

# IOWA POLICE JOURNAL

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## BOARD SPOTLIGHT

By Zach Lewis, ISPA Second Vice President



Greetings from sunny Las Vegas! Well, it would actually be wishful thinking that I'm still there. Rick Host, Iowa State Police Association (ISPA) Secretary/Treasurer, and I attended the National Association of Police Organizations (NAPO) Pension and Benefits Conference held in Las Vegas February 8–10. The timing was impeccable as it was negative 10 degrees in Iowa as we boarded the plane to Vegas. While I thought it would be a good idea to put all the ISPA assets on a 1,000-1 pony named "Foot in Grave," but our ever-prudent treasurer put the kibosh to that. ISPA could have been very well off... just saying.

On the serious side, one main focus of the conference was the Defined Benefit (DB) vs. Defined Contribution (DC) debate that is spreading like wildfire. For those who don't know, the MFPRSI (411) is a DB system, which means that your benefit at retirement is calculated based on years of service. You will know that you have guaranteed financial security via this system. A DC, for all intents and purposes, is a 401K. This issue reared its ugly head in the legislature this year in the form of Senate File 2126, which would have mandated that employees hired after July 1, 2016, would be members of this new DC system, not our current 411 DB system. Thankfully, this bill was killed and did not make it through the first funnel.

Presenters at the conference spoke of numerous studies conducted on this topic, including one by the University of California, Berkeley, which clearly shows that any financial "benefit" for the employer using the DC system is not realized for 20 to 25 years or more. In fact, costs often go up during the first years of switchover. This exact situation hits close to home — in 2010, the State of Minnesota proposed legislation to switch from a DB plan to a DC plan. They found that closing the existing DB plans and transitioning new hires to a DC plan would cost taxpayers \$1.5 billion over the next five years, and \$2.8 billion over the next decade, according to Retirement Plan Design Study, MN Statewide Retirement Systems.

I know what you're thinking — now I'm going to say YOU need to get involved and...you're right. But there is something else. There was a big emphasis at the conference to encourage members not only to contact their legislators, but also to get educated on their pension system.

There are several avenues to gain more insight on the topic. The first is to open Iowa Code Chapter 411, and read up, yourself. If you could make it through the Iowa Code without yawning, more power to you. Another option is to contact a member of the pension board. Marty Pottebaum (ret. police) and June Anne Gaeta (active fire fighter) are excellent resources and have offered to give presentations to member groups.

I am not suggesting that everyone needs to be an expert on the 411 system, but having a little bit of working knowledge would be greatly beneficial. The ISPA Board, along with our lobbyists, Paula and Mike, the Firefighters Association and others developed a pension [fact sheet](#) conveniently located on our website. This sheet is great for talking points or to give to your elected officials. Having the knowledge about our pension system will not only help you talk to your legislators, but also (hopefully) light that fire to fight for what we currently have.

Finally, the ISPA board and past presidents are an excellent source of knowledge. While in no way are we experts, we do spend a lot of time discussing it with each other and legislators to be fairly well versed. Feel free to [contact](#) any of us to discuss questions you may have. On a final note, I will be more than happy to take anyone's personal investments to Vegas and let it ride! Be safe out there.