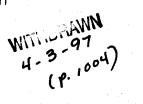
FEB 4 1997 STATE GOVERNMENT

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HOUSE FILE <u>145</u> BY WISE, COHOON, FOEGE, and FREVERT

(COMPANION TO LSB 1934SS BY DVORSKY)

Passed	House,	Date	Passed	Senate,	Date	
Vote:	Ayes _	Nays	Vote:	Ayes _	Nays	
		Approved			Hamilton	

## A BILL FOR

1 An Act relating to retirement incentive programs the board of directors of a school district may offer and the age range of 2 the employees to whom the board may offer the program and 3 4 providing an applicability provision. 5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA: 6 7 8 WITHDRAWN 9 10 11 12 13 14 15 16 17 18 19 20 21

> TLSB 1934HH 77 kh/jj/8

HF MS

s.f. \_\_\_\_\_ H.f. <u>145</u>

1 Section 1. Section 279.46, Code 1997, is amended to read 2 as follows:

3 279.46 RETIREMENT INCENTIVES -- TAX.

The board of directors of a school district may adopt a 4 5 program for payment of a monetary bonus, continuation of 6 health or medical insurance coverage, or other incentives for 7 encouraging its employees to retire before the normal 8 retirement date as defined in chapter 97B. The program is 9 available only to employees between fifty-nine fifty-five and 10 sixty-five years of age who notify the board of directors 11 prior to March 1 of the fiscal year that they intend to retire 12 not later than the next following June 30. An employee 13 retiring under this section shall apply for a retirement 14 allowance under chapter 97B or chapter 294. If the total 15 estimated accumulated cost to a school district of the health 16 or medical insurance coverage, bonus, or other incentives for 17 employees who retire under this section does not exceed the 18 estimated savings in salaries and benefits for employees who 19 replace the employees who retire under the program, the board 20 may include in the district management levy an amount to pay 21 the costs of the program provided in this section.

22 Sec. 2. This Act applies to employees of a school district 23 retiring on or after March 1, 1998.

24

EXPLANATION

25 This bill lowers from 59 to 55 the age of a school district 26 employee to whom a school district board may offer a 27 retirement incentive program.

28 Currently, districts may adopt a program for payment of a 29 monetary bonus, continuation of health or medical insurance 30 coverage, or other incentives to encourage its employees to 31 retire before the normal retirement date provided under the 32 Iowa public employees' retirement system. Under the Code, the 33 districts can make such a program available to a school 34 employee who is between the ages of 59 and 65, and the school 35 district can pay for the program through the district

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1 management levy if the total estimated accumulated program 2 cost to the school district does not exceed the estimated 3 savings. The Act applies to employees retiring on or after 4 March 1, 1998.



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