

Primary Subject: State Government

SENATE FILE 2062 - State Employee Retirement Incentives Program

BY COMMITTEE ON STATE GOVERNMENT. This Act establishes a State Employee Retirement Incentive Program for eligible employees of the executive branch of the state, including employees in the offices of statewide elective officials, employees of a judicial district department of correctional services of the Department of Justice, and if the State Board of Regents approves, employees of the State Board of Regents and its institutions. The Act permits, but does not require, both the legislative branch and the judicial branch to establish an early retirement program consistent with the program provided in the Act.

Elected officials and employees eligible for an enhanced sick leave conversion program under Code Section 70A.23(4) are excluded from participating in the program. The Act permits eligible executive branch employees who have completed an application for benefits under the Iowa Public Employees' Retirement System (IPERS) with an intended first month of entitlement of no later than July 2010, to separate from service with the state and receive a benefit under the program. To receive the incentive benefit, an eligible employee must submit an application to participate in the program by April 15, 2010, be accepted to participate in the program by the departments of Administrative Services and Management, separate from state employment by June 24, 2010, and acknowledge the employee's ineligibility to return to employment with the state.

The benefit provided to an eligible employee who participates in the program is an amount equal to the entire value of the eligible employee's accumulated but unused vacation plus, if the employee has at least 10 years of state employment, \$1,000 for each year of state employment up to 25 years. This amount shall be payable in five equal installments each year during September beginning in September 2010. In addition, a participant in the program, or the participant's surviving spouse, shall receive a health insurance premium benefit to pay the premium cost for eligible state group health insurance for five years following the participant's termination from state employment. However, a participant shall receive the health insurance premium benefit only when the participant is no longer eligible for, or exhausts, the participant's available remaining value of sick leave used to pay the state share for the participant's continuation of state group health insurance coverage.

The Act further provides that an employer shall not fill vacancies created by employees participating in the program except upon approval of the Department of Management. The requirement that the Department of Management approve filling a vacancy does not apply to vacancies within the offices of statewide elective officials, a judicial district department of correctional services, the State Board of Regents and its institutions, or the judicial or legislative branches. In addition, the Act provides that an employer shall not hire a participant in the program for any employment.

The Act takes effect February 10, 2010.

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