

MFPRSI UPDATE

Winter 2021 Volume 55

Board Approves Contribution Rate

MFPRSI has set the rate that Iowa municipalities will contribute to the system during the 2021-2022 fiscal year. The new rate, approved in October 2020 by the MFPRSI Board of Trustees, will be 26.18 percent, a slight uptick from the current contribution rate of 25.31 percent. The new rate will take effect July 1, 2021.

Chapter 411 of the Iowa Code stipulates that the MFPRSI Board of Trustees must adopt a new employer contribution rate each year. By law, the contribution rate paid by employees remains constant at 9.4 percent. However, the employer rate may change based on an annual actuarial review and the board's long-term plans to meet future retirement obligations.

"Given the challenges we have all faced this year, including cities and municipalities, we are pleased we can keep the increase in the contribution rate minimal," said Terry Slattery, executive director of MFPRSI.

MFPRSI incorporates a number of tools on the actuarial side to help minimize contribution rate volatility, giving its employing cities confidence that they will be able to budget for this system within a reasonable cost bandwidth.

Although the fund earned 2.3 percent this past fiscal year, over the plan's 28-year life span, it has maintained an average annualized rate of return of 7.5 percent which matches the plan's target return rate.

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Board of Trustees

The activities of MFPRSI are under the direction of a Board of Trustees consisting of nine voting members and four non-voting legislative representatives. The voting membership is comprised of four representatives of the active and retired fire and police membership, four representatives of the cities, and one private citizen. Individuals are appointed by the police, fire, and city associations. The eight voting members select a private citizen to serve as the ninth voting member.

Voting Members

Marty Pottebaum

Board Chair
Retired Police Officer
Sioux City

Mary Bilden

Citizen
Boone

June Anne Gaeta

Active Firefighter
Muscatine

Frank Guihan

Retired Firefighter
Burlington

Eric Hartman

Active Police Officer
Des Moines

Duane Pitcher

Director of Finance
Ames

Laura Schaefer

City Clerk/Finance Director
Carroll

Nickolas Schaul

Finance Director
Des Moines

Michelle Weidner

Chief Financial Officer
Waterloo

Non-Voting Members

Sen. Waylon Brown

Sen. Jackie Smith

Two representative members will be appointed in January 2021

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"While the fund did not meet our historical performance, given the global pandemic, and other high profile events in the country, we appreciate that we had a positive return," Slattery said. "We have confidence in the long-term health of this retirement system and do our best to allow for market fluctuations."

MFPRSI is dedicated to providing a sound and secure retirement for police officers and firefighters in the 49 cities that participate in the retirement system.

MFPRSI 1099-R Box 5 Explained

Each January MFPRSI sends 1099-R forms to its members and beneficiaries receiving taxable benefits. This form is used to report distributions from MFPRSI and it displays several pieces of useful information (e.g., gross amount paid by the retirement plan, taxable amount distributed by the retirement plan, federal and state taxes withheld, etc.) for reporting personal annual taxes to the Internal Revenue Service (IRS) and state government.

For those individuals that MFPRSI can determine their taxable amount, the 1099-R form will include an amount in Box 5. The heading of Box 5 states, "Employee contributions/Designated Roth contrib. or insurance premiums." For MFPRSI purposes, however, Box 5 represents the member's or beneficiary's investment in the retirement system (i.e., after-tax contributions) recovered tax free for the year.

If you receive a 1099-R form from MFPRSI with an amount listed in Box 5, this represents the amount of non-taxable pension you received in the calendar year due to previously paying tax on a portion of your pension contributions while you were employed. Box 5 is provided for informational purposes only and is already reflected in the Federal (Box 2a) and State (Box 14) Taxable Amount figures. No additional steps need to be taken in regard to your personal tax return.

The amount reported in Box 5 was determined using the Simplified Method as outlined in IRS publication 575. The Simplified Method typically spreads the recovery of the member's investment over a 20- to 30-year period. If the member passes away prior to full recovery, the remaining balance is transferred to the member's beneficiary.

Office Hours

Monday - Friday: 7:30 a.m. to 4:00 p.m.

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Email: pensions@mfprsi.org

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MFPRSI Update is published for members of the Municipal Fire & Police Retirement System of Iowa. The newsletter was designed by Cody Jans. The newsletter was edited by staff.

MFPRSI Online Member Portal

Beginning in 2021, MFPRSI will begin rolling out a brand-new way for members to view and keep track of their accounts. MFPRSI Online Member Portal will allow active members to view their account summary, contact information, and access their annual statements. Retirees and beneficiaries will be able to view their monthly paystub, account summary, and their 1099-R information.

