

FEB 17 2000

STATE GOVERNMENT

HOUSE FILE
BY GREIMANN

2340

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

A BILL FOR

1 An Act providing for the buyback of membership service under the
2 Iowa public employees' retirement for teachers.

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

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1 Section 1. Section 97B.74, subsection 2, Code 1999, is
2 amended to read as follows:

3 2. The contributions required to be made for purposes of
4 this section shall be determined as follows:

5 a. For a member making contributions for a purchase of
6 additional service prior to July 1, 1999, the contributions to
7 be repaid by the member for such service shall be equal to the
8 accumulated contributions, as defined in section 97B.1A,
9 subsection 2, received by the member for the applicable period
10 of membership service, plus interest on the accumulated
11 contributions for the applicable period, from the date of
12 receipt by the member to the date of repayment, at the
13 interest rate provided in section 97B.70 applicable for each
14 year compounded as provided in section 97B.70.

15 b. For a member making contributions for a purchase of
16 additional service on or after July 1, 1999, except as
17 provided in paragraph "c", the member shall make contributions
18 in an amount equal to the actuarial cost of the service
19 purchase. For purposes of this paragraph, the actuarial cost
20 of the service purchase is an amount determined by the
21 department in accordance with actuarial tables, as reported to
22 the department by the system's actuary, which reflects the
23 actuarial cost necessary to fund an increased retirement
24 allowance resulting from the purchase of additional service.

25 c. For a member making contributions for a purchase of
26 additional service on or after July 1, 2000, who is employed
27 as a teacher by a school corporation or educational
28 institution, the contributions to be repaid by the member for
29 such service shall be equal to the refund received by the
30 member for the applicable period of membership service, plus
31 interest for the applicable period, from the date of receipt
32 of a refund by the member to the date of repayment, at the
33 interest rate provided in section 97B.70 applicable for each
34 year compounded as provided in section 97B.70.

35 EXPLANATION

1 This bill allows a vested or retired member of IPERS who is
2 employed as a teacher and who had previously received a refund
3 of the member's contributions for a former period of service
4 to buy back IPERS credit for that service by paying the refund
5 the employee received for that former period of service, plus
6 interest. Under current law, after July 1, 1999, all vested
7 or retired members of IPERS can only buy back a former period
8 of service by paying to the department the actuarial cost of
9 the service purchased.

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