

WITHDRAWN
4-14-97
(P. 1208)

SENATE FILE 180
BY DELUHERY

(COMPANION TO HF 84 BY RICHARDSON)

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

A BILL FOR

1 An Act providing that member contributions under certain public
2 retirement systems are considered employer contributions for
3 state income tax purposes, and providing applicability and
4 effective date provisions.

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

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WITHDRAWN

S.F. 180

1 Section 1. Section 97A.8, subsection 1, paragraph i, Code
2 1997, is amended to read as follows:

3 i. (1) Notwithstanding paragraph "g" or other provisions
4 of this chapter, beginning January 1, 1995, for federal income
5 tax purposes, and beginning January 1, 1998, for state income
6 tax purposes, member contributions required under paragraph
7 "f" or "h" which are picked up by the department shall be
8 considered employer contributions for federal and state income
9 tax purposes, and the department shall pick up the member
10 contributions to be made under paragraph "f" or "h" by its
11 employees. The department shall pick up these contributions
12 by reducing the salary of each of its employees covered by
13 this chapter by the amount which each employee is required to
14 contribute under paragraph "f" or "h" and shall certify the
15 amount picked up in lieu of the member contributions to the
16 department of revenue and finance. The department of revenue
17 and finance shall forward the amount of the contributions
18 picked up to the board of trustees for recording and deposit
19 in the pension accumulation fund.

20 (2) Member contributions picked up by the department under
21 subparagraph (1) shall be treated as employer contributions
22 for federal and state income tax purposes only and for all
23 other purposes of this chapter ~~and the laws of this state~~
24 shall be treated as employee contributions and deemed part of
25 the employee's earnable compensation or salary.

26 Sec. 2. Section 97B.11A, Code 1997, is amended to read as
27 follows:

28 97B.11A PICKUP OF EMPLOYEE CONTRIBUTIONS.

29 1. Notwithstanding section 97B.11 or other provisions of
30 this chapter, beginning January 1, 1995, for federal income
31 tax purposes, and beginning January 1, 1998, for state income
32 tax purposes, member contributions required under section
33 97B.11 which are picked up by the employer shall be considered
34 employer contributions for federal and state income tax
35 purposes, and each employer shall pick up the member

1 contributions to be made under section 97B.11 by its
2 employees. Each employer shall pick up these contributions by
3 reducing the salary of each of its employees covered by this
4 chapter by the amount which each employee is required to
5 contribute under section 97B.11 and shall pay the amount
6 picked up in lieu of the member contributions as provided in
7 section 97B.14.

8 2. Member contributions picked up by each employer under
9 subsection 1 shall be treated as employer contributions for
10 federal and state income tax purposes only and for all other
11 purposes of this chapter ~~and the laws of this state~~ shall be
12 treated as employee contributions and deemed part of the
13 employee's wages or salary.

14 Sec. 3. Section 294.10A, Code 1997, is amended to read as
15 follows:

16 294.10A PICKUP OF TEACHER ASSESSMENTS.

17 1. Notwithstanding section 294.9 or other provisions of
18 this chapter, for federal income tax purposes beginning
19 January 1 following the submission by a board of trustees of
20 an application to the federal internal revenue service
21 requesting qualification of a plan in accordance with the
22 requirements of the Internal Revenue Code, as defined in
23 section 422.3, and for state income tax purposes beginning
24 January 1, 1998, or January 1 following an application for
25 qualification, whichever is later, teacher assessments
26 required under section 294.9 which are picked up by an
27 employing school district shall be considered employer
28 contributions for federal and state income tax purposes, and
29 each employing school district establishing a pension and
30 annuity retirement system pursuant to this chapter shall pick
31 up the teacher assessments to be made under section 294.9 by
32 its employees commencing on the January-1-following-an
33 application-for-qualification applicable date under this
34 subsection. Each employing school district shall pick up
35 these teacher assessments by reducing the salary of each of

1 the teachers covered by this chapter by the amount which each
2 teacher is required to contribute through assessments under
3 section 294.9 and shall pay to the board of trustees the
4 amount picked up in lieu of the teacher assessments for
5 recording and deposit in the fund.

6 2. Teacher assessments picked up by each employing school
7 district under subsection 1 shall be treated as employer
8 contributions for federal and state income tax purposes only
9 and for all other purposes of this chapter ~~and the laws of~~
10 ~~this state~~ shall be treated as teacher assessments and deemed
11 part of the teacher's wages or salary.

12 Sec. 4. Section 411.8, subsection 1, paragraph i, Code
13 1997, is amended to read as follows:

14 i. (1) Notwithstanding paragraph "g" or other provisions
15 of this chapter, beginning January 1, 1995, for federal income
16 tax purposes, and beginning January 1, 1998, for state income
17 tax purposes, member contributions required under paragraph
18 "f" or "h" which are picked up by the city shall be considered
19 employer contributions for federal and state income tax
20 purposes, and each city shall pick up the member contributions
21 to be made under paragraph "f" or "h" by its employees. Each
22 city shall pick up these contributions by reducing the salary
23 of each of its employees covered by this chapter by the amount
24 which each employee is required to contribute under paragraph
25 "f" or "h" and shall pay the amount picked up in lieu of the
26 member contributions to the board of trustees for recording
27 and deposit in the fund.

28 (2) Member contributions picked up by each city under
29 subparagraph (1) shall be treated as employer contributions
30 for federal and state income tax purposes only and for all
31 other purposes of this chapter ~~and the laws of this state~~
32 shall be treated as employee contributions and deemed part of
33 the employee's earnable compensation or salary.

34 Sec. 5. Section 422.7, subsections 29 through 31, Code
35 1997, are amended by striking the subsections.

