Senate Study Bill 1166

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL
BY CHAIRPERSON APPEL)

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

A BILL FOR

An Act concerning the deferred retirement option plan under the municipal fire and police retirement system of Iowa and providing an effective date.

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

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Section 1. MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM == DEFERRED RETIREMENT OPTION PLAN == EXTENSION OF PLAN PARTICIPATION PERIOD.

1. Notwithstanding any provision of chapter 411 to the contrary, an eligible member of the municipal fire and police retirement system who has elected to participate in the deferred retirement option plan as created in section 411.6C and who has not terminated their participation in the plan as of the readjustment period shall have the option, during the readjustment period, to extend the member's participation in the plan by one year, up to a maximum of five years participation in the plan, upon written application with the retirement system. For purposes of this section, the readjustment period shall be a period of three months as established by the board of trustees for the municipal fire and police retirement system.

2. This section shall not be implemented until the system has received a favorable ruling from the internal revenue service regarding this section. Upon receiving the favorable ruling, the board of trustees of the system shall establish, as expeditiously as possible, the readjustment period.

Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

EXPLANATION

This bill provides that an eligible member of the municipal fire and police retirement system of Iowa (MFPRSI) who is participating in the deferred retirement option plan (DROP) but has not terminated their participation in DROP as of a specified readjustment period has the option to extend their participation in the plan by one year, up to a maximum of five years, during that readjustment period. The bill provides that the readjustment period shall be a three=month period which shall be established by the MFPRSI board once the system receives a favorable determination from the internal revenue service that the provisions of the bill can be implemented.

The bill takes effect upon enactment.

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