

(P. 541) 3/3/98 Defered
H-3/12/98 State Gov.

FILED FEB 24 1998

H-3/17/98 Do Pass

H-3/28/98 UNFINISHED BUSINESS CALENDAR
SENATE FILE 2308

BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 2161)

(P. 638)
Passed Senate, Date 3-11-98
Vote: Ayes 42 Nays 7
Approved April 10, 1998

(P. 1078)
Passed House, Date 3/31/98
Vote: Ayes 100 Nays 0

A BILL FOR

1 An Act concerning eligible alternative retirement benefit systems
2 for community college employees.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2308

UNFINISHED BUSINESS CALENDAR

1 Section 1. Section 97B.42, unnumbered paragraphs 6 and 7,
2 Code Supplement 1997, are amended to read as follows:

3 Notwithstanding any other provision of this section,
4 commencing July 1, 1994, a member who is employed by a
5 community college may elect coverage under an eligible
6 ~~alternative retirement benefits system, which is issued by or~~
7 ~~through a nonprofit corporation issuing retirement annuities~~
8 ~~exclusively to educational institutions and their employees as~~
9 provided in section 260C.14, subsection 18, in lieu of
10 continuing or commencing contributions to the Iowa public
11 employees' retirement system, ~~if the board of directors of the~~
12 ~~community college has approved the alternative system pursuant~~
13 ~~to section 260E.14~~. However, the employer's annual
14 contribution in dollars to the eligible alternative retirement
15 benefits system shall not exceed the annual contribution in
16 dollars which the employer would contribute if the employee
17 had elected to remain an active member under this chapter, as
18 set forth in section 97B.11. A member employed by a community
19 college who elects coverage under an eligible alternative
20 retirement benefits system may withdraw the member's
21 accumulated contributions effective when coverage under the
22 eligible alternative retirement benefits system commences. A
23 member who is employed by a community college prior to July 1,
24 1994, must file an election for coverage under the eligible
25 alternative retirement benefits system described in section
26 260C.14, subsection 18, paragraph "a", with the department and
27 the employing community college within eighteen months of the
28 first day on which coverage commences under the community
29 college's eligible alternative retirement benefits system
30 described in section 260C.14, subsection 18, paragraph "a", or
31 the employee shall remain a member under this chapter and
32 shall not be eligible to elect to participate in that
33 community college's eligible alternative retirement benefits
34 system described in section 260C.14, subsection 18, paragraph
35 "a", at a later date. Employees of a community college hired

1 on or after July 1, 1994, must file an election for coverage
2 under the an eligible alternative retirement benefits system
3 with the department and the employing community college within
4 sixty days of commencing employment, or the employee shall
5 remain a member under this chapter and shall not be eligible
6 to elect to participate in ~~that-community-college's~~ an
7 eligible alternative retirement benefits system of the
8 community college at a later date. The department shall
9 cooperate with the boards of directors of the community
10 colleges to facilitate the implementation of this provision.

11 Notwithstanding any other provision of this section, a
12 person newly entering employment with a community college on
13 or after July 1, 1990, may elect coverage under an eligible
14 alternative retirement benefits system, as defined in section
15 260C.14, subsection 18, ~~which-is-issued-by-or-through-a~~
16 ~~nonprofit-corporation-issuing-retirement-annuities-exclusively~~
17 ~~to-educational-institutions-and-their-employees-or,-for~~
18 ~~persons-newly-entering-employment-on-or-after-July-1,-1997,~~
19 ~~which-is-issued-by-or-through-an-insurance-company-authorized~~
20 ~~to-issue-annuity-contracts-in-this-state,~~ paragraph "a", in
21 lieu of coverage under the Iowa public employees' retirement
22 system, but only if the person is already a member of the
23 alternative retirement benefits system. An election to
24 participate in ~~the~~ an eligible alternative retirement benefits
25 system as described in section 260C.14, subsection 18, is
26 irrevocable as to the person's employment with that community
27 college and any other community college in this state.

28 Sec. 2. Section 260C.14, subsection 17, Code Supplement
29 1997, is amended by striking the subsection.

30 Sec. 3. Section 260C.14, subsection 18, Code Supplement
31 1997, is amended to read as follows:

32 18. Provide for an eligible alternative retirement
33 benefits systems which shall be limited to the following:

34 a. An alternative retirement benefits system, which is
35 issued by or through a nonprofit corporation issuing

1 retirement annuities exclusively to educational institutions
2 and their employees, for persons newly employed after July 1,
3 1990, ~~or, in addition,~~ and for persons employed by the
4 community college who are members of the Iowa public
5 employees' retirement system on July 1, 1994, and who elect
6 coverage under that system pursuant to section 97B.42, in lieu
7 of coverage under the Iowa public employees' retirement
8 system.

