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4/15/97 State Gov.

4/16/97 Do Pass

SENATE FILE 543
BY IVERSON and GRONSTAL

Passed Senate, Date 4/23/97 (p. 1367) Passed House, Date _____
Vote: Ayes 47 Nays 0 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to public retirement systems by providing for the
2 exclusion of certain publicly elected officials from
3 membership, and the calculation of dividends for certain
4 retirees, under the Iowa public employees' retirement system.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6

SENATE FILE 543

S-3555

- 1 Amend Senate File 543 as follows:
- 2 1. Page 1, by inserting after line 17 the
- 3 following:
- 4 "Sec. ____ . Section 294.12, Code 1997, is amended
- 5 by adding the following new unnumbered paragraph:
- 6 NEW UNNUMBERED PARAGRAPH. Notwithstanding the
- 7 provisions of this section, the plan provisions of a
- 8 pension and annuity retirement system of a school
- 9 district established under this chapter regarding the
- 10 determination and distribution of benefits upon
- 11 termination of the retirement system shall be
- 12 effective if the school district has received a
- 13 favorable determination letter from the federal
- 14 internal revenue service as to the qualified status of
- 15 such retirement system under applicable provisions of
- 16 the Internal Revenue Code."
- 17 2. Title page, line 1, by inserting after the
- 18 word "systems" the following: "by providing for the
- 19 effectiveness of termination provisions of a school
- 20 district retirement system, and".
- 21 3. By renumbering as necessary.

S.F. 543

By O. GENE MADDOX
ELAINE SZYMONIAK

S-3555 FILED APRIL 16, 1997

Adopted 4/23/97 (p. 1367)

TL5B 2774SS 77

ec/sc/14

1 Section 1. Section 97B.42, Code 1997, is amended by adding
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. Notwithstanding any other
4 provision of this section, a member who is a publicly elected
5 official of the state or any of its political subdivisions,
6 excluding a member of the general assembly of Iowa, whose
7 application for coverage under this chapter has been approved
8 by the department and who is a member of the system pursuant
9 to that coverage, but who, prior to or concurrent with the
10 member's service in the elective office, is a member of the
11 system pursuant to other covered employment, shall no longer
12 be an active member of the system for the elective office as
13 of the last day of the month preceding the member's first
14 month of entitlement for a retirement allowance pursuant to
15 the other covered employment. To be excluded from coverage,
16 the publicly elected official shall be serving in a part-time
17 elective office covered under the system.

18 Sec. 2. IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM --
19 DIVIDEND ADJUSTMENT COMPUTATION.

20 1. For a retiree or beneficiary who received an increase
21 in the retiree's or beneficiary's monthly benefit effective
22 January 1, 1997, pursuant to section 97B.49, subsection 4, the
23 dividend adjustment used to calculate the dividend payable to
24 the retiree or beneficiary in November 1997, pursuant to
25 section 97B.49, subsection 13, paragraph "g", shall not be
26 calculated pursuant to that paragraph but shall be calculated
27 as provided in subsection 2.

28 2. The dividend adjustment for a retiree or beneficiary
29 described in subsection 1 shall be calculated by multiplying
30 the sum of the dividend payable to the retiree or beneficiary
31 in November 1996 and an amount representing twelve times the
32 total of the retiree's or beneficiary's monthly benefit
33 payments received by the retiree or beneficiary for January
34 1997 by the applicable percentage as determined by section
35 97B.49, subsection 13, paragraph "g". To the extent not

1 inconsistent with this subsection, the provisions of section
2 97B.49, subsection 13, paragraph "g", shall apply in
3 calculating the dividends payable in November 1997 to a
4 retiree or beneficiary described in subsection 1.

5 3. This section shall only apply to the calculation of
6 dividends for November 1997, and shall not apply to the
7 calculation of dividends for any subsequent year.

8 EXPLANATION

9 This bill provides that a part-time elected official
10 covered under IPERS who is also covered under IPERS for other
11 employment ceases to be an active member of IPERS as an
12 elected official on the last day of the month prior to the
13 member's first month of entitlement to a retirement allowance
14 pursuant to the other employment.

