

CHAPTER 402
PEACE OFFICERS' RETIREMENT, ACCIDENT, AND DISABILITY SYSTEM—
ELIGIBILITY, BENEFITS, AND PAYMENTS

[Prior to 10/27/04, see 581—Ch 24]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

661—402.1 to 402.99 Reserved.

DIVISION I
ELIGIBILITY

661—402.100(97A) Age of qualification. The age of qualification for benefits under Iowa Code Supplement chapter 97A shall mean the age on the member's last birthday.

661—402.101(97A) Date of retirement. Date of retirement shall mean the first day on retirement and not the last day on duty.

661—402.102(97A) Application of Iowa Code Supplement section 97A.6, subsection 12. Iowa Code Supplement section 97A.6, subsection 12, applies to the deceased member's spouse and children only if the spouse was married to the deceased member at or before the time of retirement and the children are the natural children of the deceased member or were legally adopted at or before the time of retirement of the member. If there is no surviving spouse of a marriage solemnized prior to retirement of a deceased member, then "surviving spouse" means a surviving spouse of a marriage of two years or more solemnized subsequent to the retirement of the member.

661—402.103(97A) Date of death. In the event of the death of a member, the date of death will be considered to be the member's last day on the payroll for earned compensation or on pension, and the next day following will be the first day for the spouse's and children's benefits. The start of benefits shall not be delayed by the payout of any other compensation.

661—402.104(97A) Age of spouse. When the spouse of a deceased active member is to receive an annuity payment from the member's contributions, the age of the spouse at the spouse's nearest birthday shall govern. The computation shall be the spouse's birth date subtracted from the first date that spouse's benefits begin to accrue.

661—402.105 to 402.199 Reserved.

DIVISION II
BENEFITS AND PAYMENTS

661—402.200(97A) Computation of average final compensation. Computation of the average final compensation shall be made using the earnable compensation of the member during the three years of the member's service as a member of the department during which the member received the highest amount of compensation. Overtime compensation, if any, and periods without pay shall not be considered in this computation.

Exception:

If a member retires before attaining three years of service, the average final compensation shall be the total of the earnable compensation from the date the member was sworn into service divided by the number of months of service and multiplied by 12.

661—402.201(97A) Workers' compensation—effect on benefit payment. If workers' compensation benefits are payable because of a member's disability or death, the retirement or death benefit payable, other than a line-of-duty death benefit paid pursuant to 661—Chapter 403, from the system shall be reduced by the actuarial equivalent of the total workers' compensation.

402.201(1) Monthly peace officers' retirement system benefits shall be reduced by the monthly benefit received from workers' compensation.

402.201(2) Peace officers' retirement system benefits shall be reduced in the amount of permanent partial disability benefits paid by workers' compensation. Benefits will be withheld in the amount of permanent partial disability benefits.

[ARC 8935B, IAB 7/14/10, effective 7/1/10]

661—402.202(97A) Errors in payments. If an error in payments already made to a member or beneficiary is discovered, arrangements shall be made to correct the error, either through recovery of overpayments from the member or beneficiary or through additional compensation paid to the member or beneficiary to adjust for underpayments. Schedules referenced in this rule shall commence only after presentation to and approval by the board of trustees.

402.202(1) As soon as practical after being discovered, underpayments shall be corrected through a lump-sum payment to the member or beneficiary in an amount equal to the total amount of underpayments to date and an amount of interest such that the total lump-sum payment is actuarially equivalent to the total amount of underpayments. The member or beneficiary may request a method of repayment other than a lump-sum payment, in which case a repayment schedule may be mutually agreed upon between the board and the member or beneficiary.

