

FILED FEB 4 1997

SENATE FILE 103  
BY DVORSKY

(COMPANION TO LSB 1934HH  
BY WISE)

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

A BILL FOR

1 An Act relating to retirement incentive programs the board of  
2 directors of a school district may offer and the age range of  
3 the employees to whom the board may offer the program and  
4 providing an applicability provision.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 103

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

3 279.46 RETIREMENT INCENTIVES -- TAX.

4 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~~ 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

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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