9 b. An alternative retirement benefits system which is
10 issued by or through an insurance company authorized to issue
11 annuity contracts in this state, for persons newly employed on
12 or after July 1, 1997, who are already members of the
13 alternative retirement benefits system and who elect coverage
14 under that system pursuant to section 97B.42, in lieu of
15 coverage under the Iowa public employees' retirement system.

16 c. An alternative retirement benefits system offered
17 through the community college, at the discretion of the board
18 of directors of the community college, pursuant to this
19 lettered paragraph which is issued by or through an insurance
20 company authorized to issue annuity contracts in this state,
21 for persons newly employed by that community college on or
22 after July 1, 1998, who are not members of the alternative
23 retirement benefits system and who elect coverage under that
24 system pursuant to section 97B.42, in lieu of coverage under
25 the Iowa public employees' retirement system. The board of
26 directors of a community college may limit the number of
27 providers of alternative retirement benefits systems offered
28 pursuant to this lettered paragraph to no more than six. The
29 selection by the board of directors of a community college of
30 a provider of an alternative retirement benefits system
31 pursuant to this lettered paragraph shall not constitute an
32 endorsement of that provider by the community college.

33 PARAGRAPH DIVIDED. However, the employer's annual
34 contribution in dollars under the an eligible alternative
35 retirement benefits system described in this subsection shall

1 not exceed the annual contribution in dollars which the
2 employer would contribute if the employee had elected to
3 remain an active member pursuant to the Iowa public employees'
4 retirement system, as set forth in section 97B.11. For
5 purposes of this subsection, "alternative retirement benefits
6 system" means an employer-sponsored primary pension plan
7 requiring mandatory employer contributions that meets the
8 requirements of section 401(a), 403(a), or 403(b) of the
9 Internal Revenue Code.

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EXPLANATION

11 This bill provides that commencing July 1, 1998, a person
12 newly employed by a community college may elect retirement
13 coverage under an alternative retirement benefits system in
14 which the person is not currently a member but which is
15 offered by the community college, at the discretion of the
16 community college, in lieu of coverage under IPERS. The bill
17 provides that the community college may limit the number of
18 alternative retirement benefits systems offered to six but
19 provides that the selection by the community college of a
20 provider of an eligible alternative retirement benefits system
21 does not constitute an endorsement of that provider.

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Drake
Kibbie
Lundby

SSB 2161
State Government

Succeeded By
SENATE FILE SE/HF 2308
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL
BY CHAIRPERSON RITTMER)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act concerning eligible alternative retirement benefit systems
2 for community college employees.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 97B.42, unnumbered paragraphs 6 and 7,
2 Code Supplement 1997, are amended to read as follows:

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4 commencing July 1, 1994, a member who is employed by a
5 community college may elect coverage under an eligible
6 ~~alternative retirement benefits system, which is issued by or~~
7 ~~through a nonprofit corporation issuing retirement annuities~~
8 ~~exclusively to educational institutions and their employees as~~
9 provided in section 260C.14, subsection 18, in lieu of
10 continuing or commencing contributions to the Iowa public
11 employees' retirement system, ~~if the board of directors of the~~
12 ~~community college has approved the alternative system pursuant~~
13 ~~to section 260C.14~~. However, the employer's annual
14 contribution in dollars to the eligible alternative retirement
15 benefits system shall not exceed the annual contribution in
16 dollars which the employer would contribute if the employee
17 had elected to remain an active member under this chapter, as
18 set forth in section 97B.11. A member employed by a community
19 college who elects coverage under an eligible alternative
20 retirement benefits system may withdraw the member's
21 accumulated contributions effective when coverage under the
22 eligible alternative retirement benefits system commences. A
23 member who is employed by a community college prior to July 1,
24 1994, must file an election for coverage under the eligible
25 alternative retirement benefits system described in section
26 260C.14, subsection 18, paragraph "a", with the department and
27 the employing community college within eighteen months of the
28 first day on which coverage commences under the community
29 college's eligible alternative retirement benefits system
30 described in section 260C.14, subsection 18, paragraph "a", or
31 the employee shall remain a member under this chapter and
32 shall not be eligible to elect to participate in that
33 community college's eligible alternative retirement benefits
34 system described in section 260C.14, subsection 18, paragraph
35 "a", at a later date. Employees of a community college hired

1 on or after July 1, 1994, must file an election for coverage
 2 under the an eligible alternative retirement benefits system
 3 with the department and the employing community college within
 4 sixty days of commencing employment, or the employee shall
 5 remain a member under this chapter and shall not be eligible
 6 to elect to participate in ~~that-community-college's~~ an
 7 eligible alternative retirement benefits system of the
 8 community college at a later date. The department shall
 9 cooperate with the boards of directors of the community
 10 colleges to facilitate the implementation of this provision.

