

FEB 3 2000
STATE GOVERNMENT

HOUSE FILE 2142
BY WISE

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

A BILL FOR

1 An Act relating to the Iowa public employees' retirement system
2 by permitting the purchase of service credit for volunteer
3 public service.

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

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

HF 2142

1 Section 1. NEW SECTION. 97B.80A VOLUNTEER PUBLIC SERVICE
2 CREDIT.

3 1. A vested or retired member who has five or more full
4 calendar years of covered wages and who at any time was in
5 full-time volunteer public service, upon submitting
6 verification of the full-time volunteer public service and the
7 dates of the service, may make contributions to the system for
8 up to the lesser of twenty quarters of service credit for such
9 volunteer public service or the entire period of the volunteer
10 public service, in increments of one or more calendar
11 quarters, and receive credit for membership service and prior
12 service for the period of time for which the contributions are
13 made. For purposes of this section, "full-time volunteer
14 public service" means service in the federal peace corps
15 program.

16 2. The contributions required to be made for purposes of
17 this section shall be in an amount equal to the actuarial cost
18 of the service purchase. For purposes of this subsection, the
19 actuarial cost of the service purchase is an amount determined
20 by the department in accordance with actuarial tables, as
21 reported to the department by the system's actuary, which
22 reflects the actuarial cost necessary to fund an increased
23 retirement allowance resulting from the purchase of additional
24 service.

25 3. The verification of the full-time volunteer public
26 service and the dates of such service shall be made by the
27 department prior to receiving contributions from the member.

28 4. A member eligible for an increased retirement allowance
29 because of the payment of contributions under this section is
30 entitled to receipt of retroactive adjustment payments for no
31 more than six months immediately preceding the month in which
32 the member pays contributions under this section.

33 5. A purchase of service made in accordance with this
34 section by a retired reemployed member shall be applied to
35 either the member's original retirement allowance, or to the

1 member's reemployment service, whichever is more beneficial to
 2 the member. If applied to a member's original retirement
 3 allowance, or to the member's reemployment service after the
 4 retirement allowance payments for such service begin, the
 5 member is eligible to receive retroactive adjustment payments
 6 for no more than six months prior to completion of the
 7 purchase.

8 6. The department shall ensure that the member, in
 9 exercising an option provided in this section, does not exceed
 10 the amount of annual additions to a member's account permitted
 11 pursuant to section 415 of the federal Internal Revenue Code.

12 EXPLANATION

13 This bill allows a vested or retired member of the Iowa
 14 Public Employees' Retirement System (IPERS) with one or more
 15 calendar years of covered wages under IPERS to purchase
 16 service credit for up to five years of full-time volunteer
 17 public service in the federal peace corps program. In no
 18 event can the service time purchased exceed the period of the
 19 volunteer public service. The bill provides that the
 20 department shall verify the full-time volunteer public service
 21 and the dates of the service. The contributions required from
 22 the member to receive service credit shall be the actuarial
 23 cost of providing a retirement benefit for the period of the
 24 service purchase.

25
 26
 27
 28
 29
 30
 31
 32
 33
 34
 35