

JAN 13 2006

STATE GOVERNMENT

HOUSE FILE 2053
BY FREVERT

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act concerning the purchase of creditable service for members
2 of the Iowa department of public safety peace officers'
3 retirement, accident, and disability system for certain prior
4 service as a peace officer in the department of public safety
5 and for city fire fighters and police officers under the
6 statewide fire and police retirement system.

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

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HF 2053

1 Section 1. NEW SECTION. 97A.10 PURCHASE OF ELIGIBLE
2 SERVICE CREDIT.

3 1. For purposes of this section:

4 a. "Eligible qualified service" means as follows:

5 (1) Service with the department prior to July 1, 1994, in
6 a position as a gaming enforcement officer, fire prevention
7 inspector peace officer, or as an employee of the division of
8 capitol police except clerical workers.

9 (2) Service as a member of a city fire retirement system
10 or police retirement system operating under chapter 411 prior
11 to January 1, 1992, for which service was not eligible to be
12 transferred to this system pursuant to section 97A.17.

13 Eligible qualified service under this paragraph "a" does
14 not include service if the receipt of credit for such service
15 would result in the member receiving a retirement benefit
16 under more than one retirement plan for the same period of
17 service.

18 b. "Permissive service credit" means credit that will be
19 recognized by the retirement system for purposes of
20 calculating a member's benefit, for which the member did not
21 previously receive service credit in the retirement system,
22 and for which the member voluntarily contributes to the
23 retirement system the amount required by the retirement
24 system, not in excess of the amount necessary to fund the
25 benefit attributable to such service.

26 2. An active member of the system may make contributions
27 to the system to purchase up to the maximum amount of
28 permissive service credit for eligible qualified service as
29 determined by the system, pursuant to Internal Revenue Code
30 section 415(n) and the requirements of this section. A member
31 seeking to purchase permissive service credit pursuant to this
32 section shall file a written application along with
33 appropriate documentation with the department by July 1, 2007.

34 3. A member making contributions for a purchase of
35 permissive service credit for eligible qualified service under

1 this section shall make contributions in an amount equal to
2 the actuarial cost of the permissive service credit purchase.
3 For purposes of this subsection, the actuarial cost of the
4 permissive service credit purchase is an amount determined by
5 the system in accordance with actuarial tables, as reported to
6 the system by the system's actuary, which reflects the
7 actuarial cost necessary to fund an increased retirement
8 allowance resulting from the purchase of permissive service
9 credit.

10 EXPLANATION

11 This bill permits current members of the Iowa department of
12 public safety peace officers' retirement, accident, and
13 disability system (PORS) to purchase service credit for
14 eligible qualified service. The bill defines "eligible
15 qualified service" to include service as a gaming enforcement
16 officer, fire inspector, or nonclerical employee of the
17 capitol police prior to July 1, 1994, that was not covered
18 under PORS in which the member is not otherwise eligible to
19 receive a retirement allowance.

20 In addition, "eligible qualified service" includes service
21 as a member of a city fire or police retirement system under
22 chapter 411 prior to January 1, 1992, that was not eligible to
23 be transferred to PORS and for which the member is also not
24 otherwise eligible to receive a retirement allowance.

25 The bill provides that the member is required to pay the
26 full actuarial cost of the service purchase and must make
27 application for the purchase of service by July 1, 2007. The
28 actuarial cost of the service purchase is defined as the cost
29 necessary to fund an increased retirement allowance resulting
30 from the purchase of the permissive service credit.

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