

# Senate Study Bill 101

## 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 1719SC 77  
2 24 ec/cf/24