

*Substituted for
HF 457 (p. 779)
3-25-97*

FILED FEB 26 1997

SENATE FILE 233
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 101)

Passed Senate, Date 3/4/97 (p. 472) Passed House, Date 3-25-97 (p. 779)
Vote: Ayes 49 Nays 0 Vote: Ayes 97 Nays 1
Approved April 3, 1997

A BILL FOR

1 An Act concerning eligible alternative retirement benefit systems
2 for newly employed community college employees, and providing
3 an applicability date.

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

S.F. 233

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1 Section 1. Section 97B.42, unnumbered paragraph 7, Code
2 1997, is amended to read as follows:

3 Notwithstanding any other provision of this section, a
4 person newly entering employment with a community college on
5 or after July 1, 1990, may elect coverage under an alternative
6 retirement benefits system, as defined in section 260C.14,
7 subsection 18, which is issued by or through a nonprofit
8 corporation issuing retirement annuities exclusively to
9 educational institutions and their employees or, for persons
10 newly entering employment on or after July 1, 1997, which is
11 issued by or through an insurance company authorized to issue
12 annuity contracts in this state, in lieu of coverage under the
13 Iowa public employees' retirement system, but only if the
14 person is already a member of the alternative retirement
15 benefits system. An election to participate in the
16 alternative retirement benefits system is irrevocable as to
17 the person's employment with that community college and any
18 other community college in this state.

19 Sec. 2. Section 260C.14, subsection 18, Code 1997, is
20 amended to read as follows:

21 18. Provide for an alternative retirement benefits system,
22 which is issued by or through a nonprofit corporation issuing
23 retirement annuities exclusively to educational institutions
24 and their employees, for persons newly employed after July 1,
25 1990, or, in addition, which is issued by or thorough an
26 insurance company authorized to issue annuity contracts in
27 this state, for persons newly employed on or after July 1,
28 1997, who are already members of the alternative retirement
29 benefits system and who elect coverage under that system
30 pursuant to section 97B.42, in lieu of coverage under the Iowa
31 public employees' retirement system. The-system-for-employee
32 and-employer-contributions-under-the-alternative-system-shall
33 be-substantially-the-same-as-provided-by-the-state-board-of
34 regents-under-the-teachers-insurance-annuity-association-
35 college-retirement-equities-fund, and-the-employee's

1 contribution-rate-shall-not-exceed-the-employer's-contribution
2 rate-established-for-employees-of-the-state-board-of-regents
3 who-are-under-that-system. However, the employer's annual
4 contribution in dollars under the alternative retirement
5 benefits system shall not exceed the annual contribution in
6 dollars which the employer would contribute if the employee
7 had elected to remain an active member pursuant to the Iowa
8 public employees' retirement system, as set forth in section
9 97B.11. For purposes of this subsection, "alternative
10 retirement benefits system" means an employer sponsored
11 primary pension plan requiring mandatory employer
12 contributions that meets the requirements of section 401(a),
13 403(a), or 403(b) of the Internal Revenue Code.

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

17 EXPLANATION

18 The bill permits new employees of community colleges who
19 are members of certain retirement plans issued by an insurance
20 company authorized to issue annuities in this state when they
21 are hired to elect to continue their retirement coverage with
22 that plan instead of IPERS. The bill provides that eligible
23 retirement plans under the bill are employee-sponsored pension
24 plans with mandatory employer contributions that meet the
25 requirements of section 401(a), 403(a), or 403(b) of the
26 Internal Revenue Code. Current law permits new employees to
27 continue coverage in a retirement annuity issued by a
28 nonprofit corporation and for the exclusive benefit of
29 employees of educational institutions. The bill requires the
30 board of directors of each community college to provide for
31 this alternative retirement plan and that the employer's
32 contribution rate under the retirement plan shall not exceed
33 that for employees who are members of IPERS.

34 The bill applies to new employees hired on or after July 1,
35 1997.

Rittner, Chair
Kibbie
Drake

SSB 101

State Government
Succeeded By

SENATE FILE

(SF) HF 233

BY (PROPOSED COMMITTEE ON

STATE GOVERNMENT BILL BY

CHAIRPERSON LIND)

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act concerning eligible alternative retirement benefit systems
2 for newly employed community college employees, and providing
3 an applicability date.

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

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1 Section 1. Section 97B.42, unnumbered paragraph 7, Code
2 1997, is amended to read as follows:

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

18 Sec. 2. Section 260C.14, subsection 18, Code 1997, is
19 amended to read as follows:

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

1 rate established for employees of the state board of regents
2 who are under that system.

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

6 EXPLANATION

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

21 The bill applies to new employees hired on or after July 1,
22 1997.

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SENATE FILE 233

AN ACT

CONCERNING ELIGIBLE ALTERNATIVE RETIREMENT BENEFIT SYSTEMS
FOR NEWLY EMPLOYED COMMUNITY COLLEGE EMPLOYEES, AND
PROVIDING AN APPLICABILITY DATE.

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

Section 1. Section 97B.42, unnumbered paragraph 7, Code 1997, is amended to read as follows:

Notwithstanding any other provision of this section, a person newly entering employment with a community college on or after July 1, 1990, may elect coverage under an alternative retirement benefits system, as defined in section 260C.14, subsection 18, which is issued by or through a nonprofit corporation issuing retirement annuities exclusively to educational institutions and their employees or, for persons newly entering employment on or after July 1, 1997, which is issued by or through an insurance company authorized to issue annuity contracts in this state, in lieu of coverage under the Iowa public employees' retirement system, but only if the person is already a member of the alternative retirement

benefits system. An election to participate in the alternative retirement benefits system is irrevocable as to the person's employment with that community college and any other community college in this state.

Sec. 2. Section 260C.14, subsection 18, Code 1997, is amended to read as follows:

18. Provide for an alternative retirement benefits system, which is issued by or through a nonprofit corporation issuing retirement annuities exclusively to educational institutions and their employees, for persons newly employed after July 1, 1990, or, in addition, which is issued by or through an insurance company authorized to issue annuity contracts in this state, for persons newly employed on or after July 1, 1997, who are already members of the alternative retirement benefits system and who elect coverage under that system pursuant to section 97B.42, in lieu of coverage under the Iowa public employees' retirement system. ~~The system for employee and employer contributions under the alternative system shall be substantially the same as provided by the state board of regents under the teachers insurance annuity association college retirement equities fund, and the employer's contribution rate shall not exceed the employer's contribution rate established for employees of the state board of regents who are under that system. However, the employer's annual contribution in dollars under the alternative retirement benefits system shall not exceed the annual contribution in dollars which the employer would contribute if the employee had elected to remain an active member pursuant to the Iowa public employees' retirement system, as set forth in section 97B.11. For purposes of this subsection, "alternative retirement benefits system" means an employer sponsored primary pension plan requiring mandatory employer contributions that meets the requirements of section 401(a), 403(a), or 403(b) of the Internal Revenue Code.~~

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

MARY E. KRAMER
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 233, Seventy-seventh General Assembly.

MARY PAT GUNDERSON
Secretary of the Senate

Approved April 3, 1997

TERRY E. BRANSTAD
Governor