

JAN 7 4 1993
EDUCATION

HOUSE FILE 2043
BY RICHARDSON

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to early retirement incentives for school
2 employees and providing an appropriation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2043

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

3 279.46 RETIREMENT INCENTIVES -- TAX.

4 1. The board of directors of a school district may adopt a
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 and sixty-five
10 years of age who notify the board of directors prior to March
11 1 of the fiscal year that they intend to retire not later than
12 the next following June 30. An employee retiring under this
13 ~~section~~ subsection shall apply for a retirement allowance
14 under chapter 97B or chapter 294. If the total estimated
15 accumulated cost to a school district of the health or medical
16 insurance coverage, bonus, or other incentives for employees
17 who retire under this ~~section~~ subsection does not exceed the
18 estimated savings in salaries and benefits for employees who
19 replace the employees who retire under the program provided in
20 this subsection, the board may include in the district
21 management levy an amount to pay the costs of the program
22 provided in this ~~section~~ subsection.

23 2. a. The board of directors of a school district may
24 adopt a program for the continuation of health or medical
25 insurance coverage to encourage its employees to retire before
26 the normal retirement date as defined in chapter 97B.

27 b. A program adopted pursuant to this subsection shall be
28 available only to employees between fifty-five and sixty-five
29 years of age who notify the board of directors prior to
30 February 1 of the fiscal year that they intend to retire not
31 later than the next following June 30 and that they intend to
32 apply for the program provided in this subsection. An
33 employee retiring and seeking to participate in the program
34 provided under this subsection shall apply for a retirement
35 allowance under chapter 97B or 294.

1 c. The board of directors shall notify the department of
2 education by February 15 of each year of the number of
3 employees participating or seeking to participate in the
4 program provided in this subsection and the anticipated total
5 cost of the program for the fiscal year commencing on July 1
6 of that year.

7 d. The cost of a program adopted pursuant to this
8 subsection shall be shared equally by the retired school
9 employee, the school district from which the employee retired,
10 and the state.

11 If the total estimated accumulated cost to a school
12 district of the health or medical insurance coverage for
13 employees who retire under this subsection does not exceed the
14 estimated savings in salaries and benefits for employees who
15 replace the employees who retire under the program, the board
16 may include in the district management levy an amount to pay
17 the school district's share of the costs of the program as
18 provided in this subsection.

19 There shall be appropriated annually from the general fund
20 of the state to the department of education an amount
21 sufficient to fund the state's share of the costs associated
22 with the program provided in this subsection.

23 EXPLANATION

24 This bill provides that a school district may offer a
25 program to provide for the cost of health or medical insurance
26 coverage until age 65 for school employees who retire between
27 the ages of 55 and 65. An employee seeking to participate in
28 this program shall notify the school district by February 1 of
29 each fiscal year that they intend to retire by the following
30 June 30 and participate in this program. The costs of this
31 program shall be paid equally by the retiree, the applicable
32 school district, and the state. The school district may pay
33 its portion of the costs of this program through the district
34 management levy if the savings to the district pursuant to the
35 employee's retirement is insufficient to pay the district's

1 share of the cost. The bill also provides a standing
2 appropriation to the department of education in an amount
3 sufficient during each fiscal year to pay the state's portion
4 of the cost of the program.

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