

FEB 26 2001
STATE GOVERNMENT

HOUSE FILE 404
BY BRADLEY, EDDIE, and SHEY

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

A BILL FOR

1 An Act relating to a bona fide retirement under the Iowa public
2 employees' retirement system and by eliminating the
3 reemployment earnings limitation for teachers.
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
24
25

HC 404

1 Section 1. Section 97B.48A, subsection 1, unnumbered
2 paragraph 1, Code 2001, is amended to read as follows:

3 If a member who has not reached the member's sixty-fifth
4 birthday and who has a bona fide retirement under this chapter
5 is in regular full-time employment during a calendar year, the
6 member's retirement allowance shall be reduced by fifty cents
7 for each dollar the member earns over the limit provided in
8 this subsection. However, employment is not full-time
9 employment until the member receives remuneration in an amount
10 in excess of fourteen thousand dollars for a calendar year, or
11 an amount equal to the amount of remuneration permitted for a
12 calendar year for persons under sixty-five years of age before
13 a reduction in federal social security retirement benefits is
14 required, whichever is higher. In addition, the reduction in
15 a member's retirement allowance under this subsection shall
16 not apply if the member is employed as a teacher by a school
17 district or area education agency. Effective the first of the
18 month in which a member attains the age of sixty-five years, a
19 retired member may receive a retirement allowance without a
20 reduction after return to covered employment regardless of the
21 amount of remuneration received.

22 Sec. 2. Section 97B.52A, subsection 1, paragraph c, Code
23 2001, is amended to read as follows:

24 c. For a member whose first month of entitlement is July
25 2000 or later, the member does not return to any employment
26 with a covered employer until the member has qualified for at
27 least one calendar month of retirement benefits, and the
28 member does not return to covered employment until the member
29 has qualified for no fewer than four calendar months of
30 retirement benefits. For purposes of this paragraph,
31 effective July 1, 2000, any employment with a covered employer
32 does not include employment as an elective official or member
33 of the general assembly if the member is not covered under
34 this chapter for that employment. For purposes of this
35 paragraph, effective July 1, 2001, covered employment does not

1 include employment as a teacher by a school district or area
2 education agency.

3 EXPLANATION

4 This bill eliminates the limit on the wages a retired
5 member of IPERS can earn as a teacher without a reduction in
6 retirement benefits following a bona fide retirement. Current
7 law provides for a reduction in retirement benefits if
8 reemployment wages exceed \$14,000 for persons under 65 years
9 of age.

10 In addition, the bill provides that a member of IPERS can
11 retire and be reemployed by a school district or area
12 education agency as a teacher covered by IPERS so long as the
13 member does not return to any employment with an IPERS
14 employer for one month following the member's retirement.
15 Under current law, a member of IPERS cannot return to any
16 employment covered by IPERS for four months following
17 retirement.

18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35