value as of June 30, 2024. IPERS' 9.87% net investment return for the fiscal year was the main reason for the increase in fair value. IPERS's investment return goal is 7% annually. In FY2025 IPERS' funded ratio reached 92.2%, surpassing the goal of 90.2%. IPERS is on track to achieve full funding in approximately 2036, almost 10 years sooner than originally expected.

**Strategic Initiative:** Achieve actuarial milestones on the path to full funding and maintain stable or achieve reduced contribution rates



## Service Delivery Program

In FY2025, IPERS launched several initiatives as part of its ongoing effort to modernize the delivery of service to members. In late 2024, IPERS announced that all members would receive documents electronically via My Account, IPERS' secure online portal. This initiative allows members to access important materials securely and independently, often earlier than they would arrive by mail. Members who wish to receive documents by mail may change their delivery preference. In March, IPERS instituted a monthly direct mail campaign that provides log-in instructions to members who have not used My Account. In FY2025, an average of 11% of mail recipients converted to first-time My Account users.

IPERS also transitioned its phone software to Amazon Connect, an AI-powered, cloud-based customer service software that lets IPERS use several communication channels to interact with customers more efficiently. In FY2026, IPERS will expand its use of Amazon Connect with the addition of an online chatbot that can answer member questions on-demand.

In March, during most schools' spring break, IPERS hosted more than 300 educators in Des Moines for two half-day sessions that educated near-retirees about IPERS' benefits program to help them prepare for retirement. This work will continue in FY2026 when IPERS rolls out the first phase of a comprehensive education program, including IPERS' staff delivering services in communities across Iowa for the first time in more than five years.

**Strategic Initiative:** Modernize and improve all facets of service delivery using multiple methods, including in-person, virtual and digital.

### Satisfaction with IPERS services

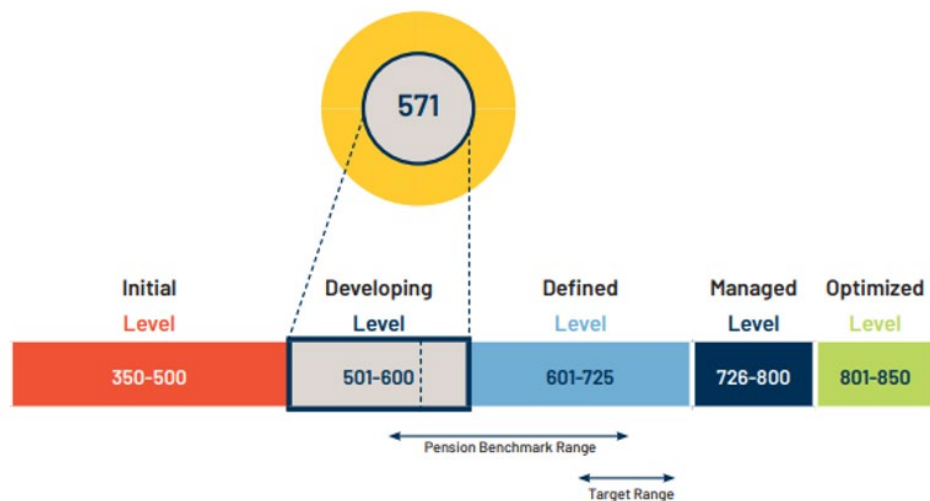


## Risk and Compliance Management Program

In early 2023, IPERS commissioned Linea Solutions, a risk management and cybersecurity firm, to examine its current operating environment and identify risks. Linea's report suggested more than 100 operational enhancements.

Linea gave IPERS' business process program a score of 571, which represents a "Developing" program and suggests that IPERS' processes are promising and within the range of some of its public sector pension peers. But, with better staffing and program improvements, Linea believes that IPERS could reach its target score of 650-725.

IPERS took important steps to create a stronger risk and compliance program in FY2025 when it expanded the program's scope to include internal and external audit functions, and investment and employer compliance. The broadened team, now called the Risk and Compliance Division, can more effectively achieve the goals outlined in the strategic plan and lessen IPERS' exposure to risk.



**Strategic Initiative:** Bolster IPERS' business process to ensure the security of member data, the accuracy of payments and the overall quality of performance.

## Shared Costs and Services Program

IPERS' talented workforce includes several seasoned, expert employees. Retirement is eminent for many of these people, so IPERS has taken a proactive approach to nurturing emerging leaders within the organization. In FY2025, IPERS launched its inaugural, year-long leadership program to help select staff members gain the skills necessary to potentially assume new roles. So many staff sought to participate in the program that IPERS will offer a second cohort in FY2026. In addition, IPERS' leadership team made a concerted effort to gather staff insights through a comprehensive SWOT exercise, and in all staff and small group meetings. These will continue annually.

**Strategic Initiative:** IPERS members will engage with a highly committed, professional and knowledgeable workforce supported by appropriate job classifications, compensation plans, professional development and growth opportunities throughout their careers at IPERS.



