

Gregory S. Samorajski, CFA
Chief Executive Officer

Kim Reynolds
Governor

Chris Cournoyer
Lt. Governor

AGENDA

Monday, January 26, 2026
1:00 p.m.

IPERS BENEFITS ADVISORY COMMITTEE
IPERS Board Room or
Conference Telephone # 646-931-3860
Meeting ID: 865-1430-5924#

- 1) Call to Order / 1:00 p.m.
 - a) Roll Call of Members
 - b) Approval of Minutes – October 27, 2025
- 2) CEO Report – Greg Samorajski
- 3) 2026 Legislative Session – Megan Schlesky
- 4) Administrative Rules Review – Elizabeth Hennessey
- 5) Staff Reports
 - a) Member Operations Division Update – Steve Herbert
 - b) Investment Update – Sriram Lakshminarayanan
 - c) Appeals Report – Elizabeth Hennessey
 - d) Strategy Division Update – Shawna Lode
- 6) Other Business
- 7) Public Comments
- 8) Confirm Next Meeting Date – Monday, February 23, 2026
 - a) Friday, March 27, 2026 – Investment Board Meeting
 - b) Monday, March 30, 2026 – BAC Meeting



BENEFITS ADVISORY COMMITTEE MEETING MINUTES
IPERS BOARD ROOM
7401 Register Drive, Des Moines Iowa
October 27, 2025

The following people attended the IPERS Benefits Advisory Committee (BAC) meeting held on Monday, October 27, 2025.

Members of the Benefits Advisory Committee – Present

Matt Carver, Chair	John Hieronymus
Melissa Peterson, Vice Chair	Andrew Hennessey
Len Cockman	Richard Hoffman
Sue Cave	Connie Kuennen
Todd Copley	Brian McDonough
Lowell Dauenbaugh	Ty Wheeler

Members of the Benefits Advisory Committee – Absent

Steve Hoffman
Nathan Reckman

IPERS Administration and Staff

Greg Samorajski, Chief Executive Officer
Steve Herbert, Chief Benefits Officer
Melinda McElroy, Executive Assistant
Elizabeth Hennessey, General Counsel

Keith Scholten, Senior Investment Officer
Shawna Lode, Chief Strategy Officer
Megan Schlesky, Legislative Liaison

Call to Order

Chairperson Matt Carver called the meeting to order at 1:00 p.m.

Lowell Dauenbaugh moved to approve the minutes from the August 25, 2025, Benefits Advisory Committee meeting. Len Cockman seconded; the motion carried by unanimous voice vote.

CEO Report - Greg Samorajski

FY2027 Contribution Rates – Contribution rates for Regular members will remain steady at 15.73%. Employees will contribute 6.29% and employers 9.44%. With the passage of HF969, which broadened the cancer and infectious disease definition to include all cancers, the members' share of the required contribution rate increased by a fixed amount of 0.125%. Rates for Protection Occupation members are 15.52%, with members paying 6.335% and employers 9.185%. Rates for Sheriffs and Deputy Sheriffs are 24.42%, with members paying 12.335% and employers 12.085%.

NIRS Annual Membership Renewal – Lowell Dauenbaugh moved that the BAC authorize the expenditure of \$7,600 from its budget to renew IPERS' membership in the National Institute on Retirement Security. Melissa Peterson seconded; the motion carried by unanimous voice vote.

2026 Legislative Session – Greg Samorajski asked the Committee whether their organizations or associations had legislative initiatives for 2026. He then noted that the legislative Public Retirement Systems Committee would meet later in the year. Typically, during IPERS' portion of that meeting, the BAC chair presents a segment of the presentation.

BAC members discussed the final Iowa DOGE Task Force report. The committee considered drafting a supporting document or resolution that the BAC could share with IPERS' plan sponsors. Len Cockman moved that CEO Greg Samorajski, and staff draft a resolution stating the BAC's support for IPERS' current plan design. Melissa Peterson seconded; the motion carried by unanimous roll call vote.

November Dividend Adjustment – Steve Herbert

Steve Herbert reported that November Dividend recipients will receive a 2.67% adjustment for 2025, based on actuarial certification. Approximately 818 recipients are expected to receive a combined total of \$2.09 million.

IPERS Staff Reports

Member Operations Division Update – Steve Herbert reviewed the member demand measures report through September 2025 and the number of digital retirement applications received through October 2025.

Strategy Division Update – Shawna Lode shared details on IPERS' "Did You Know" campaign, which aims to dispel misconceptions circulating in the media and on social platforms. She also highlighted an upcoming member event, IPERS on the Road,

scheduled for December 3, 2025, in Cedar Rapids. The full-day event will feature individual counseling sessions, group informational sessions on IPERS benefits and an evening town hall meeting with CEO Greg Samorajski.

Other Business

Keith Scholten provided a brief investment market update and reported that the IPERS Trust Fund's balance is currently \$48.7 billion. As of June 30, 2025, the net investment portfolio totaled \$46.682 billion, and IPERS achieved an investment return of 9.87% for the fiscal year.

Public Comments

None

Future Meeting Dates

The next scheduled BAC meeting is Monday, January 26, 2026. With no further business before the committee, Melissa Peterson moved to adjourn the meeting. Andrew Hennessy seconded; the motion carried by unanimous voice vote. The meeting adjourned at 1:40 p.m.

Bills that amend Chapter 97B

Bill number	Title	Status	IPERS Impact
SSB 3009	A bill for an act relating to duties of certain political subdivisions, including duties of fence viewers, stewardship of certain cemeteries, and provision of fire protection and emergency medical services, and including transition and effective date provisions.	Filed	Removes townships as political subdivisions and transfers township duties to the county. Elected township trustees are currently eligible for IPERS coverage.
HF 1023	A bill for an act relating to benefits for members of the Iowa public employees' retirement system who are employed in a protection occupation.	Senate Ways & Means	Amends chapter 97B to make benefits for Protection Occupations members the same as benefits for Sheriff/Deputy Sheriff members.
HF 2066	A bill for an act relating to the terms of service of certain statewide boards.	House State Gov.	Reduces IPERS Investment Board terms from six to four years
HF 2069	A bill for an act providing an annual cost-of-living adjustment for members of the Iowa public employees' retirement system.	House State Gov.	Amends chapter 97B to provide a COLA for regular IPERS members.
HF 721	A bill for an act relating to the consideration of nonfinancial factors in providing financial services, including actions regarding the economic interest of enterprise shareholders and participants in and beneficiaries of public pension benefit plans, and providing penalties.	Filed	Creates Chapter 12L that establishes proxy voting requirements for public pensions plans, including penalties for violations. (Not a true companion to SSB 1056 by AG, this also involves anti-discrimination provisions)
HF1008	A bill for an act relating to the creation of land redevelopment trusts. See also: SF 655, Sen. Lofgren etc.	Senate Ways & Means	Amends chapter 97B to establish a land redevelopment trust as an IPERS-covered employer and employees as mandatory IPERS members.
SSB 1056	An act relating to actions regarding the economic interest of enterprise shareholders and participants in and beneficiaries of public pension benefit plans, and providing penalties.	Senate Judiciary	Creates Chapter 12L that establishes proxy voting requirements for public pensions plans, including penalties for violations.
SSB 3038	A bill for an act relating to matters under the purview of the Iowa public employees' retirement system, and including effective date provisions.	Senate State Gov	Provides policy modernization as proposed by IPERS.
HF 2080	A bill for an act relating to bona fide retirement and subsequent employment as school district support staff under the Iowa public employees' retirement system.	House State Gov.	Reduces BFR to 1 month for school district support staff.
SSB 3051	A bill for an act relating to public retirement systems by allowing for the forfeiture of certain portions of the pension of a public employee who commits a felony.	Senate Workforce	Amends chapter 97D to require that the clerk of court notify a public pension system if a public employee is convicted of a felony. The bill proposes revoking the employee's pension benefits, returning the employees contributions to the employee and forfeiting the remaining contributions to the system.

ITEM 1. Amend subrules 4.6(1) to 4.6(3) as follows:

495—4.6(97B) Contribution rates. The following contribution rate schedule, payable on the covered wage of the member, is determined by the position or classification and the occupation class code of the member.

4.6(1) Contribution rates for regular class members.

a. The following contribution rates were established by the Iowa legislature for all regular class members for the indicated periods:

	Effective July 1, 2007	Effective July 1, 2008	Effective July 1, 2009	Effective July 1, 2010	Effective July 1, 2011
Combined rate	9.95%	10.45%	10.95%	11.45%	13.45%
Employer	6.05%	6.35%	6.65%	6.95%	8.07%
Employee	3.90%	4.10%	4.30%	4.50%	5.38%

b. Effective July 1, 2012, and every year thereafter, the contribution rates for regular members shall be publicly declared by IPERS staff no later than the preceding December as determined by the annual valuation of the preceding fiscal year. The public declaration of contribution rates will be followed by rulemaking that will include a notice and comment period and that will become effective July 1 of the next fiscal year. Contribution rates for regular members are as follows.

	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025	Effective July 1, 2026
Combined rate	15.73%	15.73%	15.73%	15.73%	15.73%	15.73%
Employer	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%
Employee	6.29%	6.29%	6.29%	6.29%	6.29%	6.29%

4.6(2) Contribution rates for sheriffs and deputy sheriffs are as follows.

	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025	Effective July 1, 2026
Combined rate	18.02%	17.52%	17.02%	17.02%	24.18%	24.42%
Employer	9.01%	8.76%	8.51%	8.51%	11.965%	12.085%
Employee	9.01%	8.76%	8.51%	8.51%	12.215%	12.335%

4.6(3) Contribution rates for protection occupations are as follows.

	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025	Effective July 1, 2026
Combined rate	15.52%	15.52%	15.52%	15.52%	15.52%	15.52%
Employer	9.31%	9.31%	9.31%	9.31%	9.185%	9.185%
Employee	6.21%	6.21%	6.21%	6.21%	6.335%	6.335%

4.6(4) NO CHANGE

4.6(5) NO CHANGE

4.6(6) NO CHANGE

4.6(7) NO CHANGE

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MEMORANDUM

Date: January 21, 2026

To: Members of the Benefits Advisory Committee

From: Elizabeth Hennessey, General Counsel

Subject: Changes to Iowa Administrative Code 495—Chapters 1, 4-7

This memorandum serves to update the BAC and provide additional information regarding the proposed changes to Iowa Administrative Code 495—Chapters 1, 4-7. On January 10, 2023, Governor Reynolds issued Executive Order 10, also known as the “red tape review.” The executive order requires all state agencies to complete a comprehensive evaluation and cost benefit analysis of existing rules to evaluate their public benefits, whether the benefits justify the cost, and whether there are less restrictive alternatives to achieve their intended goal. In addition, agencies have been directed to rescind rules that are merely duplicative of statute. IPERS staff reviewed Chapters 1, 4-7 and propose the changes as part of the red tape review analysis. The proposed changes include removing unnecessary language and rescinding rules that are already in Iowa Code 97B.

IPERS’ deadline to complete the red tape review is December 31, 2026. The BAC has historically reviewed IPERS’ administrative rules prior to filing. IPERS legal department anticipates presenting administrative rule chapters to the BAC for review at the regularly scheduled meetings until all administrative rule chapters have been reviewed. This package includes the following chapters:

1. Chapter 1: “Organization”
2. Chapter 2: “Investment Board” – these rules were previously reviewed and approved by the Board during their December 2024 meeting and therefore not included.
3. Chapter 3: “Benefits Advisory Committee” – these rules were previously reviewed and approved by the BAC during their February 2025 meeting and therefore not included.
4. Chapter 4: “Employers”
5. Chapter 5: “Employees”
6. Chapter 6: “Covered Wages”
7. Chapter 7: “Service Credit and Vesting Status”

Formatting and numbering have not been updated but will be prior to filing.

CHAPTER 1
ORGANIZATION

[Prior to 1/7/04, see 581—21.1]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—1.1(97B) Organization. ~~The agency~~IPERS shall administer the retirement system created by Iowa Code chapter 97B. Specific powers and duties of ~~the agency~~IPERS, CEO, board, committee, and agency staff are set forth in Iowa Code chapter 97B and these administrative rules.

Operational units within ~~the agency~~IPERS shall develop and administer policies and procedures governing retirement system programs, including accounting functions for the collection of funds from employers and employee members; disbursement of retirement benefits, death benefits, lump sum payments, and disability retirement benefits; training to employers and subsequent review of employer records for compliance with Iowa Code chapter 97B, rules and policies; preparation and release of informational newsletters and the annual report; and investment of funds contributed to the retirement system by employers and employee members. ~~The retirement system~~IPERS is also the state administrator to the federal Social Security Administration pursuant to Iowa Code chapter 97C. [ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 3684C, IAB 3/14/18, effective 4/18/18]

495—1.2(97B) Definitions. Unless otherwise prescribed by federal or state regulations, the terms used in this chapter shall have the following meanings:

~~“Agency” means the Iowa public employees’ retirement system (IPERS) created as an independent agency within the executive branch of state government to administer Iowa Code chapter 97B.~~

~~“Board” means the IPERS’ investment board as created in Iowa Code section 97B.8A.~~

~~“Chief benefits officer” means the person employed by IPERS’ chief executive officer, following consultation with the committee, to administer benefits programs and other member services provided under the retirement system has the meaning given in Iowa Code section 97B.4(3)(b).~~

~~“Chief executive officer” means the administrator of the agency appointed pursuant to Iowa Code section 97B.3 and whose term shall be determined pursuant to Iowa Code section 97B.3 has the meaning given in Iowa Code section 97B.3.~~

~~“Chief investment officer” has the meaning given in Iowa Code section 97B.4(3)(a). means the person employed by IPERS’ chief executive officer, following consultation with the board, to administer the investment program of the retirement system.~~

~~“Committee” means the benefits advisory committee created pursuant to Iowa Code section 97B.8B.~~

~~“Internal Revenue Code” means the Internal Revenue Code as defined in Iowa Code section 422.3.~~

~~“IPERS” means the agency the Iowa Public Employees’ Retirement System (IPERS) created as an independent agency within the executive branch of state government to administer Iowa Code chapter 97B or the system as the context requires.~~

~~“System” means the Iowa public employees’ retirement system created pursuant to Iowa Code chapter 97B.~~

[ARC 2981C, IAB 3/15/17, effective 4/19/17]

495—1.3(97B) Administration. The chief executive officer, through the chief investment officer and the chief benefits officer, ~~shall may take any action they deem necessary for the administration of the retirement system under~~ administer Iowa Code chapters 97, 97B, and 97C. ~~The chief executive officer shall execute contracts on behalf of IPERS and shall, after consultation with the board and other agency staff, establish and administer the budget and such other duties as are required or permitted in Iowa Code section 97B.4. The chief executive officer may make expenditures, reports, and investigations as necessary to carry out the powers and duties created in Iowa Code chapter 97B~~

~~and may obtain, as necessary, the specialized services of individuals or organizations on a contract-for-service basis. The chief executive officer shall be the agency's statutory designee with respect to rule-making power.~~

1.3(1) Location. IPERS' headquarters is located at 7401 Register Drive, Des Moines, Iowa. General correspondence, inquiries, requests for information or assistance, complaints, or petitions shall be addressed to: Chief Executive Officer, Iowa Public Employees' Retirement System, P.O. Box 9117, Des Moines, Iowa 50306-9117.

1.3(2) Business hours. Business hours are 8 a.m. to 4:30 p.m., Monday through Friday, excluding officially designated holidays.

[ARC 6949C, IAB 3/8/23, effective 4/12/23]

These rules are intended to implement Iowa Code chapter 97B.

[Filed 12/17/03, Notice 11/12/03—published 1/7/04, effective 2/11/04]

[Filed 4/7/06, Notice 3/1/06—published 4/26/06, effective 5/31/06]

[Filed ARC 2981C (Notice ARC 2892C, IAB 1/18/17), IAB 3/15/17, effective 4/19/17]

[Filed ARC 3684C (Notice ARC 3537C, IAB 1/3/18), IAB 3/14/18, effective 4/18/18]

[Filed ARC 6949C (Notice ARC 6823C, IAB 1/11/23), IAB 3/8/23, effective 4/12/23]

Commented [AE1]: Most of this language is already set forth in Iowa Code section 97B.4 and does not need to be restated here.

CHAPTER 1
ORGANIZATION
[Prior to 1/7/04, see 581—21.1]

Chapter rescission date pursuant to Iowa Code section 17A.7; 1/1/28

495—1.1(97B) Organization. IPERS administers the retirement system created by Iowa Code chapter 97B. Specific powers and duties of IPERS, CEO, board, committee, and agency staff are set forth in Iowa Code chapter 97B and these administrative rules.

Operational units within IPERS shall develop and administer policies and procedures governing retirement system programs, including accounting functions for the collection of funds from employers and employee members; disbursement of retirement benefits, death benefits, lump sum payments, and disability retirement benefits; training to employers and subsequent review of employer records for compliance with Iowa Code chapter 97B, rules and policies; preparation and release of informational newsletters and the annual report; and investment of funds contributed to the retirement system by employers and employee members. IPERS is also the state administrator to the federal Social Security Administration pursuant to Iowa Code chapter 97C.

[ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 3684C, IAB 3/14/18, effective 4/18/18]

495—1.2(97B) Definitions. Unless otherwise prescribed by federal or state regulations, the terms used in this chapter have the following meanings:

“*Board*” means the IPERS’ investment board as created in Iowa Code section 97B.8A.

“*Chief benefits officer*” has the meaning given in Iowa Code section 97B.4(3)(b).

“*Chief executive officer*” has the meaning given in Iowa Code section 97B.3.

“*Chief investment officer*” has the meaning given in Iowa Code section 97B.4(3)(a).

“*Committee*” means the benefits advisory committee created pursuant to Iowa Code section 97B.8B.

“*Internal Revenue Code*” means the Internal Revenue Code as defined in Iowa Code section 422.3.

“*IPERS*” means the Iowa Public Employees’ Retirement System (IPERS) created as an independent agency within the executive branch of state government to administer Iowa Code chapter 97B.

“*System*” means the Iowa public employees’ retirement system created pursuant to Iowa Code chapter 97B.

[ARC 2981C, IAB 3/15/17, effective 4/19/17]

495—1.3(97B) Administration. The chief executive officer, through the chief investment officer and the chief benefits officer, may take any action they deem necessary for the administration of the retirement system under Iowa Code chapters 97, 97B, and 97C.

1.3(1) Location. IPERS’ headquarters is located at 7401 Register Drive, Des Moines, Iowa. General correspondence, inquiries, requests for information or assistance, complaints, or petitions shall be addressed to: Chief Executive Officer, Iowa Public Employees’ Retirement System, P.O. Box 9117, Des Moines, Iowa 50306-9117.

1.3(2) Business hours. Business hours are 8 a.m.

to 4:30 p.m., Monday through Friday, excluding officially designated holidays.

[ARC 6949C, IAB 3/8/23, effective 4/12/23]

These rules are intended to implement Iowa Code chapter 97B.

[Filed 12/17/03, Notice 11/12/03—published 1/7/04, effective 2/11/04]

[Filed 4/7/06, Notice 3/1/06—published 4/26/06, effective 5/31/06]

[Filed ARC 2981C (Notice ARC 2892C, IAB 1/18/17), IAB 3/15/17, effective 4/19/17]

[Filed ARC 3684C (Notice ARC 3537C, IAB 1/3/18), IAB 3/14/18, effective 4/18/18]

[Filed ARC 6949C (Notice ARC 6823C, IAB 1/11/23), IAB 3/8/23, effective 4/12/23]

CHAPTER 4
EMPLOYERS

[Prior to 6/9/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—4.1(97B) Covered employers.

4.1(1) Definition. All public employers in the state of Iowa, its cities, counties, townships, agencies, political subdivisions, instrumentalities and public schools are required to participate in IPERS. For this ~~e~~ purposes of these rules Chapter 495—4.1, the following definitions ~~also~~ apply:

a. "Political subdivision" means a geographic area or territorial division of the state which has responsibility for certain governmental functions. Political subdivisions are characterized by public election of officers and taxing powers. The following examples are representative: cities, municipalities, counties, townships, schools and school districts, drainage and levee districts, and utilities.

b. "Instrumentality of the state or a political subdivision" means an independent entity that is organized to carry on some specific function of government. Public instrumentalities are created by some form of governmental body, including federal and state statutes and regulations, and are characterized by being under the control of a governmental body. Such control may include final budgetary authorization, general policy development, appointment of a board by a governmental body, and allocation of funds.

c. "Public agency" means state agencies and agencies of political subdivisions. Representative examples include an executive board, commission, bureau, division, office, or department of the state or a political subdivision.

~~d. Effective July 1, 1994, the definition of employer includes an area agency on aging that does not offer an alternative plan to all of its employees that is qualified under the federal Internal Revenue Code.~~

~~Covered employers include, but are not limited to: the state of Iowa and its administrative agencies; counties, including their hospitals and county homes; cities, including their hospitals, park boards and commissions; recreation commissions; townships; public libraries; cemetery associations; municipal utilities including waterworks, gasworks, electric light and power; school districts including their lunch and activity programs; state colleges and universities; and state hospitals and institutions.~~

An entity not already reporting to IPERS which meets the conditions for becoming an IPERS-covered employer shall immediately contact IPERS to provide notice ~~which including~~es the entity's name and address ~~of the entity~~ and other information required by IPERS. If, after review of this information, IPERS ~~determines that the entity should be enrolled~~enrolls the entity as a covered employer, IPERS will notify the entity and provide an IPERS account number for the entity to use when submitting information. IPERS ~~shall is not be~~ required to provide benefits otherwise available under Iowa Code chapter 97B for periods of service prior to the effective date for which IPERS actually approves the entity for coverage, unless the employer agrees to pay the full actuarial cost of providing such benefits.

