

FILED FEB 5 1998

EDUCATION

SENATE FILE 2140

BY FINK

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

A BILL FOR

1 An Act relating to age requirements for offering early retirement
 2 incentive programs for school employees.

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

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

S.F. 2140

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

EXPLANATION

23 This bill lowers from 59 to 55 the age of a school district
24 employee to whom a school district board may offer a
25 retirement incentive program.

26 Currently, districts may adopt a program for payment of a
27 monetary bonus, continuation of health or medical insurance
28 coverage, or other incentives to encourage its employees to
29 retire before the normal retirement date provided under the
30 Iowa public employees' retirement system. Under the Code, the
31 districts can make such a program available to a school
32 employee who is between the ages of 59 and 65, and the school
33 district can pay for the program through the district
34 management levy if the total estimated accumulated program
35 cost to the school district does not exceed the estimated

1 savings.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35