

IPERS Explained

By Alft & Wilson Publishing – Iowa Support Master – Ver. 03.06.22

IPERS stands for Iowa Public Employees' Retirement System. IPERS is a mandatory pension contribution benefit enjoyed by those employees, such as public-school teachers. The Guidelines allow the parties to reduce their income by the amount they pay into Social Security and Medicare. Mandatory pensions, like IPERS, may not be deducted from the gross income of the party to arrive at net income. The only time they would be allowed to do so is if they are not paying into Social Security/Medicare.¹ Rule 9.5(2)(c)

If the party is an IPERS employee, they are also paying into Social Security and Medicare and IPERS. The money they are paying into IPERS may not be deducted. Those funds are “pre-tax” dollars. This means the amount of money that party has going into IPERS is not taxed. The party will not pay tax on that money until they begin receiving their IPERS pension.

WHAT TO DO:

In this example, the NCP is an IPERS employee. NCP's pay stub shows that the employee is also paying into Social Security/Medicare.

This is the income screen. Notice that we did not enter “Wage Income” for the IPERS employee. Instead, click the “Calculate” link in Support Master as instructed in this image.

Wage Income 45000.00

Hourly and Overtime Wage Calculator

Self-Employment

Apply as QBI Apply as QBI

[Questions about what to include as income? Click here](#)

Taxable Income

* No FICA

OTHER INCOME

| Describe Income | Amount | Federal Tax | State Tax | FICA | Pension |
|----------------------|----------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| NON-CUSTODIAL PARENT | <input type="text"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | <input type="text"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| CUSTODIAL PARENT | <input type="text"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | <input type="text"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

[Calculate NCP IPERS Mandatory Pension](#)

[Calculate CP IPERS Mandatory Pension](#)

Click the Link to pull up the IPERS calculator.

¹ If the person is not paying into Social Security and Medicare, but they have a mandatory pension, they may deduct the amount that would match what Social Security and Medicare would be. Iowa Support Master will calculate this for you.

Rule number 1: if you have an IPERS party and they are also paying into Social Security/Medicare, do not enter the income of the party in the "Wage Income" area of Support Master. Instead, you must use the "Calculate" IPERS feature of Support Master as shown in the image above. Click and follow the instructions below.

Support Master will do the math for you and place the numbers in the fields where they belong.

OVERVIEW: The amount contributed toward a mandatory pension, such as IPERS, is paid from pre-tax earnings. Therefore only the taxable portion of earnings is entered in the 'Wages' field. The amount of the pension contribution is entered in the non-taxed income field.

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Add
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**Enter the NCP yearly gross wages.
Select the correct IPERS percentage.
Click "ACCEPT"**

Noncustodial Parent's Pension Info

1 Enter gross wages:

2 Enter IPERS Percentage:

3 Contribution amount:

Uncheck boxes to skip action

- Taxable wages, no FICA, nontaxable contribution
- Taxable wages, FICA, nontaxable contribution
- Add pension contribution as nontaxable income
- Deduct pension contribution (similar to FICA)

ACCEPT

IPERS Contribution Percentages

| | July 1, 2020 to June 30, 2021 | July 1, 2021 to June 30, 2022 |
|---|----------------------------------|----------------------------------|
| Class 1 - Common IPERS Teachers (most common) | 6.29% | 6.29% |
| Class 2 - Protection Occupation Fire/Police/Airport firefighters | 9.26% | 9.01% |
| Class 3 - Sheriff / Deputy | 6.41% | 6.21% |

Online Pension Help Topics

CANCEL and RETURN

These are the results. Support Master puts the numbers where they need to go and unchecks the boxes.

The effect of IPERS contributions is that the contribution amount is added back into the income of the party, without tax, thus increasing their income.

The screenshot displays the 'IOWA SUPPORT MASTER 2021 - MAIN SCREEN - ALFT & WILSON PUBLISHING' window. On the left, a sidebar menu includes 'CHILD SUPPORT INFORMATION' with 'Income' selected. The main area shows 'Wage Income' for 'Non Custodial' (83401.90) and 'Custodial' (45000.00). A red arrow points to the 'Wage Income' label. Below this is a 'Hourly and Overtime Wage Calculator' button. A text box overlay states: 'Support Master has done the work for you. Notice the boxes are unchecked below. The \$5,598.10 IPERS contribution is pre-tax income to the NCP.' The 'OTHER INCOME' section for 'NON-CUSTODIAL PARENT' lists 'Pre-tax Pension Co' with an amount of 5598.1. The 'Federal Tax' columns for 'State Tax', 'FICA', and 'Pension' are shown with checkboxes. The 'Pension' checkbox is checked, while 'State Tax' and 'FICA' are unchecked. Below this is a 'Calculate NCP IPERS Mandatory Pension' button. The 'CUSTODIAL PARENT' section has similar fields, with 'State Tax', 'FICA', and 'Pension' all checked. Below this is a 'Calculate CP IPERS Mandatory Pension' button. On the left, 'Free Program Resources' is highlighted with a red arrow. At the bottom left, 'Child Support Amount' is \$835.35 and 'Cash Medical Support' is \$370.83. On the right, a vertical toolbar contains buttons for 'About', 'Affidavit', 'Analysis', 'CLIENT FILES', 'College Cost', 'Client Info', 'Find', 'FORMS-PRINT', 'Guidelines', 'HELP', 'Reverse', 'Split', 'Special Ops', 'Start Over', and 'EXIT'.