An employer may request a revised beginning date for its status as a covered employer. The employer must submit ~~proof~~ acceptable ~~proof~~ to IPERS that its status as a covered employer began earlier than the date previously provided. In such case, the employer shall provide IPERS coverage retroactively to all employees providing services to that employer on or after the revised beginning date and shall pay all actuarial costs.

4.1(2) Name change. Any employer ~~shall immediately notify IPERS of any~~which has a change to its name, address, title of the employer, its reporting official or any other identifying

Commented [AE1]: Propose deleting. Relying on the definition of Employee in Iowa Code 97B.1A(8)(b)(7) and 97B.1A(9)(a) are sufficient.

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~~information change of name, address, title of the employer, its reporting official or any other identifying information shall immediately give notice in writing to IPERS. The notice shall must provide IPERS with the following information:~~

Commented [AE3]: Revised sentence to reduce word count.

- a. Former name;
- b. Former address;
- c. IPERS account number;
- d. ~~Employer's n~~ew name, address, and telephone number ~~of the employer~~;
- e. Reason for the change if other than a change of reporting official; and
- f. Effective date of the change.

4.1(3) Termination. Any employer ~~which that~~ terminates or is dissolved for any reason shall provide IPERS with the following:

- a. Complete name and address of the dissolved entity;
- b. Assigned IPERS account number;
- c. Last date on which wages were paid;
- d. Date on which the entity dissolved;
- e. Reason for the dissolution;
- f. Whether or not the entity expects to pay wages in the future;
- g. Whether the entity is being absorbed by another covered employer;
- h. Name and address of absorbing employer if applicable; and
- i. Name and address of employer that will retain the records of the dissolved entity.

4.1(4) Reports of dissolved or absorbed employers. An employer that has been dissolved or entirely absorbed by another employer ~~is required to shall~~ file a monthly report with IPERS through the effective date on which it was dissolved or absorbed. Any wages paid after this date are reported under the account number assigned to the new or successor employer, if any.

4.1(5) IPERS account number. Each employer is assigned an IPERS account number. ~~This number should be used~~ Employers have to use this number on all correspondence and reporting forms directed to IPERS.

4.1(6) Patient advocates. For patient advocates employed under Iowa Code section 229.19, the county or counties for which services are performed ~~shall bear~~ treated as the covered employer(s) of such individuals, and each such employer is responsible for forwarding reports and ~~for~~ withholding and forwarding the applicable IPERS contributions on wages ~~each employer paid by each employer~~.

[ARC 3684C, IAB 3/14/18, effective 4/18/18]

495—4.2(97B) Records to be kept maintained by the employer.

4.2(1) General. Each employer shall maintain records ~~satisfying rule 495—4.2(2) to show the information hereinafter indicated~~. Employers shall keep ~~P~~records ~~shall be kept~~ in the form and manner prescribed by IPERS. Records ~~shall bear~~ open to IPERS' inspection and ~~copying may be copied by IPERS and its authorized representatives~~ at any reasonable time.

4.2(2) Required information. Records ~~shall must~~ show ~~with respect to each employee~~:

- a. Employee's name, address, gender, and social security account number, and other demographic information that may be required;
- b. Each date the employee was paid wages or other wage equivalent (e.g., room, board);
- c. Total amount of wages paid on each date including noncash wage equivalents;
- d. Total amount of wages including wage equivalents on which IPERS contributions are payable;
- e. Amount withheld from wages or wage equivalents for the employee's share of IPERS contributions; and
- f. Effective January 1, 1995, records ~~will~~ show, with respect to each employee, member contributions picked up by the employer.

4.2(3) Reports.

a. Each employer shall make reports as IPERS may require and shall comply with the instructions provided by IPERS for the reports.

ab. Effective July 1, 2021, employers shall report the termination date and date of final paycheck for all terminating employees to IPERS with the final wage report provided by Iowa Code section 97B.14A for such employee. This report shall must contain the employee's last-known mailing address and such other information as IPERS might require.

be. The Iowa department of administrative services and the Iowa department of corrections shall notify IPERS prior to adding additional job classifications to the protection occupation class. The notification shall include the effective date, names and social security numbers of the employees involved.

4.2(4) Fees. IPERS may assess ~~to~~ the employer a fee for administrative costs as described in subrule 4.3(6).

[ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 5489C, IAB 3/10/21, effective 4/14/21]
495—4.3(97B) Wage reporting and payment of contributions by employers.

4.3(1) a. Payment of contributions. For wages paid on or after July 1, 2008, all covered employers are required to pay contributions on a monthly basis. Upon enrollment as an IPERS-covered employer, IPERS sends the employer shall receive the appropriate forms and instructions from IPERS to submit contributions described in Iowa Code sections 97B.11 and 97B.14. IPERS will provide monthly statements to each employer.

b. IPERS accepts the payment of contributions through electronic funds transfer. Employers shall make ~~ppayments~~ utilizing the electronic funds transfer system shall be made according to the procedure described in subrule 4.3(3).

c. IPERS accepts the payment of contributions using checks and remittance advice forms. Employers filing monthly employer remittance advice forms on paper for two or more employers shall attach the checks to each remittance form. Checks shall be made ~~Employers shall make checks~~ payable to the Iowa Public Employees' Retirement System and mailed with the employer remittance advice form to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117. Effective August 1, 2008, such payments and reports are shall be subject to a fee as described in subrule 4.3(6).

d. Contributions described in Iowa Code sections 97B.11 and 97B.14 are due on or before the fifteenth day of the month following the month in which wages were paid. If the fifteenth day falls on a weekend or state-observed holiday, the contribution is due on the next regularly scheduled business day.

e. Employers paying contributions by electronic funds transfer may submit wage reports and contributions at the same time.

4.3(2) Wage reports. For wages paid on or after July 1, 2008, all IPERS covered employers are required to file wage reports on a monthly basis. IPERS will provide the forms and instructions for wage reporting to employers. Each wage report must include the required information for all employees who earned reportable wages or wage equivalents under IPERS. The reports must be received by IPERS on or before the fifteenth day of the month following the month in which the wages were paid. Wage reports under Iowa Code chapter 97B.14A are due on or before the fifteenth day of the month following the month in which wages were paid. If the fifteenth day falls on a weekend or state-observed holiday, the wage report is due on the next regularly scheduled business day. Each wage report must include the required information for all employees who earned reportable wages or wage equivalents under IPERS.

Effective August 1, 2008, IPERS shall accept wage reports electronically via IPERS' employer self-service Internet application or as a paper report. However, for those employers submitting

Commented [AE4]: Reduces word count by relying on Iowa Code section 97B.14A(2).

Commented [AE5]: Reduces word count by relying on "monthly" requirement in Iowa Code section 97B.14.

Commented [AE6]: Reduces word count and removes "restrictive language" by citing to Iowa Code sections.

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~~reports other than via IPERS' employer self-service Internet application~~, IPERS ~~shall~~ charges a fee as described in subrule 4.3(6) ~~for paper reports~~.

4.3(3) *Deadlines for payment of contributions.*

~~a. Contributions must be paid monthly and must be received by IPERS on or before the fifteenth day of the month following the month in which wages were paid. If the fifteenth day falls on a weekend or state observed holiday, the contribution is due on the next regularly scheduled business day.~~

~~b. For employers paying contributions by electronic funds transfer, wage reports and contributions may be submitted at the same time.~~

Commented [AE8]: Reduces word count and removes "restrictive language" by citing to Iowa Code sections.

4.3(4) *Request for time extension.* IPERS ~~may grant~~ ~~A~~a request for an ~~time~~ extension, of no longer than 15 days beyond the due date, ~~of time to file~~ file a wage report or pay a contribution ~~may be granted by IPERS~~ for good cause if a request is made before the due date, ~~but no extension shall exceed 15 days beyond the due date~~. If an employer ~~that~~ has been granted an extension ~~and~~ fails to submit the wage report or pay the contribution on or before the end of the extension period, ~~IPERS charges~~ the applicable interest and fees ~~shall be charged and paid~~ from the original due date as if no extension had been granted. If the fifteenth day falls on a weekend or state-observed holiday, the contribution or wage report is due on the next regularly scheduled business day.

To establish good cause ~~for an extension of time to file a wage report or pay contributions under this rule 4.3(4)~~, the employer must show that the delinquency was not due to ~~mere~~ negligence, carelessness or inattention. The employer must affirmatively show that it did not file the wage report or timely pay a contribution because of some occurrence beyond the control of the employer.

4.3(5) *No reportable wages.* Employers shall file the wage reporting document according to subrule 4.3(2), even if ~~When~~ an employer has no reportable wages during the applicable reporting period, ~~the wage reporting document shall be filed according to subrule 4.3(2)~~. Even if there are no reportable wages ~~Under this rule 4.3(3), IPERS considers~~ the employer's account ~~is considered~~ delinquent for the reporting period and ~~is subject to assesses~~ a fee until the report is filed. However, if the employer has notified IPERS on or before the due date that there are no wages to report, IPERS will adjust the due date, and ~~will not charge a fee will be charged~~.

4.3(6) *Fees for noncompliance.* IPERS ~~is authorized to~~ ~~may~~ impose reasonable fees on employers that do not file wage reports through the IPERS' employer self-service Internet application as described in subrule 4.3(2), that fail to timely file accurate wage reports, or that fail to pay contributions when due pursuant to subrule 4.3(3).

For submissions filed on or after August 1, 2008, IPERS ~~shall~~ charges employers a processing fee of \$20 plus 25 cents per employee for late submissions and ~~IPERS'~~ manual processing of wage reports ~~by IPERS~~. Employers that are late or that do not use IPERS' employer self-service Internet application may be charged both fees. In addition, if a fee for noncompliance is not paid by the fifteenth day of the month after the fee is assessed, the fee will accrue interest daily at the interest rate provided in Iowa Code sections 97B.9 and 97B.70. ~~No IPERS will not charge a fee will be charged~~ on late contributions received as a result of a wage adjustment, but ~~IPERS will charge~~ interest on the amount due ~~will be charged~~ until paid in full.

If the due date for a fee falls on a weekend or state-observed holiday, the due date ~~is shall be~~ the next regularly scheduled business day.

4.3(7) *Erroneously reported wages for employees not covered under IPERS.* For purposes of Iowa Code sections 97B.9(5) and 97B.10, ~~E~~mployers that erroneously report wages for ~~ineligible~~ employees ~~who are not eligible for coverage under IPERS~~ may file an IPERS wage reporting adjustment form. IPERS ~~shall will~~ return a warrant or issue a credit for both the employer and employee contributions made in error. The employer is responsible for returning the employees'

share and for filing corrected federal and state wage reporting forms. IPERS reports Aadjustments in such cases will be reported on the employer's monthly statement. Under no circumstance shall The employer shall not adjust these wages by underreporting wages on a future periodic wage reporting document. Wages shall never not be reported as a negative amount. An employer that completes the employer portion of an employee's request for a refund on an IPERS refund application form will is not be permitted to file a periodic wage reporting adjustment form for that employee for the same time period. IPERS will not assess a~~No~~ fee will be assessed to employers that correct information as provided under this subrule.

4.3(8) Contributions paid on wages in excess of the annual covered wage maximum. For wages paid on or after July 1, 2008, whenever if IPERS determines that an employee's wages will exceed the annual maximum established under Section 401(a)(17)(A) and the cost-of-living adjustments to that maximum permitted under Section 401(a)(17)(B) of the Internal Revenue Code during a given month, IPERS shall will notify the applicable employer and shall will return the related excess contributions. IPERS will detail on the monthly report those employees for whom wages were reported in excess of the covered wage ceiling. The employer is responsible for returning the employee's share of excess contributions and making the applicable tax corrections.

4.3(9) Termination within less than six months of the date of employment. If an employee hired for permanent employment terminates within six months of the date of employment, the employer may file an IPERS form for reporting adjustments to receive a warrant or a credit, as elected by the employer, for both the employer's and employee's portions of the contributions. It is the employer's responsibility of the employer to return the employee's share. "Termination within less than six months of the date of employment" for the purposes of Iowa Code section 97B.53(10) means employment is terminated prior to the day before the employee's six-month anniversary date. For example, an employee hired on February 10 whose last day is August 8 would be treated as having resigned within less than six months. An employee hired on February 10 whose last day is August 9 (the day before the six-month anniversary date, August 10) would be treated as having worked six months and would be eligible for a refund.

4.3(10) Reinstatement following an employment dispute. Employees who are reinstated following an employment dispute may restore membership service credit as described in 495—9.5(97B).

[ARC 9397B, IAB 2/23/11, effective 3/30/11; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 3684C, IAB 3/14/18, effective 4/18/18]

495—4.4(97B) Accrual of interest and application of employer payments. Interest or charges as provided under Iowa Code section 97B.9 shall accrue on all employer payments not received by IPERS by the due date, —except that if IPERS may waive interest or charges may be waived, as described in Iowa Code section 97B.9(1) by IPERS if the employer requests an extension of time under subrule 4.3(4) prior to the due date. Effective August 1, 2008, employers that remit late contributions shall be charged a minimum of \$20 or interest at the rate provided in Iowa Code section 97B.70, whichever is greater. No IPERS will not charge a fee will be charged on late contributions received as a result of a wage adjustment, but will charge interest on the amount due will be charged until paid in full. Payments received from employers having unpaid account balances shall are first be applied to the oldest outstanding balance.

495—4.5(97B) Credit memos voided. Rescinded IAB 3/26/08, effective 4/30/08.

495—4.6(97B) Contribution rates. The following contribution rate schedule, payable on the covered wage of the member, is determined by the position or classification and the occupation class code of the member.

4.6(1) Contribution rates for regular class members.

Commented [EA9]: Removing rescinded rules under direction of LSA.

a. The following contribution rates ~~were~~are established by the Iowa legislature for all regular class members for the indicated periods:

	Effective July 1, 2007	Effective July 1, 2008	Effective July 1, 2009	Effective July 1, 2010	Effective July 1, 2011
Combined rate	9.95%	10.45%	10.95%	11.45%	13.45%
Employer	6.05%	6.35%	6.65%	6.95%	8.07%
Employee	3.90%	4.10%	4.30%	4.50%	5.38%

b. Effective July 1, 2012, and every year thereafter, IPERS staff declares the contribution rates for regular members ~~shall be publicly declared by IPERS staff~~ no later than the preceding December as determined by the annual valuation of the preceding fiscal year. The public declaration of contribution rates ~~will be~~ followed by rulemaking that will include a notice and comment period and that will become effective July 1 of the next fiscal year. Contribution rates for regular members are ~~as follows~~.

	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025
Combined rate	15.73%	15.73%	15.73%	15.73%	15.73%
Employer	9.44%	9.44%	9.44%	9.44%	9.44%
Employee	6.29%	6.29%	6.29%	6.29%	6.29%

4.6(2) Contribution rates for sheriffs and deputy sheriffs are ~~as follows~~.

	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025
Combined rate	18.02%	17.52%	17.02%	17.02%	24.18%
Employer	9.01%	8.76%	8.51%	8.51%	11.965%
Employee	9.01%	8.76%	8.51%	8.51%	12.215%

4.6(3) Contribution rates for protection occupations are ~~as follows~~.

	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025
Combined rate	15.52%	15.52%	15.52%	15.52%	15.52%
Employer	9.31%	9.31%	9.31%	9.31%	9.185%
Employee	6.21%	6.21%	6.21%	6.21%	6.335%

4.6(4) Members employed in a “protection occupation” ~~shall include~~has the same meaning as set forth in Iowa Code section 97B.49B. In addition, in this section, “protection occupation” means:

- ~~a. Conservation peace officers. Effective July 1, 2002, all conservation peace officers, state and county, as described in Iowa Code sections 350.5 and 456A.13.~~
- ~~b. Effective July 1, 1994, a marshal in a city not covered under Iowa Code chapter 400 or a firefighter or police officer of a city not participating under Iowa Code chapter 410 or 411. (See employee classifications in rule 495—5.1(97B).)~~

a. ~~Effective January 1, 1995, part-time police officers shall be included.~~

~~c. Correctional officers as provided for in Iowa Code section 97B.49B. Employees who, prior to December 22, 1989, were in a “correctional officer” position but whose position is found to no longer meet this definition on or after that date shall retain coverage, but only for as long as the employee is in that position or another “correctional officer” position that meets this definition. Movement to a position that does not meet this definition shall cancel “protection occupation” coverage.~~

~~d. Airport firefighters employed by the military division of the department of public defense (airport firefighters). Effective July 1, 2004, airport firefighters become part of and shall make the same contributions as the other members covered under Iowa Code section 97B.49B. From July 1, 1994, through June 30, 2004, airport firefighters were grouped with and made the same contributions as sheriffs and deputy sheriffs. From July 1, 1988, through June 30, 1994, airport firefighters were~~

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grouped with and made the same contributions as the other members covered under Iowa Code section 97B.49B. From July 1, 1986, through June 30, 1988, airport firefighters were a separate protection occupation group and made contributions at a rate calculated for members of that group. Prior to July 1, 1986, airport firefighters were grouped with regular members and made the same contributions as regular members.

Notwithstanding the foregoing, ~~IPERS codes~~ all airport firefighter service prior to July 1, 2004, shall be coded by IPERS as sheriff/deputy sheriff/airport firefighter service, and ~~IPERS codes~~ all airport firefighter service after June 30, 2004, shall be coded by IPERS as protection occupation service. This coding, however, ~~shall does~~ not supersede provisions of this title that require members to make contributions at higher rates in order to receive certain benefits, such as in the hybrid formula pursuant to 495—12.4(97B).

e. Airport safety officers employed under Iowa Code chapter 400 by an airport commission in a city with a population of 100,000 or more, and employees covered by the Iowa Code chapter 8A merit system whose primary duties are providing airport security and who carry or are licensed to carry firearms while performing those duties.

f. Effective July 1, 1990, an employee of the state department of transportation who is designated as a "peace officer" by resolution under Iowa Code section 321.477.

g. Effective July 1, 1992, a fire prevention inspector peace officer employed by the department of public safety. Effective July 1, 1994, a fire prevention inspector peace officer employed before that date who does not elect coverage under Iowa Code chapter 97A in lieu of IPERS.

h. Effective July 1, 1994, through June 30, 1998, a parole officer III with a judicial district department of correctional services.

i. Effective July 1, 1994, through June 30, 1998, a probation officer III with a judicial district department of correctional services.

j. Effective July 1, 2008, county jailers and detention officers working as jailers.

k. Effective July 1, 2008, National Guard installation security officers.

l. Effective July 1, 2008, emergency medical care providers.

m. Effective July 1, 2008, special investigators who are employed by county attorneys.

n. Effective July 1, 2014, an employee of the insurance division of the department of commerce who as a condition of employment is required to be certified by the Iowa law enforcement academy and who is required to perform the duties of a peace officer as provided in Iowa Code section 507E.8.

o. Effective July 1, 2014, an employee of a judicial district department of correctional services whose condition of employment requires the employee to be certified by the Iowa law enforcement academy and who is required to perform the duties of a parole officer as provided in Iowa Code section 906.2.

p. Effective July 1, 2016, a peace officer employed by an institution under the control of the state board of regents whose position requires law enforcement certification pursuant to Iowa Code section 262.13.

q. Effective July 1, 2016, a person employed by the department of human services as a psychiatric security specialist at a civil commitment unit for sexually violent offenders facility.

4.6(5) Service reclassification.

a. Prior to July 1, 2006, except as otherwise indicated in the implementing legislation or these rules, for a member whose prior regular service position is reclassified by the legislature as a special service position, ~~IPERS staff codes~~ all prior service by the member in such regular service position shall be coded by IPERS staff as special service if certified by the employer as constituting special service under current law. No additional contributions ~~shall be~~ required by regular service reclassified as special service under this paragraph.

Commented [AE10]: Proposed deletions to reduce word count by relying on text of Iowa Code 97B.49B.

b. Effective July 1, 2006, for a member whose prior regular service position is reclassified by the legislature as a special service position, IPERS staff codes all prior service by the member in such regular service position ~~shall continue to be coded by IPERS staff~~ as regular service unless the legislature specifically provides in its legislation for payment of the related actuarial costs of such reclassified service as required under Iowa Code section 97B.65.

4.6(6) Effective July 1, 2006, in the determination of a sheriff's or deputy sheriff's eligibility for benefits and the amount of such benefits under Iowa Code section 97B.49C, all protection occupation service credits for that member ~~shall~~ count toward the total years of eligible service as a sheriff or deputy sheriff. However, this subrule ~~shall is not to~~ be construed to alter the statutory requirement that a sheriff or deputy sheriff must be employed as a sheriff or deputy sheriff at termination of covered employment in order to qualify for benefits under Iowa Code section 97B.49C.

4.6(7) Pretax.

a. Effective January 1, 1995, employers must pay member contributions on a pretax basis for federal income tax purposes only. Such contributions are considered employer contributions for federal income tax purposes and employee contributions for all other purposes. Employers must reduce the member's salary reportable for federal income tax purposes by the amount of the member's contribution.

b. Salaries reportable for purposes other than federal income tax will not be reduced, including for IPERS, FICA, and, through December 31, 1998, state income tax purposes.

c. Effective January 1, 1999, employers must pay member contributions on a pretax basis for both federal and state income tax purposes.