MFPRSI Online Member Portal will provide electronic delivery of information, meaning our members will have 24/7 access to their benefit information. Once you sign up you will no longer need to wait to receive your paper statements each month. Statements and other communications will be uploaded into MFPRSI Online Member Portal several days before they would reach you by mail.

MFPRSI Online Member Portal will be a valuable resource intended to compliment the personal service provided by our pension officers. As the portal develops, we will slowly add additional functions. Be sure to check our website, www.mfprsi.org, regularly to find out more information.

Cities	Dates	Senior Pension Officer
Ankeny, Ames, Boone, Carroll, Clive, Creston, Des Moines, Indianola, Knoxville, Oskaloosa, Pella, Urbandale, and West Des Moines	March 22-25, 2021	Jill Hagge
Burlington, Centerville, Fairfield, Fort Madison, Keokuk, and Ottumwa	April 19-22, 2021	Kathy Fraise
Council Bluffs, Estherville, Fort Dodge, Le Mars, Sioux City, Spencer, Storm Lake, and Webster City	May 17-20, 2021	Jill Hagge
Cedar Falls, Charles City, Decorah, Dubuque, Evansdale, Mason City, Oelwein, Waterloo, and Waverly	August 23-26, 2021	Kathy Fraise
Cedar Rapids, Grinnell, Iowa City, Marion, Marshalltown, and Newton	September 20-23, 2021	Jill Hagge
Bettendorf, Camanche, Clinton, Davenport, DeWitt, Maquoketa, and Muscatine	October 18-21, 2021	Kathy Fraise

2021 Outreach

Outreach is a program offering individual retirement benefit counseling to members of MFPRSI. **In 2021 outreach**

appointments will be conducted via phone or video.

If you are interested in meeting with a senior pension officer from MFPRSI to discuss your retirement options, please contact us at 515.254.9200 or at pensions@mfprsi.org to schedule an appointment.

Terry Slattery: On believing in government service, reflections on his tenure at MFPRSI, and his plans for retirement



Having spent 43 years working for various governments in the U.S., Terry Slattery is retiring at the end of 2020. A native of Missouri, he began his career in public pensions in 1986 with the Missouri State Employee Retirement System. He went on to work for the Orange County Employees Retirement System, San Bernardino County Employees Retirement Association, and the New Mexico Public Employees Retirement Association. He has been the Executive Director at MFPRSI for the past nine years.

Why did you dedicate your career to working in public pensions?

I found the industry to be very fascinating working with actuarial science and investments of all kinds. Plus knowing that what I was doing was helping to ensure financial security for thousands of retirees was very rewarding.

What has changed over the breadth of your career in pensions?

When I started in the mid-80's, pension administration was completely under everyone's radar. That lasted until the Dot-Com bubble in the early 2000's when investment portfolios took a big hit, dramatically increasing contributions to the pension funds. Then employers, legislators and the media all started to take notice of how these public pension funds were being operated. This scrutiny was enhanced by the Great Financial Crisis which began in 2008 and has continued ever since.

▲ Terry Slattery: I truly believe in the term "government servant." That is why I chose government way back when, to serve.

Why did you come to MFPRSI?

After spending my time in New Mexico working on legislative and policy issues I was looking forward to getting back into the daily operation of investments and system operations like the days when I started my career. Also, I was looking to get back to the midwestern part of the country from where I began.

What will you miss the most about working at MFPRSI?

My career was a great run. If coming out of college someone would have recommended I get into pension administration, I would have laughed. Thankfully, I got the opportunity to make a career of it and, fortunately, I get to finish it up at MFPRSI. I will miss a lot of things when I retire but what I will miss most is being able to work with a group of people, both staff and Board members, who are the most professional individuals I know. In this line of work, it is reassuring to know that everyone is a fiduciary and knows what that means. It means that everything we do is only for the good of the pension fund and the members we serve.

Do you have any parting words of wisdom to share with our members?

I don't know how wise these words are but I want to assure our members that the retirement system is in good hands with a Board that is truly invested in the well-being of the Fund and a staff who is 100% dedicated to making sure MFPRSI is one of the best managed public pension funds in the country. With Dan Cassady becoming my successor as Executive Director, the retirement system will not skip a beat.

What do you look forward to the most in retirement? How will you spend your days?

Having been a government worker my entire career, I truly believe in the term "government servant." That is why I chose government way back when, to serve. I think retirement will allow me to continue that service mentality by volunteering somewhere where I can do the most good. I have heard I need to determine what my passion is and follow that lead. Hopefully, I will be able to figure it out.

