

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Regulatory Analysis

Notice of Intended Action to be published: 495—Chapter 5
“Employees”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15

State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

May 5, 2026
1 to 2 p.m.

IPERS Boardroom
7401 Register Drive
Des Moines, Iowa
Via videoconference call:
[Join Online Meeting](#)
Meeting ID: 243 870 453 017 71
Passcode: kM68fC6e

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

Purpose and Summary

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

Analysis of Impact

- Persons affected by the proposed rulemaking:**
 - Classes of persons that will bear the costs of the proposed rulemaking:**
This proposed rulemaking does not have a cost to the public.
 - Classes of persons that will benefit from the proposed rulemaking:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

• **Quantitative description of impact:**

This proposed chapter will benefit over 400,000 IPERS-covered employees and their beneficiaries by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.

• **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. Costs to the State:

• **Implementation and enforcement costs borne by the agency or any other agency:**

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

• **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

IPERS has not identified any less costly methods or less intrusive methods.

6. Alternative methods considered by the agency:

• **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

• **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

• Establish less stringent compliance or reporting requirements in the rulemaking for small business.

• Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

• Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

• Establish performance standards to replace design or operational standards in the rulemaking for small business.

• Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The proposed rulemaking does not create a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 495—Chapter 5 and adopt the following **new** chapter in lieu thereof:

CHAPTER 5
EMPLOYEES

495—5.1(97B) Identification of employees covered by IPERS. Except as otherwise provided in rule 495—5.2(97B) and Iowa Code section 97B.42A, each employee, as defined by Iowa Code section 97B.1A(8), is an IPERS member upon the first date of employment.

495—5.2(97B) Coverage treatment for specific employee classifications.

5.2(1) No person who is explicitly excluded by applicable law or who opts out of coverage may be included within the system, including:

- a. The employee is excluded from membership by Iowa Code section 97B.1A(8) “b.”
- b. Reserve peace officers employed under Iowa Code chapter 80D are not covered in accordance with Iowa Code section 80D.14.
- c. A police chief or fire chief who has submitted a written request to the board of trustees created by Iowa Code section 411.36 to be exempt from coverage under Iowa Code chapter 411 is not covered under IPERS in accordance with Iowa Code sections 384.6(1) and 411.3. Iowa Code section 384.6(1) sets forth the city’s obligations on behalf of such person.
- d. Peace officer candidates of the department of public safety are not covered.

5.2(2) Temporary employment. Effective July 1, 2008, temporary employees are not covered provided that they have not established an ongoing relationship with an IPERS-covered employer as set forth in Iowa Code section 97B.1A(8) “b”(3). An ongoing relationship with an IPERS-covered employer is established when:

- a. The employee is paid covered wages of \$1,000 or more per quarter in two consecutive quarters; or
- b. The employee is employed by a covered employer for 1,040 or more hours in a calendar year.

Coverage begins when the permanency of the relationship is established and continues until the employee’s relationship with the covered employer is severed. If there is no formal severance, coverage for a person hired for temporary employment who has established an ongoing relationship with a covered employer continues until that person completes four consecutive calendar quarters in which no services are performed for that employer after the last covered calendar quarter. Effective July 1, 1994, volunteer fire fighters and special police officers are considered temporary employees and shall be covered if they meet the requirements of this subrule.

No service credit will be granted to a temporary employee who has become a covered employee under this rule for any quarter in which no covered wages are reported unless the employee is on a leave of absence that qualifies for service credit under Iowa Code section 97B.1A(20). Contributions are paid, and service credit is accrued, when wages are paid in the quarter after the ongoing relationship has been established.

5.2(3) Student employment. Full-time or part-time students employed part-time by the educational institution where they are enrolled are not IPERS-covered. Full-time and part-time student status is as defined by the individual educational institutions. Full-time and part-time employment status is as defined by the individual employers. If the employer is not the institution where the college student is enrolled, the college student is not exempt from IPERS coverage and employers would determine IPERS coverage by applying the usual permanent or temporary rules. High school and lower grade students continue to be exempt from IPERS coverage.