[ARC 7591B, IAB 2/25/09, effective 7/1/09; ARC 7759B, IAB 5/6/09, effective 4/17/09; ARC 7916B, IAB 7/1/09, effective 8/5/09; ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 9397B, IAB 2/23/11, effective 3/30/11; ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 0662C, IAB 4/3/13, effective 5/8/13; ARC 1348C, IAB 2/19/14, effective 3/26/14; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 2402C, IAB 2/17/16, effective 3/23/16; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 3684C, IAB 3/14/18, effective 4/18/18; ARC 4337C, IAB 3/13/19, effective 4/17/19; ARC 5027C, IAB 4/8/20, effective 5/13/20; ARC 5489C, IAB 3/10/21, effective 4/14/21; ARC 6215C, IAB 2/23/22, effective 3/30/22; ARC 6949C, IAB 3/8/23, effective 4/12/23; ARC 7811C, IAB 4/17/24, effective 5/22/24; ARC 9287C, IAB 5/14/25, effective 6/18/25; ARC 9417C, IAB 7/23/25, effective 6/30/25]

495—4.7(97B) Employee information to be provided by covered employers. Covered employers ~~are required to~~^{must} enroll new employees prior to reporting wages for the new employees using IPERS' employer self-service Internet application. Enrollment information ~~shall~~ includes, but is not limited to, the following: member's name, social security number, date of birth, date of hire, occupation code, gender, mailing address, and employer identification number. When an employee terminates employment with a covered employer, the employer shall provide the termination date and the date of the employee's final paycheck.

[ARC 2981C, IAB 3/15/17, effective 4/19/17]

495—4.8(97B) Additional employer contributions from employer-mandated reduction in hours or by the exercise of bumping rights to avoid a layoff. Rescinded ARC 2981C, IAB 3/15/17, effective 4/19/17.

These rules are intended to implement Iowa Code sections 97B.4, 97B.9, 97B.14, 97B.14A, 97B.38, 97B.49A to 97B.49I, 97B.65 and 97B.70 and 2009 Iowa Acts, chapter 170, section 51, as amended by 2010 Iowa Acts, House File 2518, sections 36 and 41.

[Filed 5/21/04, Notice 4/14/04—published 6/9/04, effective 7/14/04]

[Filed emergency 6/4/04—published 6/23/04, effective 7/1/04]

[Filed 7/30/04, Notice 6/23/04—published 8/18/04, effective 9/22/04]

[Filed 11/5/04, Notice 9/15/04—published 11/24/04, effective 12/29/04]

[Filed 5/6/05, Notice 3/30/05—published 5/25/05, effective 7/1/05]

[Filed 12/1/05, Notice 10/26/05—published 12/21/05, effective 1/25/06]

[Filed 4/7/06, Notice 3/1/06—published 4/26/06, effective 5/31/06]

Commented [EA11]: Removing rescinded rules under LSA direction.

[Filed 11/3/06, Notice 9/27/06—published 11/22/06, effective 12/27/06]
[Filed 5/3/07, Notice 3/28/07—published 5/23/07, effective 6/27/07]
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[Filed emergency 6/25/08—published 7/16/08, effective 6/25/08]
[Filed 8/20/08, Notice 7/16/08—published 9/10/08, effective 10/15/08]
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[Filed Emergency ARC 7759B, IAB 5/6/09, effective 4/17/09]
[Filed ARC 7916B (Notice ARC 7760B, IAB 5/6/09), IAB 7/1/09, effective 8/5/09]
[Filed ARC 8601B (Notice ARC 8477B, IAB 1/13/10), IAB 3/10/10, effective 4/14/10]
[Filed Emergency ARC 8929B, IAB 7/14/10, effective 6/21/10]
[Filed ARC 9068B (Notice ARC 8928B, IAB 7/14/10), IAB 9/8/10, effective 10/13/10]
[Filed ARC 9397B (Notice ARC 9310B, IAB 12/29/10), IAB 2/23/11, effective 3/30/11]
[Filed ARC 0017C (Notice ARC 9951B, IAB 12/28/11), IAB 2/22/12, effective 3/28/12]
[Filed ARC 0662C (Notice ARC 0598C, IAB 2/6/13), IAB 4/3/13, effective 5/8/13]
[Filed ARC 1348C (Notice ARC 1256C, IAB 12/25/13), IAB 2/19/14, effective 3/26/14]
[Filed ARC 1887C (Notice ARC 1800C, IAB 12/24/14), IAB 2/18/15, effective 3/25/15]
[Filed ARC 2402C (Notice ARC 2331C, IAB 12/23/15), IAB 2/17/16, effective 3/23/16]
[Filed ARC 2981C (Notice ARC 2892C, IAB 1/18/17), IAB 3/15/17, effective 4/19/17]
[Filed ARC 3684C (Notice ARC 3537C, IAB 1/3/18), IAB 3/14/18, effective 4/18/18]
[Filed ARC 4337C (Notice ARC 4238C, IAB 1/16/19), IAB 3/13/19, effective 4/17/19]
[Filed ARC 5027C (Notice ARC 4925C, IAB 2/12/20), IAB 4/8/20, effective 5/13/20]
[Filed ARC 5489C (Notice ARC 5359C, IAB 12/30/20), IAB 3/10/21, effective 4/14/21]
[Filed ARC 6215C (Notice ARC 6117C, IAB 12/29/21), IAB 2/23/22, effective 3/30/22]
[Filed ARC 6949C (Notice ARC 6823C, IAB 1/11/23), IAB 3/8/23, effective 4/12/23]
[Filed ARC 7811C (Notice ARC 7648C, IAB 2/21/24), IAB 4/17/24, effective 5/22/24]
[Filed ARC 9287C (Notice ARC 9046C, IAB 3/19/25), IAB 5/14/25, effective 6/18/25]
[Filed Emergency ARC 9417C, IAB 7/23/25, effective 6/30/25]

CHAPTER 4
EMPLOYERS

[Prior to 6/9/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—4.1(97B) Covered employers.

4.1(1) Definition. All public employers in the state of Iowa, its cities, counties, townships, agencies, political subdivisions, instrumentalities and public schools are required to participate in IPERS. For this Chapter 495—4.1, the following definitions apply:

a. *“Political subdivision”* means a geographic area or territorial division of the state which has responsibility for certain governmental functions. Political subdivisions are characterized by public election of officers and taxing powers. The following examples are representative: cities, municipalities, counties, townships, schools and school districts, drainage and levee districts, and utilities.

b. *“Instrumentality of the state or a political subdivision”* means an independent entity that is organized to carry on some specific function of government. Public instrumentalities are created by some form of governmental body, including federal and state statutes and regulations, and are characterized by being under the control of a governmental body. Such control may include final budgetary authorization, general policy development, appointment of a board by a governmental body, and allocation of funds.

c. *“Public agency”* means state agencies and agencies of political subdivisions. Representative examples include an executive board, commission, bureau, division, office, or department of the state or a political subdivision.

An entity not already reporting to IPERS which meets the conditions for becoming an IPERS-covered employer shall immediately contact IPERS to provide notice including, the entity’s name and address and other information required by IPERS. If, after review of this information, IPERS enrolls the entity as a covered employer, IPERS will notify the entity and provide an IPERS account number for the entity to use when submitting information. IPERS is not required to provide benefits otherwise available under Iowa Code chapter 97B for periods of service prior to the effective date for which IPERS actually approves the entity for coverage, unless the employer agrees to pay the full actuarial cost of providing such benefits.

An employer may request a revised beginning date for its status as a covered employer. The employer must submit proof acceptable to IPERS that its status as a covered employer began earlier than the date previously provided. In such case, the employer shall provide IPERS coverage retroactively to all employees providing services to that employer on or after the revised beginning date and shall pay all actuarial costs.

4.1(2) Name change. An employer shall immediately notify IPERS of any change to its name, address, title of the employer, its reporting official or any other identifying information. The notice must provide:

- a. Former name;
- b. Former address;
- c. IPERS account number;
- d. Employer’s new name, address, and telephone number;
- e. Reason for the change if other than a change of reporting official; and
- f. Effective date of the change.

Commented [AE1]: Revised sentence to reduce word count.

4.1(3) Termination. Any employer that terminates or is dissolved for any reason shall provide IPERS with the following:

- a. Complete name and address of the dissolved entity;

- b. Assigned IPERS account number;
- c. Last date on which wages were paid;
- d. Date on which the entity dissolved;
- e. Reason for the dissolution;
- f. Whether or not the entity expects to pay wages in the future;
- g. Whether the entity is being absorbed by another covered employer;
- h. Name and address of absorbing employer if applicable; and
- i. Name and address of employer that will retain the records of the dissolved entity.

4.1(4) Reports of dissolved or absorbed employers. An employer that has been dissolved or entirely absorbed by another employer shall file a monthly report with IPERS through the effective date on which it was dissolved or absorbed. Any wages paid after this date are reported under the account number assigned to the new or successor employer, if any.

4.1(5) IPERS account number. Each employer is assigned an IPERS account number. Employers have to use this number on all correspondence and reporting forms directed to IPERS.

4.1(6) Patient advocates. For patient advocates employed under Iowa Code section 229.19, the county or counties for which services are performed are treated as the covered employer(s) of such individuals, and each such employer is responsible for forwarding reports and withholding and forwarding the applicable IPERS contributions on wages each employer pays.

[ARC 3684C, IAB 3/14/18, effective 4/18/18]

495—4.2(97B) Records maintained by the employer.

4.2(1) General. Each employer shall maintain records satisfying rule 495—4.2(2). Employers shall keep records in the form and manner prescribed by IPERS. Records are open to IPERS' inspection and copying at any reasonable time.

4.2(2) Required information. Records must show:

- a. Employee's name, address, gender, and social security account number, and other demographic information that may be required;
- b. Each date the employee was paid wages or other wage equivalent (e.g., room, board);
- c. Total amount of wages paid on each date including noncash wage equivalents;
- d. Total amount of wages including wage equivalents on which IPERS contributions are payable;
- e. Amount withheld from wages or wage equivalents for the employee's share of IPERS contributions; and
- f. Effective January 1, 1995, records show, with respect to each employee, member contributions picked up by the employer.

4.2(3) Reports.

a. Effective July 1, 2021, employers shall report the termination date and date of final paycheck for all terminating employees to IPERS with the final wage report provided by Iowa Code section 97B.14A for such employee. This report must contain the employee's last-known mailing address and such other information as IPERS might require.

b. The Iowa department of administrative services and the Iowa department of corrections shall notify IPERS prior to adding additional job classifications to the protection occupation class. The notification shall include the effective date, names and social security numbers of the employees involved.

4.2(4) Fees. IPERS may assess the employer a fee for administrative costs as described in subrule 4.3(6).

[ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 5489C, IAB 3/10/21, effective 4/14/21]

495—4.3(97B) Wage reporting and payment of contributions by employers.

4.3(1) a. *Payment of contributions.* Upon enrollment as an IPERS-covered employer, IPERS sends the employer the appropriate forms and instructions to submit contributions described in Iowa Code sections 97B.11 and 97B.14. IPERS provides monthly statements to each employer.

b. IPERS accepts the payment of contributions through electronic funds transfer. Employers shall make payments utilizing the electronic funds transfer system according to the procedure described in subrule 4.3(3).

c. IPERS accepts the payment of contributions using checks and remittance advice forms. Employers filing monthly employer remittance advice forms on paper for two or more employers shall attach the checks to each remittance form. Employers shall make checks payable to the Iowa Public Employees' Retirement System and mailed with the employer remittance advice form to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117. Effective August 1, 2008, such payments and reports are subject to a fee as described in subrule 4.3(6).

d. Contributions ~~described in Iowa Code sections 97B.11 and 97B.14~~ are due ~~on or before the~~ fifteenth day of the month following the month in which wages were paid. If the fifteenth day falls on a weekend or state-observed holiday, the contribution is due on the next regularly scheduled business day.

e. Employers paying contributions by electronic funds transfer may submit wage reports and contributions at the same time.

4.3(2) *Wage reports.* Wage reports under Iowa Code chapter 97B.14A are due on or before the fifteenth day of the month following the month in which wages were paid. If the fifteenth day falls on a weekend or state-observed holiday, the wage report is due on the next regularly scheduled business day. Each wage report must include the required information for all employees who earned reportable wages or wage equivalents under IPERS.

IPERS accepts wage reports electronically via IPERS' employer self-service Internet application or as a paper report. IPERS charges a fee as described in subrule 4.3(6) for paper reports.

4.3(3)

4.3(4) *Request for time extension.* IPERS may grant a request for a time extension, of no longer than 15 days beyond the due date, to file a wage report or pay a contribution for good cause if a request is made before the due date. If an employer has been granted an extension and fails to submit the wage report or pay the contribution on or before the end of the extension period, IPERS charges the applicable interest and fees from the original due date as if no extension had been granted. If the fifteenth day falls on a weekend or state-observed holiday, the contribution or wage report is due on the next regularly scheduled business day.

To establish good cause under this rule 4.3(4), the employer must show that the delinquency was not due to negligence, carelessness or inattention. The employer must affirmatively show that it did not file the wage report or timely pay a contribution because of some occurrence beyond the control of the employer.

4.3(5) *No reportable wages.* Employers shall file the wage reporting document according to subrule 4.3(2), even if an employer has no reportable wages during the applicable reporting period. Under this rule 4.3(3), IPERS considers the employer's account delinquent for the reporting period and assesses a fee until the report is filed. However, if the employer has notified IPERS on or before the due date that there are no wages to report, IPERS will adjust the due date, and will not charge a fee.

4.3(6) *Fees for noncompliance.* IPERS may impose reasonable fees on employers that do not file wage reports through the IPERS' employer self-service Internet application as described in

Commented [AE2]: Reduces word count and removes "restrictive language" by citing to Iowa Code sections.

subrule 4.3(2), that fail to timely file accurate wage reports, or that fail to pay contributions when due pursuant to subrule 4.3(3).

For submissions filed on or after August 1, 2008, IPERS charges employers a processing fee of \$20 plus 25 cents per employee for late submissions and IPERS' manual processing of wage reports. Employers that are late or that do not use IPERS' employer self-service Internet application may be charged both fees. In addition, if a fee for noncompliance is not paid by the fifteenth day of the month after the fee is assessed, the fee will accrue interest daily at the interest rate provided in Iowa Code sections 97B.9 and 97B.70. IPERS will not charge a fee on late contributions received as a result of a wage adjustment, but IPERS will charge interest on the amount due until paid in full. If the due date for a fee falls on a weekend or state-observed holiday, the due date is the next regularly scheduled business day.

4.3(7) Erroneously reported wages for employees not covered under IPERS. For purposes of Iowa Code sections 97B.9(5) and 97B.10, employers that erroneously report wages for ineligible employees may file an IPERS wage reporting adjustment form. IPERS will return a warrant or issue a credit for both the employer and employee contributions made in error. The employer is responsible for returning the employees' share and for filing corrected federal and state wage reporting forms. IPERS reports adjustments in such cases on the employer's monthly statement. The employer shall not adjust these wages by underreporting wages on a future periodic wage reporting document. Wages shall not be reported as a negative amount. An employer that completes the employer portion of an employee's request for a refund on an IPERS refund application form is not permitted to file a periodic wage reporting adjustment form for that employee for the same time period. IPERS will not assess a fee to employers that correct information as provided under this subrule.

4.3(8) Contributions paid on wages in excess of the annual covered wage maximum. For wages paid on or after July 1, 2008, if IPERS determines that an employee's wages will exceed the annual maximum established under Section 401(a)(17)(A) and the cost-of-living adjustments to that maximum permitted under Section 401(a)(17)(B) of the Internal Revenue Code during a given month, IPERS will notify the applicable employer and will return the related excess contributions. IPERS will detail on the monthly report those employees for whom wages were reported in excess of the covered wage ceiling. The employer is responsible for returning the employee's share of excess contributions and making the applicable tax corrections.

4.3(9) Termination within less than six months of the date of employment. If an employee hired for permanent employment terminates within six months of the date of employment, the employer may file an IPERS form for reporting adjustments to receive a warrant or a credit, as elected by the employer, for both the employer's and employee's portions of the contributions. It is the employer's responsibility to return the employee's share. "Termination within less than six months of the date of employment" for the purposes of Iowa Code section 97B.53(10) means employment is terminated prior to the day before the employee's six-month anniversary date. For example, an employee hired on February 10 whose last day is August 8 would be treated as having resigned within less than six months. An employee hired on February 10 whose last day is August 9 (the day before the six-month anniversary date, August 10) would be treated as having worked six months and would be eligible for a refund.

4.3(10) Reinstatement following an employment dispute. Employees who are reinstated following an employment dispute may restore membership service credit as described in 495—9.5(97B).

[ARC 9397B, IAB 2/23/11, effective 3/30/11; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 3684C, IAB 3/14/18, effective 4/18/18]

495—4.4(97B) Accrual of interest and application of employer payments. Interest or charges as provided under Iowa Code section 97B.9 accrue on all employer payments not received by IPERS by the due date. IPERS may waive interest or charges, as described in Iowa Code section 97B.9(1) if the employer requests an extension of time under subrule 4.3(4) prior to the due date. IPERS will not charge a fee on late contributions received as a result of a wage adjustment, but will charge interest on the amount due until paid in full. Payments received from employers having unpaid account balances are first applied to the oldest outstanding balance.

495—4.6(97B) Contribution rates. The following contribution rate schedule, payable on the covered wage of the member, is determined by the position or classification and the occupation class code of the member.

4.6(1) Contribution rates for regular class members.

a. The following contribution rates are established by the Iowa legislature for all regular class members for the indicated periods:

	Effective July 1, 2007	Effective July 1, 2008	Effective July 1, 2009	Effective July 1, 2010	Effective July 1, 2011
Combined rate	9.95%	10.45%	10.95%	11.45%	13.45%
Employer	6.05%	6.35%	6.65%	6.95%	8.07%
Employee	3.90%	4.10%	4.30%	4.50%	5.38%

b. Effective July 1, 2012, and every year thereafter, IPERS staff declares the contribution rates for regular members no later than the preceding December as determined by the annual valuation of the preceding fiscal year. The public declaration of contribution rates is followed by rulemaking that will include a notice and comment period and that will become effective July 1 of the next fiscal year. Contribution rates for regular members are.

	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025
Combined rate	15.73%	15.73%	15.73%	15.73%	15.73%
Employer	9.44%	9.44%	9.44%	9.44%	9.44%
Employee	6.29%	6.29%	6.29%	6.29%	6.29%

4.6(2) Contribution rates for sheriffs and deputy sheriffs are.

	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025
Combined rate	18.02%	17.52%	17.02%	17.02%	24.18%
Employer	9.01%	8.76%	8.51%	8.51%	11.965%
Employee	9.01%	8.76%	8.51%	8.51%	12.215%

4.6(3) Contribution rates for protection occupations are.

	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025
Combined rate	15.52%	15.52%	15.52%	15.52%	15.52%
Employer	9.31%	9.31%	9.31%	9.31%	9.185%
Employee	6.21%	6.21%	6.21%	6.21%	6.335%

4.6(4) Members employed in a “protection occupation” has the same meaning as set forth in Iowa Code section 97B.49B. In addition, in this section, “protection occupation” means:

Effective January 1, 1995, part-time police officers shall be included.

IPERS codes all airport firefighter service prior to July 1, 2004, as sheriff/deputy sheriff/airport firefighter service, and IPERS codes all airport firefighter service after June 30, 2004, as protection occupation service. This coding, however, does not supersede provisions of this title that require members to make contributions at higher rates in order to receive certain benefits, such as in the hybrid formula pursuant to 495—12.4(97B).

4.6(5) Service reclassification.

Commented [AE3]: Proposed deletions to reduce word count by relying on text of Iowa Code 97B.49B.

a. Prior to July 1, 2006, except as otherwise indicated in the implementing legislation or these rules, for a member whose prior regular service position is reclassified by the legislature as a special service position, IPERS staff codes all prior service by the member in such regular service position as special service if certified by the employer as constituting special service under current law. No additional contributions are required by regular service reclassified as special service under this paragraph.

b. Effective July 1, 2006, for a member whose prior regular service position is reclassified by the legislature as a special service position, IPERS staff codes all prior service by the member in such regular service position as regular service unless the legislature specifically provides in its legislation for payment of the related actuarial costs of such reclassified service as required under Iowa Code section 97B.65.

4.6(6) Effective July 1, 2006, in the determination of a sheriff's or deputy sheriff's eligibility for benefits and the amount of such benefits under Iowa Code section 97B.49C, all protection occupation service credits for that member count toward the total years of eligible service as a sheriff or deputy sheriff. However, this subrule is not to be construed to alter the statutory requirement that a sheriff or deputy sheriff must be employed as a sheriff or deputy sheriff at termination of covered employment in order to qualify for benefits under Iowa Code section 97B.49C.

4.6(7) Pretax.

a. Effective January 1, 1995, employers must pay member contributions on a pretax basis for federal income tax purposes only. Such contributions are considered employer contributions for federal income tax purposes and employee contributions for all other purposes. Employers must reduce the member's salary reportable for federal income tax purposes by the amount of the member's contribution.

b. Salaries reportable for purposes other than federal income tax will not be reduced, including for IPERS, FICA, and, through December 31, 1998, state income tax purposes.

c. Effective January 1, 1999, employers must pay member contributions on a pretax basis for both federal and state income tax purposes.

