FEB 17 1998

STATE GOVERNMENT

HOUSE FILE 2300

BY MASCHER

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act concerning the reemployment of persons retired under the
2 Iowa public employees' retirement system.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 Section 1. Section 97B.48A, subsection 1, unnumbered
2 paragraph 1, Code 1997, is amended to read as follows:
3 If a member who has not reached the member's sixty-fifth
4 birthday and who has a bona fide retirement under this chapter
5 is in regular full-time employment during a calendar year, the
6 member's retirement allowance shall be reduced by fifty cents
7 for each dollar the member earns over the limit provided in
8 this subsection. However, employment is not full-time
9 employment until the member receives remuneration in an amount
10 in excess of ~~seven~~ twelve thousand ~~four-hundred-forty~~ dollars
11 for a calendar year, or an amount equal to the amount of
12 remuneration permitted for a calendar year for persons under
13 sixty-five years of age before a reduction in federal social
14 security retirement benefits is required, whichever is higher.
15 Effective the first of the month in which a member attains the
16 age of sixty-five years, a retired member may receive a
17 retirement allowance without a reduction after return to
18 covered employment regardless of the amount of remuneration
19 received.
20 Sec. 2. Section 97B.48A, Code 1997, is amended by adding
21 the following new subsection:
22 NEW SUBSECTION. 5. Notwithstanding any provision of this
23 chapter to the contrary, if a retired member returns to
24 employment that would otherwise be covered under this chapter,
25 the member shall be covered under this chapter unless the
26 member files an application with appropriate documentation to
27 the department within sixty days of reemployment in the
28 position to affirmatively elect out of coverage. An election
29 to opt out of coverage under this chapter is irrevocable upon
30 approval from the department.
31 Sec. 3. Section 97B.52A, subsections 1 and 2, Code 1997,
32 are amended to read as follows:
33 1. Effective January 1, 1995, a member has a bona fide
34 retirement when the member terminates all employment covered
35 under the chapter or formerly covered under the chapter

1 pursuant to section 97B.42, files a completed application for
2 benefits form with the department, survives into the month for
3 which benefits are first payable, and does not return to
4 employment as defined in this chapter until the member has
5 qualified for no fewer than four calendar months of retirement
6 benefits. Effective January 1, 1999, the number of months of
7 qualification for retirement benefits is three.
8 2. A member may commence receiving retirement benefits
9 under this chapter upon satisfying eligibility requirements.
10 However, a retired member who commences receiving a retirement
11 allowance but returns to employment before qualifying for no
12 fewer than ~~four~~ three calendar months of retirement benefits
13 does not have a bona fide retirement and any retirement
14 allowance received by such a member must be returned to the
15 system together with interest earned on the retirement
16 allowance calculated at a rate determined by the department.
17 Until the member has repaid the retirement allowance and
18 interest, the department may withhold any future retirement
19 allowance for which the member may qualify.
20 EXPLANATION
21 This bill concerns the rights of persons retired under the
22 Iowa public employees' retirement system (IPERS) who return to
23 employment that would ordinarily be covered by IPERS.
24 Code section 97B.48A, subsection 1, is amended to increase
25 the earned income limit before a member's retirement allowance
26 is reduced pursuant to that section. Currently, a member can
27 earn the greater of $7,440 or the amount of income permitted
28 under social security before a reduction is potentially
29 applied. The bill provides that the $7,440 be increased to
30 $12,000.
31 New subsection 5 is added to Code section 97B.48A and
32 provides that a retired member under IPERS may opt out of
33 coverage under IPERS even if the member returns to employment
34 that would otherwise be covered under IPERS. The new
35 subsection provides that the member will be covered under

1 IPERS unless the member submits a valid application with the
2 department within 60 days of the reemployment to opt out of
3 coverage under IPERS.
4 Code section 97B.52A is amended to change from four
5 calendar months to three the number of months a member under
6 IPERS who retires has to remain retired before commencing
7 employment that would otherwise be covered under Code chapter
8 97B in order for the member to be considered to have a bona
9 fide retirement and be eligible to continue to receive a
10 retirement allowance.
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