

House Study Bill 265 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON BLOOMINGDALE)

A BILL FOR

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

unofficial

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

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

9 Sec. 2. Section 97B.49B, subsection 1, paragraph a, Code
10 2025, is amended by adding the following new subparagraph:

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

17 Sec. 3. Section 97B.49B, subsection 2, Code 2025, is amended
18 to read as follows:

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

32 Sec. 4. Section 97B.49B, Code 2025, is amended by adding the
33 following new subsection:

34 NEW SUBSECTION. 5. *Annual adjustment of allowance.* A member
35 who retires from a protection occupation on or after July 1,

1 2025, and who receives a monthly retirement allowance under this
2 section, shall have the monthly retirement allowance adjusted as
3 follows:

4 a. On each July 1, the monthly retirement allowance
5 authorized in this section and payable to a member retired
6 prior to that date, and to a beneficiary or contingent annuitant
7 entitled to a monthly retirement allowance prior to that date,
8 shall be adjusted by adding to the monthly retirement allowance
9 payable on that date an amount equal to the sum of one and
10 one-half percent of the monthly retirement allowance payable on
11 that date.

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

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

21 EXPLANATION

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

24 This bill modifies the Iowa public employees' retirement
25 system (IPERS) benefits for members employed in a protection
26 occupation.

27 The monthly retirement benefit under IPERS for a member of a
28 protection occupation is calculated by multiplying the retiree's
29 applicable covered wage by a percentage. Under current law,
30 the applicable percentage is increased by 0.375 percent up to a
31 maximum of 12 additional percentage points for calendar quarters
32 of service beyond 22 years of service. The bill increases, for
33 protection occupation members retiring on or after July 1, 2025,
34 the applicable percentage used to calculate the retiree's monthly
35 retirement benefit by 0.625 percent for each calendar quarter

1 of service beyond 22 years of service up to a maximum of 20
2 additional percentage points.

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

7 The bill establishes a cost-of-living adjustment (COLA) to
8 the monthly retirement allowance for active and inactive members
9 and to beneficiaries and contingent annuitants for retirements
10 occurring on or after July 1, 2025. Beginning July 1, 2025,
11 and on each July 1 thereafter, the monthly retirement allowance
12 of such a member, beneficiary, or contingent annuitant shall
13 be adjusted by adding to the monthly retirement allowance an
14 amount equal to 1.5 percent of the monthly retirement allowance
15 payable on that date. Such a member, beneficiary, or contingent
16 annuitant is not eligible for the COLA increase unless the member
17 has 22 years of eligible service and attained 50 years of age
18 prior to the retirement date of the member. A retired member,
19 beneficiary, or contingent annuitant that receives the COLA is
20 not eligible for the retirement dividends under Code section
21 97B.49F.