11 Notwithstanding any other provision of this section, a
 12 person newly entering employment with a community college on
 13 or after July 1, 1990, may elect coverage under an eligible
 14 alternative retirement benefits system, as defined in section
 15 260C.14, subsection 18, ~~which-is-issued-by-or-through-a~~
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 19 ~~which-is-issued-by-or-through-an-insurance-company-authorized~~
 20 ~~to-issue-annuity-contracts-in-this-state,~~ paragraph "a", in
 21 lieu of coverage under the Iowa public employees' retirement
 22 system, but only if the person is already a member of the
 23 alternative retirement benefits system. An election to
 24 participate in the an eligible alternative retirement benefits
 25 system as described in section 260C.14, subsection 18, is
 26 irrevocable as to the person's employment with that community
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28 Sec. 2. Section 260C.14, subsection 17, Code Supplement
 29 1997, is amended by striking the subsection.

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 31 1997, is amended to read as follows:

32 18. Provide for an eligible alternative retirement
 33 benefits systems which shall be limited to the following:

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 35 issued by or through a nonprofit corporation issuing

1 retirement annuities exclusively to educational institutions
2 and their employees, for persons newly employed after July 1,
3 1990, or, in addition, and for persons employed by the
4 community college who are members of the Iowa public
5 employees' retirement system on July 1, 1994, and who elect
6 coverage under that system pursuant to section 97B.42, in lieu
7 of coverage under the Iowa public employees' retirement
8 system.

9 b. An alternative retirement benefits system which is
10 issued by or through an insurance company authorized to issue
11 annuity contracts in this state, for persons newly employed on
12 or after July 1, 1997, who are already members of the
13 alternative retirement benefits system and who elect coverage
14 under that system pursuant to section 97B.42, in lieu of
15 coverage under the Iowa public employees' retirement system.

16 c. An alternative retirement benefits system offered
17 through the community college, at the discretion of the board
18 of directors of the community college, pursuant to this
19 lettered paragraph which is issued by or through an insurance
20 company authorized to issue annuity contracts in this state,
21 for persons newly employed by that community college on or
22 after July 1, 1998, who are not members of the alternative
23 retirement benefits system and who elect coverage under that
24 system pursuant to section 97B.42, in lieu of coverage under
25 the Iowa public employees' retirement system. The board of
26 directors of a community college may limit the number of
27 providers of alternative retirement benefits systems offered
28 pursuant to this lettered paragraph to no more than six. The
29 selection by the board of directors of a community college of
30 a provider of an alternative retirement benefits system
31 pursuant to this lettered paragraph shall not constitute an
32 endorsement of that provider by the community college.

33 PARAGRAPH DIVIDED. However, the employer's annual
34 contribution in dollars under the an eligible alternative
35 retirement benefits system described in this subsection shall

1 not exceed the annual contribution in dollars which the
 2 employer would contribute if the employee had elected to
 3 remain an active member pursuant to the Iowa public employees'
 4 retirement system, as set forth in section 97B.11. For
 5 purposes of this subsection, "alternative retirement benefits
 6 system" means an employer-sponsored primary pension plan
 7 requiring mandatory employer contributions that meets the
 8 requirements of section 401(a), 403(a), or 403(b) of the
 9 Internal Revenue Code.

EXPLANATION

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 11 This bill provides that commencing July 1, 1998, a person
 12 newly employed by a community college may elect retirement
 13 coverage under an alternative retirement benefits system in
 14 which the person is not currently a member but which is
 15 offered by the community college, at the discretion of the
 16 community college, in lieu of coverage under IPERS. The bill
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 21 does not constitute an endorsement of that provider.