[ARC 7591B, IAB 2/25/09, effective 7/1/09; ARC 7759B, IAB 5/6/09, effective 4/17/09; ARC 7916B, IAB 7/1/09, effective 8/5/09; ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 9397B, IAB 2/23/11, effective 3/30/11; ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 0662C, IAB 4/3/13, effective 5/8/13; ARC 1348C, IAB 2/19/14, effective 3/26/14; ARC 1887C, IAB 2/18/15, effective 3/25/15; ARC 2402C, IAB 2/17/16, effective 3/23/16; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 3684C, IAB 3/14/18, effective 4/18/18; ARC 4337C, IAB 3/13/19, effective 4/17/19; ARC 5027C, IAB 4/8/20, effective 5/13/20; ARC 5489C, IAB 3/10/21, effective 4/14/21; ARC 6215C, IAB 2/23/22, effective 3/30/22; ARC 6949C, IAB 3/8/23, effective 4/12/23; ARC 7811C, IAB 4/17/24, effective 5/22/24; ARC 9287C, IAB 5/14/25, effective 6/18/25; ARC 9417C, IAB 7/23/25, effective 6/30/25]

495—4.7(97B) Employee information to be provided by covered employers. Covered employers must enroll new employees prior to reporting wages for the new employees using IPERS' employer self-service Internet application. Enrollment information includes, but is not limited to, the following: member's name, social security number, date of birth, date of hire, occupation code, gender, mailing address, and employer identification number. When an employee terminates employment with a covered employer, the employer shall provide the termination date and the date of the employee's final paycheck.

[ARC 2981C, IAB 3/15/17, effective 4/19/17]

These rules are intended to implement Iowa Code sections 97B.4, 97B.9, 97B.14, 97B.14A, 97B.38, 97B.49A to 97B.49I, 97B.65 and 97B.70 and 2009 Iowa Acts, chapter 170, section 51, as amended by 2010 Iowa Acts, House File 2518, sections 36 and 41.

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[Filed ARC 7916B (Notice ARC 7760B, IAB 5/6/09), IAB 7/1/09, effective 8/5/09]
[Filed ARC 8601B (Notice ARC 8477B, IAB 1/13/10), IAB 3/10/10, effective 4/14/10]
[Filed Emergency ARC 8929B, IAB 7/14/10, effective 6/21/10]
[Filed ARC 9068B (Notice ARC 8928B, IAB 7/14/10), IAB 9/8/10, effective 10/13/10]
[Filed ARC 9397B (Notice ARC 9310B, IAB 12/29/10), IAB 2/23/11, effective 3/30/11]
[Filed ARC 0017C (Notice ARC 9951B, IAB 12/28/11), IAB 2/22/12, effective 3/28/12]
[Filed ARC 0662C (Notice ARC 0598C, IAB 2/6/13), IAB 4/3/13, effective 5/8/13]
[Filed ARC 1348C (Notice ARC 1256C, IAB 12/25/13), IAB 2/19/14, effective 3/26/14]
[Filed ARC 1887C (Notice ARC 1800C, IAB 12/24/14), IAB 2/18/15, effective 3/25/15]
[Filed ARC 2402C (Notice ARC 2331C, IAB 12/23/15), IAB 2/17/16, effective 3/23/16]
[Filed ARC 2981C (Notice ARC 2892C, IAB 1/18/17), IAB 3/15/17, effective 4/19/17]
[Filed ARC 3684C (Notice ARC 3537C, IAB 1/3/18), IAB 3/14/18, effective 4/18/18]
[Filed ARC 4337C (Notice ARC 4238C, IAB 1/16/19), IAB 3/13/19, effective 4/17/19]
[Filed ARC 5027C (Notice ARC 4925C, IAB 2/12/20), IAB 4/8/20, effective 5/13/20]
[Filed ARC 5489C (Notice ARC 5359C, IAB 12/30/20), IAB 3/10/21, effective 4/14/21]
[Filed ARC 6215C (Notice ARC 6117C, IAB 12/29/21), IAB 2/23/22, effective 3/30/22]
[Filed ARC 6949C (Notice ARC 6823C, IAB 1/11/23), IAB 3/8/23, effective 4/12/23]
[Filed ARC 7811C (Notice ARC 7648C, IAB 2/21/24), IAB 4/17/24, effective 5/22/24]
[Filed ARC 9287C (Notice ARC 9046C, IAB 3/19/25), IAB 5/14/25, effective 6/18/25]
[Filed Emergency ARC 9417C, IAB 7/23/25, effective 6/30/25]

CHAPTER 5 EMPLOYEES

[Prior to 6/9/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—5.1(97B) Identification of employees covered by the IPERS retirement law.

—5.1(1) *Definition of employee—generally.* A person is in employment as defined by Iowa Code chapter 97B if the person and the covered employer enter into a relationship which both recognize to be that of employer/employee. An employee is an individual who is subject to control by the agency for whom the individual performs services for wages. The term “control” refers only to employment and includes control over the way the employee works, where the employee works and the hours the employee works. The control need not be actually exercised for an employer/employee relationship to exist; the right to exercise control is sufficient. A public official may be an “employee” as defined in the agreement between the state of Iowa and the Secretary of Health and Human Services, without the element of direction and control.

A person is not in employment if the person volunteers services to a covered employer for which the person receives no remuneration.

IPERS makes employment determinations based on a common law test, which factors in behavior control, financial control and relationship of the parties. Once this decision is made, if any party disagrees with the decision, the party in disagreement will be required to submit an SS-8 Determination of Workers Status form directly to the Internal Revenue Service (IRS). Upon receipt of the determination by the IRS, IPERS will review this hiring arrangement a second time. A Final Agency Determination will be made at that time.

Further, if a person is performing essential governmental functions that can only be performed by a governmental employee, that person shall be IPERS covered.

—5.1(2) *Optional coverage procedures July 1, 1994, through December 31, 1998.* Effective July 1, 1994, a person who is employed in a position which allows IPERS coverage to be elected as specified in Iowa Code section 97B.1A(8) must file a one time election form with IPERS for coverage. If the person was employed before July 1, 1994, the election must be postmarked on or before July 1, 1995. If the person was employed on or after July 1, 1994, the election must be postmarked within 60 days from the date the person was employed. Coverage will be prospective from the date the election is approved by IPERS. The election, once filed, is irrevocable and continues until the member terminates covered employment. The election window does not allow members who had been in coverage to elect out.

—5.1(3) *Election out of Iowa Code chapter 97B coverage by certain protection occupation groups.* Effective July 1, 1994, members employed before that date as a gaming enforcement officer, a fire prevention inspector peace officer, or an employee of the division of capitol police (except clerical workers), may elect coverage under Iowa Code chapter 97A in lieu of IPERS. The election must be directed to the board of trustees established in Iowa Code section 97A.5 and postmarked on or before July 1, 1995.

—5.1(4) *Optional coverage procedures January 1, 1999.* Effective January 1, 1999, new hires who may elect out of IPERS coverage shall be covered on the date of hire and shall have 60 days to elect out of coverage in writing using IPERS’ forms. Notwithstanding the foregoing, employees who had the right to elect IPERS coverage prior to January 1, 1999, but did not do so, shall be covered as of January 1, 1999, and shall have until December 31, 1999, to elect out of coverage.

[ARC 3684C, IAB 3/14/18, effective 4/18/18]

495—5.12(97B) Coverage treatment for specific employee classifications. Employment as defined in Iowa Code chapter 97B is not synonymous with IPERS membership, except as otherwise provided in rule 5.2 and Iowa Code section 97B.42A, each employee, as defined by Iowa Code section

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Commented [AE3]: Reduces word count by relying on language in Iowa Code section 97B.42B.

Commented [AE4]: Reduces word count by relying on language in Iowa Code section 97B.42A.

~~97B.1A(8), is an IPERS member upon the first date of employment. Some classes of employees are explicitly excluded or membership is made optional under Iowa Code section 97B.1A(8) "b," while other classes are excluded or membership is made optional by their nature. The following subrules are designed to clarify the status of certain employee positions.~~

5.2(1) No person who is explicitly excluded by applicable law or who opts out of coverage may be included within the system, including ~~Elected officials. Effective January 1, 1999, the following persons shall be covered by IPERS unless they elect out of coverage:~~

- ~~a. Elected officials in positions for which the compensation is on a fee basis; The employee is excluded from membership by Iowa Code section 97B.1A(8)(b).~~
- ~~b. Elected officials of school districts;~~
- ~~c. Elected officials of townships; and~~
- ~~d. Elected officials of other political subdivisions who are in part time positions.~~

~~An elected official who becomes covered under this chapter may later terminate membership by informing IPERS in writing of the expiration of the member's term of office or, if a member of the general assembly, of the intention to terminate coverage.~~

~~An elected official does not terminate covered employment with the end of each term of office if the official has been reelected for the same position. If elected for another position, the official shall be covered unless the official elects out of coverage.~~

5.2(2) County and municipal court bailiffs who receive compensation for duties shall be covered.

5.2(3) Full time city attorneys shall be covered. Part time city attorneys who are considered to be public officers or public employees shall be covered.

5.2(4) Magistrates shall be covered unless they elect out of IPERS coverage. Having made a choice to remain in IPERS coverage, a magistrate may not revoke that election and discontinue such coverage.

5.2(5) Office and clerical staff of a county medical examiner's office shall be covered. Effective January 1, 1995, county medical examiners and deputy county medical examiners who are full time county employees shall be covered.

5.2(6) Police, firefighters, emergency personnel, and certain peace officers.

a. Effective July 1, 1994, police officers and firefighters of a city not participating in the retirement systems established under Iowa Code chapter 410 or 411 shall be covered.

b. Emergency personnel, such as ambulanc

~~ee drivers, who are deemed to be firefighters by the employer shall be covered as firefighters.~~

c. Effective January 1, 1995, part time police officers shall be covered in the same manner as full time police officers.

bd. Reserve peace officers employed under Iowa Code chapter 80D shall not be covered in accordance with Iowa Code section 80D.14.

ce. A police chief or fire chief who has submitted a written request to the board of trustees created by Iowa Code section 411.36 to be exempt from coverage under Iowa Code chapter 411 shall not be covered under IPERS in accordance with Iowa Code sections 384.6(1) and 411.3. Iowa Code section 384.6(1) sets forth the city's obligations shall make on behalf of such person the contributions required under Iowa Code section 384.6(1) to the International City Management Association/Retirement Corporation.

df. Peace officer candidates of the department of public safety shall not be covered.

g. An emergency medical care provider who provides emergency medical services, as defined in Iowa Code section 147A.1, and who is not a member of the retirement systems established in Iowa Code chapter 411 shall be covered.

5.2(7) County social welfare employees shall be covered.

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Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [AE6]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [EA7R6]: Because the default position of Section 97B.42 is that employees are considered members, this section is rewritten to only include those positions that are "excluded" from coverage.

~~5.2(8) Members of county soldiers relief commissions and their administrative or clerical employees shall be covered.~~

~~5.2(9) Part time elected mayors, mayors of townships, and mayors who are paid on a fee basis are covered under IPERS unless they elect out of coverage. All other mayors, including appointed mayors and full time elected mayors, whether elected by popular vote or by some other means, are covered.~~

~~5.2(10) Field assessors shall be covered.~~

~~5.2(11) Members of county boards of supervisors who receive an annual salary shall be covered. Effective for terms of office beginning January 1, 1999, part time members of county boards of supervisors who receive an annual salary or are paid on a per diem basis shall be covered unless they elect out of coverage.~~

~~5.2(12) Temporary employees of the general assembly who are employed for less than six months in a calendar year or work less than 1,040 hours in a calendar year shall be covered unless the employee elects out of coverage. If coverage is elected, the member may not terminate coverage until termination of covered employment.~~

5.2(12) Effective July 1, 2008, temporary employees ~~shall not bear not~~ covered provided that they have not established an ongoing relationship with an IPERS-covered employer as set forth in Iowa Code section 97B.1A(8)(b)(3). An ongoing relationship with an IPERS-covered employer is established when:

a. The employee is paid covered wages of \$1,000 or more per quarter in two consecutive quarters; or

b. The employee is employed by a covered employer for 1,040 or more hours in a calendar year. Coverage ~~shall begin~~ when the permanency of the relationship is established and ~~shall continue~~ until the employee's relationship with the covered employer is severed. If there is no formal severance, coverage for a person hired for temporary employment who has established an ongoing relationship with a covered employer ~~shall continue~~ until that person completes four consecutive calendar quarters in which no services are performed for that employer after the last covered calendar quarter. ~~5.2(27)~~ Effective July 1, 1994, volunteer firefighters and special police officers are considered temporary employees and shall be covered if they meet the requirements of this subrule.

No service credit will be granted to a temporary employee who has become a covered employee under this rule for any quarter in which no covered wages are reported unless the employee is on a leave of absence that qualifies for service credit under Iowa Code section 97B.1A(20). Contributions ~~shall bear~~ paid, and service credit ~~shall be is~~ accrued, when wages are paid in the quarter after the ongoing relationship has been established.

~~5.2(14) Drainage district employees who have vested rights to IPERS through earlier participation or employees of drainage districts shall be covered unless they elect out of coverage.~~

~~5.2(15) Full time and part time county attorneys shall be covered.~~

~~5.2(16) Tax study committee employees shall be covered.~~

~~5.2(17) School bus drivers who are considered to be public employees shall be covered. School bus drivers who are independent contractors shall not bear not covered. A determination must be made by IPERS on the facts presented on a case by case basis.~~

5.2(18) Full-time or part-time students employed part-time by the educational institution where they are enrolled ~~shall not bear not~~ IPERS-covered. Full-time and part-time student status is as defined by the individual educational institutions. Full-time and part-time employment status is as defined by the individual employers. If the employer is not the institution where the college student is enrolled, the college student is not exempt from IPERS coverage and employers would determine IPERS coverage by applying the usual permanent or temporary rules.

High school and lower grade students continue to be exempt from IPERS coverage.

Commented [AE8]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [EA9]: Moved subrule 5.2(27) here for consistency. All independent subrules under rule 5.2 list employee types that are not covered.

Commented [AE10]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

5.2(19) Foreign exchange teachers and visitors including alien scholars, trainees, professors, teachers, research assistants and specialists in their fields of specialized knowledge or skill shall not bear not covered.

5.2(20) Members of any other retirement system in Iowa maintained in whole or in part by public funds shall not bear not covered. However, effective July 1, 1996, an employee who has two jobs, one covered by IPERS and one covered by another retirement system in Iowa, shall remains an IPERS-covered employee, unless the employee receives credit in such other retirement system for both jobs.

5.2(21) Members who are contributing to the federal civil service retirement system or federal employees retirement system shall not bear not covered. However, effective July 1, 1996, an employee who has two jobs, one covered by IPERS and one covered by a federal retirement system, shall be considered as an IPERS-covered employee, unless the employee receives credit in such federal retirement system for both jobs.

5.2(22) Employees of credit unions without capital stock organized and operated for mutual purposes without profit shall not bear not covered.

5.2(23) Members of the ministry, rabbinate or other religious order who perform full time or part time religious service for a covered employer shall be covered. However, members of the ministry, rabbinate or other religious order who have taken the vow of poverty may elect out of coverage.

5.2(24) Any physician, surgeon, dentist or member of other professional groups employed full time by a covered employer shall be covered. However, any member of a professional group who performs part time service for any public agency but whose private practice provides the major source of income shall not be covered, except for city attorneys and health officials.

5.2(25) Interns and resident doctors employed by a state or local hospital, school or institution shall not be covered.

5.2(26) Professional personnel who acquire the status of an officer of the state of Iowa or a political subdivision thereof, even though they engage in private practice and render government service only on a part time basis, shall be covered.

5.2(27) Effective July 1, 1994, volunteer firefighters and special police officers are considered temporary employees and shall be covered if they meet the requirements of subrule 5.2(13).

5.2(28) Residents or inmates of county homes shall not bear not covered.

5.2(29) Members of the state transportation commission, the board of parole, and the state health facilities council shall be covered unless they elect out of coverage.

5.2(30) Employees of an interstate agency established under Iowa Code chapter 28E, and similar enabling legislation in an adjoining state, if the city had made contributions to the system for employees performing functions which are transferred to the interstate agency shall be considered employees of the city for the sole purpose of membership in IPERS, although the employer contributions for those employees are made by the interstate agency.

5.2(31) City managers, or city administrators performing the duties of city managers, under a form of city government listed in Iowa Code chapter 372 or 420 shall be covered unless they elect out of coverage.

5.2(32) Employees appointed by the state board of regents shall be covered unless they elect coverage in an alternative retirement system qualified by the state board of regents. An employee must make an election in the alternative retirement system within 60 days of the employee's first day of employment.

5.2(33) Employees who work in additional positions with additional duties, along with normal duties with the same employer, shall be considered covered employees until all of their compensated duties to their employer cease. (Examples include teacher/coach; teacher/summer driver's education instructor; and city employee/paid firefighter.)

Commented [AE11]: Covered by Iowa Code 97B.1A(8)(b) exclusion

Commented [AE12]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [AE13]: Covered by Iowa Code 97B.1A(8)(b) exclusion

Commented [AE14]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [AE15]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

5.2(834) Adjunct instructors employed by a community college or university ~~shall not bear not covered as set forth in Iowa Code section 97B.1A(8)(b)~~. Adjunct instructors are persons employed by a community college or university without a continuing contract and whose teaching load does not exceed one-half time for two full semesters or three full quarters for the calendar year. The determination of whether a teaching load exceeds one-half time ~~shall be is~~ based on the number of credit hours or noncredit contact hours that the community college or university considers to be a full-time teaching load for a regular full semester or quarter. An adjunct instructor whose teaching load exceeds the foregoing limitations ~~shall be is~~ covered.

In determining whether an adjunct instructor is a covered employee, no credit ~~shall be is~~ granted for teaching periods of shorter duration than a regular semester or regular quarter (such as summer semesters), regardless of the number of credit or contact hours assigned to that period.

~~If there is no formal severance, an adjunct instructor who becomes a covered employee shall remain a covered employee until that person completes four consecutive calendar quarters in which no services are performed for that covered employer after the last covered calendar quarter. Notwithstanding the foregoing sentence, no service credit will be granted to any adjunct instructor who has become a covered employee under this rule for any calendar quarter in which no covered wages are reported unless the adjunct instructor is on an approved leave of absence that qualifies for service credit under Iowa Code section 97B.1A(20).~~

5.2(935) Effective July 1, 1992, enrollees of a senior community service employment program authorized by Title V of the Older Americans Act and funded by the United States Department of Labor ~~shall not bear not~~ covered unless:

- a. Both the enrollee and the covered employer elect coverage; or
- b. The enrollee is currently contributing to IPERS.

For purposes of this subrule only, a covered employer is defined as the host agency where the enrollee is placed for training.

~~5.2(36) Employees of area agencies on aging shall be included. However, effective July 1, 1994, employees of area agencies on aging shall not bear not covered if the area agency has provided for participation by all of its eligible employees in an alternative qualified plan pursuant to the requirements of the federal Internal Revenue Code. If an area agency on aging does not participate in an alternative plan, or terminates participation in such plan, IPERS coverage shall begin immediately.~~

5.2(1037) Effective July 1, 1994, arson investigators shall not be covered. They were transferred to the public safety peace officers' retirement, accident and disability system as found in Iowa Code chapter 97A. The employee is excluded from membership under Iowa Code section 97B.42B.

5.2(1138) Persons who meet the requirements of independent contractor status as determined by IPERS using the criteria established by the federal Internal Revenue Service ~~shall not bear not~~ covered.

~~5.2(39) Effective July 1, 1994, a person employed on or after that date for certain public safety positions shall not bear not covered. These positions are gaming enforcement officers employed by the division of criminal investigation for excursion boat gambling enforcement activities, fire prevention inspector peace officers, and employees of the division of capitol police (except clerical workers).~~

~~5.2(40) Employees of area community colleges and universities shall be covered unless they elect coverage under an alternative system pursuant to a one time irrevocable election. An employee must make an election in the alternative retirement system within 60 days of the employee's first day of employment.~~

~~5.2(41) Volunteer emergency personnel, such as ambulance drivers and emergency medical technicians, shall be considered temporary employees and shall be covered if they meet the requirements of subrule 5.2(13). Persons who meet such requirements shall be covered under the~~

Commented [AE16]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [AE17]: Excluded from membership under 97B.42B.

~~protection occupation requirements of Iowa Code section 97B.49B if they are considered firefighters by their employers; otherwise they shall be covered under Iowa Code section 97B.1A.~~

5.2(142) Persons employed through any program described in Iowa Code section 84A.7 and provided by the Iowa conservation corps ~~shall~~are not ~~be~~ covered.

~~5.2(43) Appointed and full time elective members of boards and commissions who receive a set salary shall be covered. Effective January 1, 1999, part time elective members of boards and commissions not otherwise described in these rules who receive a set salary shall be covered unless they elect out of coverage. Members of boards, other than county boards of supervisors, and commissions, including appointed and elective full time and part time members, who receive only per diem and expenses shall not be~~are~~ not covered.~~

5.2(144) Persons receiving rehabilitation services in a community rehabilitation program, rehabilitation center, sheltered workshop, and similar organizations whose primary purpose is to provide vocational rehabilitation services to target populations ~~shall not be~~are not covered.

5.2(145) Persons who are members of a community service program authorized under and funded by grants made pursuant to the federal National and Community Service Act of 1990 ~~shall not be~~are not covered.

5.2(1546) Persons who are employed by professional employment organizations, temporary staffing agencies, and similar noncovered employers and are leased to covered employers ~~shall not be~~are not covered.

~~5.2(47) Persons who are employed by a covered employer and leased to a noncovered employer shall be covered.~~

5.2(1648) Effective July 1, 1999, persons performing referee services for a covered employer ~~shall not be~~are not covered, unless the performance of such services is included in the persons' regular job duties for the employer for which such services are performed.

