

FEB 3 2000
STATE GOVERNMENT

HOUSE FILE 2150
BY JENKINS

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

A BILL FOR

1 An Act concerning eligibility to receive retirement benefits
2 under the Iowa public employees' retirement system by
3 modifying the requirements for establishing a bona fide
4 retirement and by eliminating the reemployment earnings
5 limitation for certain teachers.

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

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HF 2150

1 Section 1. Section 97B.1A, subsection 8, paragraph a,
2 subparagraph (1), Code 1999, is amended to read as follows:

3 (1) Elective officials in positions for which the
4 compensation is on a fee basis, elective officials of school
5 districts, elective officials of townships, and elective
6 officials of other political subdivisions who are in part-time
7 positions. An elective official covered under this chapter
8 may terminate membership under this chapter by informing the
9 department in writing of the expiration of the member's term
10 of office or by informing the department of the member's
11 intent to terminate membership for employment as an elective
12 official and establishing that the member has a bona fide
13 termination of employment from all employment covered under
14 this chapter other than as an elective official and that the
15 member has filed a completed application for benefits form
16 with the department. A county attorney is an employee for
17 purposes of this chapter whether that county attorney is
18 employed on a full-time or part-time basis.

19 Sec. 2. Section 97B.48A, subsection 1, unnumbered
20 paragraph 1, Code 1999, is amended to read as follows:

21 If a member who has not reached the member's sixty-fifth
22 birthday and who has a bona fide retirement under this chapter
23 is in regular full-time employment during a calendar year, the
24 member's retirement allowance shall be reduced by fifty cents
25 for each dollar the member earns over the limit provided in
26 this subsection. However, employment is not full-time
27 employment until the member receives remuneration in an amount
28 in excess of twelve thousand dollars for a calendar year, or
29 an amount equal to the amount of remuneration permitted for a
30 calendar year for persons under sixty-five years of age before
31 a reduction in federal social security retirement benefits is
32 required, whichever is higher. In addition, the reduction in
33 a member's retirement allowance shall not apply if the member
34 is employed as a substitute teacher by a school corporation or
35 educational institution. Effective the first of the month in

1 which a member attains the age of sixty-five years, a retired
2 member may receive a retirement allowance without a reduction
3 after return to covered employment regardless of the amount of
4 remuneration received.

5 Sec. 3. Section 97B.52A, subsection 1, paragraph b, Code
6 1999, is amended to read as follows:

7 b. For a member whose first month of entitlement is July
8 1998 or later, but before July 2000, the member does not
9 return to any employment with a covered employer until the
10 member has qualified for no fewer than four calendar months of
11 retirement benefits.

12 Sec. 4. Section 97B.52A, subsection 1, Code 1999, is
13 amended by adding the following new paragraph:

14 NEW PARAGRAPH. c. For a member whose first month of
15 entitlement is July 2000 or later, the member does not return
16 to any employment with a covered employer for at least one
17 calendar month following the month of termination and remains
18 out of all covered employment for no fewer than four calendar
19 months following the month of termination and remains out of
20 covered employment which is substantially similar to the
21 covered employment the member last terminated before applying
22 for benefits for no fewer than twenty-four calendar months
23 following the month of termination. For purposes of this
24 paragraph, covered employment does not include employment as a
25 substitute teacher. In addition, for purposes of this
26 paragraph, any employment with a covered employer does not
27 include employment as an elective official or member of the
28 general assembly if the member is not covered under this
29 chapter for that employment.

30 Sec. 5. Section 97B.52A, subsection 2, Code 1999, is
31 amended to read as follows:

32 2. A member may commence receiving retirement benefits
33 under this chapter upon satisfying eligibility requirements.
34 However, a retired member who commences receiving a retirement
35 allowance but returns to employment before ~~qualifying-for-no~~

1 ~~fewer-than-four-calendar-months-of-retirement-benefits~~ meeting
2 the applicable requirement provided in subsection 1,
3 paragraphs "a" through "c", does not have a bona fide
4 retirement and any retirement allowance received by such a
5 member must be returned to the system together with interest
6 earned on the retirement allowance calculated at a rate
7 determined by the department. Until the member has repaid the
8 retirement allowance and interest, the department may withhold
9 any future retirement allowance for which the member may
10 qualify.

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EXPLANATION

12 This bill changes the determination of what constitutes a
13 bona fide retirement for purposes of receiving an IPERS
14 retirement benefit. The bill provides that a person can
15 receive benefits if the person does not return to any
16 employment with an employer covered by IPERS for one month
17 following termination of employment and does not return to any
18 covered employment for four months or covered employment
19 similar to the member's covered employment just prior to
20 applying for retirement benefits with IPERS for 24 months.
21 Currently, a person cannot return to any employment with an
22 IPERS covered employer for four months. The bill applies to
23 persons whose first month of entitlement to IPERS benefits is
24 July 2000 or later. In addition, the bill provides that
25 employment as a substitute teacher or as an elective official
26 or member of the general assembly does not constitute
27 employment for purposes of this bona fide retirement
28 requirement.

29 The bill eliminates the limit on reemployment wages for a
30 retired member of IPERS who is reemployed as a substitute
31 teacher. Current law provides for a reduction in retirement
32 benefits if reemployment wages exceed \$12,000.

33 In addition, the bill allows elective officials to
34 terminate IPERS membership if they apply for retirement from
35 another IPERS-covered job.