RA 26-198

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Regulatory Analysis

Notice of Intended Action to be published: 495—Chapter 3
"Benefits Advisory Committee"

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:

August 26, 2026 3 to 3:30 p.m.	IPERS Boardroom 7401 Register Drive Des Moines, Iowa Via videoconference call: Join online meeting Meeting ID: 275 109 054 101 443 Passcode: Uf6u9vH3

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

1. **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 2,000 IPERS-covered employers and over 400,000 IPERS members 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 3 and adopt the following **new** chapter in lieu thereof:

CHAPTER 3
BENEFITS ADVISORY COMMITTEE

495—3.1(97B) Benefits advisory committee (BAC). The BAC is an advisory committee established to carry out duties set forth in Iowa Code section 97B.8B. The BAC is a governmental body as defined by Iowa Code section 21.2(1).

495—3.2(97B) Membership organizations and representatives.

3.2(1) BAC membership consists of at least 9 and no more than 14 members with the composition of the BAC aligning with Iowa Code section 97B.8B. A current list of organizations, appointees, terms and voting status is maintained on IPERS' website.

3.2(2) Appointment of BAC representatives. Each membership organization appoints a representative to serve on the BAC. The BAC will not entertain petitions disputing that selection. BAC representatives will provide IPERS or the chairperson with their name, address, telephone number and other information required by IPERS or the chairperson.

3.2(3) Attendance.

a. Any representative will be deemed to have submitted a resignation from participation in the BAC if either of the following events occurs:

(1) The representative does not attend three or more consecutive regularly scheduled meetings.

(2) The representative attends fewer than one-half of the regularly scheduled meetings each fiscal year.

b. This provision applies only to a period beginning on or after the date when the person assumes the position of representative. In the event that a representative is deemed to have resigned under this provision, the chairperson will immediately notify the representative's organization and require the appointment of a different representative within 30 days.

c. If a representative is unable to attend a meeting, an alternate designated by the membership organization may attend the meeting. Attendance by an alternate will not relieve the regular representative of the responsibility of attendance at regularly scheduled meetings.

3.2(4) Replacement of membership organizations due to nonparticipation. If a membership organization, after receiving written notice from the BAC under subrule 3.2(3), fails to appoint a new representative, the chairperson will send a second written notice giving the organization an additional 30 days to appoint a representative. The notice will state that, in order for the appointment to become effective, the newly appointed representative must attend the next regularly scheduled BAC meeting. The attendance of an alternative representative at said meeting will not fulfill the requirements of this subrule.

a. If the organization does not timely appoint a new representative, or its newly appointed representative does not attend the next regularly scheduled BAC meeting, the organization will be deemed to have relinquished its seat on the BAC.

b. After a membership organization relinquishes its seat on the BAC for nonparticipation, the subcommittee on membership will, as soon as practicable, meet to consider a replacement organization. If the subcommittee determines that the composition of the BAC would continue to satisfy subrule 3.2(1), the subcommittee may recommend any type of qualified, interested organization as a replacement, or it may recommend leaving the seat open. However, if the subcommittee determines that the composition of the BAC would not satisfy subrule 3.2(1) if a seat was not filled, the subcommittee must recommend a replacement, and the replacement must be one that permits the BAC to meet the requirements of subrule 3.2(1).

c. Any qualified, interested organization may file a petition for consideration as a replacement membership organization. The subcommittee will review all petitions that have been filed after the most recent formal review under this rule. The subcommittee may solicit petitions for BAC membership from any qualified, interested organization.

d. The subcommittee will recommend a replacement membership organization, if any, at the next regularly scheduled BAC meeting or as soon as practicable. The BAC, by a majority vote of the nine voting representatives, approves or rejects the subcommittee's recommendation.

e. If the subcommittee's recommendation is rejected and the seat must be filled, the subcommittee will reconvene as soon as practicable and the foregoing process will be repeated until such time as the subcommittee's recommendation is approved.

f. In order to be considered for BAC membership under this rule, an organization must be a "qualified, interested organization." "Qualified, interested organization" means a unit of the executive branch or a formally organized corporation or association representing a viable and identifiable group of covered employers or covered employees as determined by the BAC in its sole discretion.

g. This subrule does not affect BAC members described in Iowa Code section 97B.8B(3).