~~5.2(49) Effective July 1, 2000, patient advocates appointed under Iowa Code section 229.19 shall be covered.~~

~~5.2(50) Employees of the Iowa student loan liquidity corporation shall not be~~are~~ not covered.~~

5.2(1751) A citizen coach is an employee (permanent or temporary) who works for a school district in only a coaching capacity. An employer may provide a citizen coach with IPERS coverage immediately. If the employer chooses not to, then the following determination of IPERS coverage is needed:

a. If the citizen coach is expected to fill the position each season and cannot be unseated by another district employee, then the district and citizen coach have established a permanent relationship and IPERS coverage should begin once that citizen coach returns to coach a second season.

b. If there is no expectation of continued employment beyond the first season for the citizen coach, or if the citizen coach can be unseated by another district employee, then a temporary relationship exists and the citizen coach ~~shall only be~~is covered if the citizen coach meets the requirements of subrule 5.2(13)subrule 5.2(2).

[ARC 0662C, IAB 4/3/13, effective 5/8/13; ARC 2402C, IAB 2/17/16, effective 3/23/16; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 3684C, IAB 3/14/18, effective 4/18/18; ARC 5489C, IAB 3/10/21, effective 4/14/21; ARC 6215C, IAB 2/23/22, effective 3/30/22; ARC 7811C, IAB 4/17/24, effective 5/22/24]

495—5.3(97B) Participation in IPERS and another retirement system. Effective July 1, 1996, an employee may actively participate in IPERS and another retirement system ~~as set forth in Iowa Code section 97B.42 supported by public funds if the person does not receive credit under both IPERS and such other retirement system for the same position held.~~

[ARC 3684C, IAB 3/14/18, effective 4/18/18]

These rules are intended to implement Iowa Code sections 97B.1A, 97B.4, 97B.42, 97B.42A, 97B.49B, 97B.49C, and 97B.49G.

[Filed 5/21/04, Notice 4/14/04—published 6/9/04, effective 7/14/04]

Commented [AE18]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [AE19]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [AE20]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [AE21]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [AE22]: Referenced under Iowa Code section 97B.1A(8)(b).

[Filed 4/7/06, Notice 3/1/06—published 4/26/06, effective 5/31/06]

[Filed 3/7/08, Notice 1/2/08—published 3/26/08, effective 4/30/08]

[Filed ARC 0662C (Notice ARC 0598C, IAB 2/6/13), IAB 4/3/13, effective 5/8/13]

[Filed ARC 2402C (Notice ARC 2331C, IAB 12/23/15), IAB 2/17/16, effective 3/23/16]

[Filed ARC 2981C (Notice ARC 2892C, IAB 1/18/17), IAB 3/15/17, effective 4/19/17]

[Filed ARC 3684C (Notice ARC 3537C, IAB 1/3/18), IAB 3/14/18, effective 4/18/18]

[Filed ARC 5489C (Notice ARC 5359C, IAB 12/30/20), IAB 3/10/21, effective 4/14/21]

[Filed ARC 6215C (Notice ARC 6117C, IAB 12/29/21), IAB 2/23/22, effective 3/30/22]

[Filed ARC 7811C (Notice ARC 7648C, IAB 2/21/24), IAB 4/17/24, effective 5/22/24]

CHAPTER 5
EMPLOYEES

[Prior to 6/9/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—5.1(97B) Coverage treatment for specific employee classifications. Except as otherwise provided in rule 5.2 and Iowa Code section 97B.42A, each employee, as defined by Iowa Code section 97B.1A(8), is an IPERS member upon the first date of employment.

5.2(1) No person who is explicitly excluded by applicable law or who opts out of coverage may be included within the system, including:

- a. The employee is excluded from membership by Iowa Code section 97B.1A(8)(b).
- b. Reserve peace officers employed under Iowa Code chapter 80D are not covered in accordance with Iowa Code section 80D.14.
- c. A police chief or fire chief who has submitted a written request to the board of trustees created by Iowa Code section 411.36 to be exempt from coverage under Iowa Code chapter 411 are not covered under IPERS in accordance with Iowa Code sections 384.6(1) and 411.3. Iowa Code section 384.6(1) sets forth the city's obligations on behalf of such person.
- d. Peace officer candidates of the department of public safety are not covered.

5.2(2) Effective July 1, 2008, temporary employees are not covered provided that they have not established an ongoing relationship with an IPERS-covered employer as set forth in Iowa Code section 97B.1A(8)(b)(3). An ongoing relationship with an IPERS-covered employer is established when:

a. The employee is paid covered wages of \$1,000 or more per quarter in two consecutive quarters; or

b. The employee is employed by a covered employer for 1,040 or more hours in a calendar year. Coverage begins when the permanency of the relationship is established and continues until the employee's relationship with the covered employer is severed. If there is no formal severance, coverage for a person hired for temporary employment who has established an ongoing relationship with a covered employer continues until that person completes four consecutive calendar quarters in which no services are performed for that employer after the last covered calendar quarter. Effective July 1, 1994, volunteer firefighters and special police officers are considered temporary employees and shall be covered if they meet the requirements of this subrule.

No service credit will be granted to a temporary employee who has become a covered employee under this rule for any quarter in which no covered wages are reported unless the employee is on a leave of absence that qualifies for service credit under Iowa Code section 97B.1A(20). Contributions are paid, and service credit is accrued, when wages are paid in the quarter after the ongoing relationship has been established.

are not

5.2(3) Full-time or part-time students employed part-time by the educational institution where they are enrolled are not IPERS-covered. Full-time and part-time student status is as defined by the individual educational institutions. Full-time and part-time employment status is as defined by the individual employers. If the employer is not the institution where the college student is enrolled, the college student is not exempt from IPERS coverage and employers would determine IPERS coverage by applying the usual permanent or temporary rules.

High school and lower grade students continue to be exempt from IPERS coverage.

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Commented [AE1]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [AE2]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [EA3R2]: Because the default position of Section 97B.42 is that employees are considered members, this section is rewritten to only include those positions that are "excluded" from coverage.

Commented [AE4]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [EA5]: Moved subrule 5.2(27) here for consistency. All independent subrules under rule 5.2 list employee types that are not covered.

Commented [AE6]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [AE7]: Covered by Iowa Code 97B.1A(8)(b) exclusion

5.2(4) Members of any other retirement system in Iowa maintained in whole or in part by public funds are not covered. However, effective July 1, 1996, an employee who has two jobs, one covered by IPERS and one covered by another retirement system in Iowa, remains an IPERS-covered employee, unless the employee receives credit in such other retirement system for both jobs.

5.2(5) Members who are contributing to the federal civil service retirement system or federal employees retirement system are not covered. However, effective July 1, 1996, an employee who has two jobs, one covered by IPERS and one covered by a federal retirement system, is considered as an IPERS-covered employee, unless the employee receives credit in such federal retirement system for both jobs.

5.2(6) Employees of credit unions without capital stock organized and operated for mutual purposes without profit are not covered.

5.2(7) Residents or inmates of county homes are not covered.

5.2(8) Adjunct instructors employed by a community college or university are not covered as set forth in Iowa Code section 97B.1A(8)(b). Adjunct instructors are persons employed by a community college or university without a continuing contract and whose teaching load does not exceed one-half time for two full semesters or three full quarters for the calendar year. The determination of whether a teaching load exceeds one-half time is based on the number of credit hours or noncredit contact hours that the community college or university considers to be a full-time teaching load for a regular full semester or quarter. An adjunct instructor whose teaching load exceeds the foregoing limitations is covered.

In determining whether an adjunct instructor is a covered employee, no credit is granted for teaching periods of shorter duration than a regular semester or regular quarter (such as summer semesters), regardless of the number of credit or contact hours assigned to that period.

5.2(9) Effective July 1, 1992, enrollees of a senior community service employment program authorized by Title V of the Older Americans Act and funded by the United States Department of Labor are not covered unless:

- a. Both the enrollee and the covered employer elect coverage; or
- b. The enrollee is currently contributing to IPERS.

For purposes of this subrule only, a covered employer is defined as the host agency where the enrollee is placed for training.

are not

5.2(10) The employee is excluded from membership under Iowa Code section 97B.42B.

5.2(11) Persons who meet the requirements of independent contractor status as determined by IPERS using the criteria established by the federal Internal Revenue Service are not covered.

are not

5.2(12) Persons employed through any program described in Iowa Code section 84A.7 and provided by the Iowa conservation corps are not covered.

are not

5.2(13) Persons receiving rehabilitation services in a community rehabilitation program, rehabilitation center, sheltered workshop, and similar organizations whose primary purpose is to provide vocational rehabilitation services to target populations are not covered.

5.2(14) Persons who are members of a community service program authorized under and funded by grants made pursuant to the federal National and Community Service Act of 1990 are not covered.

5.2(15) Persons who are employed by professional employment organizations, temporary staffing agencies, and similar noncovered employers and are leased to covered employers are not covered.

5.2(16) Effective July 1, 1999, persons performing referee services for a covered employer are not covered, unless the performance of such services is included in the persons' regular job duties for the employer for which such services are performed.

Commented [AE8]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

Commented [AE9]: Revised and propose deleting reference within rule and moving necessary employment terms to a guidance document. Reduces word count by relying on Iowa Code section 97B.1A(8).

Also removes potential for conflict or ambiguity between Rule and Code language.

are not **5.2(17)** A citizen coach is an employee (permanent or temporary) who works for a school district in only a coaching capacity. An employer may provide a citizen coach with IPERS coverage immediately. If the employer chooses not to, then the following determination of IPERS coverage is needed:

a. If the citizen coach is expected to fill the position each season and cannot be unseated by another district employee, then the district and citizen coach have established a permanent relationship and IPERS coverage should begin once that citizen coach returns to coach a second season.

b. If there is no expectation of continued employment beyond the first season for the citizen coach, or if the citizen coach can be unseated by another district employee, then a temporary relationship exists and the citizen coach is covered if the citizen coach meets the requirements of subrule 5.2(13).

[ARC 0662C, IAB 4/3/13, effective 5/8/13; ARC 2402C, IAB 2/17/16, effective 3/23/16; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 3684C, IAB 3/14/18, effective 4/18/18; ARC 5489C, IAB 3/10/21, effective 4/14/21; ARC 6215C, IAB 2/23/22, effective 3/30/22; ARC 7811C, IAB 4/17/24, effective 5/22/24]

495—5.3(97B) Participation in IPERS and another retirement system. Effective July 1, 1996, an employee may actively participate in IPERS and another retirement system as set forth in Iowa Code section 97B.42.

[ARC 3684C, IAB 3/14/18, effective 4/18/18]

These rules are intended to implement Iowa Code sections 97B.1A, 97B.4, 97B.42, 97B.42A, 97B.49B, 97B.49C, and 97B.49G.

[Filed 5/21/04, Notice 4/14/04—published 6/9/04, effective 7/14/04]

[Filed 4/7/06, Notice 3/1/06—published 4/26/06, effective 5/31/06]

[Filed 3/7/08, Notice 1/2/08—published 3/26/08, effective 4/30/08]

[Filed ARC 0662C (Notice ARC 0598C, IAB 2/6/13), IAB 4/3/13, effective 5/8/13]

[Filed ARC 2402C (Notice ARC 2331C, IAB 12/23/15), IAB 2/17/16, effective 3/23/16]

[Filed ARC 2981C (Notice ARC 2892C, IAB 1/18/17), IAB 3/15/17, effective 4/19/17]

[Filed ARC 3684C (Notice ARC 3537C, IAB 1/3/18), IAB 3/14/18, effective 4/18/18]

[Filed ARC 5489C (Notice ARC 5359C, IAB 12/30/20), IAB 3/10/21, effective 4/14/21]

[Filed ARC 6215C (Notice ARC 6117C, IAB 12/29/21), IAB 2/23/22, effective 3/30/22]

[Filed ARC 7811C (Notice ARC 7648C, IAB 2/21/24), IAB 4/17/24, effective 5/22/24]

Commented [AE10]: Referenced under Iowa Code section 97B.1A(8)(b).

CHAPTER 6
COVERED WAGES
[Prior to 6/9/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—6.1(97B) IRS requirements. Wages as ~~discussed in this chapter defined under Iowa Code section 97B.1A(26) shall not exceed the amount permitted for a given year under any annual compensation limits under~~ Sections 401(a)(17)(A) and (B) of the Internal Revenue Code, which are incorporated herein by this reference.

[ARC 9397B, IAB 2/23/11, effective 3/30/11]

495—6.2(97B) Definition of wages. “Wages” means all compensation earned by employees including, except as otherwise provided under this chapter, vacation pay; sick pay; back pay; amounts deducted from the employee’s pay at the employee’s discretion for tax sheltered annuities, dependent care and cafeteria plans; and the cash value of wage equivalents. This definition applies to these rules, regulations, interpretations, forms and other IPERS publications unless the context otherwise requires.

495—6.3(97B) IPERS coverage for various forms of compensation. The following is a list of various types of compensation and the corresponding IPERS coverage treatment:

6.3(1) Vacation pay or annual leave pay. Vacation pay or annual leave pay means the amount paid to an employee during a period of vacation.

6.3(2) Sick pay. Sick pay means the amount paid to an employee during a period of sick leave.

6.3(3) Workers’ compensation payments and other third-party payments. ~~Workers’ compensation payments, unemployment payments, or short term and long term disability payments made by an insurance company or third party payer, such as a trust, are not included as wages.~~ Payments for sick leave which are a continuation of salary payments if paid from the employer’s general assets, regardless of whether the employer labels the payments as sick leave, short-term disability, or long-term disability, are covered wages.

6.3(4) Compensatory time. ~~Wages include amounts paid for compensatory time taken in lieu of regular work hours or when paid as a lump sum. However, compensatory time paid in a lump sum shall not exceed 240 hours per employee per year or any lesser number of hours set by the employer.~~ Each employer ~~shall determine whether to~~ must use either the calendar year or a fiscal year other than the calendar year when setting its compensatory time, as defined under Iowa Code section 97B.1A(26)(a)(1)(e). ~~The Employers must submit~~ wages reported to IPERS ~~must reflect the~~ in accordance with the employer’s policy.

6.3(5) Banked holiday pay. If an employer codes banked holiday time as holiday or additional accrued vacation time, the banked holiday pay will be vacation pay under subrule 6.3(1). If an employer codes banked holiday time as compensatory time, the banked holiday pay will be combined with compensatory pay and subject to the limits set forth in subrule 6.3(4).

6.3(6) Special lump sum payments. ~~Wages do not include special lump sum payments made during or at the end of service as a payoff of unused accrued sick leave or of unused accrued vacation. Wages do not include special lump sum payments made during or at the end of service as an incentive to retire early or as payments made upon dismissal, severance, or a special bonus payment intended as an early retirement incentive.~~ Wages do not include: catastrophic leave paid in a lump sum, bonuses, tips, honoraria, or student loan repayment compensation. Exclusion of payments as described in this subrule applies whether the payment is in a lump sum or in installments.

6.3(7) Covered wage treatment for supplemental payments.

Commented [AE1]: Propose deleting and relying on reference to Iowa Code section 97B.1A(26) above.

Commented [AE2R1]: Reduces word count.

Commented [AE3]: Reduces word count by relying on Iowa Code section 97B.1A(26)(a)(2)(f), (g).

Commented [AE4]: Reduces word count by relying on Iowa Code section 97B.1A(26)(a)(1)(e).

Commented [AE5]: Reduces word count by relying on Iowa Code sections 97B.1A(26)(a)(1)(e).

Commented [AE6]: Reduces word count by relying on Iowa Code sections 97B.1A(26)(a)(2)(b), (c).

a. Payments excluded from covered wages as bonuses include the following~~In this chapter, "covered wages" has the meaning as set forth in Iowa Code section 97B.1A(26)(b)(1). "Wages" does not include bonuses as set forth in Iowa Code section 97B.1A(26)(a)(2)(n). In addition, in this section, "bonuses" means:~~

- (1) Recruitment payments.
- (2) Retention payments.
- (3) Payments to members who achieve improvements in their employer's financial status or performance ratings.
- (4) Employee performance incentive payments.
- (5) Extraordinary job performance payments.
- (6) Payments for the possession, attainment, or maintenance of special skills or professional certifications (does not apply to advancements in a member's placement in wage or salary schedule, or placement in a higher tier wage or salary schedule).
- (7) Payments to members made in lieu of merit increases because the members' wage or salary scales are capped.
- (8) Payments similar in substance to those enumerated above without regard to the payments' titles, tag lines, labels or classifications by employers.

b. Payments included in covered wages~~Bonuses do not that are not to be treated as bonuses include the following:~~

- (1) Payments authorized by statute and used to increase the general level of teacher pay, except as otherwise provided in this subrule (for example, when such moneys are used to pay retention bonuses).
- (2) Payments for which additional, or new and different, job duties are required in order to receive the payment.
- (3) Payments for employment longevity.

c. Payments that are otherwise to be treated as covered wages under paragraph "b" shall not be covered if IPERS determines that the payments are made for paragraph "a," subparagraphs (1) to (8), of this subrule or other subrules, including, but not limited to, recruitment or retention bonuses, retirement incentive and severance payments, reimbursements of business expenses, and payment of allowances.

d. IPERS shall have the~~has~~ final authority to determine if supplemental payments not described in paragraphs "a," "b" and "c" of this subrule should be treated as excluded bonus payments or covered wages. In making its determination, IPERS may consider, but is not limited to, such factors as the supplemental payments' similarity to payments described in paragraphs "a," "b" and "c" of this subrule, whether such payments are discretionary with the employer, and whether, on the one hand, the payments are regular and periodic over the working careers of a broad group of individuals or, on the other hand, are short-term, irregular, or ad hoc payments whose primary effect is to spike certain members' final average salaries.

6.3(8) Other special payment arrangements. Wages do not include amounts paid pursuant to special arrangements between an employer and employee whereby the employer pays increased wages and the employee reimburses the employer or a third-party obligor for all or part of the wage increase. This limitation includes, but is not limited to, the practice of increasing an employee's wages by the employer's share of health care costs and having the employee reimburse the employer or a third-party provider for such health care costs. Wages do not include amounts paid pursuant to a special arrangement between an employer and employee whereby wages in excess of the covered wage ceiling for a particular year are deferred to one or more subsequent years. Wages do not include employer contributions to a plan, program, or arrangement that are not included in the employee's federal taxable income. However, certain employer contributions under IRC Section 125

plans ~~are permitted to~~may be treated as covered wages under rule 495—6.5(97B) subject to the terms of that rule.

~~IPERS may investigate any employers and employees that may have knowingly and willfully entered into the types of arrangements described in this subrule, causing an impermissible increase in the payments authorized under Iowa Code chapter 97B, may be prosecuted under Iowa Code section 97B.40 for engaging in a fraudulent practice. If IPERS determines that its calculation of a member's monthly benefit includes amounts paid under an arrangement described in this subrule, IPERS shall~~will recalculate the member's monthly benefit, after making the appropriate wage adjustments. IPERS may recover the amount of overpayments caused by the inclusion of the payments described in this subrule from the monthly amounts plus interest payable to the member or amounts payable to the member's successor(s) in interest, ~~regardless of whether or not IPERS chooses to prosecute the employers and employees in addition to remedies provided~~ under Iowa Code section 97B.40.

6.3(9) Wage equivalents. Items such as food, lodging and transportation are includable as employee income, if they are paid as compensation for employment ~~as wage equivalents as that term is used in Iowa Code section 97B.1A(26)(a)(1)(a). The basic test is whether or not such wage equivalent was given for the convenience of the employee or employing unit. Wage equivalents are not reportable under IPERS if given for the convenience of the employing unit or are not reasonably quantifiable.~~ Wage equivalents that are not included in the member's federal taxable income shall be deemed to be for the convenience of the employer. A wage equivalent is not reportable if the employer certifies that there was a substantial business reason for providing the wage equivalent, even if the wage equivalent is included in the employee's federal taxable income. ~~Wages paid in any other form than money are measured by the fair market value of the meals, lodging, travel or other wage equivalents.~~

6.3(10) Members of the general assembly. ~~Wages for a member of the general assembly means the total compensation received by a member of the general assembly, whether paid in the form of per diem or annual salary. Wages include per diem payments paid to members of the general assembly during interim periods between sessions of the general assembly. Wages for members of the general assembly, as set forth in Iowa Code section 97B.1A(26)(a)(1)(d), do not include expense payments except that, effective July 1, 1990, wages include daily allowances to members of the general assembly for nontravel expenses of office during a session of the general assembly. Such nontravel expenses of office during a session of the general assembly shall~~cannot exceed the maximum established by law for members from Polk County. A member of the general assembly who has elected to participate in IPERS ~~shall~~will receive four quarters of service credit for each calendar year during the member's term of office, even if no wages are reported in one or more quarters during a calendar year.

6.3(11) Wages restored following an employer mandated reduction in hours. Rescinded IAB 3/15/17, effective 4/19/17.

6.3(12) Wages paid as a back pay settlement. ~~Employers calculate~~ IPERS contributions ~~must be calculated~~ on the gross amount of a back pay settlement before the settlement is reduced for taxes, interim wages, unemployment compensation, and similar mitigation of damages adjustments. ~~Employers calculate~~ IPERS contributions ~~must be calculated~~ by reducing the gross amount of a back pay settlement by any amounts not considered covered wages ~~under Iowa code section 97B.1A(26)(a)(2) such as, but not limited to, lump sum payments for medical expenses.~~

Notwithstanding this rule 6.3(12), IPERS ~~treats~~ foregoing, a back pay settlement that does not require the reinstatement of a terminated employee and payment of the amount of wages that would have been paid during the period of severance (before adjustments) ~~shall be treated by IPERS~~ as a "special lump sum payment" under subrule 6.3(6), ~~which is~~ and shall not be covered.

