

JAN 12 2000

STATE GOVERNMENT

HOUSE FILE 2040
BY CARROLL

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

A BILL FOR

1 An Act providing for the payment of medical insurance premium
2 costs from unused sick leave for retired employees of the
3 state department of transportation.

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

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HF 2040

1 Section 1. Section 70A.23, Code 1999, is amended to read
2 as follows:

3 70A.23 CREDIT FOR ACCRUED SICK LEAVE.

4 1. When a state employee, excluding an employee covered
5 under a collective bargaining agreement which provides
6 otherwise, retires under a retirement system in the state
7 maintained in whole or in part by public contributions or
8 payments, the number of accrued days of active and banked sick
9 leave of the employee shall be credited to the employee. When
10 an employee retires, is eligible, and has applied for benefits
11 under a retirement system authorized under chapter 97A or 97B,
12 including the teachers insurance annuity association (TIAA)
13 and the college retirement equity fund (CREF), or an employee
14 dies on or after July 1, 1984, while the employee is in active
15 employment but is eligible for retirement benefits under one
16 of the listed chapters, the employee shall receive a cash
17 payment for the employee's accumulated, unused sick leave in
18 both the active and banked sick leave accounts, except when,
19 in lieu of cash payment, payment is made for monthly premiums
20 for health or life insurance or both as provided in a
21 collective bargaining agreement negotiated under chapter 20 or
22 as otherwise provided in subsection 2. An employee of the
23 department of public safety or the department of natural
24 resources who has earned benefits of payment of premiums under
25 a collective bargaining agreement and who becomes a manager or
26 supervisor and is no longer covered by the agreement shall not
27 lose the benefits of payment of premium earned while covered
28 by the agreement. The payment shall be calculated by
29 multiplying the number of hours of accumulated, unused sick
30 leave by the employee's hourly rate of pay at the time of
31 retirement. However, the total cash payments for accumulated,
32 unused sick leave shall not exceed two thousand dollars per
33 employee and are payable upon retirement or death. Banked
34 sick leave is defined as accrued sick leave in excess of
35 ninety days.

1 2. An employee of the state department of transportation
2 who retires, is eligible, and has applied for benefits under a
3 retirement system authorized under chapter 97B may, in lieu of
4 cash payment for the employee's accumulated, unused sick leave
5 in both the active and banked sick leave accounts, have that
6 amount converted at current value and credited to the
7 employee's account for the purpose of paying the cost of
8 premiums for a health insurance policy for the employee and
9 the employee's dependents until the amount converted and
10 credited is depleted or until the employee attains an age at
11 which eligibility for complete coverage under the federal
12 Medicare program begins, whichever first occurs.

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EXPLANATION

14 This bill provides that an employee of the state department
15 of transportation who retires and receives an IPERS retirement
16 benefit may have accumulated unused sick leave credited to an
17 account to pay for the cost of a health insurance policy for
18 the employee and the employee's dependents until the amount
19 credited is depleted or the employee reaches an age when
20 Medicare eligibility begins, whichever occurs first. Under
21 current law, DOT and other state employees who are not
22 authorized to use sick leave for health insurance costs
23 pursuant to a collective bargaining agreement can only receive
24 a cash payment of up to \$2,000 per employee for their unused
25 sick leave.

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