

495—7.2(97B) Vesting status.**7.2(1) General.**

a. Effective July 1, 1990, through June 30, 2005, a member achieves vested status when the member has served and made contributions in 16 or more quarters of IPERS covered employment or attains the age of 55. The vested status of a member may also be determined when the member's contribution payments cease. At that time a comparison of the membership date and termination date will be made. If service sufficient to indicate vested status is present, after any periods of interruption in service have been taken into consideration, the member shall be considered a vested member. All vested members receive all the rights and benefits of a vested member in IPERS until or unless the member files for a refund of accumulated contributions.

b. Effective July 1, 2005, a terminated nonvested member who has not attained the age of 55 shall not become vested upon attainment of the age of 55 while an inactive member. However, a member who terminates before attaining the age of 55 who has covered wages in the calendar year when the member terminates and the member attains the age of 55 in that year shall become vested, even if the member has less than 16 quarters of service credit on file at termination.

c. Effective July 1, 2012, vesting by age and vesting by service shall be determined as provided in Iowa Code section 97B.1A(25) "a" through "d." A member who is vested by age or by service as of June 30, 2012, shall remain vested following the implementation of new vesting requirements on July 1, 2012.

7.2(2) Inactive members who become vested due to a statutory reduction in years. Effective July 1, 1988, an inactive member who had accumulated, as of the date of the member's last termination of employment, years of membership service equal to or exceeding the years of membership service specified in this rule for qualifying as a vested member on the date of termination shall be considered vested.

7.2(3) Vesting upon complete or partial termination. In the case of a complete or partial termination of this fund, any affected member shall have a vested interest in the accrued benefit as of the date of such termination, to the extent such benefit is then funded.

7.2(4) Benefit nonforfeitable upon attaining normal retirement age. For purposes of compliance with the Internal Revenue Code and related guidance, the normal retirement benefit, which is the benefit calculated under Iowa Code sections 97B.49A through 97B.49D, is nonforfeitable upon attainment of normal retirement age, which: (1) prior to July 1, 2012, is age 55 or the completion of 16 quarters of IPERS covered employment, whichever is later; and (2) for members who are not vested under one of the methods under (1) on July 1, 2012, is age 65 or completion of 28 quarters of IPERS covered employment, whichever is later. The retirement benefit is subject to the provisions of Iowa Code section 97B.52A. This subrule is not to be construed as a reduction or limitation of rights heretofore existing, nor as an indication that vested benefits would be forfeitable before the stated age is attained.

7.2(5) Vesting at age 55 prior to July 1, 2012. IPERS shall interpret Iowa Code section 97B.1A(25) "a"(3) as follows: for periods prior to July 1, 2012, the phrase "has attained the age of fifty-five or greater while in covered employment" means "has attained the age of fifty-five or greater while an active member, as defined in Iowa Code section 97B.1A(3)".

7.2(6) Vesting after June 30, 2012. For periods after June 30, 2012, the member becomes vested if the member meets one of the following requirements:

a. For a member in a special service, has attained the age of 55 or greater while in covered employment.

b. For a member in regular service, has attained the age of 65 or greater while in covered employment.

The phrase "covered employment" means "active member" as defined by Iowa Code section 97B.1A(3).

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