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6.3(13) Limitations on benefits and contributions.

a. Section 415(b) limitations on benefits. A member may not receive an annual benefit that exceeds the dollar amount specified in Section 415(b)(1)(A) of the Internal Revenue Code, subject to the applicable adjustments in Internal Revenue Code Sections 415(b) and 415(d). For purposes of applying the limits under Internal Revenue Code Section 415(b) (Limit), the following will apply:

(1) With respect to a member who does not receive a portion of the member's annual benefit in a lump sum:

1. The member's Limit will be applied to the member's annual benefit in the first limitation year without regard to any automatic cost-of-living increases;

2. To the extent the member's annual benefit equals or exceeds the Limit, the member will no longer be eligible for cost-of-living increases under the IPERS trust fund until such time as the benefit plus the accumulated increases are less than the applicable Limit; and

3. Thereafter, in any subsequent limitation year, the member's annual benefit including any automatic cost-of-living increase ~~shall will~~ be tested under the then applicable benefit Limit, including any adjustment to the Internal Revenue Code Section 415(b)(1)(A) dollar limit under Internal Revenue Code Section 415(d) (cost-of-living adjustments) and the regulations thereunder; and

(2) With respect to a member who receives a portion of the member's annual benefit in a lump sum:

1. The member's applicable Limit ~~shall will~~ be applied taking into consideration automatic cost of living increases as required by Internal Revenue Code Section 415(b) and applicable Treasury Regulations; and

2. ~~In no event shall~~ A member's annual benefit payable under the system in any limitation year ~~will not~~ be greater than the Limit applicable at the annuity starting date, as increased in subsequent years pursuant to Internal Revenue Code Section 415(d) and the regulations thereunder. If the form of benefit without regard to the automatic benefit increase feature is not a straight life or a qualified joint and survivor annuity, then the preceding sentence is applied by either reducing the Limit applicable at the annuity starting date or adjusting the form of benefit to an actuarially equivalent straight life annuity benefit determined using the assumptions required by Treasury Regulations, including the mortality table specified in Revenue Ruling 2001-62 or Revenue Ruling 2007-67, as applicable.

b. Section 415(c) limitations on contributions and other member additions. Member contributions and other additions paid to the system may not exceed the annual limits on contributions and other additions allowed by Internal Revenue Code Section 415(c). For purposes of applying these limits, the definition of "compensation," where applicable, will be compensation as defined in Treasury Regulation Section 1.415(c)-2(d)(3), or successor regulation. The foregoing definition of compensation will exclude member contributions picked up under Internal Revenue Code Section 414(h)(2) and, for plan years beginning after December 31, 1997, compensation will include the amount of any elective deferrals, as defined in Internal Revenue Code Section 402(g)(3), and any amount contributed or deferred by the employer at the election of the member and which is not includable in the gross income of the member by reason of Internal Revenue Code Section 125 or 457 and, for plan years beginning on and after January 1, 2001, pursuant to Internal Revenue Code Section 132(f)(4).

c. Limitation year. The limitation year is the calendar year.

6.3(14) Employer payments treated as remuneration counted against the reemployment earnings limit. All taxable or nontaxable compensation, regardless of the title, tag line, label, or classification attributed to that compensation paid by IPERS-covered employers to retired reemployed IPERS members, ~~shall be is~~ considered remuneration when determining reemployment

earnings limits and reductions as set forth under Iowa Code section 97B.48A and rule 495—12.8(97B). This rule ~~shall apply~~ whether the compensation is paid pursuant to individual contracts or otherwise, and regardless of whether it is considered covered or noncovered compensation under Iowa Code section 97B.1A(26) and the administrative rules thereunder, except for:

- a.* Contributions to health insurance plans and programs, and
- b.* Reimbursements of actual work-related expenses required by the retired reemployed members' jobs.

6.3(15) Employer contributions as remuneration counted against the reemployment earnings limit. Employer contributions made on behalf of retired reemployed members to tax qualified and nonqualified retirement and deferred compensation plans and to other fringe benefit arrangements, excluding health insurance plans and programs, ~~shall~~ constitute remuneration from employment which ~~shall be~~ is applied to the reemployment earnings limits and reductions set forth under rule 495—12.8(97B). Such contributions, even if counted as remuneration hereunder, ~~shall~~ are not ~~be~~ counted as covered wages, unless the facts in the particular case indicate that, under the circumstances, the arrangement should be treated as covered wages under rules 495—6.1(97B) through 495—6.5(97B). Nonelective employer contributions to the following ~~shall~~ constitute remuneration when determining reemployment earnings limits: tax qualified retirement and deferred compensation plans; all nonqualified retirement plans and deferred compensation arrangements; IRAs; rabbi, secular, and other trust arrangements; split dollar and other life insurance arrangements; and long-term care insurance. Bonuses and allowances ~~will also bear also~~ counted as reemployment earnings.

[ARC 7759B, IAB 5/6/09, effective 4/17/09; ARC 7916B, IAB 7/1/09, effective 8/5/09; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 4337C, IAB 3/13/19, effective 4/17/19; ARC 6949C, IAB 3/8/23, effective 4/12/23]

495—6.4(97B) Month for which wages are to be reported. Wages are reportable for the month in which they are actually paid to the employee, except when employees are awarded lump sum payments of back wages, whether as a result of litigation or otherwise, receive lump sum payments of extra duty pay, and similar situations involving regular and periodic lump sum payments which IPERS in its sole discretion determines should be treated as covered wages. The employer shall file ~~with IPERS~~ wage adjustments ~~with IPERS~~ allocating the wages to the periods of service for which such payments are awarded. Employers shall forward the required employer and employee contributions and interest to IPERS.

6.4(1) Actual and constructive receipt. An employer cannot report wages as having been paid to employees as of a monthly reporting date if the employee has not actually or constructively received the payments in question. For example, wages that are mailed, transmitted via electronic funds transfer for direct deposit, or handed to an employee on June 30 would be reported as June wages, but wages that are mailed, transmitted via electronic funds transfer for direct deposit, or handed to an employee on July 3 would be reported as July wages.

6.4(2) One quarter of service ~~will be~~ credited for each quarter in which a member is paid IPERS-covered wages.

a. “Covered wages” ~~means wages of a member during periods of service that do not exceed the annual covered wage maximum as permitted for a given year under Sections 401(a)(17)(A) and (B) of the Internal Revenue Code, which are incorporated herein by this reference, are defined by Iowa Code section 97B.1A(26)(b)(1).~~

b. If a member is employed by more than one employer during the calendar year, the total amount of wages paid by all covered employers ~~shall be~~ is included in determining the annual covered wage limit established under Sections 401(a)(17)(A) and (B) of the Internal Revenue Code. If the amount of wages paid to a member by several employers during any given month exceeds the covered wage limit as determined for that calendar year, the amount of the excess ~~shall not be~~ is not subject to

contributions required by Iowa Code section 97B.11. IPERS ~~shall~~will not accept excess wages and applicable contributions from employers and ~~shall~~will return excess contributions as provided in 495—subrule 4.3(8).

[ARC 7759B, IAB 5/6/09, effective 4/17/09; ARC 7916B, IAB 7/1/09, effective 8/5/09; ARC 9397B, IAB 2/23/11, effective 3/30/11; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 4337C, IAB 3/13/19, effective 4/17/19]

495—6.5(97B) Covered wage treatment for employer contributions to IRC Section 125 plans.

If certain conditions are met, employer contributions to fringe benefit programs that qualify under IRC Section 125 may be treated as covered wages. The following subrules set forth IPERS' regulations for determining covered wage treatment and for making wage adjustments when employer-paid contributions have been covered or excluded in violation of the standards set forth below.

6.5(1) Section 125 plans. For purposes of this rule, a Section 125 plan means an employer-sponsored fringe benefit plan that is subject to Section 125 of the federal Internal Revenue Code (IRC). Some of the common names for this type of plan are cafeteria plan, flexible benefits plan, flex plan, and flexible spending arrangement.

a. Effective January 1, 2017, employers must annually certify to IPERS, on a form approved by the system, that their Section 125 plans meet all IRC requirements.

b. If an employer does not certify its Section 125 plan's compliance with the IRC, all employer contributions to fringe benefit plans ~~will bear~~ excluded from IPERS coverage.

6.5(2) Elective employer contributions. For purposes of this rule, "elective employer contributions" means employer contributions made to a Section 125 plan that can be received in cash or used to purchase benefits under the Section 125 plan. Generally, elective employer contributions that are not subject to special eligibility requirements qualify as covered wages.

6.5(3) Mandatory minimum coverage requirements. The term "elective employer contributions" does not include employer contributions that must be used to purchase benefits under a Section 125 plan. For example, if an employer provides \$2,500 to its employees to purchase benefits in a Section 125 plan, but requires that all employees must use \$1,000 of that amount to purchase single health coverage, the cost of the single coverage is deducted. In this example, \$1,000 would be subtracted from the \$2,500 provided, resulting in \$1,500 of covered wages.

6.5(4) Uniformity determined coverage group by coverage group. Under Iowa Code section 97B.1A(26) "a"(1)"b" ~~states that~~ elective employer contributions ~~shall bear~~ treated as covered wages only if made uniformly available and not limited to highly compensated employees. The application of the uniformity concept may be illustrated as follows: Employer Z has two major groupings of employees covered under its cafeteria plan: teaching staff and support staff. Every member of the teaching staff is provided \$3,000 to purchase benefits under the Section 125 plan. Every member of the teaching staff must take single coverage costing \$1,500. Every member of the support staff is provided \$2,500 and must also take the single coverage costing \$1,500. Each member of the teaching staff would have \$1,500 treated as covered wages, and each member of the support staff would have \$1,000 treated as covered wages. This would be considered uniform treatment.

Uniformity is not destroyed by the fact that the amount available to members of a coverage group varies because the actual cost of mandatory minimum coverage varies depending on actuarial factors that apply to each individual. For example, assume Employer Z above also requires each employee to have long-term disability coverage. In Employer Z's case, the actual cost of disability coverage will vary from individual to individual. In that case, Employer Z would also deduct the actual cost of the required disability coverage, individual by individual, when determining IPERS-covered wages. Uniformity is not destroyed if an employer has two groups of employees who, as a result of collective bargaining, have differing entitlements to employer contributions. For example, Employer

Y has a contract that provides \$3,500 to each employee to purchase benefits under the Section 125 plan. Every employee may take all the cash by waiving participation in the plan, or may use all or part of the employer contributions to the Section 125 plan. In the collective bargaining process, a new contract is adopted which states that the employer will still provide \$3,500 to each employee to purchase benefits under the Section 125 plan. However, under the new contract, persons who waived participation before April 15 may still waive participation in the plan and take all the cash, but persons who did not waive participation and those hired after April 15 must have single coverage costing \$1,700. Employer Y would be treated as having two groups of employees with different elective employer contribution amounts. The grandfathered group (employees who waived participation before April 15) would have covered wages of \$3,500, and the group consisting of those who did not waive participation before April 15 and new employees would have covered wages of \$1,800.

6.5(5) Highly compensated employee test. Iowa Code chapter 97B provides that, in addition to being uniformly available, employer contributions must not discriminate in favor of highly compensated employees (HCEs). For purposes of this subrule, an HCE is an employee who has reported wages and tips subject to Medicare tax in excess of the IRC Section 414(q) limit then in effect. IPERS ~~shall apply~~ the HCE limitation as follows. If elective employer contributions are made available to HCEs, the total elective employer contributions made available to the HCE group ~~must~~can not exceed 25 percent of the total elective employer contributions made available under the Section 125 plan to all employees, including the HCEs. If the elective employer contributions available to the HCE group exceed the 25 percent limit (or if it is determined that the Section 125 plan discriminates in favor of HCEs under other IRS rules), elective employer contributions for HCEs ~~shall~~can not exceed the highest amount available to a nonexecutive coverage group of employees covered under such plan. The general application of these principles is illustrated below, using the 2002 IRC Section 414(q) dollar limit of \$90,000.

Employer W has a Section 125 plan that provides elective employer contributions totaling \$7,000 to executive staff, \$4,500 to teaching staff, and \$3,500 to support staff. There are no other limits or exclusions that apply. These amounts are treated as covered wages for each member of each group, provided that the total amount of contributions made available to HCEs does not exceed 25 percent of the total elective employer contributions for all employees covered under the plan. If elective employer contributions for the executive staff totaled \$70,000, and total elective employer contributions for the remainder of the staff totaled \$500,000, the HCE percentage of total elective employer contributions would be 12 percent (\$70,000 divided by \$570,000), and all elective employer contributions would be treated as covered wages for all groups. However, if elective employer contributions for the executive staff totaled \$70,000, and elective employer contributions for the remainder of the staff totaled \$200,000, the HCE percentage would be 26 percent (\$70,000 divided by \$270,000), and HCEs' elective employer contributions would be limited to \$4,500 per HCE for covered wage purposes.

6.5(6) Elective employer contributions limited to dual coverage employees. In some cases, a Section 125 plan provides for what appear to be mandatory employer contributions for health plan coverage, but the terms of the Section 125 plan permit dual coverage employees to waive coverage and receive the employer contributions in cash, if the employee can prove coverage under another health care plan. IPERS ~~shall~~will continue to treat the full amount of employer contributions in such cases as not being IPERS-covered wages, even though individual employees with the described dual coverage may actually receive the employer contribution in cash.

[ARC 8929B, IAB 7/14/10, effective 6/21/10; ARC 9068B, IAB 9/8/10, effective 10/13/10; ARC 2402C, IAB 2/17/16, effective 3/23/16; ARC 4337C, IAB 3/13/19, effective 4/17/19]

495—6.6(97B) Corrections of overpayments and underpayments of contributions and benefits caused by misreporting of covered wages. IPERS ~~shall~~ uses the following guidelines in requiring corrections of overpayments and underpayments of contributions caused by misreported wages or IPERS-covered service. Corrections ~~must bear~~ made for all current employees omitted in error, active, retired, and inactive members, subject to the following limitations:

6.6(1) If employer and employee contributions were underreported, IPERS files wage adjustments ~~shall be filed~~ and ~~bills~~ employers ~~shall be billed~~ for all shortages of employer and employee contributions plus interest. Employers ~~shall bear~~ entitled to collect reimbursement for the employee share of contributions as provided in Iowa Code section 97B.9. If retirement benefits have been underpaid as a result of the error, IPERS ~~shall~~, ~~makes the appropriate adjustments and pays all back benefits~~ upon receipt of the contribution shortage, ~~make the appropriate adjustments and pay all back benefits~~.

6.6(2) If employer and employee contributions were overreported, IPERS files wage adjustments ~~shall be filed~~ and ~~credits~~ the appropriate contribution amounts ~~shall be credited~~ to employers for distribution to the respective employee and employer contributors. If the reporting error caused an overpayment of retirement benefits, IPERS may offset excess contributions received against overpayments and ~~shall~~will request a repayment of the remainder of the overpayment, if any, from the recipient.

Wage adjustments, overpayments and underpayments, and unintentional reporting errors ~~shall bear~~ determined as of the onset of the error. Notwithstanding the foregoing adjustment and collection standards, IPERS reserves the right to negotiate adjustments with individual employers in special situations, and no negotiated settlement with an employer ~~shall be deemed to~~ constitutes a waiver of this rule or a binding precedent for other employers.

[ARC 4337C, IAB 3/13/19, effective 4/17/19]

These rules are intended to implement Iowa Code sections 97B.1A(26), 97B.9, 97B.11, 97B.14 and 97B.14A.

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CHAPTER 6
COVERED WAGES
[Prior to 6/9/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—6.1(97B) IRS requirements. Wages as defined under Iowa Code section 97B.1A(26) are subject to any annual compensation limits under Sections 401(a)(17)(A) and (B) of the Internal Revenue Code.

[ARC 9397B, IAB 2/23/11, effective 3/30/11]

495—6.3(97B) IPERS coverage for various forms of compensation. The following is a list of various types of compensation and the corresponding IPERS coverage treatment:

6.3(1) Vacation pay or annual leave pay. Vacation pay or annual leave pay means the amount paid to an employee during a period of vacation.

6.3(2) Sick pay. Sick pay means the amount paid to an employee during a period of sick leave.

6.3(3) Workers' compensation payments and other third-party payments. Payments for sick leave which are a continuation of salary payments if paid from the employer's general assets, regardless of whether the employer labels the payments as sick leave, short-term disability, or long-term disability, are covered wages.

6.3(4) Compensatory time. Each employer must use either the calendar year or a fiscal year other than the calendar year when setting its compensatory time, as defined under Iowa Code section 97B.1A(26)(a)(1)(e), policy. Employers must submit wages reported to IPERS in accordance with the employer's policy.

6.3(5) Banked holiday pay. If an employer codes banked holiday time as holiday or additional accrued vacation time, the banked holiday pay will be vacation pay under subrule 6.3(1). If an employer codes banked holiday time as compensatory time, the banked holiday pay will be combined with compensatory pay and subject to the limits set forth in subrule 6.3(4). **6.3(6) Special lump sum payments.** Wages do not include: catastrophic leave paid in a lump sum, bonuses, tips, honoraria, or student loan repayment compensation. Exclusion of payments as described in this subrule applies whether the payment is in a lump sum or in installments.

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6.3(7) Covered wage treatment for supplemental payments.

a. In this chapter, "covered wages" has the meaning as set forth in Iowa Code section 97B.1A(26)(b)(1). "Wages" does not include bonuses as set forth in Iowa Code section 97B.1A(26)(a)(2)(n). In addition, in this section, "bonuses" means:

(1) Recruitment payments.

(2) Retention payments.

(3) Payments to members who achieve improvements in their employer's financial status or performance ratings.

(4) Employee performance incentive payments.

(5) Extraordinary job performance payments.

(6) Payments for the possession, attainment, or maintenance of special skills or professional certifications (does not apply to advancements in a member's placement in wage or salary schedule, or placement in a higher tier wage or salary schedule).

(7) Payments to members made in lieu of merit increases because the members' wage or salary scales are capped.

(8) Payments similar in substance to those enumerated above without regard to the payments' titles, tag lines, labels or classifications by employers.

b. Bonuses do not include:

(1) Payments authorized by statute and used to increase the general level of teacher pay, except as otherwise provided in this subrule (for example, when such moneys are used to pay retention bonuses).

(2) Payments for which additional, or new and different, job duties are required in order to receive the payment.

(3) Payments for employment longevity.

c. Payments that are otherwise to be treated as covered wages under paragraph "b" are not covered if IPERS determines that the payments are made for paragraph "a," subparagraphs (1) to (8), of this subrule or other subrules, including, but not limited to, recruitment or retention bonuses, retirement incentive and severance payments, reimbursements of business expenses, and payment of allowances.

d. IPERS has final authority to determine if supplemental payments not described in paragraphs "a," "b" and "c" of this subrule should be treated as excluded bonus payments or covered wages. In making its determination, IPERS may consider, but is not limited to, such factors as the supplemental payments' similarity to payments described in paragraphs "a," "b" and "c" of this subrule, whether such payments are discretionary with the employer, and whether, on the one hand, the payments are regular and periodic over the working careers of a broad group of individuals or, on the other hand, are short-term, irregular, or ad hoc payments whose primary effect is to spike certain members' final average salaries.

6.3(8) Other special payment arrangements. Wages do not include amounts paid pursuant to special arrangements between an employer and employee whereby the employer pays increased wages and the employee reimburses the employer or a third-party obligor for all or part of the wage increase. This limitation includes, but is not limited to, the practice of increasing an employee's wages by the employer's share of health care costs and having the employee reimburse the employer or a third-party provider for such health care costs. Wages do not include amounts paid pursuant to a special arrangement between an employer and employee whereby wages in excess of the covered wage ceiling for a particular year are deferred to one or more subsequent years. Wages do not include employer contributions to a plan, program, or arrangement that are not included in the employee's federal taxable income. However, certain employer contributions under IRC Section 125 plans may be treated as covered wages under rule 495—6.5(97B) subject to the terms of that rule.

IPERS may investigate any employers and employees that may have knowingly and willfully entered into the types of arrangements described in this subrule under Iowa Code section 97B.40 for engaging in a fraudulent practice. If IPERS determines that its calculation of a member's monthly benefit includes amounts paid under an arrangement described in this subrule, IPERS will recalculate the member's monthly benefit, after making the appropriate wage adjustments. IPERS may recover the amount of overpayments caused by the inclusion of the payments described in this subrule from the monthly amounts plus interest payable to the member or amounts payable to the member's successor(s) in interest, in addition to remedies provided under Iowa Code section 97B.40.

6.3(9) Wage equivalents. Items such as food, lodging and transportation are includable as employee income, if they are paid as compensation for employment, as wage equivalents as that term is used in Iowa Code section 97B.1A(26)(a)(1)(a). Wage equivalents that are not included in the member's federal taxable income shall be deemed to be for the convenience of the employer. A wage equivalent is not reportable if the employer certifies that there was a substantial business reason for providing the wage equivalent, even if the wage equivalent is included in the employee's federal taxable income.

6.3(10) Members of the general assembly. Wages for members of the general assembly, as set forth in Iowa Code section 97B.1A(26)(a)(1)(d), do not include expense payments except that,

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effective July 1, 1990, wages include daily allowances to members of the general assembly for nontravel expenses of office during a session of the general assembly. Such nontravel expenses of office during a session of the general assembly cannot exceed the maximum established by law for members from Polk County. A member of the general assembly who has elected to participate in IPERS will receive four quarters of service credit for each calendar year during the member's term of office, even if no wages are reported in one or more quarters during a calendar year.

