**Description**

*House File 2374* broadens the definition of an Iowa Public Employees’ Retirement System (IPERS) member eligible for the Protection Occupation membership group to include fire fighters and police officers employed by a covered employer, which includes the State Fair police. The Bill prohibits IPERS from collecting any additional contributions to pay the actuarial cost of the membership reclassification. The Bill takes effect upon enactment and is retroactive to July 1, 2017.

**Background**

Under current law, only members who are employed by a city are eligible for membership in the Protection Occupation membership group. The Iowa State Fair police are members of IPERS Regular membership group. The Iowa State Fair Authority has reported wages to IPERS for 29 police officers since 2017.

For FY 2022 and for FY 2023, the annual contribution rate for Regular Membership is 15.73%, of which 9.44% is paid by the employer and 6.29% is paid by the employee. The FY 2022 and FY 2023 annual contribution rate is 15.52%, of which 9.31% is paid by the employer and 6.21% is paid by the employee. As of June 30, 2021, the IPERS Trust Fund had a balance of $42.850 billion. The aggregate funded ratio was 88.34%.

**Assumptions**

- Fire fighters and police officers who are currently employed by an employer other than a city will be reclassified from the Regular membership group to the Protection Occupation membership group, retroactive to July 1, 2017.
- Protection Occupation members and Regular members pay a similar annual rate contribution. The difference in contributions between July 1, 2017, and December 31, 2021, is approximately $15,000.

**Fiscal Impact**

The fiscal impact is anticipated to be minimal, and any costs will be absorbed within the IPERS Trust Fund.

**Source**

Iowa Public Employees’ Retirement System (IPERS)

/s/ Holly M. Lyons

February 16, 2022
The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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