

FEB 8 1999

STATE GOVERNMENT

HOUSE FILE

228

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WARNSTADT, MASCHER, THOMAS,
FALCK, and STEVENS

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

A BILL FOR

1 An Act relating to the calculation of a member's average covered
2 wage for purposes of determining retirement benefits under the
3 Iowa public employees' retirement system.

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

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1 Section 1. Section 97B.1A, subsection 24, paragraph b,
2 subparagraph (4), Code 1999, is amended to read as follows:

3 (4) For a member who retires ~~on-or-after~~ during the
4 calendar year beginning January 1, 2000, ~~but-before-January-1,~~
5 ~~2003,~~ and whose three-year average covered wage at the time of
6 retirement exceeds ~~fifty-five~~ sixty thousand dollars, the
7 member's covered wages averaged for the highest seven years of
8 the member's service or ~~fifty-five~~ sixty thousand dollars,
9 whichever is greater.

10 Sec. 2. Section 97B.1A, subsection 24, paragraph b, Code
11 1999, is amended by adding the following new subparagraphs:

12 NEW SUBPARAGRAPH. (5) For a member who retires during the
13 calendar year beginning January 1, 2001, and whose three-year
14 average covered wage at the time of retirement exceeds sixty-
15 five thousand dollars, the member's covered wages averaged for
16 the highest seven years of the member's service or sixty-five
17 thousand dollars, whichever is greater.

18 NEW SUBPARAGRAPH. (6) For a member who retires during the
19 calendar year beginning January 1, 2002, and whose three-year
20 average covered wage at the time of retirement exceeds seventy
21 thousand dollars, the member's covered wages averaged for the
22 highest seven years of the member's service or seventy
23 thousand dollars, whichever is greater.

24 EXPLANATION

25 This bill changes the definition of "three-year average
26 covered wage" used in determining IPERS retirement benefits by
27 modifying the mechanism for reducing an IPERS member's three-
28 year average covered wage if the member's average wage exceeds
29 a certain dollar level. Current law provides that a member's
30 "three-year average covered wage" will be calculated using the
31 highest seven years for a member who retires during the
32 calendar year 2000, 2001, or 2002, and whose three-year
33 average covered wage exceeds \$55,000. This bill raises the
34 dollar income level for requiring use of the highest seven
35 years, instead of the highest three years, to \$60,000 for

1 calendar year 2000, \$65,000 for calendar year 2001, and
2 \$70,000 for calendar year 2002.

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