

House File 967 - Introduced

HOUSE FILE 967

BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 265)

A BILL FOR

- 1 An Act relating to benefits and contributions for members of the
- 2 Iowa public employees' retirement system who are employed in a
- 3 protection occupation.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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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, until 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 fifty 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 fifty percent of the required contribution rate for
23 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 fifty 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 fifty percent of the required contribution rate for
31 members described in section 97B.49C.

32 d. "*Required contribution rate*" means the same as defined in
33 subsection 3.

34 Sec. 3. Section 97B.49B, subsection 1, paragraph a,
35 subparagraph (6), Code 2025, is amended to read as follows:

1 (6) For each active or inactive vested member retiring on or
2 after July 1, 2003, and before July 1, 2025, sixty percent plus,
3 if applicable, an additional three-eighths of one percentage
4 point for each additional calendar quarter of eligible service
5 beyond twenty-two years of service ~~for the member~~, not to exceed
6 a total of twelve additional percentage points.

7 Sec. 4. Section 97B.49B, subsection 1, paragraph a, Code
8 2025, is amended by adding the following new subparagraph:

9 NEW SUBPARAGRAPH. (7) For each active or inactive vested
10 member retiring on or after July 1, 2025, sixty percent plus,
11 if applicable, an additional five-eighths of one percentage point
12 for each additional calendar quarter of eligible service beyond
13 twenty-two years of service, not to exceed a total of twenty
14 additional percentage points.

15 Sec. 5. Section 97B.49B, subsection 2, Code 2025, is amended
16 to read as follows:

17 2. *Calculation of monthly allowance.*

18 a. Notwithstanding other provisions of this chapter, a member
19 who is or has been employed in a protection occupation who
20 retires on or after July 1, 1994, but before July 1, 2025, and
21 at the time of retirement is at least fifty-five years of age
22 may elect to receive, in lieu of the receipt of any benefits
23 as calculated pursuant to section 97B.49A or 97B.49D, a monthly
24 retirement allowance equal to one-twelfth of an amount equal to
25 the applicable percentage of the three-year average covered wage
26 as a member who has been employed in a protection occupation
27 multiplied by a fraction of years of service, with benefits
28 payable during the member's lifetime.

29 b. Notwithstanding other provisions of this chapter, a member
30 who is or has been employed in a protection occupation who
31 retires on or after July 1, 2025, and at the time of retirement
32 is at least fifty-five years of age, or is at least fifty years
33 of age with at least twenty-two years of eligible service, may
34 elect to receive, in lieu of the receipt of any benefits as
35 calculated pursuant to section 97B.49A or 97B.49D, a monthly

1 retirement allowance equal to one-twelfth of an amount equal to
2 the applicable percentage of the three-year average covered wage
3 as a member who has been employed in a protection occupation
4 multiplied by a fraction of years of service, with benefits
5 payable during the member's lifetime.

6 Sec. 6. Section 97B.49B, Code 2025, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 5. *Annual adjustment of allowance.* A member
9 who retires from employment in a protection occupation on or
10 after July 1, 2025, and who receives a monthly retirement
11 allowance under this section, shall have the monthly retirement
12 allowance adjusted as follows:

13 a. On each July 1, the monthly retirement allowance
14 authorized in this section and payable to a member retired
15 prior to that date, and to a beneficiary or contingent annuitant
16 entitled to a monthly retirement allowance prior to that date,
17 shall be adjusted by adding to the monthly retirement allowance
18 payable on that date an amount equal to the sum of one and
19 one-half percent of the monthly retirement allowance payable on
20 that date.

21 b. A retired member, beneficiary, or contingent annuitant
22 shall not be eligible for an annual readjustment of allowance
23 provided in this subsection unless the member has twenty-two
24 years of eligible service and attained the age of fifty years
25 prior to the member's termination of employment.

26 c. A retired member, beneficiary, or contingent annuitant
27 that receives an annual adjustment of allowance provided in this
28 subsection shall not be eligible for the retirement dividends
29 under section 97B.49F.

30 EXPLANATION

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

33 This bill modifies the Iowa public employees' retirement
34 system (IPERS) benefits and contributions for members employed in
35 a protection occupation.

1 The bill increases the amount a member of IPERS who is
2 employed in a protection occupation is required to contribute to
3 IPERS from 40 percent to 50 percent of the required contribution
4 rate and decreases the applicable employer percentage for an
5 employer of an IPERS member who is employed in a protection
6 occupation from 60 percent to 50 percent of the required
7 contribution rate.

8 The monthly retirement benefit under IPERS for a member of a
9 protection occupation is calculated by multiplying the retiree's
10 applicable covered wage by a percentage. Under current law,
11 the applicable percentage is increased by 0.375 percent up to a
12 maximum of 12 additional percentage points for calendar quarters
13 of service beyond 22 years of service. The bill increases, for
14 protection occupation members retiring on or after July 1, 2025,
15 the applicable percentage used to calculate the retiree's monthly
16 retirement benefit to 0.625 percent for each calendar quarter
17 of service beyond 22 years of service up to a maximum of 20
18 additional percentage points.

19 The bill provides that a member of a protection occupation
20 may elect to retire at 50 years of age with 22 years of service
21 and receive the monthly retirement allowance under current law,
22 rather than at age 55.

23 The bill establishes a cost-of-living adjustment (COLA) to
24 the monthly retirement allowance for active and inactive members
25 and to beneficiaries and contingent annuitants for retirements
26 occurring on or after July 1, 2025. Beginning July 1, 2025,
27 and on each July 1 thereafter, the monthly retirement allowance
28 of such a member, beneficiary, or contingent annuitant shall
29 be adjusted by adding to the monthly retirement allowance an
30 amount equal to 1.5 percent of the monthly retirement allowance
31 payable on that date. Such a member, beneficiary, or contingent
32 annuitant is not eligible for the COLA increase unless the member
33 has 22 years of eligible service and attained 50 years of age
34 prior to the retirement date of the member. A retired member,
35 beneficiary, or contingent annuitant that receives the COLA is

1 not eligible for the retirement dividends under Code section
2 97B.49F.

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