3.2(5) Replacement of current membership organizations other than through nonparticipation. A qualified, interested organization may petition the BAC to replace an existing membership organization. Petitions for BAC membership must be submitted in writing on IPERS-provided forms and will be considered according to the schedule established below.

a. A formal review of petitions under this rule occurs every three years. IPERS provides 60 days' prior written notice of the next formal review to interested organizations. Notice to all other potential petitioners of the next formal review will be provided on IPERS' website.

b. The subcommittee chosen to make recommendations regarding the replacement of a current membership organization will not include the individual representing that organization on the BAC. However, any membership organization whose seat is being contested under this rule may submit written materials and make oral presentations to the subcommittee in support of its continued existence as a BAC membership organization.

c. For each formal review, the subcommittee reviews all petitions for membership, if any, that have been filed after the most recent formal review under this rule. The subcommittee may solicit petitions for BAC membership from any qualified, interested organization.

d. When one or more qualified, interested organizations have filed a petition to replace a current membership organization, the subcommittee will meet at least 30 days prior to the next formal review session to determine whether to recommend approval or rejection.

e. If the subcommittee determines that the composition of the BAC would continue to satisfy subrule 3.2(1) regardless of the type of qualified, interested organization recommended, the subcommittee may recommend any type of qualified, interested organization for a seat being sought under this rule.

f. If the subcommittee determines that the composition of the BAC will only continue to satisfy subrule 3.2(1) if a current membership organization's seat is filled by a certain specific type of organization, the subcommittee must limit its recommendations for approval to the types of organizations that would permit the composition of the BAC to continue to satisfy subrule 3.2(1).

g. The subcommittee will present its recommendation at the next regularly scheduled formal review of petitions under this rule. The BAC, by a majority vote of the nine voting representatives, approves or rejects the subcommittee's recommendation.

h. If the subcommittee determines that two qualified, interested organizations are competing for the same seat, the subcommittee will, in its sole discretion, evaluate the competing organizations and make a recommendation that meets the requirements of this rule and takes into consideration the following factors: the number of employers or employees represented, the diversity of the representation, the degree to which the applicable constituents already have BAC representation through other BAC membership organizations, prior involvement in BAC activities, and prior activities as an IPERS advocate in other forums.

i. If the BAC votes to replace a current membership organization that holds a voting seat with a new membership organization, the replacement membership organization will complete the remainder of the term for that voting seat. Otherwise, the new membership organization will be seated as a nonvoting organization. Thereafter, if a vacancy occurs in a voting seat and the new membership organization is qualified to fill that voting seat, the new membership organization may compete for the vacant voting seat.

j. An organization that petitions for a seat under this rule and is not selected must resubmit its petition for membership in order to receive consideration for a seat during the next scheduled formal review.

k. This subrule does not affect BAC members described in Iowa Code section 97B.8B(3).

495—3.3(97B) Voting representatives and rights. The BAC consists of voting representatives as set forth in Iowa Code section 97B.8B(3).

3.3(1) *Member voting representatives.* One voting representative will be elected from a membership organization that represents teachers. Of the other three voting representatives who represent members of the system, only one representative will be from a membership organization that solely represents the public safety protection classes.

3.3(2) *Voting rights.* A membership organization is permitted to designate a substitute voting representative to cast the vote of the membership organization at a meeting in the event that the named representative cannot attend. No membership organization will have more than one vote on a matter brought before the BAC.

3.3(3) *Terms of voting representatives.* The term of each voting representative will be three years, beginning and ending as provided in Iowa Code section 97B.8B. Terms of voting representatives will be staggered.

3.3(4) *Quorum, voting requirements and voting procedures.*

a. Quorum. Five voting representatives of the BAC constitute a quorum.

b. Voting requirements. A quorum of the BAC must be present, whether the representatives are attending in person or remotely, at the time any vote is taken.

c. Voting procedures. The chairperson rules as to whether the vote will be by voice or roll call. A roll-call vote will be taken anytime a voice vote is not unanimous. Minutes of the BAC will indicate the vote of each voting member if a roll-call vote is taken.

3.3(5) *Officers and elections.*

a. Officers. BAC officers are the chairperson and vice chairperson.

b. Elections. At the first meeting in each fiscal year, the voting members elect officers. If an officer does not serve out the elected term, a special election will be held at the first meeting after notice is provided to the BAC to elect a representative to serve out the remainder of the term.

495—3.4(97B) Meetings.

3.4(1) The BAC will meet at least quarterly or at the request of the chairperson or IPERS' chief executive officer. The chairperson establishes the dates of all regularly scheduled meetings. Advance notice of the time, date, tentative agenda and place of meeting will be given in compliance with Iowa Code chapter 21. All meetings of the BAC are open to the public and are held in accordance with Robert's Rules of Order, Newly Revised. The BAC may exclude the public from portions of the meeting in accordance with Iowa Code section 21.5 (closed session). Minutes are reviewed and approved by the BAC and maintained by IPERS.

3.4(2) Parties wishing to address the BAC on a matter not on the agenda should notify IPERS or the chairperson in writing at least five days prior to the meeting.

These rules are intended to implement Iowa Code chapter 97B.