

House Study Bill 117

Bill Text

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1 1 Section 1. Section [97B.42](#), unnumbered paragraph 7, Code
1 2 1997, is amended to read as follows:
1 3 Notwithstanding any other provision of this section, a
1 4 person newly entering employment with a community college on
1 5 or after July 1, 1990, may elect coverage under an alternative
1 6 retirement benefits system, which is issued by or through a
1 7 nonprofit corporation issuing retirement annuities exclusively
1 8 to educational institutions and their employees or, for
1 9 persons newly entering employment on or after July 1, 1997,
1 10 which is issued by or through an insurance company authorized
1 11 to issue annuity contracts in this state, in lieu of coverage
1 12 under the Iowa public employees' retirement system, but only
1 13 if the person is already a member of the alternative system.
1 14 An election to participate in the alternative retirement
1 15 benefits system is irrevocable as to the person's employment
1 16 with that community college and any other community college in
1 17 this state.

1 18 Sec. 2. Section [260C.14](#), subsection 18, Code 1997, is
1 19 amended to read as follows:
1 20 18. Provide for an alternative retirement benefits system,
1 21 which is issued by or through a nonprofit corporation issuing
1 22 retirement annuities exclusively to educational institutions
1 23 and their employees, for persons newly employed after July 1,
1 24 1990, or, in addition, which is issued by or thorough an
1 25 insurance company authorized to issue annuity contracts in
1 26 this state, for persons newly employed on or after July 1,
1 27 1997, who are already members of the alternative system and
1 28 who elect coverage under that system pursuant to section
1 29 97B.42, in lieu of coverage under the Iowa public employees'
1 30 retirement system. The system for employee and employer
1 31 contributions under the alternative system shall be
1 32 substantially the same as provided by the state board of
1 33 regents under the teachers insurance annuity association-
1 34 college retirement equities fund, and the employer's
1 35 contribution rate shall not exceed the employer's contribution
2 1 rate established for employees of the state board of regents
2 2 who are under that system.

2 3 Sec. 3. APPLICABILITY DATE. This Act applies to persons
2 4 newly entering employment with a community college on or after
2 5 July 1, 1997.

EXPLANATION

2 6
2 7 The bill permits new employees of community colleges who
2 8 are members of a retirement plan issued by an insurance
2 9 company authorized to issue annuities in this state when they
2 10 are hired to elect to continue their retirement coverage with
2 11 that plan instead of IPERS. Current law permits new employees
2 12 to continue coverage in a retirement annuity issued by a
2 13 nonprofit corporation and for the exclusive benefit of
2 14 employees of educational institutions. The bill requires the
2 15 board of directors of each community college to provide for
2 16 this alternative retirement plan and that the plan would have
2 17 to be substantially equivalent to the retirement plan provided
2 18 by the board of regents and the employer's contribution rate
2 19 could not exceed that for employees who are members of the
2 20 board of regents plan.

2 21 The bill applies to new employees hired on or after July 1,

2 22 1997.
2 23 LSB 1719HC 77
2 24 ec/cf/24