

## IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

### Regulatory Analysis

Notice of Intended Action to be published: 495—Chapter 10  
“Interest on Accumulated Contributions”

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 chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members 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 10 and adopt the following **new** chapter in lieu thereof:

CHAPTER 10  
INTEREST ON ACCUMULATED CONTRIBUTIONS

**495—10.1(97B) Interest on accumulated contributions of active and inactive members.** For purposes of this rule, interest, as set forth in Iowa Code section 97B.70, is applied through the calendar quarter preceding the quarter in which any distribution is made. IPERS determines the interest rate under, and the per annum interest rate is credited as provided by, Iowa Code section 97B.70(2).

**495—10.2(97B) Erroneous contributions.** Interest, as defined by Iowa Code section 97B.70(2), is not credited to a member's account if the wages were reported in error.

**495—10.3(97B) Interest on undistributed accumulated contributions after member's death.** Interest continues to accrue on the deceased member's undistributed accumulated contributions based on the member's vested status at date of death and the interest crediting method described in rule 495—10.1(97B). IPERS will not credit interest to any postretirement death benefit payable with respect to that member's account under Iowa Code chapter 97B. If IPERS determines that a dispute among alleged heirs exists that delays the death benefit payment on which interest would be payable, IPERS will place the death benefit amount in a non-interest-bearing account.

These rules are intended to implement Iowa Code sections 97B.52, 97B.53 and 97B.70.