

House Study Bill 594 - Introduced

SENATE/HOUSE FILE _____

BY (PROPOSED GOVERNOR'S BILL)

A BILL FOR

- 1 An Act providing for a retirement incentive program for state
- 2 employees and including effective date provisions.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. 2010 STATE EMPLOYEE RETIREMENT INCENTIVE
2 PROGRAM.

3 1. *Definitions.* As used in this section, unless the context
4 provides otherwise:

5 *a. "Eligible employee"* means an employee who has filed
6 a completed application for benefits with the Iowa public
7 employees' retirement system created in chapter 97B in which
8 the employee's intended first month of entitlement, as defined
9 in section 97B.1A, is no later than July 2010.

10 *b. "Employee"* means an employee, as defined by section
11 97B.1A, who is employed within the executive branch of this
12 state, including an employee of the department of justice.
13 However, *"employee"* does not mean an employee of a judicial
14 district department of correctional services, an employee of
15 the state board of regents, an elected official, or an employee
16 eligible for the sick leave conversion program as described in
17 section 70A.23, subsection 4.

18 *c. "Employer"* means a department, agency, board, or
19 commission within the executive branch of the state that
20 employs individuals.

21 *d. "Health insurance premium benefit"* means the amount
22 representing the monthly premium cost of an affordable group
23 health care plan offered by the state, as determined by the
24 department of administrative services, providing coverage to
25 the participant and, if applicable, the participant's spouse
26 for the applicable period of coverage.

27 *e. "Participant"* means a person who timely submits an
28 election to participate, is accepted to participate, and does
29 participate, in the state employee retirement incentive program
30 established under this section.

31 *f. "Program"* means the state employee retirement incentive
32 program established under this section.

33 *g. "Years of service incentive benefit"* means an amount equal
34 to the entire value of an eligible employee's accumulated but
35 unused vacation plus, for eligible employees with at least ten

1 years of state employment, one thousand dollars for each year
2 of state employment up to a maximum of twenty-five years of
3 state employment.

4 2. *Program eligibility.* To become a participant in the
5 program, an eligible employee shall do all of the following:

6 a. Submit by April 15, 2010, a written application, on
7 forms prescribed by the department of administrative services,
8 seeking participation in the program.

9 b. Acknowledge in writing the employee's agreement to
10 voluntarily terminate employment in exchange for the state
11 employee retirement incentive program as provided in this
12 section.

13 c. Agree to waive all rights to file suit against the state
14 of Iowa, including all of its departments, agencies, and other
15 subdivisions, based on state or federal claims arising out of
16 the employment relationship.

17 d. Acknowledge, in writing, that participation in the
18 program waives any right to accept any employment with the
19 state other than as an elected official on or after the date
20 the eligible employee separates from employment.

21 e. Agree to separate from employment with the state no later
22 than June 1, 2010.

23 3. *Participant acceptance.* An eligible employee shall
24 be accepted to participate in the program if the following
25 conditions are met:

26 a. The department of administrative services determines that
27 the eligible employee meets the requirements to be eligible to
28 participate in the program.

29 b. The department of management determines that authorizing
30 the eligible employee to participate in the program will
31 generate sufficient savings to the state based upon criteria
32 established by the department.

33 4. *Program benefits.* Upon acceptance to participate in the
34 program and separation from employment with the state no later
35 than June 1, 2010, a participant shall receive the following

1 benefits:

2 *a.* During September 2010, and each September thereafter for
3 a total of five years, the state shall pay to the participant,
4 or the participant's beneficiary, an amount equal to twenty
5 percent of the years of service incentive benefit for that
6 participant.

7 *b.* For the period of time commencing with the first month
8 in which a participant is ineligible for or exhausts the
9 participant's available remaining value of sick leave used
10 to pay the state share for the participant's continuation of
11 state group health insurance coverage as provided in section
12 70A.23, subsection 3, and ending five years from the date
13 the participant separates from employment with the state as
14 provided in this section, the participant, or the participant's
15 surviving spouse, shall be entitled to receive a health
16 insurance premium benefit to be used by the participant or the
17 participant's beneficiary to pay the premium cost for eligible
18 state group health insurance. The department of administrative
19 services shall determine what health insurance plans constitute
20 eligible state group health insurance for purposes of this
21 paragraph "b".

22 5. *Vacancies and reemployment.*

23 *a.* An employer shall not fill a position vacancy created
24 as a result of employee participation in the program without
25 approval from the department of management.

26 *b.* An employer shall not offer permanent part-time
27 employment, permanent full-time employment, or temporary
28 employment to a participant.

29 6. *Program administration.*

30 *a.* The department of administrative services shall
31 administer the program and shall adopt administrative rules
32 to administer the program. The department of administrative
33 services and the department of management may adopt rules on an
34 emergency basis under section 17A.4, subsection 3, and section
35 17A.5, subsection 2, paragraph "b", to implement this section

1 and the rules shall be effective immediately upon filing unless
2 a later date is specified in the rules.

3 b. Records of the Iowa public employees' retirement system
4 shall be released for the purposes of administering and
5 monitoring the program subject to the requirements of section
6 97B.17, subsection 5.

7 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
8 immediate importance, takes effect upon enactment.

9	EXPLANATION
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10 This bill establishes a state employee retirement incentive
11 program.

12 The bill establishes a state employee retirement incentive
13 program for eligible employees of the executive branch of
14 the state, including employees of the department of justice
15 (office of attorney general). Employees of a judicial district
16 department of correctional services, the state board of
17 regents, an elected official, or an employee eligible for an
18 enhanced sick leave conversion program under Code section
19 70A.23(4) are excluded from participating in the program.
20 The program shall be administered by the department of
21 administrative services. The bill permits eligible executive
22 branch employees who have completed an application for benefits
23 under the Iowa public employees' retirement system (IPERS) with
24 an intended first month of entitlement of no later than July
25 2010 to separate from service with the state and receive a
26 benefit under the program. To receive the incentive benefit,
27 an eligible employee must submit an application to participate
28 in the program by April 15, 2010, be accepted to participate
29 in the program by the departments of administrative services
30 and management, separate from state employment by June 1,
31 2010, and acknowledge the employee's ineligibility to return
32 to employment with the state.

33 The bill provides that the benefit provided to an eligible
34 employee who participates in the program is an amount equal to
35 the entire value of the eligible employee's accumulated but

1 unused vacation plus, if the employee has at least 10 years
2 of state employment, \$1,000 for each year of state employment
3 up to 25 years. The bill provides that this amount shall be
4 payable in five equal installments each year during September
5 beginning in September 2010. In addition, the bill provides
6 that a participant in the program, or the participant's
7 surviving spouse, shall receive a health insurance premium
8 benefit to pay the premium cost for eligible state group
9 health insurance for five years following the participant's
10 termination from state employment. However, the bill provides
11 that a participant shall receive the health insurance premium
12 benefit only when the participant is no longer eligible for,
13 or exhausts, the participant's available remaining value of
14 sick leave used to pay the state share for the participant's
15 continuation of state group health insurance coverage as
16 provided in Code section 70A.23, subsection 3.

17 The bill further provides that an employer shall not fill
18 vacancies created by employees participating in the program
19 except upon approval of the department of management. In
20 addition, the bill provides that an employer shall not hire a
21 participant in the program for any employment.

22 The bill takes effect upon enactment.