

## Legislative Update 3-7-08

The Public Pension Omnibus Bill, [Senate Study Bill 3244](#), met the first funnel deadline and is eligible for additional legislative action. [House File 2507](#) (formerly HSB644), containing only IPERS' technical changes, also is eligible for further action. SSB3244 includes the technical changes made by HF2507.

### **IPERS changes in SSB3244** *(will have a new bill number)*

- Credits the accounts of members who leave IPERS-covered employment for military service and die while serving
- Removes bonuses and allowances from IPERS-covered wages
- Removes IPERS from the Technology Governance Board's authority
- Removes the investment management expense cap
- Increases the minimum employer fee for late contributions from \$10 to \$20, and requires all employers to pay contributions monthly
- Directs IPERS to adjust contribution rates for regular members based on an annual actuarial valuation; limits contribution rate changes for all membership groups to no more than 0.5 percentage point each year
- Couples the amount of a death benefit that IPERS can pay to an adult custodian of a minor without court intervention with Iowa Code chapter 565B, Transfers to Minors (raises IPERS' limit of \$10,000 to the Chapter 565B limit of \$25,000)
- Clarifies regular disability payments end when a member no longer meets eligibility requirements for a permanent disability
- Moves four groups to protection occupation membership class
  - County jailers and detention officers working as jailers
  - National Guard installation security officers
  - Emergency medical service providers
  - County attorney investigators
- Allows IPERS to roll over a deceased member's account to another qualified retirement plan selected by a beneficiary who is not a spouse

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- Allows members to buy up to 5 years of service credit that is not tied to specific employment (also called buy-in of air time)
- Allows Special Service members to convert regular service credit to Special Service credit by paying the actuarial cost (also called a buy-up)
- Allows use of a statewide referendum of part-time elected officials to decide whether they should have both Social Security coverage and IPERS coverage
- Requires the cost analysis of proposed changes to a retirement system to include the change in the normal cost rate using the entry age normal actuarial method
- Requires retirement systems to report the actuarial required contribution rate by reporting the normal cost rate and the rate to amortize its unfunded actuarial liability over 30 years using the entry age normal actuarial cost method  
(IPERS currently uses the entry age normal actuarial cost method)
- Makes other technical corrections and updates to Iowa Code chapter 97B, which governs IPERS

#### **IPERS changes removed from SSB3244**

**By the Senate State Government Committee**

**On March 6, 2008**

- Creating a separate membership class for county attorneys and assistant county attorneys
- Reducing the bona fide retirement period for all employees (not just licensed health care professionals) in non-state public hospitals to one month until 2010, when a study that is currently underway ends
- Giving credit for employer contributions when buying back service credit for refunds taken before July 1, 1998