

MAR 10 1999

STATE GOVERNMENT

HOUSE FILE  
BY WISE

**596**

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 certain  
3 qualified private sector employment.

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

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**HF 596**

1 Section 1. Section 97B.73, subsection 1, Code 1999, is  
2 amended to read as follows:

3 1. a. A vested or retired member who has one or more full  
4 calendar years of covered wages who was in public employment  
5 comparable to employment covered under this chapter in another  
6 state or in the federal government, or who was a member of  
7 another public retirement system in this state, including but  
8 not limited to the teachers insurance annuity association-  
9 college retirement equities fund, but who was not retired  
10 under that system, upon submitting verification of membership  
11 and service in the other public system to the department,  
12 including proof that the member has no further claim upon a  
13 retirement benefit from that other public system, may make  
14 contributions as provided by this section to the system either  
15 for the entire period of service in the other public system,  
16 or for partial service in the other public system in  
17 increments of one or more calendar quarters. If the member  
18 wishes to transfer only a portion of the service value of  
19 another public system to this system and the other public  
20 system allows a partial withdrawal of a member's system  
21 credits, the member shall receive credit for membership  
22 service in this system equivalent to the period of service  
23 transferred from the other public system.

24 b. A vested or retired member who has five or more full  
25 calendar years of covered wages who was in employment with a  
26 qualified private sector employer may make contributions as  
27 provided by this section to the system and receive service  
28 credit, in increments of one or more calendar quarters, for up  
29 to the lesser of twenty quarters of service credit for such  
30 employment or the entire period of service with the qualified  
31 private sector employer. Prior to receiving service credit,  
32 the member shall submit verification of membership in a  
33 retirement plan with the employer and service with the  
34 qualified private sector employer to the department, including  
35 proof that the member has no further claim upon a retirement

1 benefit from that private sector employer. However, if the  
 2 member wishes to transfer only a portion of the service value  
 3 of another retirement system with a private sector employer to  
 4 this system and the other retirement system allows a partial  
 5 withdrawal of a member's system credits, the member shall  
 6 receive credit for membership service in this system  
 7 equivalent to the period of service transferred from the other  
 8 retirement system as limited by this paragraph. For purposes  
 9 of this paragraph, "qualified private sector employer" means  
 10 an employer that permits employees to participate in a pension  
 11 or retirement plan qualified or exempt under the federal  
 12 Internal Revenue Code.

13 EXPLANATION

14 This bill provides that a vested or retired member with  
 15 five or more full calendar years of covered wages under IPERS  
 16 may purchase service credit for comparable service as an  
 17 employee with a qualified private sector employer. The bill  
 18 defines "qualified private sector employer" as an employer  
 19 that permits employees to participate in a pension or  
 20 retirement plan qualified or exempt under the federal Internal  
 21 Revenue Code. The bill limits the purchase of credit to the  
 22 lesser of 20 calendar quarters or the length of the qualified  
 23 service.

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