

# Senate Study Bill 2161

## Bill Text

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1 1 Section 1. Section 97B.42, unnumbered paragraphs 6 and 7,  
1 2 Code Supplement 1997, are amended to read as follows:  
1 3 Notwithstanding any other provision of this section,  
1 4 commencing July 1, 1994, a member who is employed by a  
1 5 community college may elect coverage under an eligible  
1 6 alternative retirement benefits system

~~, which is issued by or~~

1 7

~~through a nonprofit corporation issuing retirement annuities~~

1 8

~~exclusively to educational institutions and their employees~~

~~as~~

1 9 provided in section 260C.14, subsection 18, in lieu of  
1 10 continuing or commencing contributions to the Iowa public  
1 11 employees' retirement system

~~, if the board of directors of the~~

1 12

~~community college has approved the alternative system pursuant~~

1 13

~~to section 260C.14~~

-. However, the employer's annual  
1 14 contribution in dollars to the eligible alternative retirement  
1 15 benefits system shall not exceed the annual contribution in  
1 16 dollars which the employer would contribute if the employee  
1 17 had elected to remain an active member under this chapter, as  
1 18 set forth in section 97B.11. A member employed by a community  
1 19 college who elects coverage under an eligible alternative  
1 20 retirement benefits system may withdraw the member's  
1 21 accumulated contributions effective when coverage under the  
1 22 eligible alternative retirement benefits system commences. A  
1 23 member who is employed by a community college prior to July 1,  
1 24 1994, must file an election for coverage under the eligible  
1 25 alternative retirement benefits system described in section  
1 26 260C.14, subsection 18, paragraph "a", with the department and  
1 27 the employing community college within eighteen months of the  
1 28 first day on which coverage commences under the community  
1 29 college's eligible alternative retirement benefits system  
1 30 described in section 260C.14, subsection 18, paragraph "a", or  
1 31 the employee shall remain a member under this chapter and  
1 32 shall not be eligible to elect to participate in that  
1 33 community college's eligible alternative retirement benefits  
1 34 system described in section 260C.14, subsection 18, paragraph  
1 35 "a", at a later date. Employees of a community college hired  
2 1 on or after July 1, 1994, must file an election for coverage  
2 2 under

~~the~~  
- an eligible alternative retirement benefits system  
2 3 with the department and the employing community college within  
2 4 sixty days of commencing employment, or the employee shall  
2 5 remain a member under this chapter and shall not be eligible  
2 6 to elect to participate in

~~that community college's~~  
- an  
2 7 eligible alternative retirement benefits system of the  
2 8 community college at a later date. The department shall  
2 9 cooperate with the boards of directors of the community  
2 10 colleges to facilitate the implementation of this provision.  
2 11 Notwithstanding any other provision of this section, a  
2 12 person newly entering employment with a community college on  
2 13 or after July 1, 1990, may elect coverage under an eligible  
2 14 alternative retirement benefits system, as defined in section  
2 15 260C.14, subsection 18,

~~which is issued by or through a~~

-  
2 16

~~nonprofit corporation issuing retirement annuities exclusively~~

-  
2 17

~~to educational institutions and their employees or, for~~

-  
2 18

~~persons newly entering employment on or after July 1, 1997,~~

-  
2 19

~~which is issued by or through an insurance company authorized~~

-  
2 20

~~to issue annuity contracts in this state,~~

- paragraph "a", in  
2 21 lieu of coverage under the Iowa public employees' retirement  
2 22 system, but only if the person is already a member of the  
2 23 alternative retirement benefits system. An election to  
2 24 participate in

~~the~~  
- an eligible alternative retirement benefits  
2 25 system as described in section 260C.14, subsection 18, is  
2 26 irrevocable as to the person's employment with that community  
2 27 college and any other community college in this state.  
2 28 Sec. 2. Section 260C.14, subsection 17, Code Supplement  
2 29 1997, is amended by striking the subsection.  
2 30 Sec. 3. Section 260C.14, subsection 18, Code Supplement  
2 31 1997, is amended to read as follows:  
2 32 18. Provide for

~~an~~  
- eligible alternative retirement  
2 33 benefits systems which shall be limited to the following:  
2 34 a. An alternative retirement benefits system

~~,~~  
- which is  
2 35 issued by or through a nonprofit corporation issuing  
3 1 retirement annuities exclusively to educational institutions  
3 2 and their employees

- for persons newly employed after July 1,  
3 3 1990,

~~or, in addition,~~

- and for persons employed by the  
3 4 community college who are members of the Iowa public  
3 5 employees' retirement system on July 1, 1994, and who elect  
3 6 coverage under that system pursuant to section 97B.42, in lieu  
3 7 of coverage under the Iowa public employees' retirement  
3 8 system.

3 9 b. An alternative retirement benefits system which is  
3 10 issued by or through an insurance company authorized to issue  
3 11 annuity contracts in this state, for persons newly employed on  
3 12 or after July 1, 1997, who are already members of the  
3 13 alternative retirement benefits system and who elect coverage  
3 14 under that system pursuant to section 97B.42, in lieu of  
3 15 coverage under the Iowa public employees' retirement system.

3 16 c. An alternative retirement benefits system offered  
3 17 through the community college, at the discretion of the board  
3 18 of directors of the community college, pursuant to this  
3 19 lettered paragraph which is issued by or through an insurance  
3 20 company authorized to issue annuity contracts in this state,  
3 21 for persons newly employed by that community college on or  
3 22 after July 1, 1998, who are not members of the alternative  
3 23 retirement benefits system and who elect coverage under that  
3 24 system pursuant to section 97B.42, in lieu of coverage under  
3 25 the Iowa public employees' retirement system. The board of  
3 26 directors of a community college may limit the number of  
3 27 providers of alternative retirement benefits systems offered  
3 28 pursuant to this lettered paragraph to no more than six. The  
3 29 selection by the board of directors of a community college of  
3 30 a provider of an alternative retirement benefits system  
3 31 pursuant to this lettered paragraph shall not constitute an  
3 32 endorsement of that provider by the community college.

3 33 PARAGRAPH DIVIDED. However, the employer's annual  
3 34 contribution in dollars under

~~the~~

- an eligible alternative  
3 35 retirement benefits system described in this subsection shall  
4 1 not exceed the annual contribution in dollars which the  
4 2 employer would contribute if the employee had elected to  
4 3 remain an active member pursuant to the Iowa public employees'  
4 4 retirement system, as set forth in section 97B.11. For  
4 5 purposes of this subsection, "alternative retirement benefits  
4 6 system" means an employer-sponsored primary pension plan  
4 7 requiring mandatory employer contributions that meets the  
4 8 requirements of section 401(a), 403(a), or 403(b) of the  
4 9 Internal Revenue Code.

4 10 EXPLANATION

4 11 This bill provides that commencing July 1, 1998, a person  
4 12 newly employed by a community college may elect retirement  
4 13 coverage under an alternative retirement benefits system in  
4 14 which the person is not currently a member but which is  
4 15 offered by the community college, at the discretion of the  
4 16 community college, in lieu of coverage under IPERS. The bill  
4 17 provides that the community college may limit the number of  
4 18 alternative retirement benefits systems offered to six but  
4 19 provides that the selection by the community college of a  
4 20 provider of an eligible alternative retirement benefits system  
4 21 does not constitute an endorsement of that provider.

4 22 LSB 3657SC 77

4 23 ec/jw/5

