

FEB 9 2004  
STATE GOVERNMENT

HOUSE FILE 2194  
BY D. OLSON

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

**A BILL FOR**

1 An Act providing for the purchase of special service credit under  
2 the Iowa public employees' retirement system.

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

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HF 2194

1 Section 1. NEW SECTION. 97B.80D PURCHASES OF SPECIAL  
2 SERVICE CREDIT.

3 1. A vested or retired member in special service who has  
4 five or more full calendar years of covered wages and who at  
5 any time was in regular service may make contributions to the  
6 retirement system to convert up to five years of regular  
7 service credit to special service credit as determined by the  
8 system, pursuant to Internal Revenue Code section 415(n) and  
9 the requirements of this section.

10 2. A special service member making contributions for a  
11 purchase of special service credit under this section shall  
12 make contributions in an amount equal to the actuarial cost of  
13 converting the regular service credit to special service  
14 credit. For purposes of this subsection, the actuarial cost  
15 of the service purchase is an amount determined by the system  
16 in accordance with actuarial tables, as reported to the system  
17 by the system's actuary, which reflects the actuarial cost  
18 necessary to fund an increased retirement allowance resulting  
19 from the purchase of special service credit.

20 3. The system shall ensure that the member, in exercising  
21 an option provided in this section, does not exceed the amount  
22 of annual additions to a member's account permitted pursuant  
23 to section 415 of the federal Internal Revenue Code.

24 EXPLANATION

25 This bill provides that a vested or retired member of the  
26 Iowa public employees' retirement system (IPERS) in special  
27 service can convert up to five years of prior regular service  
28 credit under IPERS to special service credit by paying the  
29 actuarial cost of the purchase. Under IPERS, special service  
30 means service while employed in a protection occupation or as  
31 a sheriff, deputy sheriff, or airport fire fighter. The  
32 actuarial cost of the purchase is defined by the bill as the  
33 amount necessary to fund an increased retirement allowance  
34 resulting from the purchase of special service credit.

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