Meet

CARLTON CHIN

MFPRSI's New Deputy Chief Investment Officer

Carlton Chin, CFA, joined MFPRSI as Deputy Chief Investment Officer in November 2020. Carlton has experience as a pension actuary, investment consultant, portfolio manager, and chief investment officer for several investment firms, including Goldman Sachs. Carlton holds both a Bachelor of Science degree and a Master of Science degree from the Massachusetts Institute of Technology.

“I am very excited to be a part of our investment process and I look forward to working with the entire team and the Board at MFPRSI. And, even more importantly, I am deeply honored to be a fiduciary for our members. A phrase that I frequently used over the past few weeks is that ‘I have come full circle.’ After starting my career as a pension actuary, I soon moved toward investments as a pension investment consultant.

As an investment consultant, I focused on asset allocation, performance attribution, and manager due diligence before moving into asset management where I managed funds for institutional investors, including Goldman Sachs. Over the years, I specialized in alternative assets before gravitating back toward more traditional portfolios. And now, I have truly come full circle: joining the MFPRSI family and helping to manage and invest pension funds!

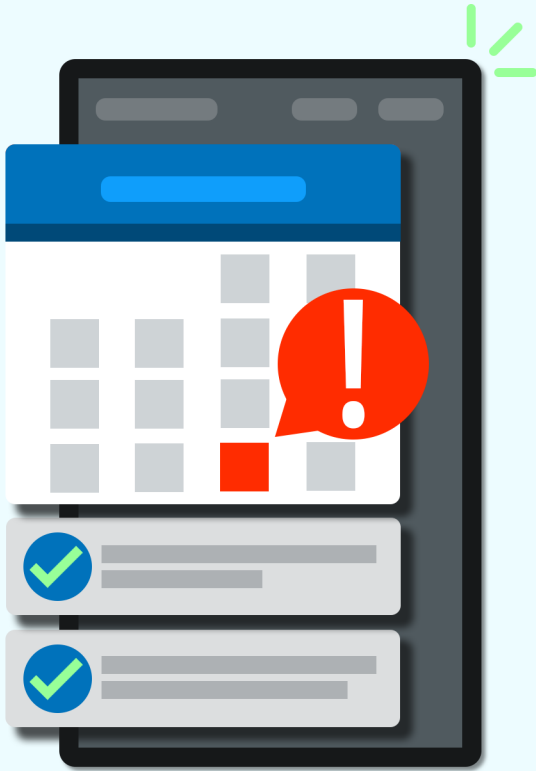
I have always had a passion for the financial markets. Perhaps it is because investing is one of the most intellectually stimulating challenges I have experienced. I have been fortunate to have a career using something I love, numbers and math, in a field that I enjoy, investing. As importantly, I had good teachers and mentors who helped me get the most out of my education and career. For this reason, I have gravitated toward the ideas of community and volunteerism. We can't do everything ourselves; we're all part of the same community!

Regarding our investment portfolio, MFPRSI has a solid and well-diversified portfolio. We have strong managers and good allocations to alternative asset classes that include private equity, real estate, and infrastructure. In fact, the very first time I was asked about the MFPRSI portfolio I used phrases such as: “progressive,” “impressed,” and it has a “good allocation to equities and alternatives.” I hope to continue the exceptional work the Board and retirement system have done. I am excited to contribute data-driven analysis and models to the already outstanding efforts of our team and our investment consultant, Marquette Associates.

In summary, I look forward to combining my skill set and interests, love for numbers, intellectual curiosity, and positive feelings about public service for the benefit of all involved with MFPRSI. Thank you!”



Carlton Chin
Deputy CIO



MFPRSI
MUNICIPAL FIRE & POLICE
RETIREMENT SYSTEM OF IOWA

Benefit Payment Dates

January 29
February 26
March 31
April 30
May 28
June 30
July 30
August 31
September 30
October 29
November 30
December 30

Holiday Schedule

January 1
May 31
July 5
September 6
November 11
November 25 - 26
December 23 - 24
December 31

Board of Trustees Meeting Dates

January 7
February 25
April 8
May 13
June 24
August 19
October 7

Benefit payments are tentatively dated the final business day of each month. MFPRSI intends to send benefit payments on the referenced dates listed above. Each benefit payment constitutes payment for the month concluded. MFPRSI will be closed on the dates listed under Holiday Schedule. The Board of Trustees meet in formal open session at regularly scheduled meetings throughout the year. All meetings begin at 10:00 a.m. Central Time unless noted otherwise.

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