402.202(2) Overpayments other than those which resulted from fraudulent acts on the part of the member or beneficiary receiving the payments shall be recovered from the member or beneficiary. The preferred method of recovery, if the member or beneficiary is continuing to receive payments from the system, shall be withholding monthly an amount equivalent to the monthly average of the amount of overpayments during the period in which the overpayments were made, until total repayments equal a sum actuarially equivalent to the total amount of overpayment. If the member or beneficiary is not receiving payments from the system, the board may seek repayment in a lump sum including the amount of overpayments and interest in an amount such that the total repayment is actuarially equivalent to the total amount of overpayments, although the member or beneficiary may request a repayment schedule be established and the board may agree to do so.

402.202(3) An overpayment which resulted in whole or in part from a fraudulent act or acts on the part of the member or beneficiary receiving the payments shall be repaid to the system in an amount which is actuarially equivalent to the amount of the overpayment plus a reasonable assessment of the administrative costs to the system and the department to recover the overpayment. The preferred method of repayment is a lump-sum payment collected as soon as practical after the overpayment and the fraudulent act are discovered, although the board shall accept a repayment schedule established by a court which orders restitution in relation to a conviction stemming from the fraudulent act or acts. The board may agree to an alternative payment schedule at the request of the member or beneficiary if there is no applicable order of restitution.

The board may find, on the basis of clear and convincing evidence, that an overpayment resulted from a fraudulent act or acts on the part of a member or beneficiary. A conviction based upon a fraudulent act or acts committed in relation to the receipt of benefits from the system shall be prima facie evidence of fraud for purposes of this subrule.

661—402.203(97A) Initial benefit for a child. Initial benefit for a child as specified in Iowa Code Supplement section 97A.6, subsection 8, 9 or 12, shall be 6 percent of the monthly earnable compensation payable to an active member having the rank of senior trooper of the Iowa state patrol. A senior trooper, for the purposes of Iowa Code Supplement chapter 97A, is a peace officer having at least ten years of active service with the Iowa state patrol.

661—402.204(97A) Computation for partial month. Computation of retirement benefits for a partial month shall be based on the actual number of days in the month, i.e., monthly benefits divided by the number of days in the month multiplied by the number of days due.

661—402.205(97A) One year of service. For the purpose of computing service, service for fewer than six months of a year is not creditable as service. Service of six months or more in any year shall be equivalent to one year of service; however, in no case shall a member receive more than one year of service credit for each 12-month period of service.

661—402.206(97A) Termination prior to retirement.

402.206(1) Members who terminate covered employment prior to age 55 other than by death or disability have certain rights to their accumulated contributions.

a. A member with fewer than four years of service is not entitled to benefits under the system. A member terminating employment with less than four years of service has the following options for the handling of the member's contributions to the system:

(1) The member may withdraw the member's contributions along with accumulated interest.

(2) The member may have all or a part of the member's qualifying contributions along with accumulated interest rolled forward to a qualified retirement plan and may withdraw the balance of the member's contributions.

(3) The member may leave the member's contributions in the system as long as the member continues to be a member of the system. A member ceases to be a member of the system should the member in any period of five consecutive years after last becoming a member be absent from service for more than four years. Should a member cease to be a member, the member's contributions shall be paid to the member as provided in this paragraph.

b. A member with four or more years of service is a "vested member" and is entitled to benefits under the system. The member's options under the system are as follows:

(1) Upon attaining retirement age, the member may receive a service retirement allowance of four twenty-seconds of the retirement allowance the member would receive at retirement if the member's employment had not been terminated, and an additional one twenty-second of such retirement allowance for each additional year of service not exceeding 22 years of service. Should the member have over 22 years of service, upon the member's retirement there shall be added $2\frac{3}{4}$ percent of the member's average final compensation for each year over 22 years for up to 10 additional years of service. The amount of the retirement allowance shall be calculated in the manner provided in this subparagraph using the average final compensation at the time of termination of the member's employment.

(2) The member may withdraw the member's contributions pursuant to Iowa Code section 97A.16, along with accumulated interest.

(3) The member may have all or a part of the member's qualifying contributions along with accumulated interest rolled forward to a qualified retirement plan and may withdraw the balance of the member's contributions.