## MAJOR ACCOMPLISHMENTS IN FY2025

IPERS acknowledged that it needed to make staffing and business process improvements to support the goals identified in the FY2025 operational plan. In FY2024, IPERS' staff was unable to sufficiently manage the volume of members who called IPERS. This created an increase in the number of seconds members waited to reach a staff member, and it lowered many of the scores that measure service to its members. In FY2025, IPERS continued to implement its plan to modernize its staffing structure and business processes to address the goals identified in the operational plan. This is a multiyear effort, and progress achieved in FY2025 is explained below.

To modernize and enhance service delivery, IPERS employed a variety of methods, including in-person, virtual and digital services. As part of this initiative, IPERS restructured its Benefits Division to form the Member Operations Division. This new division now includes the Performance Management, Retirement Automation and Member Services Bureaus. After a member interacts with IPERS' Member Operations Division, IPERS sends a survey to measure the member's satisfaction with that interaction. In FY2025, 93.60% of survey respondents said they were "mostly satisfied" or "completely satisfied" with the service they received from IPERS.

In late 2024, IPERS announced its transition to digital document delivery via My Account, discontinuing ground mail delivery for most documents. Members who prefer to receive documents by mail can update their preference accordingly. This change meant IPERS spent approximately 22% less in paper and postage in FY2025 as it did in FY2024. Other staffing reorganizations created stronger business processes to ensure member data security and benefit payment accuracy.

In early 2025, IPERS selected participants for its inaugural Leadership, Empowerment And Development (LEAD) program. The year-long program aims to support the professional growth of IPERS' emerging leaders and aids in succession planning.

## FY2025 KEY PERFORMANCE INDICATORS

All actuals represent FY2025 data unless noted with an \*, which indicates FY2024 data, the most recent data available. The FY2025 data that will be available in FY2026 will reflect IPERS' accomplishments in FY2025.

An explanation is provided for the KPIs that IPERS did not achieve or exceeded substantially.

Key Performance Indicator	Numeric KPI Target	FY2025 Actual	Explanation
Earn 7% investment returns annually.	Investment return equals 7%	Investment returns equaled 9.87%	Growth markets (equities and credit asset classes) posted strong returns that buoyed total returns.
Earn 10 bps (0.1%) of excess investment returns annually.	10 bps of excess returns achieved	2 bps of excess return achieved	While IPERS made modest gains to beat its benchmark overall, collectively, active managers in the public markets asset class

			trailed their benchmarks.
Before the beginning of FY2026, achieve a funded ratio of 90.2%.	Funded ratio is 90.2%	Funded ratio was 92.17%	Better-than-expected investments returns helped IPERS achieve a higher funded ratio.
Before FY2028, increase IPERS' Service Score for active member experience from 61 to the peer median of 76.	Service Score increases to 64	Service Score was 72*	IPERS' Service Score increased because it implemented a members satisfaction survey program.
Before FY2026, introduce a chatbot, live web chat and the ability to request a callback to increase the Contact Center Capability Service Score by 10 points.	Contact Center Capability Service Score increases to 80	Contact Center Capability Service Score was 70*	This score suffered because IPERS has not yet implemented digital technologies such as live web chat and the ability for members to request a call back.
Before FY2027, reduce the time it takes callers to reach a service agent from 500 seconds to the peer median of 468 seconds.	Amount of time is reduced to 464 seconds	Amount of time was 613 seconds*	IPERS receives a volume of calls that exceeds its small staff's ability to respond quickly to each. IPERS did not adopt a more sophisticated phone system until FY2025.
Before FY2028, reduce the percentage of calls with undesired outcomes from 20.2% to the peer median of 16.8%.	Undesirable outcomes are reduced to 19%	Undesirable outcomes were 33%*	Long on-hold times and the inability to request a call back negatively impacted outcomes.
Grow the number of applications received digitally by 15% annually, achieving receipt of 75% of applications digitally by FY2030.	15% of applications are received digitally	12% of applications were received digitally	IPERS did not promote the availability of the online application until it had appropriate data to measure member satisfaction with the tool.
Before FY2026, offer the Application for IPERS Retirement	Application is available digitally	Application is available digitally	

