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SENATE FILE 2199  
BY COMMITTEE ON STATE  
GOVERNMENT

(SUCCESSOR TO SF 2018)

Passed Senate, Date 2-14-06 Passed House, Date 3-28-06  
Vote: Ayes 46 Nays 0 Vote: Ayes 99 Nays 0  
Approved April 7, 2006

A BILL FOR

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

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

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SF 2199

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.

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EXPLANATION

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

New Code section 97A.10 permits current members of PORS to purchase service credit for eligible qualified service. The bill defines "eligible qualified service" to include service as a gaming enforcement officer, fire inspector, or nonclerical employee of the capitol police prior to July 1, 1994, that was not covered under PORS in which the member is not otherwise eligible to receive a retirement allowance. In addition, "eligible qualified service" includes service as a member of a city fire or police retirement system under chapter 411 prior to January 1, 1992, that was not eligible to be transferred to PORS and for which the member is also not otherwise eligible to receive a retirement allowance. The bill provides that the member is required to pay the full actuarial cost of the service purchase and must make application for the purchase of service by July 1, 2007. The actuarial cost of the service purchase is defined as the cost necessary to fund an increased retirement allowance resulting from the purchase of the permissive service credit.

SENATE FILE 2199

AN ACT

CONCERNING THE PURCHASE OF SERVICE UNDER THE IOWA DEPARTMENT  
OF PUBLIC SAFETY PEACE OFFICERS' RETIREMENT, ACCIDENT,  
AND DISABILITY SYSTEM.

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

Section 1. NEW SECTION. 97A.10 PURCHASE OF ELIGIBLE  
SERVICE CREDIT.

1. For purposes of this section:

a. "Eligible qualified service" means as follows:

(1) Service with the department prior to July 1, 1994, in  
a position as a gaming enforcement officer, fire prevention  
inspector peace officer, or as an employee of the division of  
capitol police except clerical workers.

(2) Service as a member of a city fire retirement system  
or police retirement system operating under chapter 411 prior  
to January 1, 1992, for which service was not eligible to be  
transferred to this system pursuant to section 97A.17.

Eligible qualified service under this paragraph "a" does  
not include service if the receipt of credit for such service  
would result in the member receiving a retirement benefit  
under more than one retirement plan for the same period of  
service.

b. "Permissive service credit" means credit that will be  
recognized by the retirement system for purposes of  
calculating a member's benefit, for which the member did not  
previously receive service credit in the retirement system,  
and for which the member voluntarily contributes to the  
retirement system the amount required by the retirement  
system, not in excess of the amount necessary to fund the  
benefit attributable to such service.

2. An active member of the system may make contributions  
to the system to purchase up to the maximum amount of  
permissive service credit for eligible qualified service as  
determined by the system, pursuant to Internal Revenue Code  
section 415(n) and the requirements of this section. A member  
seeking to purchase permissive service credit pursuant to this  
section shall file a written application along with  
appropriate documentation with the department by July 1, 2007.

3. A member making contributions for a purchase of  
permissive service credit for eligible qualified service under  
this section shall make contributions in an amount equal to  
the actuarial cost of the permissive service credit purchase.  
For purposes of this subsection, the actuarial cost of the  
permissive service credit purchase is an amount determined by  
the system in accordance with actuarial tables, as reported to  
the system by the system's actuary, which reflects the

actuarial cost necessary to fund an increased retirement allowance resulting from the purchase of permissive service credit.

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JEFFREY M. LAMBERTI  
President of the Senate

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CHRISTOPHER C. RANTS  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2199, Eighty-first General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved \_\_\_\_\_, 2006

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THOMAS J. VILSACK  
Governor