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SENATE FILE
BY KIBBIE

2018

STATE GOVERNMENT

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

A BILL FOR

1 An Act concerning the purchase of service under the Iowa public
2 employees' retirement system and the Iowa department of public
3 safety peace officers' retirement, accident, and disability
4 system.

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

STATE GOVERNMENT

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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 Sec. 2. Section 97B.80C, subsection 3, Code 2005, is
11 amended by adding the following new paragraph:

12 NEW PARAGRAPH. e. For a member making contributions for a
13 purchase of permissive service credit for qualified service as
14 described in subsection 1, paragraph "c", subparagraph (1),
15 subparagraph subdivision (h), the member shall receive a
16 credit against the actuarial cost of the service purchase
17 equal to the amount of the member's employer's accumulated
18 contributions which were not paid to the member as a refund
19 pursuant to section 97B.53 plus interest as calculated
20 pursuant to section 97B.70.

21 EXPLANATION

22 This bill concerns the purchase of service under the Iowa
23 public employees' retirement system (IPERS) and the Iowa
24 department of public safety peace officers' retirement,
25 accident, and disability system (PORS).

26 New Code section 97A.10 permits current members of PORS to
27 purchase service credit for eligible qualified service. The
28 bill defines "eligible qualified service" to include service
29 as a gaming enforcement officer, fire inspector, or
30 nonclerical employee of the capitol police prior to July 1,
31 1994, that was not covered under PORS in which the member is
32 not otherwise eligible to receive a retirement allowance. In
33 addition, "eligible qualified service" includes service as a
34 member of a city fire or police retirement system under
35 chapter 411 prior to January 1, 1992, that was not eligible to

1 be transferred to PORS and for which the member is also not
2 otherwise eligible to receive a retirement allowance. The
3 bill provides that the member is required to pay the full
4 actuarial cost of the service purchase and must make
5 application for the purchase of service by July 1, 2007. The
6 actuarial cost of the service purchase is defined as the cost
7 necessary to fund an increased retirement allowance resulting
8 from the purchase of the permissive service credit.

9 Code section 97B.80C is amended to provide that a member
10 buying back service under IPERS can receive a credit for the
11 cost of purchasing that prior service equal to the amount of
12 the member's employer's accumulated contributions that were
13 not paid when the member received a refund for that service
14 plus interest as calculated in Code section 97B.70.

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