

MAR 10 1999

STATE GOVERNMENT

HOUSE FILE  
BY TAYLOR

611

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act providing for optional membership under the Iowa public  
2 employees' retirement system for certain employees of a  
3 municipal water utility or waterworks.

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

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1 Section 1. Section 97B.1A, subsection 8, paragraph a, Code  
2 1999, is amended by adding the following new subparagraph:

3 NEW SUBPARAGRAPH. (12) Persons employed by a municipal  
4 water utility or waterworks that has established a pension and  
5 annuity retirement system for its employees pursuant to  
6 chapter 412.

7 Sec. 2. Section 97B.42A, Code 1999, is amended by adding  
8 the following new subsection:

9 NEW SUBSECTION. 3A. A person who is employed in a  
10 position as an employee as defined in section 97B.1A,  
11 subsection 8, paragraph "a", subparagraph (12), on July 1,  
12 1999, and who has not elected out of coverage under this  
13 chapter prior to that date, shall begin coverage under the  
14 system on July 1, 1999, unless the person files an application  
15 with appropriate documentation to elect coverage under an  
16 alternative pension and annuity retirement system established  
17 pursuant to chapter 412 on or before August 31, 1999. If a  
18 person elects coverage under the alternative pension and  
19 annuity retirement system, the period of time from July 1,  
20 1999, until the date the person's election of coverage is  
21 effective shall not constitute service for purposes of  
22 coverage under this chapter and a wage adjustment shall be  
23 processed for the person based on any contributions collected  
24 pursuant to this chapter during that period of time and shall  
25 be credited pursuant to section 97B.10. A decision to elect  
26 coverage under an alternative pension and annuity retirement  
27 system pursuant to this subsection is irrevocable upon  
28 approval from the department.

29 A person who becomes a member of the Iowa public employees'  
30 retirement system pursuant to this subsection may purchase  
31 credit, pursuant to section 97B.73, for one or more quarters  
32 of service prior to August 1, 1999, in which the person was  
33 employed in a position as described by section 97B.1A,  
34 subsection 8, paragraph "a", subparagraph (12), but was not a  
35 member of the system.

## EXPLANATION

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2 The bill provides that persons employed by a municipal  
3 water utility or waterworks that has established an  
4 alternative pension and annuity retirement system for its  
5 employees pursuant to Code chapter 412 may become members of  
6 the Iowa public employees' retirement system (IPERS) pursuant  
7 to the requirements of this bill.

8 The bill provides that persons hired on or after the

9 effective date of this bill will become members of IPERS  
10 unless they elect coverage in the alternative retirement  
11 system established in Code chapter 412. For persons hired  
12 before the effective date of this bill, they become members of  
13 IPERS as of July 1, 1999, unless they opt for coverage in the  
14 alternative system by August 31, 1999.

15 Persons who become members of IPERS pursuant to this bill  
16 have the ability to purchase service credit for time employed  
17 by a water utility or waterworks while covered under a  
18 retirement system established pursuant to Code chapter 412.

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