6.3(12) *Wages paid as a back pay settlement.* Employers calculate IPERS contributions on the gross amount of a back pay settlement before the settlement is reduced for taxes, interim wages, unemployment compensation, and similar mitigation of damages adjustments. Employers calculate IPERS contributions by reducing the gross amount of a back pay settlement by any amounts not considered covered wages under Iowa code section 97B.1A(26)(a)(2).

Notwithstanding this rule 6.3(12), IPERS treats a back pay settlement that does not require the reinstatement of a terminated employee and payment of the amount of wages that would have been paid during the period of severance (before adjustments) as a "special lump sum payment" under subrule 6.3(6), which is not covered.

6.3(13) *Limitations on benefits and contributions.*

a. Section 415(b) limitations on benefits. A member may not receive an annual benefit that exceeds the dollar amount specified in Section 415(b)(1)(A) of the Internal Revenue Code, subject to the applicable adjustments in Internal Revenue Code Sections 415(b) and 415(d). For purposes of applying the limits under Internal Revenue Code Section 415(b) (Limit), the following will apply:

(1) With respect to a member who does not receive a portion of the member's annual benefit in a lump sum:

1. The member's Limit will be applied to the member's annual benefit in the first limitation year without regard to any automatic cost-of-living increases;
2. To the extent the member's annual benefit equals or exceeds the Limit, the member will no longer be eligible for cost-of-living increases under the IPERS trust fund until such time as the benefit plus the accumulated increases are less than the applicable Limit; and
3. Thereafter, in any subsequent limitation year, the member's annual benefit including any automatic cost-of-living increase will be tested under the then applicable benefit Limit, including any adjustment to the Internal Revenue Code Section 415(b)(1)(A) dollar limit under Internal Revenue Code Section 415(d) (cost-of-living adjustments) and the regulations thereunder; and

(2) With respect to a member who receives a portion of the member's annual benefit in a lump sum:

1. The member's applicable Limit will be applied taking into consideration automatic cost of living increases as required by Internal Revenue Code Section 415(b) and applicable Treasury Regulations; and

2. A member's annual benefit payable under the system in any limitation year will not be greater than the Limit applicable at the annuity starting date, as increased in subsequent years pursuant to Internal Revenue Code Section 415(d) and the regulations thereunder. If the form of benefit without regard to the automatic benefit increase feature is not a straight life or a qualified joint and survivor annuity, then the preceding sentence is applied by either reducing the Limit applicable at the annuity starting date or adjusting the form of benefit to an actuarially equivalent straight life annuity benefit determined using the assumptions required by Treasury Regulations, including the mortality table specified in Revenue Ruling 2001-62 or Revenue Ruling 2007-67, as applicable.

b. Section 415(c) limitations on contributions and other member additions. Member contributions and other additions paid to the system may not exceed the annual limits on contributions and other additions allowed by Internal Revenue Code Section 415(c). For purposes of applying these limits,

the definition of “compensation,” where applicable, will be compensation as defined in Treasury Regulation Section 1.415(c)-2(d)(3), or successor regulation. The foregoing definition of compensation will exclude member contributions picked up under Internal Revenue Code Section 414(h)(2) and, for plan years beginning after December 31, 1997, compensation will include the amount of any elective deferrals, as defined in Internal Revenue Code Section 402(g)(3), and any amount contributed or deferred by the employer at the election of the member and which is not includable in the gross income of the member by reason of Internal Revenue Code Section 125 or 457 and, for plan years beginning on and after January 1, 2001, pursuant to Internal Revenue Code Section 132(f)(4).

c. Limitation year. The limitation year is the calendar year.

6.3(14) Employer payments treated as remuneration counted against the reemployment earnings limit. All taxable or nontaxable compensation, regardless of the title, tag line, label, or classification attributed to that compensation paid by IPERS-covered employers to retired reemployed IPERS members, is considered remuneration when determining reemployment earnings limits and reductions as set forth under Iowa Code section 97B.48A and rule 495—12.8(97B). This rule applies whether the compensation is paid pursuant to individual contracts or otherwise, and regardless of whether it is considered covered or noncovered compensation under Iowa Code section 97B.1A(26) and the administrative rules thereunder, except for:

- a. Contributions to health insurance plans and programs, and*
- b. Reimbursements of actual work-related expenses required by the retired reemployed members' jobs.*

6.3(15) Employer contributions as remuneration counted against the reemployment earnings limit. Employer contributions made on behalf of retired reemployed members to tax qualified and nonqualified retirement and deferred compensation plans and to other fringe benefit arrangements, excluding health insurance plans and programs, constitute remuneration from employment which is applied to the reemployment earnings limits and reductions set forth under rule 495—12.8(97B). Such contributions, even if counted as remuneration hereunder, are not counted as covered wages, unless the facts in the particular case indicate that, under the circumstances, the arrangement should be treated as covered wages under rules 495—6.1(97B) through 495—6.5(97B). Nonelective employer contributions to the following constitute remuneration when determining reemployment earnings limits: tax qualified retirement and deferred compensation plans; all nonqualified retirement plans and deferred compensation arrangements; IRAs; rabbi, secular, and other trust arrangements; split dollar and other life insurance arrangements; and long-term care insurance. Bonuses and allowances are also counted as reemployment earnings.

[ARC 7759B, IAB 5/6/09, effective 4/17/09; ARC 7916B, IAB 7/1/09, effective 8/5/09; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 4337C, IAB 3/13/19, effective 4/17/19; ARC 6949C, IAB 3/8/23, effective 4/12/23]

495—6.4(97B) Month for which wages are to be reported. Wages are reportable for the month in which they are actually paid to the employee, except when employees are awarded lump sum payments of back wages, whether as a result of litigation or otherwise, receive lump sum payments of extra duty pay, and similar situations involving regular and periodic lump sum payments which IPERS in its sole discretion determines should be treated as covered wages. The employer shall file wage adjustments with IPERS allocating the wages to the periods of service for which such payments are awarded. Employers shall forward the required employer and employee contributions and interest to IPERS.

6.4(1) Actual and constructive receipt. An employer cannot report wages as having been paid to employees as of a monthly reporting date if the employee has not actually or constructively received the payments in question. For example, wages that are mailed, transmitted via electronic funds transfer for direct deposit, or handed to an employee on June 30 would be reported as June wages,

but wages that are mailed, transmitted via electronic funds transfer for direct deposit, or handed to an employee on July 3 would be reported as July wages.

6.4(2) One quarter of service is credited for each quarter in which a member is paid IPERS-covered wages.

a. “Covered wages” are defined by Iowa Code section 97B.1A(26)(b)(1).

b. If a member is employed by more than one employer during the calendar year, the total amount of wages paid by all covered employers is included in determining the annual covered wage limit established under Sections 401(a)(17)(A) and (B) of the Internal Revenue Code. If the amount of wages paid to a member by several employers during any given month exceeds the covered wage limit as determined for that calendar year, the amount of the excess is not subject to contributions required by Iowa Code section 97B.11. IPERS will not accept excess wages and applicable contributions from employers and will return excess contributions as provided in 495—subrule 4.3(8).

[ARC 7759B, IAB 5/6/09, effective 4/17/09; ARC 7916B, IAB 7/1/09, effective 8/5/09; ARC 9397B, IAB 2/23/11, effective 3/30/11; ARC 2981C, IAB 3/15/17, effective 4/19/17; ARC 4337C, IAB 3/13/19, effective 4/17/19]

495—6.5(97B) Covered wage treatment for employer contributions to IRC Section 125 plans.

If certain conditions are met, employer contributions to fringe benefit programs that qualify under IRC Section 125 may be treated as covered wages. The following subrules set forth IPERS’ regulations for determining covered wage treatment and for making wage adjustments when employer-paid contributions have been covered or excluded in violation of the standards set forth below.

6.5(1) Section 125 plans. For purposes of this rule, a Section 125 plan means an employer-sponsored fringe benefit plan that is subject to Section 125 of the federal Internal Revenue Code (IRC). Some of the common names for this type of plan are cafeteria plan, flexible benefits plan, flex plan, and flexible spending arrangement.

a. Effective January 1, 2017, employers must annually certify to IPERS, on a form approved by the system, that their Section 125 plans meet all IRC requirements.

b. If an employer does not certify its Section 125 plan’s compliance with the IRC, all employer contributions to fringe benefit plans are excluded from IPERS coverage.

6.5(2) Elective employer contributions. For purposes of this rule, “elective employer contributions” means employer contributions made to a Section 125 plan that can be received in cash or used to purchase benefits under the Section 125 plan. Generally, elective employer contributions that are not subject to special eligibility requirements qualify as covered wages.

6.5(3) Mandatory minimum coverage requirements. The term “elective employer contributions” does not include employer contributions that must be used to purchase benefits under a Section 125 plan. For example, if an employer provides \$2,500 to its employees to purchase benefits in a Section 125 plan, but requires that all employees must use \$1,000 of that amount to purchase single health coverage, the cost of the single coverage is deducted. In this example, \$1,000 would be subtracted from the \$2,500 provided, resulting in \$1,500 of covered wages.

6.5(4) Uniformity determined coverage group by coverage group. Under Iowa Code section 97B.1A(26) “*a*”(1) “*b*” elective employer contributions are treated as covered wages only if made uniformly available and not limited to highly compensated employees. The application of the uniformity concept may be illustrated as follows: Employer Z has two major groupings of employees covered under its cafeteria plan: teaching staff and support staff. Every member of the teaching staff is provided \$3,000 to purchase benefits under the Section 125 plan. Every member of the teaching staff must take single coverage costing \$1,500. Every member of the support staff is provided \$2,500 and must also take the single coverage costing \$1,500. Each member of the

teaching staff would have \$1,500 treated as covered wages, and each member of the support staff would have \$1,000 treated as covered wages. This would be considered uniform treatment.

Uniformity is not destroyed by the fact that the amount available to members of a coverage group varies because the actual cost of mandatory minimum coverage varies depending on actuarial factors that apply to each individual. For example, assume Employer Z above also requires each employee to have long-term disability coverage. In Employer Z's case, the actual cost of disability coverage will vary from individual to individual. In that case, Employer Z would also deduct the actual cost of the required disability coverage, individual by individual, when determining IPERS-covered wages. Uniformity is not destroyed if an employer has two groups of employees who, as a result of collective bargaining, have differing entitlements to employer contributions. For example, Employer Y has a contract that provides \$3,500 to each employee to purchase benefits under the Section 125 plan. Every employee may take all the cash by waiving participation in the plan, or may use all or part of the employer contributions to the Section 125 plan. In the collective bargaining process, a new contract is adopted which states that the employer will still provide \$3,500 to each employee to purchase benefits under the Section 125 plan. However, under the new contract, persons who waived participation before April 15 may still waive participation in the plan and take all the cash, but persons who did not waive participation and those hired after April 15 must have single coverage costing \$1,700. Employer Y would be treated as having two groups of employees with different elective employer contribution amounts. The grandfathered group (employees who waived participation before April 15) would have covered wages of \$3,500, and the group consisting of those who did not waive participation before April 15 and new employees would have covered wages of \$1,800.

6.5(5) Highly compensated employee test. Under Iowa Code chapter 97B employer contributions must not discriminate in favor of highly compensated employees (HCEs). For purposes of this subrule, an HCE is an employee who has reported wages and tips subject to Medicare tax in excess of the IRC Section 414(q) limit then in effect. IPERS applies the HCE limitation as follows. If elective employer contributions are made available to HCEs, the total elective employer contributions made available to the HCE group cannot exceed 25 percent of the total elective employer contributions made available under the Section 125 plan to all employees, including the HCEs. If the elective employer contributions available to the HCE group exceed the 25 percent limit (or if it is determined that the Section 125 plan discriminates in favor of HCEs under other IRS rules), elective employer contributions for HCEs cannot exceed the highest amount available to a nonexecutive coverage group of employees covered under such plan. The general application of these principles is illustrated below, using the 2002 IRC Section 414(q) dollar limit of \$90,000.

Employer W has a Section 125 plan that provides elective employer contributions totaling \$7,000 to executive staff, \$4,500 to teaching staff, and \$3,500 to support staff. There are no other limits or exclusions that apply. These amounts are treated as covered wages for each member of each group, provided that the total amount of contributions made available to HCEs does not exceed 25 percent of the total elective employer contributions for all employees covered under the plan. If elective employer contributions for the executive staff totaled \$70,000, and total elective employer contributions for the remainder of the staff totaled \$500,000, the HCE percentage of total elective employer contributions would be 12 percent (\$70,000 divided by \$570,000), and all elective employer contributions would be treated as covered wages for all groups. However, if elective employer contributions for the executive staff totaled \$70,000, and elective employer contributions for the remainder of the staff totaled \$200,000, the HCE percentage would be 26 percent (\$70,000 divided by \$270,000), and HCEs' elective employer contributions would be limited to \$4,500 per HCE for covered wage purposes.

6.5(6) Elective employer contributions limited to dual coverage employees. In some cases, a Section 125 plan provides for what appear to be mandatory employer contributions for health plan coverage, but the terms of the Section 125 plan permit dual coverage employees to waive coverage and receive the employer contributions in cash, if the employee can prove coverage under another health care plan. IPERS will continue to treat the full amount of employer contributions in such cases as not being IPERS-covered wages, even though individual employees with the described dual coverage may actually receive the employer contribution in cash.

[ARC 8929B, IAB 7/14/10, effective 6/21/10; ARC 9068B, IAB 9/8/10, effective 10/13/10; ARC 2402C, IAB 2/17/16, effective 3/23/16; ARC 4337C, IAB 3/13/19, effective 4/17/19]

495—6.6(97B) Corrections of overpayments and underpayments of contributions and benefits caused by misreporting of covered wages. IPERS uses the following guidelines in requiring corrections of overpayments and underpayments of contributions caused by misreported wages or IPERS-covered service. Corrections are made for all current employees omitted in error, active, retired, and inactive members, subject to the following limitations:

6.6(1) If employer and employee contributions were underreported, IPERS files wage adjustments and bills employers for all shortages of employer and employee contributions plus interest. Employers are entitled to collect reimbursement for the employee share of contributions as provided in Iowa Code section 97B.9. If retirement benefits have been underpaid as a result of the error, IPERS, makes the appropriate adjustments and pays all back benefits upon receipt of the contribution shortage.

6.6(2) If employer and employee contributions were overreported, IPERS files wage adjustments and credits the appropriate contribution amounts to employers for distribution to the respective employee and employer contributors. If the reporting error caused an overpayment of retirement benefits, IPERS may offset excess contributions received against overpayments and will request a repayment of the remainder of the overpayment, if any, from the recipient.

Wage adjustments, overpayments and underpayments, and unintentional reporting errors are determined as of the onset of the error. Notwithstanding the foregoing adjustment and collection standards, IPERS reserves the right to negotiate adjustments with individual employers in special situations, and no negotiated settlement with an employer constitutes a waiver of this rule or a binding precedent for other employers.

[ARC 4337C, IAB 3/13/19, effective 4/17/19]

These rules are intended to implement Iowa Code sections 97B.1A(26), 97B.9, 97B.11, 97B.14 and 97B.14A.

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[Filed ARC 6949C (Notice ARC 6823C, IAB 1/11/23), IAB 3/8/23, effective 4/12/23]

CHAPTER 7
SERVICE CREDIT AND VESTING STATUS
[Prior to 11/24/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—7.1(97B) Service credit.

7.1(1) General.

~~a. A member shall receive membership service credit for service rendered after July 4, 1953. Service is counted to the complete quarter calendar year. A calendar year shall not include more than four quarters.~~

b. From July 4, 1953, through June 30, 1965, a member received one quarter of membership service, as defined under Iowa Code section 97B.1A(15), credit for each quarter in which the member's covered wages totaled at least \$200. From July 1, 1965, through June 30, 1992, a member received one quarter of service credit for each quarter in which the member's covered wages totaled at least \$300. For quarters beginning July 1, 1992, and later, a member ~~shall~~ receives one quarter of service credit for each calendar quarter in which at least \$1 of covered wages is reported.

c. Notwithstanding paragraph 7.1(1) "b" above, a member who is on an unpaid leave of absence and who during the period covered by the unpaid leave performs services for the covered employer granting the unpaid leave ~~shall~~does not receive service credit for such services until the employer has reported \$1,000 in each of two consecutive quarters included in the unpaid leave period, and such service credit ~~shall~~be granted only with respect to quarters beginning after said two consecutive quarters.

d. A nonvested member who terminates covered employment prior to attaining the age of 55, but who has covered wages in the year in which the member attains the age of 55 ~~shall~~be treated as a vested member.

e. Notwithstanding paragraph 7.1(1) "d" above, effective July 1, 2012, a nonvested member who is not vested by age as of June 30, 2012, can only become vested by age if the member terminates employment at age 65 or older while in covered employment.

7.1(2) Service credit for persons employed by institutions operating on a nine-month basis. An employee working in a position for a school district or other educational institution which operates on a nine-month basis ~~shall~~ receives credit for the third quarter when covered wages are reported in the second and fourth quarters. A member who was on an approved leave of absence in the second quarter, but who has service credit for that quarter, whether by operation of law or through a service purchase, and who returns to work in the fourth quarter immediately following ~~shall~~ also receives credit for the missing third quarter. In order for the member to receive this service credit, the quarters before and after the third quarter must be reported for the same occupation class code.

7.1(3) Approved leave periods.

a. ~~Effective July 1, 1998, a member's service is not deemed interrupted while a member is on a leave of absence that qualifies for protection under the Family and Medical Leave Act of 1993 (FMLA), or would qualify but for the fact that the type of employment precludes coverage under the FMLA, or during the time a member is engaged in military service for which the member is entitled to receive credit under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) (38 U.S.C. Sections 4301 to 4333).~~

~~b. Reentry into public employment by an employee on military leave can be achieved if the individual accepts employment with a covered employer. Reemployment may begin anytime within 12 months of the individual's discharge from military service or, if longer, within the period provided under USERRA. Upon reemployment the member shall receive credit for all service to which the member is entitled pursuant to USERRA.~~

Commented [AE1]: Propose deleting and relying on definition of "Membership service" in Iowa Code section 97B.1A(15).

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Commented [AE3]: Propose deleting and relying on Iowa Code section 97B.1A(20). Reduces word count with reference in next paragraph.

Notwithstanding any provision of Iowa Code chapter 97B or these rules to the contrary, contributions, benefits and service credit with respect to qualified military service defined under Iowa Code section 97B.1A(20)(a) will be provided in accordance with Internal Revenue Code Section 414(u).

For reemployments initiated on or after December 12, 1994, a member ~~shall be~~ is treated as receiving compensation for each quarter during the member's period of military service equal to the compensation that the member would have received but for the period of military service, as certified by the member's employer on forms supplied by IPERS. ~~The IPERS takes the~~ member's deemed compensation during the period of military service ~~shall be taken~~ into consideration in determining a member's make-up contributions, if any, and the member's high three-year average covered wage.

For reemployments initiated on or after December 12, 1994, following a military leave described in this subrule 7.1(3), make-up contributions ~~shall bear~~ are permitted with respect to employee contributions that would have been made during the period of military service if the member had actually been in covered employment during the period earning the deemed compensation provided for under this subrule 7.1(3). Make-up contributions ~~shall bear~~ are permitted during the five-year period that begins on the date of reemployment or, if less, a period equal to three times the period of military service.

The member shall request the foregoing make-up contributions (except contributions for periods prior to January 1, 1995, which ~~shall bear~~ are made as posttax contributions) on forms to be filed with the employer, which shall forward a copy to IPERS the system. Make-up contributions ~~shall bear~~ are made as pretax contributions under Internal Revenue Code Section 414(h)(2). Employers must comply with a member's request to begin make-up contributions during a period not exceeding that described in the preceding paragraph and shall forward said amounts to IPERS the system in the same manner as provided for pick-up contributions under Iowa Code section 97B.11A. An election to make up employee contributions under this subrule ~~shall be~~ is irrevocable.

c. Effective for leaves of absence beginning on or after July 1, 1998, an eligible member must make contributions to IPERS the system in order to receive service credit for the period of the leave (except for leaves under paragraphs "a" and "b" above).

d. Reentry into public employment by an employee on a leave of absence under paragraphs "a" and "b" can be achieved by the employee by accepting employment with any public employer, provided that any interruption between the end of the period of leave of absence and reentry into public employment meets the requirements of the FMLA, USERRA and this subrule 7.1(3).

e. Credit for a leave of absence ~~shall not be~~ is not granted and cannot be purchased for any time period which begins after or extends beyond an employee's termination of employment as certified by the employer. This includes a certification of termination of employment made by an employer on a refund application. Employers ~~shall bear~~ are required to certify all leaves of absence for which credit is being requested using an affidavit furnished by IPERS and accompanied by a copy of the official record(s) which authorized the leave of absence. The provisions of this subrule denying credit for leaves of absence in cases in which the member takes a refund ~~shall do~~ not apply to employees who were on leaves of absence that began before November 27, 1996, and took a refund before such date. The provisions of the subrule requiring employers to certify all leaves of absence using an affidavit furnished by IPERS ~~shall apply~~ to all requests for leave of absence credit filed after November 27, 1996, regardless of when the leave of absence was granted.

f. Effective July 1, 2008, free service credit will be given in the calculation of death benefits for members who served military duty and met ~~the following conditions:~~

~~(1) Served in a combat zone or hazardous duty area;~~

- ~~(2) Sustained a service related injury or disease that prevented the member from returning to IPERS covered employment, and~~
- ~~(3) Died of the service related injury or disease within two years after suffering the injury or disease definition provided under Iowa Code section 97B.1A(20)(a).~~

[ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 4337C, IAB 3/13/19, effective 4/17/19]
495—7.2(97B) Vesting status.