402.206(2) The interest rate shall be the composite rate of return for the fiscal year as reflected in the investment performance analysis, provided by the investment consultants for the system, as specified in the report for the quarter ending June 30 of the fiscal year, adjusted by the administrative expense of the system for the fiscal year. The administrative expense rate shall be calculated by dividing the actual administrative expense for the fiscal year by the fund balance on June 30 of the fiscal year.

402.206(3) Interest shall be credited to the member's account annually as of June 30. The interest credited to the member shall be calculated by multiplying the annual interest rate by the member's average balance for the fiscal year, with interest credited for each full month of membership.

402.206(4) Members withdrawing contributions under this rule shall submit a written request to the secretary.

661—402.207(97A) Optional retirement benefits. Members of the system who retire under a service retirement may elect to receive one of the following optional retirement benefits and have the optional retirement benefit or a designated fraction of the benefit paid to the member's beneficiary:

1. Straight life annuity.
2. Straight life annuity with five years certain.
3. Straight life annuity with ten years certain.
4. Joint and 50 percent survivor annuity.
5. Joint and 75 percent survivor annuity.
6. Joint and 100 percent survivor annuity.
7. Single life annuity with a designated lump sum.

For the purposes of this rule, a “beneficiary” means a member’s spouse, child, or dependent parent.

661—402.208(97A) Options not reversible once payments begin—exceptions.

402.208(1) The member may change or cancel the member’s selected optional benefit until the first monthly benefit payment is made using the selected option. After the first monthly payment to the member or beneficiary, the option shall become permanent and not subject to cancellation or change.

402.208(2) If a member dies without designating a beneficiary prior to receipt in benefits of an amount equal to the total amount in the member’s credit at the time of separation from service, the election is void.

402.208(3) If a member who has designated a beneficiary dies and the beneficiary subsequently dies prior to receipt in benefits of an amount equal to the total amount in the member’s credit at the time of separation from service, the election remains valid.

661—402.209(97A) Method of calculating annual adjustments when optional retirement benefits are selected. Whenever an optional benefit as provided for in rule 661—402.207(97A) has been selected by a member, the annual adjustments provided for in Iowa Code Supplement section 97A.6, subsection 14, shall continue to be provided.

661—402.210(97A) Termination of benefits when optional retirement benefits are selected. Whenever an optional benefit as provided for in rule 661—402.207(97A) has been selected by a member, benefit payments shall terminate as follows, except as provided in rule 661—402.208(97A):

1. Straight life annuity. Upon the death of the retired member, all future retirement payments shall cease.
2. Straight life annuity with five years certain. Upon the death of the retired member, or five years from the member’s original retirement date, whichever is later, all future retirement payments shall cease.
3. Straight life annuity with ten years certain. Upon the death of the retired member, or ten years from the member’s original retirement date, whichever is later, all future retirement payments shall cease.
4. Joint and 50 percent survivor annuity. Upon the death of the retired member, the surviving beneficiary shall have the beneficiary’s annual annuity established at 50 percent of the member’s amount. Upon the death of both the member and the beneficiary, all future retirement payments shall cease.
5. Joint and 75 percent survivor annuity. Upon the death of the retired member, the surviving beneficiary shall have the beneficiary’s annual annuity established at 75 percent of the member’s amount. Upon the death of both the member and the beneficiary, all future retirement payments shall cease.
6. Joint and 100 percent survivor annuity. Upon the death of the retired member, the surviving beneficiary shall have the annual annuity continue at the member’s amount. Upon the death of both the member and the beneficiary, all future retirement payments shall cease.
7. Single life annuity with a designated lump sum. Upon the death of the retired member, the beneficiary shall receive the single lump-sum payment, and all future retirement payments shall cease.

661—402.211(97A) Impact of optional benefit selections on child benefits. The selection of an optional retirement benefit by a member shall not change the benefit that a child of a deceased member would otherwise be eligible to receive.