5.2(4) Members of any other retirement system in Iowa maintained in whole or in part by public funds are not covered. However, effective July 1, 1996, an employee who has two jobs, one

covered by IPERS and one covered by another retirement system in Iowa, remains an IPERS-covered employee, unless the employee receives credit in such other retirement system for both jobs.

5.2(5) Members who are contributing to the federal civil service retirement system or federal employees retirement system are not covered. However, effective July 1, 1996, an employee who has two jobs, one covered by IPERS and one covered by a federal retirement system, is considered as an IPERS-covered employee, unless the employee receives credit in such federal retirement system for both jobs.

5.2(6) Employees of credit unions without capital stock organized and operated for mutual purposes without profit are not covered.

5.2(7) Residents or inmates of county homes are not covered.

5.2(8) Adjunct instructors employed by a community college or university are not covered as set forth in Iowa Code section 97B.1A(8)“b.” Adjunct instructors are persons employed by a community college or university without a continuing contract and whose teaching load does not exceed one-half time for two full semesters or three full quarters for the calendar year. The determination of whether a teaching load exceeds one-half time is based on the number of credit hours or noncredit contact hours that the community college or university considers to be a full-time teaching load for a regular full semester or quarter. An adjunct instructor whose teaching load exceeds the foregoing limitations is covered.

In determining whether an adjunct instructor is a covered employee, no credit is granted for teaching periods of shorter duration than a regular semester or regular quarter (such as summer semesters), regardless of the number of credit or contact hours assigned to that period.

5.2(9) Effective July 1, 1992, enrollees of a senior community service employment program authorized by Title V of the Older Americans Act and funded by the United States Department of Labor are not covered unless:

- a. Both the enrollee and the covered employer elect coverage; or
- b. The enrollee is currently contributing to IPERS.

For purposes of this subrule only, a covered employer is defined as the host agency where the enrollee is placed for training.

5.2(10) The employee is excluded from membership under Iowa Code section 97B.42B.

5.2(11) Persons who meet the requirements of independent contractor status as determined by IPERS using the criteria established by the federal Internal Revenue Service are not covered.

5.2(12) Persons employed through any program described in Iowa Code section 84A.7 and provided by the Iowa conservation corps are not covered.

5.2(13) Persons receiving rehabilitation services in a community rehabilitation program, rehabilitation center, sheltered workshop, and similar organizations whose primary purpose is to provide vocational rehabilitation services to target populations are not covered.

5.2(14) Persons who are members of a community service program authorized under and funded by grants made pursuant to the federal National and Community Service Act of 1990 are not covered.

5.2(15) Persons who are employed by professional employment organizations, temporary staffing agencies, and similar noncovered employers and are leased to covered employers are not covered.

5.2(16) Effective July 1, 1999, persons performing referee services for a covered employer are not covered, unless the performance of such services is included in the persons’ regular job duties for the employer for which such services are performed.

5.2(17) A citizen coach is an employee (permanent or temporary) who works for a school district in only a coaching capacity. An employer may provide a citizen coach with IPERS coverage immediately. If the employer chooses not to, then the following determination of IPERS coverage is needed:

- a. If the citizen coach is expected to fill the position each season and cannot be unseated by another district employee, then the district and citizen coach have established a permanent relationship and IPERS coverage should begin once that citizen coach returns to coach a second season.

b. If there is no expectation of continued employment beyond the first season for the citizen coach, or if the citizen coach can be unseated by another district employee, then a temporary relationship exists and the citizen coach is covered if the citizen coach meets the requirements of subrule 5.2(2).

495—5.3(97B) Participation in IPERS and another retirement system. Effective July 1, 1996, an employee may actively participate in IPERS and another retirement system as set forth in Iowa Code section 97B.42.

These rules are intended to implement Iowa Code sections 97B.1A, 97B.4, 97B.42, 97B.42A, 97B.49B, 97B.49C, and 97B.49G.