

IOWA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM[495]

Adopted and Filed

**Rulemaking related to contribution rates, SECURE 2.0 Act of 2022,
processing fee, and alignment**

The Iowa Public Employees’ Retirement System (IPERS) hereby amends Chapter 4, “Employers,” Chapter 5, “Employees,” and Chapter 11, “Application for, Modification of, and Termination of Benefits,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 97B.4 and 97B.15.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 97B.

Purpose and Summary

This rulemaking is intended to conform rules with other rules and statutes or rescind rules that are outdated, redundant, inconsistent, or no longer in effect to meet the requirements of the statutory five-year review of rules for Chapters 6 through 10 and Executive Order 10 (January 10, 2023); implement contribution rates for employers, regular members, and special service members beginning July 1, 2024, to reflect FY 2025 rates; eliminate an invalid reference within a lettered paragraph as requested by the Legislative Services Agency (LSA); align an existing lettered paragraph with applicable provision(s) of the Federal SECURE 2.0 Act of 2022; add a dollar amount to an existing subrule establishing that IPERS will charge a processing fee for paper warrants, pursuant to new Iowa Code section 17A.6C, which requires any fee established by an agency to be adopted by rule; and bring an existing subrule, pursuant to 2020 Iowa Acts, House File 2565, as amended by sections 72 through 74 of 2020 Iowa Acts, House File 2641, into compliance with the required transition from the Department of Administrative Services to the Department of Revenue.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on February 21, 2024, as **ARC 7648C**. A public hearing was held on March 12, 2024, at 10 a.m. at IPERS, 7401 Register Drive, Des Moines, Iowa. No one attended the public hearing. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by IPERS on March 28, 2024.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition IPERS for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 22, 2024.

The following rulemaking action is adopted:

ITEM 1. Amend subrules 4.6(1) to 4.6(3) as follows:

4.6(1) Contribution rates for regular class members.

a. No change.

b. Effective July 1, 2012, and every year thereafter, the contribution rates for regular members shall be publicly declared by IPERS staff no later than the preceding December as determined by the annual valuation of the preceding fiscal year. The public declaration of contribution rates will be followed by ~~rule-making~~ rulemaking that will include a notice and comment period and that will become effective July 1 of the next fiscal year. Contribution rates for regular members are as follows.

	Effective July 1, 2019	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024
Combined rate	15.73%	15.73%	15.73%	15.73%	15.73%	<u>15.73%</u>
Employer	9.44%	9.44%	9.44%	9.44%	9.44%	<u>9.44%</u>
Employee	6.29%	6.29%	6.29%	6.29%	6.29%	<u>6.29%</u>

4.6(2) Contribution rates for sheriffs and deputy sheriffs are as follows.

	Effective July 1, 2019	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024
Combined rate	19.02%	18.52%	18.02%	17.52%	17.02%	<u>17.02%</u>
Employer	9.51%	9.26%	9.01%	8.76%	8.51%	<u>8.51%</u>
Employee	9.51%	9.26%	9.01%	8.76%	8.51%	<u>8.51%</u>

4.6(3) Contribution rates for protection occupations are as follows.

	Effective July 1, 2019	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024
Combined rate	16.52%	16.02%	15.52%	15.52%	15.52%	<u>15.52%</u>
Employer	9.91%	9.61%	9.31%	9.31%	9.31%	<u>9.31%</u>
Employee	6.61%	6.41%	6.21%	6.21%	6.21%	<u>6.21%</u>

ITEM 2. Amend paragraph **5.2(6)“g”** as follows:

g. An emergency medical care provider who provides emergency medical services, as defined in Iowa Code section 147A.1, and who is not a member of the retirement systems established in Iowa Code chapter ~~401~~ or 411 shall be covered.

ITEM 3. Amend paragraph **11.2(4)“a”** as follows:

a. Notwithstanding the foregoing, IPERS shall commence payment of a member’s retirement benefit under Iowa Code sections 97B.49A to 97B.49I (under Option 2) no later than the “required beginning date” ~~specified under Internal Revenue Code Section 401(a)(9)~~, even if the member has not submitted the application for benefits. If the lump sum actuarial equivalent could have been elected by the member, payments shall be made in such a lump sum rather than as a monthly allowance. The “required beginning date” is defined as the later of: ~~(1) April 1 of the year following the year that the member attains the age of 72 (or the age of 70 ½ for that member who attains the age of 70 ½ on or before December 31, 2019), or (2) April 1 of the year following the year that the member actually terminates all employment with employers covered under Iowa Code chapter 97B.~~

(1) April 1 of the year following the year that the member attains the applicable age, determined as follows:

1. For members who turned age 72 before 2023, the applicable age is age 72 (or age 70 ½ if they were born before July 1, 1949), and

2. For members who will turn age 72 after 2022 and age 73 before 2033, the applicable age is age 73; or

(2) April 1 of the year following the year that the member actually terminates all employment with employers covered under Iowa Code chapter 97B.

ITEM 4. Amend subrule 11.6(1) as follows:

11.6(1) Monthly paper warrants processing fee. Effective July 1, 2005, IPERS shall charge a \$1 per-warrant processing fee to members who choose to receive paper warrants in lieu of electronic deposits of their monthly retirement allowance. The fee may be waived if the person establishes that it would be an undue hardship for the person to do what is necessary to receive payment of the person’s IPERS monthly retirement allowance by electronic deposit. The processing fee will be deducted from the member’s retirement allowance on a posttax basis.

For purposes of this subrule, a member claiming undue hardship must establish that the cost normally assessed for the processing of paper warrants would be unduly burdensome because of the member’s limited income, or is otherwise financially burdensome or physically impracticable.

ITEM 5. Amend subrule 11.7(6) as follows:

11.7(6) Offsets against amounts payable. IPERS may, in addition to other remedies and after notice to the recipient, request an offset against amounts owing to the recipient by the state according to the offset procedures pursuant to Iowa Code sections ~~8A.504 and 421.17, or section 421.65 as enacted by 2020 Iowa Acts, House File 2565, section 16, as applicable.~~

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 4/17/24.