

FILED FEB 22 1999

SENATE FILE

191

BY LUNDBY

(COMPANION TO HF 73 BY NELSON)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act concerning the determination of a member's average covered
2 wage for purposes of calculating retirement benefits under the
3 Iowa public employees' retirement system.

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

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

SF 191
STATE GOVERNMENT

1 Section 1. Section 97B.1A, subsection 24, paragraph b,
2 subparagraph (3), Code 1999, is amended to read as follows:

3 (3) For a member who retires ~~during-the-calendar-year~~
4 beginning on or after January 1, 1999, and before July 1,
5 1999, and whose three-year average covered wage at the time of
6 retirement exceeds fifty-five thousand dollars, the member's
7 covered wages averaged for the highest six years of the
8 member's service or fifty-five thousand dollars, whichever is
9 greater.

10 Sec. 2. Section 97B.1A, subsection 24, paragraph b,
11 subparagraph (4), Code 1999, is amended by striking the
12 subparagraph.

13 EXPLANATION

14 This bill changes the definition of "three-year average
15 covered wage" used in determining IPERS retirement benefits by
16 eliminating the mechanism for reducing an IPERS member's
17 three-year average covered wage if the member's average wage
18 exceeds a certain dollar level. Current law provides that a
19 member's "three-year average covered wage" will be calculated
20 using the highest six years for a member who retires during
21 calendar year 1999 and whose three-year covered wage exceeds
22 \$55,000, and the highest seven years for a member who retires
23 during calendar year 2000, 2001, or 2002, and whose three-year
24 covered wage exceeds \$55,000. This bill eliminates the use of
25 additional years beyond three for calculating a member's
26 average covered wage beginning for a member who retires on or
27 after July 1, 1999.

28

29

30

31

32

33

34

35