

House File 818 - Introduced

HOUSE FILE 818
BY JACOBY

A BILL FOR

- 1 An Act relating to contribution rates to the Iowa public
- 2 employees' retirement system and the municipal fire and police
- 3 retirement system.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 97B.11, subsection 3, unnumbered paragraph
2 1, Code 2025, is amended to read as follows:

3 ~~On and after~~ From July 1, 2011, through June 30, 2025, for
4 purposes of this section, unless the context otherwise requires:

5 Sec. 2. Section 97B.11, Code 2025, is amended by adding the
6 following new subsection:

7 NEW SUBSECTION. 4. On and after July 1, 2025, for purposes
8 of this section, unless the context otherwise requires:

9 a. For members in regular service:

10 (1) "*Applicable employee percentage*" means the percentage
11 rate equal to forty percent of the required contribution rate for
12 members in regular service.

13 (2) "*Applicable employer percentage*" means the percentage
14 rate equal to sixty percent of the required contribution rate for
15 members in regular service.

16 b. For members in special service in a protection occupation
17 as described in section 97B.49B:

18 (1) "*Applicable employee percentage*" means the percentage
19 rate equal to zero percent of the required contribution rate for
20 members described in section 97B.49B.

21 (2) "*Applicable employer percentage*" means the percentage
22 rate equal to one hundred percent of the required contribution
23 rate for members described in section 97B.49B.

24 c. For members in special service as a county sheriff or
25 deputy sheriff as described in section 97B.49C:

26 (1) "*Applicable employee percentage*" means the percentage
27 rate equal to zero percent of the required contribution rate for
28 members described in section 97B.49C.

29 (2) "*Applicable employer percentage*" means the percentage
30 rate equal to one hundred percent of the required contribution
31 rate for members described in section 97B.49C.

32 d. "*Required contribution rate*" means that percentage of the
33 covered wages of members in regular service, members described
34 in section 97B.49B, and members described in section 97B.49C,
35 that the system shall, for each fiscal year, separately set

1 for members in each membership category as provided in this
2 subsection. The required contribution rate that is set by
3 the system for a membership category shall be the contribution
4 rate the system actuarially determines, based upon the most
5 recent actuarial valuation of the system and using the actuarial
6 methods, assumptions, and funding policy approved by the
7 investment board, is the rate required by the system to discharge
8 its liabilities as a percentage of the covered wages of members
9 in that membership category. However, the required contribution
10 rate set by the system for members in regular service for a
11 fiscal year shall not vary by more than one percentage point from
12 the required contribution rate for the prior fiscal year.

13 Sec. 3. Section 411.8, subsection 1, paragraph f,
14 subparagraph (8), Code 2025, is amended to read as follows:

15 (8) Beginning July 1, 1996, and each fiscal year thereafter,
16 an amount equal to the member's contribution rate times each
17 member's compensation shall be paid to the fund from the
18 earnable compensation of the member. For the purposes of this
19 subparagraph, the member's contribution rate shall be nine and
20 thirty-five hundredths percent until June 30, 2009, nine and
21 four-tenths percent until June 30, 2024, and, ~~beginning July~~
22 ~~1, 2024,~~ nine and fifty-five hundredths percent until June
23 30, 2025. However, the system shall increase the member's
24 contribution rate as necessary to cover any increase in cost to
25 the system resulting from statutory changes which are enacted
26 by any session of the general assembly meeting after January 1,
27 1991, if the increase cannot be absorbed within the contribution
28 rates otherwise established pursuant to this paragraph, but
29 subject to a maximum employee contribution rate of eleven and
30 three-tenths percent or, beginning July 1, 2009, eleven and
31 thirty-five hundredths percent. The contribution rate increases
32 specified in 1994 Iowa Acts, ch. 1183, pursuant to this chapter
33 and chapter 97A shall be the only member contribution rate
34 increases for these systems resulting from the statutory changes
35 enacted in 1994 Iowa Acts, ch. 1183, and shall apply only to the

1 fiscal periods specified in 1994 Iowa Acts, ch. 1183. After the
2 employee contribution reaches eleven and three-tenths percent or
3 eleven and thirty-five hundredths percent, as applicable, sixty
4 percent of the additional cost of such statutory changes shall be
5 paid by employers under paragraph "c" and forty percent of the
6 additional cost shall be paid by employees under this paragraph.
7 However, beginning July 1, 2025, the member's contribution rate
8 shall be zero percent.

9 EXPLANATION

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

12 This bill reduces the amount a member of the Iowa public
13 employees' retirement system (IPERS) who is employed in a
14 protection occupation or as a sheriff or deputy sheriff is
15 required to contribute to IPERS to 0 percent of the required
16 contribution rate. The bill increases the applicable employer
17 percentage for an employer of an IPERS member who is employed in
18 a protection occupation or as a sheriff or deputy sheriff to 100
19 percent of the required contribution rate.

20 The bill also reduces the member's contribution rate for
21 members of the municipal fire and police retirement system to 0
22 percent.