

JAN 17 2002
STATE GOVERNMENT

HOUSE FILE 2069
BY WISE

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

A BILL FOR

1 An Act relating to reemployment of Iowa public employees'
2 retirement system retirees.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2069

1 Section 1. Section 97B.48A, subsection 1, Code 2001, is
2 amended by striking the subsection and inserting in lieu
3 thereof the following:

4 1. A member who has a bona fide retirement under this
5 chapter may return to regular full-time covered employment
6 during a calendar year and shall continue to receive a
7 retirement allowance without a reduction after return to
8 covered employment regardless of the amount of remuneration
9 received.

10 Sec. 2. Section 97B.48A, subsection 3, Code 2001, is
11 amended to read as follows:

12 3. Upon a retirement after reemployment, a retired member
13 may have the retired member's retirement allowance
14 redetermined under this section or section 97B.48, section
15 97B.50, or section 97B.51, whichever is applicable, based upon
16 ~~the addition of credit for~~ the years of membership service of
17 the employee after reemployment, the covered wage during
18 reemployment, and the age of the employee after reemployment.
19 The member shall receive a single retirement allowance
20 calculated from both periods of membership service, one based
21 on the initial retirement and one based on the second
22 retirement following reemployment. The member may select one
23 of the following options for receiving a single retirement
24 allowance based upon both periods of membership service:

25 a. A single retirement allowance calculated by adding the
26 allowance for the initial retirement with an additional
27 retirement allowance calculated pursuant to sections 97B.49A
28 through 97B.49G, based solely on the years of membership
29 service of the employee after reemployment, the covered wage
30 during reemployment, and the age of the employee after
31 reemployment.

32 b. A single retirement allowance based upon the addition
33 of credit for the years of membership service of the employee
34 after reemployment, the covered wage during reemployment, and
35 the age of the employee after reemployment. If the total

1 years of membership service and prior service of a member who
2 has been reemployed equals or exceeds thirty, the years of
3 membership service on which the original retirement allowance
4 was based may be reduced by a fraction of the years of service
5 equal to the number of years by which the total years of
6 membership service and prior service exceeds thirty divided by
7 thirty, if this reduction in years of service will increase
8 the total retirement allowance of the member. The additional
9 retirement allowance calculated for the period of reemployment
10 shall be added to the retirement allowance calculated for the
11 initial period of membership service and prior service,
12 adjusted as provided in this subsection paragraph. The
13 retirement allowance calculated for the initial period of
14 membership service and prior service shall not be adjusted for
15 any other factor than years of service. The retired member
16 shall not receive a retirement allowance based upon more than
17 a total of thirty years of service. Effective July 1, 1998, a
18 redetermination of a retirement allowance as authorized by
19 this subsection paragraph for a retired member whose combined
20 service exceeds the applicable years of service for that
21 member as provided in sections 97B.49A through 97B.49G shall
22 have the determination of the member's reemployment benefit
23 based upon the percentage multiplier as determined for that
24 member as provided in sections 97B.49A through 97B.49G.

25 Sec. 3. Section 97B.52A, subsection 1, paragraph c, Code
26 2001, is amended to read as follows:

27 c. For a member whose first month of entitlement is July
28 2000 or later, the member does not return to any employment
29 with a covered employer until the member has qualified for at
30 least one calendar month of retirement benefits, and the
31 member does not return to covered employment until the member
32 has qualified for no fewer than four calendar months of
33 retirement benefits. For purposes of this paragraph,
34 effective July 1, 2000, any employment with a covered employer
35 does not include employment as an elective official or member

1 of the general assembly if the member is not covered under
2 this chapter for that employment. For purposes of this
3 paragraph, effective July 1, 2002, covered employment does not
4 include employment with the same employer that employed the
5 member immediately prior to retirement if the employment is
6 not in the same or similar position as the member held prior
7 to retirement.

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EXPLANATION

9 This bill provides that an Iowa public employees'
10 retirement system (IPERS) member who has a bona fide
11 retirement can return to public employment covered by IPERS
12 and continue to receive the member's retirement allowance
13 without a reduction. Under current law, an IPERS member
14 receiving a retirement allowance who is under age 65 will have
15 the member's IPERS retirement allowance reduced by \$.50 for
16 each dollar the member earns over \$14,000 in a calendar year
17 in employment covered by IPERS.

18 The bill amends Code section 97B.48A, subsection 3, to
19 allow a retiree who becomes reemployed under IPERS and then
20 retires again to have the option of receiving a new retirement
21 allowance calculated by adding the retiree's initial allowance
22 with an amount calculated for the reemployment period in the
23 same manner as the initial retirement is calculated. Under
24 current law, a member can only have the initial retirement
25 allowance recalculated based upon the addition of the
26 reemployed years of service, the covered wage during the
27 reemployment, and the age of the retiree.

28 In addition, the bill permits an IPERS retiree to return to
29 employment covered under IPERS with the same employer after
30 receiving one month of retirement benefits and still remain
31 eligible to receive a retirement allowance if the employment
32 is not in the same or similar position as the retiree held
33 prior to retirement. Under current law, a retiree cannot
34 return to covered employment for four months following the
35 retiree's first month of entitlement to retirement benefits.