

JAN 14 2005
STATE GOVERNMENT

HOUSE FILE 72
BY CHAMBERS

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

A BILL FOR

1 An Act providing for contributions to the Iowa public employees'
2 retirement system.

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

HF-72

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1 Section 1. Section 97B.11, Code 2005, is amended to read
2 as follows:

3 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

4 1. Each employer shall deduct from the wages of each
5 member of the retirement system a contribution in the amount
6 of ~~three-and-seven-tenths-percent~~ the applicable employee
7 percentage of the covered wages paid by the employer, until
8 the member's termination from employment. The contributions
9 of the employer shall be in the amount of ~~five-and-seventy-~~
10 ~~five-hundredths-percent~~ the applicable employer percentage of
11 the covered wages of the member.

12 2. For purposes of this section, the "applicable employee
13 percentage" is as follows:

14 a. Prior to July 1, 2005, three and seven-tenths percent.

15 b. Beginning on or after July 1, 2005, but before July 1,
16 2006, four and one-fifth percent.

17 c. Beginning on or after July 1, 2006, but before July 1,
18 2007, four and seven-tenths percent.

19 d. Beginning on or after July 1, 2007, but before July 1,
20 2008, five and one-fifth percent.

21 e. Beginning on or after July 1, 2008, five and seventy-
22 five hundredths percent.

23 3. For purposes of this section, the "applicable employer
24 percentage" is five and seventy-five hundredths percent.

25 Sec. 2. Section 97B.49B, subsection 3, Code 2005, is
26 amended to read as follows:

27 3. ~~ADDITIONAL~~ CONTRIBUTIONS.

28 a. Annually, the system shall actuarially determine the
29 cost of the ~~additional~~ benefits provided for members covered
30 under this section as a percentage of the covered wages of the
31 employees covered by this section. Sixty Notwithstanding any
32 provision of section 97B.11 to the contrary, sixty percent of
33 the cost shall be paid by the employers of employees covered
34 under this section and forty percent of the cost shall be paid
35 by the employees. The employer and employee contributions

1 required under this paragraph ~~are-in-addition-to-the~~ shall be
2 treated as contributions paid under sections 97B.11 and
3 97B.11A.

4 b. (1) For the fiscal year commencing July 1, 1988, and
5 each succeeding fiscal year, there is appropriated from the
6 state fish and game protection fund to the system the amount
7 necessary to pay the employer share of the cost of the
8 ~~additional~~ benefits provided to employees covered under
9 subsection 1, paragraph "e", subparagraph (1).

10 (2) Annually, during each fiscal year commencing with the
11 fiscal year beginning July 1, 1988, each applicable city shall
12 pay to the system the amount necessary to pay the employer
13 share of the cost of the ~~additional~~ benefits provided to
14 employees of that city covered under subsection 1, paragraph
15 "e", subparagraphs (2) and (4).

16 (3) For the fiscal year commencing July 1, 1988, and each
17 succeeding fiscal year, the department of corrections shall
18 pay to the system from funds appropriated to the Iowa
19 department of corrections, the amount necessary to pay the
20 employer share of the cost of the ~~additional~~ benefits provided
21 to employees covered under subsection 1, paragraph "e",
22 subparagraph (3).

23 (4) For the fiscal year commencing July 1, 1990, and each
24 succeeding fiscal year, the state department of transportation
25 shall pay to the system, from funds appropriated to the state
26 department of transportation from the road use tax fund and
27 the primary road fund, the amount necessary to pay the
28 employer share of the cost of the ~~additional~~ benefits provided
29 to employees covered under subsection 1, paragraph "e",
30 subparagraph (5).

31 (5) For the fiscal year commencing July 1, 1992, and each
32 succeeding fiscal year, the department of public safety shall
33 pay to the system from funds appropriated to the department of
34 public safety, the amount necessary to pay the employer share
35 of the cost of the ~~additional~~ benefits provided to a fire

1 prevention inspector peace officer pursuant to subsection 1,
2 paragraph "e", subparagraph (6).

3 (6) For the fiscal year commencing July 1, 1994, and each
4 succeeding fiscal year through the fiscal year ending June 30,
5 1998, each judicial district department of correctional
6 services shall pay to the system from funds appropriated to
7 that judicial district department of correctional services,
8 the amount necessary to pay the employer share of the cost of
9 the ~~additional~~ benefits provided to employees of a judicial
10 district department of correctional services who are employed
11 as a probation officer III or a parole officer III.

12 (7) For the fiscal year commencing July 1, 2004, and each
13 succeeding fiscal year, there is appropriated from the general
14 fund of the state to the system, from funds not otherwise
15 appropriated, an amount necessary to pay the employer share of
16 the cost of the ~~additional~~ benefits provided to airport fire
17 fighters under this section.

18 Sec. 3. Section 97B.49C, subsection 3, paragraph a, Code
19 2005, is amended to read as follows:

20 a. Annually, the system shall actuarially determine the
21 cost of the benefits provided for members covered under this
22 section as a percentage of the covered wages of the employees
23 covered by this section. Fifty Notwithstanding any provision
24 of section 97B.11 to the contrary, fifty percent of the cost
25 shall be paid by the employers of employees covered under this
26 section and fifty percent of the cost shall be paid by the
27 employees. The employer and employee contributions required
28 under this paragraph ~~are-in-lieu-of-the~~ shall be treated as
29 contributions paid under sections 97B.11 and 97B.11A.

30 Sec. 4. Section 97B.50A, subsection 12, Code 2005, is
31 amended to read as follows:

32 12. ~~ADDITIONAL~~ CONTRIBUTIONS. The expenses incurred in
33 the administration of this section by the system shall be paid
34 through ~~additional~~ contributions as determined pursuant to
35 section 97B.49B, subsection 3, or section 97B.49C, subsection

1 3, as applicable.

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EXPLANATION

This bill makes changes to the Iowa public employees' retirement system (IPERS) relating to contributions made to the system by employees.

Code section 97B.11 is amended to increase, over a four-year period beginning July 1, 2005, contributions to the system from the employee. The current employer rate of 5.75 percent is maintained by the bill. Currently, the employee rate is 3.7 percent of a member's covered wages. The bill increases the employee percentage by one-half percent each fiscal year beginning July 1, 2005, July 1, 2006, and July 1, 2007. The bill increases the rate by .55 percent for the fiscal year beginning July 1, 2008, leaving a 5.75 percent employee rate for each year beginning on or after July 1, 2008. The bill makes conforming changes to the Code sections providing for the contributions paid by special service members of IPERS to retain the current contribution rate calculation for these members.