661—402.212(97A) Method of calculating annual adjustment for members who retire on or after July 1, 2010. For members retiring on or after July 1, 2010, there shall be an adjustment occurring on July 1 for which the following applicable amount shall be added to the member’s monthly allowance:

402.212(1) On the first July 1 following the retirement of a member, there shall be added to the monthly allowance the amount of \$15. There shall be no other adjustment to the monthly allowance under the provisions of this rule until the adjustment provided in subrule 402.212(2) applies.

402.212(2) An additional \$5 shall be added to the member's monthly allowance when the member's retirement date was at least five years, but less than ten years, prior to the effective date of the adjustment, the total adjustment to the member's monthly allowance then being \$20. There shall be no other adjustment to the monthly allowance under the provisions of this rule until the adjustment provided in subrule 402.212(3) applies.

402.212(3) An additional \$5 shall be added to the member's monthly allowance when the member's retirement date was at least 10 years, but less than 15 years, prior to the effective date of the adjustment, the total adjustment to the member's monthly allowance then being \$25. There shall be no other adjustment to the monthly allowance under the provisions of this rule until the adjustment provided in subrule 402.212(4) applies.

402.212(4) An additional \$5 shall be added to the member's monthly allowance when the member's retirement date was at least 15 years, but less than 20 years, prior to the effective date of the adjustment, the total adjustment to the member's monthly allowance then being \$30. There shall be no other adjustment to the monthly allowance under the provisions of this rule until the adjustment provided in subrule 402.212(5) applies.

402.212(5) An additional \$5 shall be added to the member's monthly allowance when the member's retirement date was at least 20 years prior to the effective date of the adjustment, the total adjustment to the member's monthly allowance then being \$35.

[ARC 8935B, IAB 7/14/10, effective 7/1/10]

661—402.213(97A) Method of calculating annual adjustment for members who retired prior to July 1, 2010. For members having retired before July 1, 2010, there shall be an adjustment occurring on July 1 for which the following applicable amount shall be added to the member's monthly allowance:

402.213(1) For members having retired on or after July 2, 2009, but before July 1, 2010, there shall be added to the monthly pension allowance the amount of \$15. There shall be no other adjustment to the monthly allowance under the provisions of this rule until the adjustment provided in subrule 402.212(2) applies.

402.213(2) For members having retired on or after July 2, 2008, but before July 2, 2009, no adjustment to the monthly allowance shall be made until the adjustment provided in subrule 402.212(2) applies.

402.213(3) For members having retired on or after July 2, 2007, but before July 2, 2008, no adjustment to the monthly allowance shall be made until the adjustment provided in subrule 402.212(5) applies.

402.213(4) For those members having retired on or before July 1, 2007, thus having received more than a total of \$35 added to the monthly allowance, there shall be no additional adjustments made to monthly allowances. Adjustments having resulted in more than \$35 added to the monthly allowance prior to July 1, 2010, shall not be considered overpayments, and the monthly allowances of members so affected shall not be reduced, nor shall members be required to repay any amount to the system.

NOTE: The following table summarizes the adjustments provided for in this rule.

Retirement Date	July 1 Monthly Allowance Adjustment	Adjustment Date
July 2, 2009 – June 30, 2010	\$15.00	July 1, 2010
July 2, 2008 – July 1, 2009	\$5.00	July 1, 2013
July 2, 2007 – July 1, 2008	\$5.00	July 1, 2028
Retired before July 2, 2007	\$0.00	Not applicable

[ARC 8935B, IAB 7/14/10, effective 7/1/10]

661—402.214(97A) Determination of survivor's pension. For the purposes of determining a survivor's pension, the adjustments to monthly allowance provided in rules 661—402.212(97A) and 661—402.213(97A) shall be reduced in the same manner as is provided for the member's optional

retirement benefit election made under rule 661—402.207(97A) or as provided in Iowa Code section 97A.6(12).

