

Senate File 2166 - Introduced

SENATE FILE 2166

BY BOUSSELOT

A BILL FOR

1 An Act relating to the Iowa public employees' retirement system
2 by modifying the retirement benefits of sheriffs and deputy
3 sheriffs.

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

1 Section 1. Section 97B.49C, subsection 1, paragraph a,
2 subparagraph (3), Code 2024, is amended to read as follows:

3 (3) For each active or inactive vested member retiring
4 on or after July 1, 1998, and before July 1, 2024, sixty
5 percent plus, if applicable, an additional three-eighths of
6 one percentage point for each additional calendar quarter of
7 eligible service beyond twenty-two years of service, not to
8 exceed a total of twelve additional percentage points.

9 Sec. 2. Section 97B.49C, subsection 1, paragraph a, Code
10 2024, is amended by adding the following new subparagraph:

11 NEW SUBPARAGRAPH. (4) For each active or inactive vested
12 member retiring on or after July 1, 2024, sixty percent plus,
13 if applicable, an additional five-eighths of one percentage
14 point for each additional calendar quarter of eligible service
15 beyond twenty-two years of service, not to exceed a total of
16 twenty additional percentage points.

17 Sec. 3. Section 97B.49C, Code 2024, is amended by adding the
18 following new subsection:

19 NEW SUBSECTION. 2A. *Annual adjustment of allowance.* A
20 member who retires from employment as a sheriff or deputy
21 sheriff on or after July 1, 2024, and who receives a monthly
22 retirement allowance under this section shall, in lieu of a
23 retirement dividend under section 97B.49F, have the monthly
24 allowance adjusted as follows:

25 a. On each July 1, the monthly retirement allowance
26 authorized in this section and payable to members retired
27 prior to that date and to beneficiaries entitled to a monthly
28 retirement allowance prior to that date shall be adjusted by
29 adding to the monthly retirement allowance payable on that date
30 an amount equal to the sum of one and one-half percent of the
31 monthly retirement allowance payable on that date.

32 b. A retired member or beneficiary of a retired member
33 shall not be eligible for an annual readjustment of allowance
34 provided in this subsection unless the member has twenty-two
35 years of eligible service and attained the age of fifty years

1 prior to the member's termination of employment.

2 EXPLANATION

3 The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

5 This bill relates to the Iowa public employees' retirement
6 system (IPERS) by modifying the retirement benefits of sheriffs
7 and deputy sheriffs.

8 The monthly retirement benefit under IPERS for a sheriff
9 or deputy sheriff is calculated by multiplying the retiree's
10 applicable covered wage by a percentage. The bill increases,
11 for sheriffs and deputy sheriffs retiring on or after July 1,
12 2024, the applicable percentage used to calculate the retiree's
13 monthly retirement benefit by five-eighths of one percentage
14 point for each calendar quarter of service beyond 22 years of
15 service up to a maximum of 20 additional percentage points.
16 Under current law, the applicable percentage is increased by
17 three-eighths of one percentage point up to a maximum of 12
18 additional percentage points for calendar quarters of service
19 beyond 22 years of service.

20 Under current law, a vested member retiring prior to July 1,
21 1990, is eligible to receive an automatic retirement dividend
22 under Code section 97B.49F(1). For a vested member retiring on
23 or after July 1, 1990, a favorable experience dividend (FED)
24 reserve account is provided in Code section 97B.49F(2). The
25 FED reserve account pays a dividend to an eligible member when
26 a favorable experience on the actuarial liabilities and assets
27 occurs and IPERS is fully funded.

28 The bill establishes a cost-of-living adjustment (COLA) to
29 the monthly allowance for active and inactive members and to
30 any beneficiaries for retirements occurring on or after July 1,
31 2024. Beginning July 1, 2024, and on each July 1, the monthly
32 retirement allowance of such a member shall be adjusted by
33 adding to the monthly retirement allowance an amount equal to
34 one and one-half percent of the monthly retirement allowance
35 payable on that date. A member who retires on or after July

S.F. 2166

1 1, 2024, is not eligible for the COLA unless the member has 22
2 years of eligible service and attained 50 years of age prior to
3 the retirement date of the member. The bill prohibits a member
4 retiring after July 1, 2024, from FED dividend eligibility
5 provided under Code section 97B.49F(2).