

SENATE FILE 2043
BY BOLKCOM

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

A BILL FOR

1 An Act providing for the purchase of service credit by a member
2 of the peace officers retirement system or the municipal fire
3 and police retirement system for certain service earned in
4 another public retirement system.

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

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SF 2043
STATE GOVERNMENT

1 Section 1. NEW SECTION. 97A.18 TRANSFER OF SERVICE FROM
2 OTHER IOWA PUBLIC RETIREMENT SYSTEM.

3 1. A vested member who has one or more full calendar years
4 of earnable compensation who was in public employment
5 comparable to employment covered under this chapter in another
6 public retirement system in this state but who was not retired
7 under that system, upon submitting verification of membership
8 and service in the other public system to the department,
9 including proof that the member has no further claim upon a
10 retirement benefit from that other public system, may make
11 contributions as provided by this section to the system either
12 for the entire period of service in the other public system,
13 or for partial service in the other public system in
14 increments of one or more calendar quarters.

15 2. The contributions required to be made for purposes of
16 purchasing additional service shall be in an amount equal to
17 the actuarial cost of the service purchase. For purposes of
18 this subsection, the actuarial cost of the service purchase is
19 an amount determined by the department in accordance with
20 actuarial tables, as reported to the department by the
21 system's actuary, which reflects the actuarial cost necessary
22 to fund an increased retirement allowance resulting from the
23 purchase of additional service. The member may direct that
24 any entitlement to a refund of contributions made in the other
25 public system be transferred to this system for the purposes
26 of making the contribution required by this subsection.

27 3. A member entitled to a benefit from another public
28 system must waive, on a form provided by the system, all
29 rights to a retirement benefit under the other public system
30 before receiving credit in this system for the years of
31 service in the other public system. The waiver must be
32 accepted by the other public system.

33 4. However, the department shall ensure that the member,
34 in exercising an option provided in this section, does not
35 exceed the amount of annual additions to a member's account

1 permitted pursuant to section 415 of the federal Internal
2 Revenue Code.

3 Sec. 2. NEW SECTION. 411.32 TRANSFER OF SERVICE FROM
4 OTHER IOWA PUBLIC RETIREMENT SYSTEM.

5 1. A vested member who has one or more full calendar years
6 of earnable compensation who was in public employment
7 comparable to employment covered under this chapter in another
8 public retirement system in this state but who was not retired
9 under that system, upon submitting verification of membership
10 and service in the other public system to the retirement
11 system, including proof that the member has no further claim
12 upon a retirement benefit from that other public system, may
13 make contributions as provided by this section to the system
14 either for the entire period of service in the other public
15 system, or for partial service in the other public system in
16 increments of one or more calendar quarters.

17 2. The contributions required to be made for purposes of
18 purchasing additional service shall be in an amount equal to
19 the actuarial cost of the service purchase. For purposes of
20 this subsection, the actuarial cost of the service purchase is
21 an amount determined by the retirement system in accordance
22 with actuarial tables, as reported to the retirement system by
23 the system's actuary, which reflects the actuarial cost
24 necessary to fund an increased retirement allowance resulting
25 from the purchase of additional service. The member may
26 direct that any entitlement to a refund of contributions made
27 in the other public system be transferred to this system for
28 the purposes of making the contribution required by this
29 subsection.

30 3. A member entitled to a benefit from another public
31 system must waive, on a form provided by the system, all
32 rights to a retirement benefit under the other public system
33 before receiving credit in this system for the years of
34 service in the other public system. The waiver must be
35 accepted by the other public system.

1 4. However, the retirement system shall ensure that the
2 member, in exercising an option provided in this section, does
3 not exceed the amount of annual additions to a member's
4 account permitted pursuant to section 415 of the federal
5 Internal Revenue Code.

6 EXPLANATION

7 This bill permits a vested member of the peace officers
8 retirement system (PORS) or the municipal fire and police
9 retirement system (MFPRSI) to purchase additional service
10 credit under the applicable system for service in another
11 public retirement system in the state. The service in the
12 other retirement system is required to be comparable to
13 employment covered under PORS or MFPRSI and the member must
14 waive any claim to a retirement benefit under the other system
15 to the extent of the purchase of service credit. The bill
16 provides that the cost of purchasing credit shall be an amount
17 determined by the system's actuary which reflects the cost to
18 the system of providing that member with additional service
19 credit.

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