

## IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

### Regulatory Analysis

Notice of Intended Action to be published: 495—Chapter 9  
“Refunds”

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 (2023) 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](mailto: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 restrictive 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 incur costs to the public.
  - Classes of persons that will benefit from the proposed rulemaking:**

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

• **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members, 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 9 and adopt the following **new** chapter in lieu thereof:

CHAPTER 9  
REFUNDS

**495—9.1(97B) Refunds for members with only one type of service credit.** A member meets eligibility requirements for a refund of the employee and portion of the employer accumulated contributions as provided in Iowa Code section 97B.53. Refund amounts are determined as follows:

**9.1(1)** Employee accumulated contributions. Upon receiving an eligible member’s application for refund, IPERS shall pay to the terminated member the amount of the employee accumulated contributions currently reported to, and processed by, IPERS as of the date of the refund. Upon reconciliation of the final employee contributions for that member, IPERS will pay a supplemental refund of the employee accumulated contributions if funds remain in the member account.

**9.1(2)** Employer accumulated contributions.

*a.* IPERS calculates the refundable portion by multiplying the employer accumulated contributions by the service factor.

(1) The service factor is a fraction, of which the numerator is the member’s quarters of service and the denominator is the applicable quarters. The applicable quarters are 120 for regular members and 88 for all special service members.

(2) The service factor numerator includes all quarters of service credit. A member will not receive an amount in excess of 100 percent of the employer accumulated contributions for that member.

*b.* In addition to paragraph 9.1(2)“*a.*,” IPERS calculates the refundable portion of the employer accumulated contributions as follows:

(1) Upon reconciliation of the final employer contributions for that member, IPERS recalculates the member’s portion of the employer accumulated contributions. IPERS adds the additional service quarter(s) to the service factor numerator. IPERS multiplies the adjusted service factor by the sum of the original employer accumulated contributions plus the supplemental employer accumulated contributions. IPERS subtracts the employer accumulated contributions included in the original refund from that recalculated figure to determine the amount of employer accumulated contributions included in the supplemental refund.

(2) IPERS determines the member’s portion of employer accumulated contributions under rule 495—9.2(97B) if the member had a combination of regular service and special service or a combination of different types of special service.

**9.1(3)** In making calculations under this rule and rule 495—9.2(97B), IPERS rounds to not less than six decimal places to the right of the decimal point.

**495—9.2(97B) Refunds for members eligible for a hybrid refund.** IPERS calculates the member’s portion of employer accumulated contributions for a hybrid refund as follows:

**9.2(1)** A “hybrid refund” is a refund that is calculated for a member who has a combination of regular service and special service quarters.

**9.2(2)** If a member is eligible for a hybrid refund, IPERS calculates the member’s portion of employer accumulated contributions by multiplying the total employer accumulated contributions by (a) the member’s regular service factor, if any, and (b) the special service factor, if any (except as otherwise provided in this subrule). IPERS adds the amounts obtained together to determine the amount of the employer accumulated contributions payable. A member will not receive an amount in excess of 100 percent of the employer accumulated contributions for that member.

**9.2(3)** Upon reconciliation of the final contributions from a member's employer, IPERS recalculates the member's portion of the employer accumulated contributions under this rule. IPERS adds the additional quarter(s) of service to the applicable service factor numerator. IPERS multiplies the adjusted service factor by the sum of the original employer accumulated contributions plus the supplemental employer accumulated contributions. IPERS subtracts the employer accumulated contributions included in the original refund from that recalculated figure to determine the amount of the employer accumulated contributions included in the supplemental refund.

**9.2(4)** If wages reported for a quarter include a combination of regular and special service wages, IPERS classifies the service credit for each quarter based on the largest dollar amount reported for that quarter. A member will not receive more than one quarter of service credit for any calendar quarter, even though IPERS records more than one type of service credit for that quarter.

**9.2(5)** If a member is last employed in a sheriff or deputy sheriff position, all quarters of eligible service count as quarters of sheriff or deputy sheriff service credit.

**9.2(6)** A special limitation applies to hybrid refunds where the member and employer contributed at regular rates for quarters that are eligible for coverage under Iowa Code section 97B.49B or 97B.49C. If a member has regular service credit and special service credit and any part of the special service credit consists of quarters for which only regular contributions were made, these quarters are counted as regular service quarters. This limitation does not apply if the member only has service credit eligible for coverage under Iowa Code section 97B.49B or only has service credit eligible for coverage under Iowa Code section 97B.49C.

**495—9.3(97B) General administrative provisions.** In addition, IPERS administers a member's refund request as follows:

**9.3(1)** To obtain a refund, a member must file a refund application form. Refund application forms are only available from IPERS. If the member is married, a refund election must include the member's spouse's signature. However, the system may accept a married member's refund election under this chapter without the member's spouse's signature if the member submits a notarized statement affirming that, after reasonable diligent efforts, the member was unable to locate their spouse to obtain the spouse's signature. The member's refund election becomes effective upon filing the necessary forms, including the notarized statement, with the system. The system is not liable to the member, to the member's spouse, nor to any other person affected by the member's refund election based upon a refund election accomplished without the member's spouse's signature.

**9.3(2)** Unless the employer has not paid the member covered wages for at least one year or has provided the termination date and last paycheck date on the monthly wage reports filed with IPERS, the employer must certify the last date the employer considers the member an employee and the last paycheck date from which IPERS contributions are deducted on the refund application. Terminated employees must keep IPERS advised in writing of any change in address so that IPERS can deliver refunds and tax documents. Unless the member requests an electronic funds transfer, IPERS mails the refund warrant to the member at the address listed on the application for refund.

**9.3(3)** This rule does not require payment of any kind if the amount due is less than \$1.

**9.3(4)** Effective July 1, 2004, an employee must sever all covered employment for 30 days after the date the employee was last considered an employee of a covered employer.

**9.3(5)** Effective November 2006, an individual who previously stopped participating in IPERS to participate in an alternative plan cannot receive a refund of their IPERS account while still employed by a covered employer, even if the member is no longer in IPERS covered employment.

**495—9.4(97B) Termination of employment—refund option.** A reinstatement following an employment dispute as described in Iowa Code section 97B.53(7) does not constitute a violation of Iowa Code section 97B.53(4), even if the reinstatement occurs less than 30 days after the date of termination.

**495—9.5(97B) Refund followed by commencement of disability benefits under Iowa Code section 97B.50(2).** If a vested member terminates covered employment, takes a refund, and is subsequently approved for disability under the federal Social Security Act or the federal Railroad Retirement Act, the member may reinstate membership service credit for the period covered by the refund by paying the actuarial cost as determined in 495—subrule 8.1(1) within 90 days after the date federal social security disability or railroad retirement disability payments begin. Repayments must be made:

1. For members whose federal social security or railroad retirement disability payments begin before July 1, 2000, within 90 days after July 1, 2000; or
2. For members whose social security or railroad retirement disability payments begin on or after July 1, 2000, within 90 days after the date federal social security or railroad retirement payments begin.

These rules are intended to implement Iowa Code sections 97B.50 and 97B.53.