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SENATE FILE 2308

AN ACT
CONCERNING ELIGIBLE ALTERNATIVE RETIREMENT BENEFIT SYSTEMS
FOR COMMUNITY COLLEGE EMPLOYEES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 97B.42, unnumbered paragraphs 6 and 7, Code Supplement 1997, are amended to read as follows:

Notwithstanding any other provision of this section, commencing July 1, 1994, a member who is employed by a community college may elect coverage under an eligible alternative retirement benefits system, ~~which is issued by or through a nonprofit corporation issuing retirement annuities exclusively to educational institutions and their employees as provided in section 260C.14, subsection 18,~~ in lieu of continuing or commencing contributions to the Iowa public employees' retirement system, ~~if the board of directors of the community college has approved the alternative system pursuant to section 260E.14.~~ However, the employer's annual contribution in dollars to the eligible alternative retirement benefits system shall not exceed the annual contribution in dollars which the employer would contribute if the employee had elected to remain an active member under this chapter, as set forth in section 97B.11. A member employed by a community college who elects coverage under an eligible alternative retirement benefits system may withdraw the member's accumulated contributions effective when coverage under the eligible alternative retirement benefits system commences. A member who is employed by a community college prior to July 1, 1994, must file an election for coverage under the eligible alternative retirement benefits system described in section 260C.14, subsection 18, paragraph "a", with the department and the employing community college within eighteen months of the first day on which coverage commences under the community college's eligible alternative retirement benefits system

described in section 260C.14, subsection 18, paragraph "a", or the employee shall remain a member under this chapter and shall not be eligible to elect to participate in that community college's eligible alternative retirement benefits system described in section 260C.14, subsection 18, paragraph "a", at a later date. Employees of a community college hired on or after July 1, 1994, must file an election for coverage under the eligible alternative retirement benefits system with the department and the employing community college within sixty days of commencing employment, or the employee shall remain a member under this chapter and shall not be eligible to elect to participate in that community college's an eligible alternative retirement benefits system of the community college at a later date. The department shall cooperate with the boards of directors of the community colleges to facilitate the implementation of this provision.

Notwithstanding any other provision of this section, a person newly entering employment with a community college on or after July 1, 1990, may elect coverage under an eligible alternative retirement benefits system, as defined in section 260C.14, subsection 18, ~~which is issued by or through a nonprofit corporation issuing retirement annuities exclusively to educational institutions and their employees or, for persons newly entering employment on or after July 1, 1997, which is issued by or through an insurance company authorized to issue annuity contracts in this state,~~ paragraph "a", in lieu of coverage under the Iowa public employees' retirement system, but only if the person is already a member of the alternative retirement benefits system. An election to participate in the an eligible alternative retirement benefits system as described in section 260C.14, subsection 18, is irrevocable as to the person's employment with that community college and any other community college in this state.

Sec. 2. Section 260C.14, subsection 17, Code Supplement 1997, is amended by striking the subsection.

Sec. 3. Section 260C.14, subsection 18, Code Supplement 1997, is amended to read as follows:

18. Provide for an eligible alternative retirement benefits systems which shall be limited to the following:

a. An alternative retirement benefits system, which is issued by or through a nonprofit corporation issuing retirement annuities exclusively to educational institutions and their employees, for persons newly employed after July 1, 1990, or, in addition, and for persons employed by the community college who are members of the Iowa public employees' retirement system on July 1, 1994, and who elect coverage under that system pursuant to section 97B.42, in lieu of coverage under the Iowa public employees' retirement system.

b. An alternative retirement benefits system which is issued by or through an insurance company authorized to issue annuity contracts in this state, for persons newly employed on or after July 1, 1997, who are already members of the alternative retirement benefits system and who elect coverage under that system pursuant to section 97B.42, in lieu of coverage under the Iowa public employees' retirement system.

c. An alternative retirement benefits system offered through the community college, at the discretion of the board of directors of the community college, pursuant to this lettered paragraph which is issued by or through an insurance company authorized to issue annuity contracts in this state, for persons newly employed by that community college on or after July 1, 1998, who are not members of the alternative retirement benefits system and who elect coverage under that system pursuant to section 97B.42, in lieu of coverage under the Iowa public employees' retirement system. The board of directors of a community college may limit the number of providers of alternative retirement benefits systems offered pursuant to this lettered paragraph to no more than six. The selection by the board of directors of a community college of a provider of an alternative retirement benefits system pursuant to this lettered paragraph shall not constitute an endorsement of that provider by the community college.

PARAGRAPH DIVIDED. However, the employer's annual contribution in dollars under the an eligible alternative retirement benefits system described in this subsection shall not exceed the annual contribution in dollars which the employer would contribute if the employee had elected to remain an active member pursuant to the Iowa public employees' retirement system, as set forth in section 97B.11. For purposes of this subsection, "alternative retirement benefits system" means an employer-sponsored primary pension plan requiring mandatory employer contributions that meets the requirements of section 401(a), 403(a), or 403(b) of the Internal Revenue Code.

MARY E. KRAMER
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2308, Seventy-seventh General Assembly.

MARY PAT GUNDERSON
Secretary of the Senate

Approved *Cyrie 10*, 1998

TERRY E. BRANSTAD
Governor