Benefits for Regular members digitally.			
Before FY2026, implement surveys to new members, secure website users, members who have called IPERS and members who have received one-on-one retirement counseling.	100% of surveys are implemented	100% of surveys were implemented	
Before FY2026, increase the Feedback Service Score from 15 to the peer median of 58.	Feedback Service Score is 58	Feedback Service Score was 100*	The Feedback Service Score increased substantially because IPERS implemented a members satisfaction survey program.
Achieve a 15% average survey completion rate.	Survey completion rate is 15%	Survey completion rate was 15.30%	
At least 80% of survey respondents say they are “mostly satisfied” or “completely satisfied” with the service they received from IPERS.	80% of survey respondents are “mostly satisfied” or “completely satisfied”	93.60% of survey respondents are “mostly satisfied” or “completely satisfied”	Members value the expertise IPERS’ staff provides.
At least 80% of survey respondents say they “agree” or “strongly agree” that IPERS made it easy for them to complete the transaction about which they contacted IPERS.	80% of survey respondents “agree” or “strongly agree”	86.70% of survey respondents “agree” or “strongly agree”	
Before FY2026, implement a monthly direct mail campaign that motivates 20% of respondents who have not activated their member self-service account to do to access documents digitally.	20% of direct mail recipients activate My Account	11% of direct mail recipients activated My Account	The direct mail campaign was implemented, but the desired conversion rate was too ambitious.
Reduce paper and postage costs by 15% annually, achieving a 75% reduction by FY2030.	15% reduction in paper and postage costs	22% percent reduction in paper costs	IPERS’ discontinued printing and mailing several documents in FY2025.
Annually through FY2030, increase the number of IPERS members who receive education from IPERS by 10%.	The number of members who receive education from IPERS increases 10%	The number of members who received education increases by 44%	IPERS offered two half-day education sessions for educators that



			attracted approximately 300 members.
Annually through FY2030, add at least two new educational opportunities for IPERS members.	Two new educational opportunities are added	One new educational opportunity added	IPERS will implement a comprehensive education program in FY2026.
Before 2026, enhance My Account to include the ability for members to manage their document delivery preference	My Account is enhanced	My Account was enhanced	
Before FY2026, implement a direct mail campaign to members as they achieve major milestone along the retirement journey to help them understand the milestone's implication to their retirement benefits and to build relationships.	Direct mail campaign is implemented	Direct mail campaign was not implemented	IPERS prioritized work to better define its audiences and their needs and may use that information to support a direct mail campaign in the future.
Before FY2030, increase the Targeted Campaigns Service Score from 44 to the peer median of 49.	Targeted Campaigns Score increases to 45	Targeted Campaigns Score was 43*	The Targeted Campaign Score fluctuates annually based on the amount of communication IPERS distributes.
Achieve at least a passing score on each security engagement.	Passing score is achieved	Passing score was achieved	
Address 100% of deficiencies reported in each security engagement within 12 months.	100% of deficiencies are addressed	100% of deficiencies were addressed	
Achieve scores from each security engagement that demonstrate improvement and trend in a positive direction.	Scores in each portion of the security assessment are improved	Scores in each portion of the security assessment were improved	
100% of IPERS staff will participate in security training annually.	100% of IPERS staff participate in security training	100% of IPERS staff participated in security training	
100% of IPERS staff will achieve a passing score on the annual security training.	100% of staff achieve a passing score	100% of staff achieved a passing score	



IPERS' Project Management Office continues the best practice of testing 100% of changes to the pension administration system prior to release to production to ensure calculations and payments remain accurate.	100% of changes are tested	100% of changes were tested	
Benefits staff will continue the best practice of ensuring 100% of payrolls are verified for accuracy of data by reviewing pre-payroll reports and performing reconciliation of report data and remove inaccurate or questionable payments prior to disbursement.	100% of payrolls are verified for accuracy	100% of payrolls were verified for accuracy	
Beginning in FY2025, Benefits Division staff will review documented policies and procedures related to payroll processes at least annually and revise as necessary.	Number of documented policies and procedures related to payroll processes that are reviewed	No documented policies and procedures were reviewed	IPERS has hired a new employee whose primary responsibility is to create policies and determine a plan to review them.
Beginning in FY2025, Compliance Division staff will audit payroll processes at least annually and assign responsibility for addressing any noted deficiencies within 12 months.	Number of policies reviewed and revised	All policies were reviewed and revised	IPERS completed an internal payroll audit in early 2025.
Beginning in FY2025, 100% of employees have a documented Individual Development Plan that is created in consultation with supervisors.	100% of employees have a documented Individual Development Plan	100% of employees have a documented Individual Development Plan	
At least 80% of survey respondents say they are "mostly satisfied" or "completely satisfied" with the professionalism and knowledge demonstrated during their most recent engagement with an IPERS professional.	80% of survey respondents say they are "mostly satisfied" or "completely satisfied"	95.90% of survey respondents say they are "mostly satisfied" or "completely satisfied"	Members value the expertise IPERS' staff provides.
100% of new IPERS employees receive training about the agency's operations.	100% of new employees receive training about IPERS' operations	No new employees received training about IPERS' operations	IPERS will implement an onboarding program for

			new employees in FY2026.
Twice annually, IPERS distributes an employee survey to determine what education and support the system must provide.	Surveys are distributed twice annually	Two surveys were distributed	
At least quarterly, IPERS' CEO and applicable leaders and staff will host targeted and/or all-staff meetings or events to communicate relevant information and invite employee questions.	Four meetings are held	Three meetings were held	IPERS' leadership hosted three meetings and used its intranet to communicate newsworthy updates to staff throughout the year.
Review 100% of vacant positions internally to determine how the position will best serve IPERS and request an appropriate job classification.	100% of vacancies are reviewed	100% of vacancies were reviewed	