NOTE: Section 17 of 2010 Iowa Acts, House File 2518, reads as follows:

Sec. 17. PUBLIC SAFETY PEACE OFFICERS' RETIREMENT, ACCIDENT, AND DISABILITY SYSTEM—ADJUSTMENT OF PENSIONS PAYABLE. It is the intent of the general assembly that the applicable amount for each adjustment occurring on July 1 as provided in section 97A.6, subsection 14, paragraph "a", subparagraph (2), subparagraph division (a), shall be the exact dollar amount listed in each subparagraph subdivision of subparagraph division (a) for each July 1 in which that particular subparagraph subdivision applies and shall not be increased above the amount listed in that subparagraph subdivision for each year that the subparagraph subdivision applies. However, the applicable amount for each adjustment occurring on or after July 1, 2010, as provided by this section, shall not be less than the applicable amount for the adjustment for the previous July 1.

[ARC 8935B, IAB 7/14/10, effective 7/1/10]

661—402.215 to 402.299 Reserved.

DIVISION III
SERVICE PURCHASES

661—402.300(97A) Purchase of eligible service credit. Effective July 1, 2010, and no later than July 1, 2011, an active member may make application to the system to purchase up to the maximum amount of permissive service credit for eligible qualified service.

[ARC 8935B, IAB 7/14/10, effective 7/1/10]

661—402.301(97A) Determination of eligible service.

402.301(1) Eligible qualified service. "Eligible qualified service" means service as a member of a city fire retirement system or police retirement system operating under Iowa Code chapter 411 prior to January 1, 1992, for which service has not previously been credited. Eligible qualified service does not include service if the receipt of credit for such service would result in the member's receiving a retirement benefit under more than one retirement plan for the same period of service.

402.301(2) Permissive service credit.

a. Permissive service credit is credit that will be recognized by the system for purposes of calculating a member's benefit, for which the member did not previously receive service credit in the system, and for which the member voluntarily contributes to the system the amount required by the system, not in excess of the amount necessary to fund the benefit attributable to such service.

b. Permissive service credit shall be calculated in years at the rate of one year of service for six months or more of a year actually worked with no more than one year of service to be credited for all service in one calendar year.

c. An active member may make contributions to the system to purchase up to the maximum amount of permissive service credit for eligible qualified service as determined by the system, pursuant to Internal Revenue Code Section 415(n).

[ARC 8935B, IAB 7/14/10, effective 7/1/10]

661—402.302(97A) Determination of cost to member.

402.302(1) Determination of service credit. A member may determine the amount of permissive service credit, which shall be documented on a form provided by the secretary. Such documentation shall include the notarized certification by an official of the city or agency that employed the member and shall include periods of service and member retirement contributions to the former system during the indicated time of service. In the event member contribution information is not available from the employing city or agency, documentation may be provided in another form acceptable to the board. Acceptable documentation may include, but is not limited to, IRS form W-2, Social Security earnings statements, pay stubs or Iowa tax form 1040 or 1040A.

402.302(2) Actuarial cost quote of permissive service credit.

- a. A member may submit certification of service credit to the secretary to obtain a cost quote of permissive service.
- b. The secretary shall review and verify the submitted certification of service credit to ensure that the requirements of subrule 402.302(1) have been met.
- c. When service credit has been verified, the secretary shall submit a request to the actuary contracted by the system to determine the cost to purchase permissive service credit.
- d. A member may request cost quotes to purchase permissive service credit for a maximum of two time periods at no cost to the member.
- e. If a member requests a third or subsequent cost quote, the member shall be required to pay for the cost of the quote.
- f. A second or subsequent cost quote for the same period of permissive service credit shall replace all previous cost quotes for that time period.
- g. If the requirements of subrule 402.302(1) cannot be verified, the request for a cost quote shall not be submitted to the actuary but rather shall be referred to the board for review at the next regularly scheduled meeting.

[ARC 8935B, IAB 7/14/10, effective 7/1/10]

661—402.303(97A) Application process.

