FACTS ABOUT IPERS
Because facts matter

"What's on the horizon?

"Some lawmakers and lobbyists want to explore moving public employee pensions from a defined benefit (DB) to a defined contribution (DC) plan. Changing from a DB to a DC would not eliminate the shortfall and would make it worse in the short-term. The retirement benefits currently promised to employees will still need to be paid. Switching to a DC and barring new employees from entering the DB plan creates additional challenges to make up the shortfall."

Zerber

No one is proposing to move current members of IPERS into a DC plan.

Placing future, **new** employees in a DC plan would certainly not eliminate the shortfall; however, it would contain its growth and result in less total cost over the long term. Put another way, "when you're in a hole, the first thing to do is to stop digging."

The current 5% UAL payments would need to continue to be made by all IPERS governments on **their entire payroll** (i.e. on all employees, regardless of whether the individual is in the old or new plan), until the IPERS debt is paid off. But that doesn't mean a normal cost payment cannot also be made for new employees in a new plan. Today the employer is contributing a total of about 10%. Approximately 5% of that is for the debt payment, and 5% is for the normal cost. For the new employees in a new plan, the employer payments would simply be split up and directed to two different plans.

It's silly to suggest that it would be too hard to move future employees into a new plan. Almost all private sector employers have already done so.