15 This bill also provides that the dividends otherwise
16 payable in November 1997 for retirees or beneficiaries under
17 IPERS who received an increase in their monthly benefit in
18 January 1997 based on the increase in the minimum monthly
19 benefit shall be calculated based on the monthly benefits they
20 are entitled to receive for this year and not on the total of
21 the monthly benefits they received during 1996.

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SENATE FILE 543

S-3692

- 1 Amend Senate File 543 as follows:
2 1. Page 1, by inserting before line 1 the
3 following:
4 "Sec. 101. Section 97B.41, subsection 10,
5 unnumbered paragraph 1, Code 1997, is amended to read
6 as follows:
7 "First month of entitlement" means the first month
8 for which a member is qualified to receive retirement
9 benefits under this chapter. Effective January 1,
10 ~~1995~~ 1993, a member who meets all of the following
11 requirements is qualified to receive retirement
12 benefits under this chapter:".
13 2. Page 2, by inserting after line 7 the
14 following:
15 "Sec. 101. EFFECTIVE DATE -- RETROACTIVE
16 APPLICABILITY. Section 101 of this Act, being deemed
17 of immediate importance, takes effect upon enactment
18 and is retroactively applicable to January 1, 1993,
19 and is applicable on and after that date."
20 3. Title page, line 1, by inserting after the
21 word "for" the following: "the definition of a
22 member's first month of entitlement to retirement
23 benefits and providing effective and retroactive
24 applicability dates,".
25 4. By renumbering as necessary.

By ELAINE SZYMONIAK

S-3692 FILED APRIL 22, 1997

Last 4/23/97 (p. 1366)

1 Section 1. Section 97B.42, Code 1997, is amended by adding
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. Notwithstanding any other
4 provision of this section, a member who is a publicly elected
5 official of the state or any of its political subdivisions,
6 excluding a member of the general assembly of Iowa, whose
7 application for coverage under this chapter has been approved
8 by the department and who is a member of the system pursuant
9 to that coverage, but who, prior to or concurrent with the
10 member's service in the elective office, is a member of the
11 system pursuant to other covered employment, shall no longer
12 be an active member of the system for the elective office as
13 of the last day of the month preceding the member's first
14 month of entitlement for a retirement allowance pursuant to
15 the other covered employment. To be excluded from coverage,
16 the publicly elected official shall be serving in a part-time
17 elective office covered under the system.

18 Sec. 2. Section 294.12, Code 1997, is amended by adding
19 the following new unnumbered paragraph:

20 NEW UNNUMBERED PARAGRAPH. Notwithstanding the provisions
21 of this section, the plan provisions of a pension and annuity
22 retirement system of a school district established under this
23 chapter regarding the determination and distribution of
24 benefits upon termination of the retirement system shall be
25 effective if the school district has received a favorable
26 determination letter from the federal internal revenue service
27 as to the qualified status of such retirement system under
28 applicable provisions of the Internal Revenue Code.

29 Sec. 3. IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM --
30 DIVIDEND ADJUSTMENT COMPUTATION.

31 1. For a retiree or beneficiary who received an increase
32 in the retiree's or beneficiary's monthly benefit effective
33 January 1, 1997, pursuant to section 97B.49, subsection 4, the
34 dividend adjustment used to calculate the dividend payable to
35 the retiree or beneficiary in November 1997, pursuant to

1 section 97B.49, subsection 13, paragraph "g", shall not be
2 calculated pursuant to that paragraph but shall be calculated
3 as provided in subsection 2.

4 2. The dividend adjustment for a retiree or beneficiary
5 described in subsection 1 shall be calculated by multiplying
6 the sum of the dividend payable to the retiree or beneficiary
7 in November 1996 and an amount representing twelve times the
8 total of the retiree's or beneficiary's monthly benefit
9 payments received by the retiree or beneficiary for January
10 1997 by the applicable percentage as determined by section
11 97B.49, subsection 13, paragraph "g". To the extent not
12 inconsistent with this subsection, the provisions of section
13 97B.49, subsection 13, paragraph "g", shall apply in
14 calculating the dividends payable in November 1997 to a
15 retiree or beneficiary described in subsection 1.

16 3. This section shall only apply to the calculation of
17 dividends for November 1997, and shall not apply to the
18 calculation of dividends for any subsequent year.

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