402.303(1) *Actuarial cost quote of permissive service credit.* When made available to the secretary by the actuary, the cost quote shall be forwarded to the member promptly. Such delivery may be made through electronic mail, facsimile transmission, regular mail, or personal service. The cost quote of permissive service credit shall remain valid for six months from the date of the cost quote unless replaced by a subsequent cost quote for the same time period of permissive service credit.

402.303(2) *Submission of application to purchase permissive service credit.* The member may submit to the secretary an application to purchase years of permissive service credit in an amount no greater than the maximum certified years of permissive service credit at a rate quoted by the actuary less an amount equal to the member's contributions pursuant to Iowa Code chapter 411 for the period of eligible qualified service together with interest at a rate determined by the board. Full payment in the form of a check or money order payable to the Peace Officers' Retirement, Accident, and Disability System, or certification of intent to pay through a qualified plan, or a combination thereof, shall accompany the application to purchase permissive service credit. Contributions shall be made by the member within the six-month period the quote is valid.

402.303(3) *Acceptance of application to purchase permissive service credit.* If the application is accepted, the secretary shall deposit the full payment into the system's account and shall adjust the member's years of service and contributions to reflect the purchase of service. Prior to the receipt of full payment, the secretary shall make no adjustment to the member's years of service or contributions.

402.303(4) *Rejection of application to purchase permissive service credit.* If the application is rejected, the secretary shall refer the rejected application to the board for review at the next regularly scheduled meeting.

[ARC 8935B, IAB 7/14/10, effective 7/1/10]

661—402.304(97A) Service adjustment irrevocable. An adjustment of a member's years of service which has been completed pursuant to subrule 402.303(3) is irrevocable. However, this rule shall not be interpreted to limit the system's ability to refund service credit purchase amounts when required in order to meet the provisions of the Internal Revenue Code.

[ARC 8935B, IAB 7/14/10, effective 7/1/10]

661—402.305(97A) Board review.

402.305(1) *Review of rejection of certification of service credit.* The board shall review a rejected certification of service credit. If the board overrules the rejection, the secretary shall submit the certification of service credit to the actuary to determine the member's cost to purchase permissive service credit. If the board sustains the rejection, the member may appeal the action pursuant to 661—subrule 401.2(2).

402.305(2) *Review of rejection of application to purchase service credit.* The board shall review any application to purchase service credit which has been rejected. If the board overrules the action, the secretary shall process the application pursuant to subrule 402.303(3). If the board sustains the rejection, the secretary shall return the payment to the member. The member may appeal the action pursuant to 661—subrule 401.2(2).

[ARC 8935B, IAB 7/14/10, effective 7/1/10]

661—402.306(97A) Other provisions.

402.306(1) Within 60 days following the entry of an adjustment to a member's years of service based on a purchase of permissive service credit, the secretary shall report the purchase to the system under which the service credit was originally earned.

NOTE: This notification is intended to meet the requirement that a member not receive a retirement benefit under more than one retirement plan for the same period of service.

402.306(2) The average final compensation of the member shall not be affected by the purchase of permissive service credit.

[ARC 8935B, IAB 7/14/10, effective 7/1/10]

661—402.307(97A) Purchase of service credit for military service.

402.307(1) *Eligibility.* Effective July 1, 2010, an active member of the system who has been a member of the retirement system five or more years may purchase service credit for military service under this chapter.

NOTE: Determination of length of active membership will be made pursuant to Iowa Code section 97A.3.

402.307(2) *Service eligible for purchase.* An eligible member may elect to purchase up to five years of service for military service that is not already recognized by the system or required to be recognized by the system under Internal Revenue Code Section 414(u) or the federal Uniformed Services Employment and Reemployment Rights Act (USERRA).

a. Permissive service credit shall be calculated in years at the rate of one year of service for six months or more of a year actually worked with no more than one year of service to be credited for all service in one calendar year.

b. A member may elect to purchase service credit for all or part of the member's eligible service up to the five-year limitation and limitations of Internal Revenue Code Section 415(n).

c. For purposes of this rule, "military service" means active duty service in any of the following:

(1) The United States Army, Navy, Marine Corps, Air Force or Coast Guard;

(2) The United States Army Reserves, Naval Reserves, Marine Corps Reserves, Air Force Reserves or Coast Guard Reserves;

(3) The Army National Guard or Air National Guard;

(4) The Commissioned Corps of the Public Health Service; or

(5) Any other category of persons designated by the President in a time of war or emergency.

