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STATE GOVERNMENT

SENATE FILE

2019

BY KIBBIE

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

A BILL FOR

1 An Act concerning the purchase of credit and recalculation of
 2 benefits for certain city managers under the Iowa public
 3 employees' retirement system.

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

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STATE GOVERNMENT

SF 2019

1 Section 1. IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM --
2 CITY MANAGER -- RETIREMENT RECALCULATION.

3 1. Notwithstanding any provision of chapter 97B to the
4 contrary, a retired member of the Iowa public employees'
5 retirement system who was employed in a position as an
6 employee as defined in section 97B.1A, subsection 8, paragraph
7 "a", subparagraph (7), on or before July 1, 2006, and who had
8 coverage under the system for some, but not all, of that
9 employment and who was not covered under the system for the
10 remainder of that employment, shall, upon application to the
11 system, have the member's retirement allowance recalculated as
12 provided in this section.

13 2. To be eligible to receive a recalculated retirement
14 allowance under this section, a retired member shall file an
15 application with appropriate documentation with the system by
16 August 31, 2006. The application shall include written
17 evidence of the following:

18 a. The retired member has purchased service for employment
19 as an employee as described in subsection 1 that was not
20 otherwise covered under the system prior to July 1, 2006.

21 b. The employer of the retired member when the retired
22 member was employed in a position as an employee as defined in
23 section 97B.1A, subsection 8, paragraph "a", subparagraph (7),
24 shall make an additional contribution in an amount equal to
25 the actuarial cost of the recalculated retirement to the
26 system by August 31, 2006. For purposes of this paragraph,
27 the actuarial cost of the recalculated retirement is an amount
28 determined by the system in accordance with actuarial tables,
29 as reported to the system by the system's actuary, which
30 reflects the actuarial cost necessary to fund an increased
31 retirement allowance resulting from the application of the
32 provisions of this section.

33 3. A retired member described in subsection 1 who has
34 submitted an application as provided in subsection 2 shall be
35 entitled to have the member's monthly retirement allowance

1 recalculated using the applicable formula for determining a
2 retirement allowance pursuant to sections 97B.49A through
3 97B.49G, as applicable, and in place as of August 31, 2006,
4 and all credited service of the member, including service
5 purchased, as of August 31, 2006. In addition,
6 notwithstanding any provision of chapter 97B to the contrary,
7 a member's covered wages for determining the recalculated
8 retirement allowance under this subsection shall be the wages
9 earned by the member as an employee as defined in section
10 97B.1A, subsection 8, paragraph "a", subparagraph (7), and the
11 wages earned by the member for service that was purchased by
12 the member for other employment as provided by section
13 97B.80C.

14 4. This section shall not be implemented until the system
15 has received a determination letter from the United States
16 internal revenue service approving the plan's qualified status
17 under Internal Revenue Code section 401(a).

18 EXPLANATION

19 This bill permits certain city managers who have retired to
20 purchase service under the Iowa public employees' retirement
21 system (IPERS) and to have that city manager's retirement
22 benefit recalculated under the current IPERS formula and not
23 the formula in place at the time of retirement.

24 The bill applies to a city manager, now retired, who was
25 covered under IPERS for some, but not all, of that person's
26 service as a city manager. The bill permits the person to
27 purchase IPERS service credit for that service as a city
28 manager not covered by IPERS and to have the person's
29 retirement benefit recalculated under the current retirement
30 formula and not the formula in place at the time the person
31 retired. The bill provides that in recalculating the person's
32 retirement benefit, the member's highest three years of wages
33 as a city manager shall be used, regardless of whether the
34 person made contributions on the full amount of the wages.
35 The bill provides that eligible city managers purchase the

1 service by August 31, 2006, and make application for a
2 recalculation of their benefit by August 31, 2006. In
3 addition, the employer of the city manager shall make a
4 contribution to IPERS in an amount equal to the actuarial cost
5 of the recalculated retirement by August 31, 2006. The bill
6 provides that the section shall not be implemented until IPERS
7 receives a determination letter from the internal revenue
8 service approving the plan's qualified status under the
9 Internal Revenue Code.

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