402.307(3) *Application.* A member seeking to purchase service credit under this rule shall file a written application with the system requesting an actuarial determination of the purchase cost of the requested service credit. Applications shall be on forms provided by the secretary. The member shall include with the application:

a. Periods of military service for which credit is requested.

b. Proof of applicable military service. Records that may be acceptable for this purpose include the member's DD Form 214, discharge papers or other records as determined by the system.

c. Any other documentation reasonably requested by the system.

402.307(4) *Determination of cost to member.* Upon receipt of the written application and supporting documentation, the secretary shall review and verify the submitted documents. The secretary shall submit the application and pertinent member information to the actuary contracted by the system to determine the cost to purchase the military service. The cost of actuarial determinations shall be borne by the member, payable upon receipt of the cost quote.

402.307(5) *Application process.*

a. Actuarial cost quote of military service credit. When made available to the secretary by the actuary, the cost quote shall be forwarded to the member promptly. Such delivery may be made through electronic mail, facsimile transmission, regular mail, or personal service. The cost quote for purchase of credit for military service shall remain valid for six months from the date of the cost quote unless replaced by a subsequent cost quote for the same time period of military service.

b. Submission of application to purchase military service credit. The member may submit to the secretary an application to purchase years of military credit in a cumulative amount no greater than five years. Full payment in the form of a check or money order payable to the Peace Officers' Retirement, Accident, and Disability System, or certification of intent to pay through a qualified plan, or a combination thereof, shall accompany the application to purchase military service credit.

c. Acceptance of application to purchase military service credit. If the application is accepted, the secretary shall deposit the full payment in the system's account and shall adjust the member's years of service and contributions to reflect the purchase of credit for military service. Prior to the receipt of full payment, the secretary shall make no adjustment to the member's years of service or contributions.

402.307(6) *Revocation.* A member may revoke a service purchase election and receive a refund without interest of the purchase cost paid, provided that the revocation request is in writing and is received by the system no later than 60 days following the date of the receipt of the payment of the purchase cost by the system and prior to the date of the commencement of benefits to the member under Iowa Code section 97A.6.

402.307(7) *Refund when required by Internal Revenue Code.* This rule shall not be construed to limit the system's ability to refund service credit purchase amounts when required in order to meet the provisions of the Internal Revenue Code.

402.307(8) *Rejection of application to purchase military service credit.* If the application is rejected, the secretary shall refer the rejected application to the board for review at the next regularly scheduled meeting.

402.307(9) *Board review.* The board shall review any rejected application for purchase of military service credit. If the board overrules the action, the secretary shall process the application. If the board sustains the rejection, the secretary shall return the payment to the member. The member may appeal the action pursuant to 661—subrule 401.2(2).

402.307(10) *Average final compensation.* The average final compensation of the member shall not be affected by the purchase of credit for military service.

[ARC 8935B, IAB 7/14/10, effective 7/1/10]

These rules are intended to implement Iowa Code chapter 97A as amended by 2010 Iowa Acts, House File 2518 and Senate File 2318.

[Filed 10/5/04, Notice 8/18/04—published 10/27/04, effective 12/1/04]

[Filed emergency 6/26/06—published 7/19/06, effective 7/1/06]

[Filed 9/20/06, Notice 7/19/06—published 10/11/06, effective 12/1/06]

[Filed Emergency After Notice ARC 8935B (Notice ARC 8767B, IAB 5/19/10), IAB 7/14/10, effective 7/1/10]