Commented [AE4]: Propose deleting and replacing with citation to Iowa Code section to reduce wordcount.

7.2(1) General.

a. Effective July 1, 1990, through June 30, 2005, a member achieves vested status when the member has served and made contributions in 16 or more quarters of IPERS covered employment or attains the age of 55. The IPERS may determine the vested status of a member, as defined in Iowa Code section 97B.1A(25), may also be determined when the member's contribution payments cease. At that time, IPERS a comparison of compares the membership date and termination date will be made. If service sufficient to indicate vested status is present, after any periods of interruption in service have been taken into consideration, IPERS considers the member shall be considered a vested member. All vested members receive all the rights and benefits of a vested member in IPERS until or unless the member files for a refund of accumulated contributions.

b. Effective July 1, 2005, a terminated nonvested member who has not attained the age of 55 shall does not become vested upon attainment of the age of 55 while an inactive member. However, a member who terminates before attaining the age of 55 who has covered wages in the calendar year when the member terminates and the member attains the age of 55 in that year shall becomes vested, even if the member has less than 16 quarters of service credit on file at termination.

c. Effective July 1, 2012, vesting by age and vesting by service shall beis determined as provided in Iowa Code section 97B.1A(25) "a" through "d." A member who is vested by age or by service as of June 30, 2012, shall remains vested following the implementation of new vesting requirements on July 1, 2012.

7.2(2) Inactive members who become vested due to a statutory reduction in years. Effective July 1, 1988, an inactive member who had accumulated, as of the date of the member's last termination of employment, years of membership service equal to or exceeding the years of membership service specified in this rule for qualifying as a vested member on the date of termination shall be meeting the requirements in Iowa Code section 97B.1A(25)(d)(5) is considered vested.

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7.2(3) Vesting upon complete or partial termination. In the case of a complete or partial termination of this fund, any affected member shall hasve a vested interest in the accrued benefit as of the date of such termination, to the extent such benefit is then funded.

7.2(4) Benefit nonforfeitable upon attaining normal retirement age. For purposes of compliance with the Internal Revenue Code and related guidance, the normal retirement benefit, which is the benefit calculated under Iowa Code sections 97B.49A through 97B.49D, is nonforfeitable upon attainment of normal retirement age, which: (1) prior to July 1, 2012, is age 55 or the completion of 16 quarters of IPERS covered employment, whichever is later; and (2) for members who are not vested under one of the methods under (1) on July 1, 2012, is age 65 or completion of 28 quarters of IPERS covered employment, whichever is later. The retirement benefit is subject to the provisions of Iowa Code section 97B.52A. This subrule does not is not to be construed as a reduction or limitation of reduce or limit rights heretofore existing, nor as an indication indicate that vested benefits would be forfeitable before attaining the stated age is attained.

7.2(5) Vesting at age 55 prior to July 1, 2012. IPERS shall interpret Under Iowa Code section 97B.1A(25) "a"(3) as follows: for periods prior to July 1, 2012, the phrase "has attained the age of fifty-five or greater while in covered employment" means "has attained the age of fifty-five or greater while an active member, as defined in Iowa Code section 97B.1A(3)".

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7.2(6) *Vesting after June 30, 2012.* For periods after June 30, 2012, the member becomes vested if the member meets one of the following requirements set forth in Iowa Code section 97B.1A(25)(a)(4).

- a. For a member in a special service, has attained the age of 55 or greater while in covered employment.
- b. For a member in regular service, has attained the age of 65 or greater while in covered employment.

The phrase "covered employment" means "active member" as defined by Iowa Code section 97B.1A(3).

[ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 4337C, IAB 3/13/19, effective 4/17/19]

These rules are intended to implement Iowa Code sections 97B.1A, 97B.1A(13), 97B.1A(20), 97B.1A(25), and 97B.43.

Commented [AE6]: Propose deleting and replacing with citation to Iowa code section to reduce wordcount.

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CHAPTER 7
SERVICE CREDIT AND VESTING STATUS
[Prior to 11/24/04, see 581—Ch 21]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

495—7.1(97B) Service credit.

7.1(1) General.

b. From July 4, 1953, through June 30, 1965, a member received one quarter of membership service, as defined under Iowa Code section 97B.1A(15), credit for each quarter in which the member's covered wages totaled at least \$200. From July 1, 1965, through June 30, 1992, a member received one quarter of service credit for each quarter in which the member's covered wages totaled at least \$300. For quarters beginning July 1, 1992, and later, a member receives one quarter of service credit for each calendar quarter in which at least \$1 of covered wages is reported.

c. Notwithstanding paragraph 7.1(1) "b" above, a member who is on an unpaid leave of absence and who during the period covered by the unpaid leave performs services for the covered employer granting the unpaid leave does not receive service credit for such services until the employer has reported \$1,000 in each of two consecutive quarters included in the unpaid leave period, and such service credit is granted only with respect to quarters beginning after said two consecutive quarters.

d. A nonvested member who terminates covered employment prior to attaining the age of 55, but who has covered wages in the year in which the member attains the age of 55 is treated as a vested member.

e. Notwithstanding paragraph 7.1(1) "d" above, effective July 1, 2012, a nonvested member who is not vested by age as of June 30, 2012, can only become vested by age if the member terminates employment at age 65 or older while in covered employment.

7.1(2) Service credit for persons employed by institutions operating on a nine-month basis. An employee working in a position for a school district or other educational institution which operates on a nine-month basis receives credit for the third quarter when covered wages are reported in the second and fourth quarters. A member who was on an approved leave of absence in the second quarter, but who has service credit for that quarter, whether by operation of law or through a service purchase, and who returns to work in the fourth quarter immediately following also receives credit for the missing third quarter. In order for the member to receive this service credit, the quarters before and after the third quarter must be reported for the same occupation class code.

7.1(3) Approved leave periods.

a.

Notwithstanding any provision of Iowa Code chapter 97B or these rules to the contrary, contributions, benefits and service credit with respect to qualified military service defined under Iowa Code section 97B.1A(20)(a) will be provided in accordance with Internal Revenue Code Section 414(u).

For reemployments initiated on or after December 12, 1994, a member is treated as receiving compensation for each quarter during the member's period of military service equal to the compensation that the member would have received but for the period of military service, as certified by the member's employer on forms supplied by IPERS. IPERS takes the member's deemed compensation during the period of military service into consideration in determining a member's make-up contributions, if any, and the member's high three-year average covered wage.

For reemployments initiated on or after December 12, 1994, following a military leave described in this subrule 7.1(3), make-up contributions are permitted with respect to employee contributions that would have been made during the period of military service if the member had actually been in covered employment during the period earning the deemed compensation provided for under this

subrule 7.1(3). Make-up contributions are permitted during the five-year period that begins on the date of reemployment or, if less, a period equal to three times the period of military service.

The member shall request the foregoing make-up contributions (except contributions for periods prior to January 1, 1995, which are made as posttax contributions) on forms to be filed with the employer, which shall forward a copy to IPERS. Make-up contributions are made as pretax contributions under Internal Revenue Code Section 414(h)(2). Employers must comply with a member's request to begin make-up contributions during a period not exceeding that described in the preceding paragraph and shall forward said amounts to IPERS in the same manner as provided for pick-up contributions under Iowa Code section 97B.11A. An election to make up employee contributions under this subrule is irrevocable.

c. Effective for leaves of absence beginning on or after July 1, 1998, an eligible member must make contributions to IPERS in order to receive service credit for the period of the leave (except for leaves under paragraphs "a" and "b" above).

d. Reentry into public employment by an employee on a leave of absence under paragraphs "a" and "b" can be achieved by the employee by accepting employment with any public employer, provided that any interruption between the end of the period of leave of absence and reentry into public employment meets the requirements of the FMLA, USERRA and this subrule 7.1(3).

e. Credit for a leave of absence is not granted and cannot be purchased for any time period which begins after or extends beyond an employee's termination of employment as certified by the employer. This includes a certification of termination of employment made by an employer on a refund application. Employers are required to certify all leaves of absence for which credit is being requested using an affidavit furnished by IPERS and accompanied by a copy of the official record(s) which authorized the leave of absence. The provisions of this subrule denying credit for leaves of absence in cases in which the member takes a refund do not apply to employees who were on leaves of absence that began before November 27, 1996, and took a refund before such date. The provisions of the subrule requiring employers to certify all leaves of absence using an affidavit furnished by IPERS applies to all requests for leave of absence credit filed after November 27, 1996, regardless of when the leave of absence was granted.

f. Effective July 1, 2008, free service credit will be given in the calculation of death benefits for members who served military duty and met definition provided under Iowa Code section 97B.1A(20)(a).

[ARC 8601B, IAB 3/10/10, effective 4/14/10; ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 4337C, IAB 3/13/19, effective 4/17/19]
495—7.2(97B) Vesting status.

Commented [AE1]: Propose deleting and replacing with citation to Iowa Code section to reduce wordcount.

7.2(1) General.

a. IPERS may determine the vested status of a member, as defined in Iowa Code section 97B.1A(25), when the member's contribution payments cease. At that time, IPERS compares the membership date and termination date. If service sufficient to indicate vested status is present, after any periods of interruption in service have been taken into consideration, IPERS considers the member a vested member. All vested members receive all the rights and benefits of a vested member in IPERS until or unless the member files for a refund of accumulated contributions.

b. Effective July 1, 2005, a terminated nonvested member who has not attained the age of 55 does not become vested upon attainment of the age of 55 while an inactive member. However, a member who terminates before attaining the age of 55 who has covered wages in the calendar year when the member terminates and the member attains the age of 55 in that year becomes vested, even if the member has less than 16 quarters of service credit on file at termination.

c. Effective July 1, 2012, vesting by age and vesting by service is determined as provided in Iowa Code section 97B.1A(25) "a" through "d." A member who is vested by age or by service as of June 30, 2012, remains vested following the implementation of new vesting requirements on July 1, 2012.

7.2(2) Inactive members who become vested due to a statutory reduction in years. Effective July 1, 1988, an inactive member meeting the requirements in Iowa Code section 97B.1A(25)(d)(5) is considered vested.

Commented [AE2]: Propose deleting and replacing with citation to Iowa Code section to reduce wordcount.

7.2(3) Vesting upon complete or partial termination. In the case of a complete or partial termination of this fund, any affected member has a vested interest in the accrued benefit as of the date of such termination, to the extent such benefit is then funded.

7.2(4) Benefit nonforfeitable upon attaining normal retirement age. For purposes of compliance with the Internal Revenue Code and related guidance, the normal retirement benefit, which is the benefit calculated under Iowa Code sections 97B.49A through 97B.49D, is nonforfeitable upon attainment of normal retirement age, which: (1) prior to July 1, 2012, is age 55 or the completion of 16 quarters of IPERS covered employment, whichever is later; and (2) for members who are not vested under one of the methods under (1) on July 1, 2012, is age 65 or completion of 28 quarters of IPERS covered employment, whichever is later. The retirement benefit is subject to the provisions of Iowa Code section 97B.52A. This subrule does not reduce or limit rights heretofore existing, nor indicate that vested benefits would be forfeitable before attaining the stated age.

7.2(5) Vesting at age 55 prior to July 1, 2012 Under Iowa Code section 97B.1A(25) "a"(3) for periods prior to July 1, 2012, the phrase "has attained the age of fifty-five or greater while in covered employment" means "has attained the age of fifty-five or greater while an active member, as defined in Iowa Code section 97B.1A(3)".

7.2(6) Vesting after June 30, 2012. For periods after June 30, 2012, the member becomes vested if the member meets the requirements set forth in Iowa Code section 97B.1A(25)(a)(4).

[ARC 0017C, IAB 2/22/12, effective 3/28/12; ARC 4337C, IAB 3/13/19, effective 4/17/19]

These rules are intended to implement Iowa Code sections 97B.1A, 97B.1A(13), 97B.1A(20), 97B.1A(25), and 97B.43.

Commented [AE3]: Propose deleting and replacing with citation to Iowa code section to reduce wordcount.

[Filed 11/5/04, Notice 9/15/04—published 11/24/04, effective 12/29/04]

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[Filed ARC 8601B (Notice ARC 8477B, IAB 1/13/10), IAB 3/10/10, effective 4/14/10]

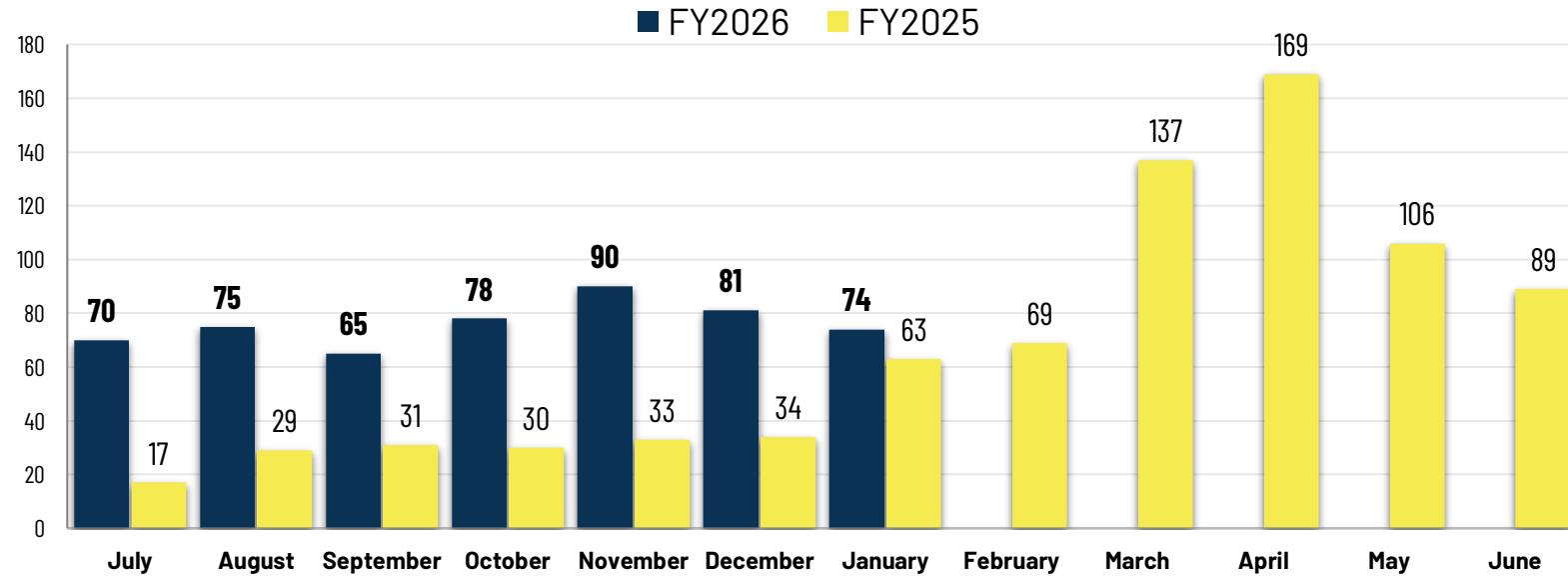
[Filed ARC 0017C (Notice ARC 9951B, IAB 12/28/11), IAB 2/22/12, effective 3/28/12]

[Filed ARC 4337C (Notice ARC 4238C, IAB 1/16/19), IAB 3/13/19, effective 4/17/19]

Member Demand Measures	Current Month	FY to Date 2025	Same Month Last Year	FY to Date 2024
Benefits Counseling				
Number counseled at IPERS' Office	203 (w/ walk-ins)	970 (w/ walk-ins)	78	557
Number Counseled throughout the State	88	570	74	498
Number of estimates prepared	1772	10753	1547	11343
Retired Death Benefits				
Number of reported deaths	422	2114	354	2116
Amount paid in IPERS death benefits	\$719,410.62	\$7,924,911.67	\$2,341,379.81	\$8,056,862.74
Number of beneficiaries paid	112	847	304	909
Average death benefit paid	\$6,423.31	\$9,356.45	\$7,701.91	\$8,863.44
Active Death Benefits				
Number of reported deaths	62	351	59	254
Amount paid in IPERS death benefits	\$1,438,722.12	\$11,068,964.54	\$2,097,631.75	\$8,867,263.82
Number of beneficiaries paid	29	201	59	174
Average death benefit paid	\$49,611.11	\$55,069.48	\$35,553.08	\$50,961.29
Retirement Benefits				
Amount paid in IPERS retirement benefits	\$233,087,779.55	\$1,398,915,513.87	\$224,864,409.41	\$1,348,790,156.28
Number of IPERS retirees	139812	N/A	137886	N/A
Number of IPERS disability retirees	3,927	N/A	4016	N/A
Number of new retirees added to payroll	243	2816	232	2699
Average monthly benefit	\$1,667.15	N/A	\$1,630.80	N/A
Average years of service for retirees	22.76	22.77	22.76	22.77
Refunds				
IPERS refund requests paid	432	3055	325	2808
Total paid as refunds (supplementary refunds)	\$6,332,829.97 \$10,393.95	\$44,989,800.35 \$177,148.51	\$4,431,191.98 \$65,339.32	\$37,553,643.45 \$665,998.96
Average refund paid	\$14,659.33	\$14,726.61	\$13,634.44	\$13,373.80
Average refunded years of service	4.48	4.37	4.23	4.33
Amount of retired reemployed refunds	\$652,654.15	\$5,028,321.49	\$483,515.17	\$4,788,495.55
Number of retired reemployed refunds	27	365	46	323
Service Purchases				
Paid service purchases	3	34	4	35
Totals paid in service purchases	\$144,069.65	\$1,898,784.49	\$179,351.61	\$1,913,810.58
Average service purchase	\$48,023.22	\$55,846.60	\$44,837.90	\$54,680.30
Average years purchased	2.25	4.21	4.44	4.06
Miscellaneous Information				
Phone calls logged by staff	7,330	45,077	5,882	37,021
Statement of account requests	25	174	25	212
Direct deposit additions/changes	1,459	8,442	1,166	7,584
Outside of office presentations	1	18	3	21
Outside of office attendees	41	705	99	1,131
Actuarial equivalent	32	239	28	251
Gross actuarial equivalents totals paid	\$68,602.51	\$639,834.58	\$75,240.16	\$602,094.43
Age 70 notifications	906	5431	865	5178
Retirees with adjustments	100	2101	167	1732
Number of emails received	1,337	10,159	1,257	7,631

IPERS ONLINE REITERMENT APPLICATIONS THROUGH JANUARY 19, 2026

Online Retirement Applications Submitted by Month vs Previous FY



The bar chart above shows the number of unique individuals who submitted an online retirement application each month, by fiscal year.

Month	FY2026 Submissions	FY2025 Submissions	FY Change
July	70	17	53
August	75	29	46
September	65	31	34
October	78	30	48
November	90	33	57
December	81	34	47
January	74	63	11

The table above compares the online retirement applications of each month from July 2025 to January 2026 versus the same month of the previous year. In the first six full months of FY2026, there were more than double the number of online retirement applications (459) compared to the same timeframe in FY2025 (174). Note that the most recent January number only goes through January 19, 2026.

January 2026 Appeal Status Report for Benefits Advisory Committee

545-20	POA of deceased Member disputes IPERS' attempts to collect overpayment and denies overpayment is a “result of wrong doing, negligence, misrepresentation, or omission of the recipient.”	Initial appeal received 07/08/2020. Letter of receipt mailed to POA at home address, prison address, and attorney's office per POAs request, 07/13/2020. POA passed away in November 2020. Criminal case against POAs spouse is still ongoing. Criminal case against POAs spouse not being pursued by county attorney—advised IPERS to proceed in civil court. Outside counsel has been retained by IPERS to proceed in trying to collect overpayment from POAs spouse. Case filed in probate in Utah on 07/27/2021. Hearing is scheduled on 08/30/2021. Hearing is scheduled on 11/04/2021. Civil suit has been filed against the Estate and the POAs spouse. Mediation has been scheduled for August 24, 2022. Mediation was held—no resolution reached. Civil case was filed August 26, 2022. Trial currently scheduled for end of September 2023. Trial was continued, depositions scheduled for November 2023. Depositions completed. 02/06/2024 both cases will be combined and heard by the same judge. Trial scheduled for April 1-3, 2025. Trial rescheduled for October 2025. In November 2025, IPERS received payment in full of the overpayment, trial canceled. DONE
589-25	Member appealing years of service – 5 year period misclassified as an independent contractor	Initial appeal received 08/18/2025. Appeal acknowledgment letter sent 08/18/2025. FAD issued 9/5/2025 denying appeal. Appeal of FAD received 10/02/2025. Hearing scheduled for January 23, 2026.
590-25	Member appealing award amount due to incorrectly reduced IPERS contributions by former employer	Initial appeal received 08/18/2025. Appeal acknowledgment letter sent 08/18/2025. FAD issued 9/5/2025 denying appeal. No appeal of FAD received. Letter to Member re FAD final & binding on 11/03/25. DONE
591-25	Employer appealing denial as qualified entity	Appeal received 08/21/2025. Acknowledgment letter sent 08/27/2025. FAD issued 10/09/2025 granting appeal. DONE
592-25	Member's spouse appealing contingent annuitant designation.	Appeal received 09/25/2025. Acknowledgment letter sent 10/01/2025. FAD issued 10/03/2025 denying appeal. No appeal of FAD received. Letter to Member's spouse re FAD final & binding on 11/04/25. DONE
593-25	Member appealing option selection at retirement	Appeal received 11/03/25. Acknowledgment letter sent 11/03/2025. FAD issued 11/17/2025 denying appeal. No appeal of FAD received. Letter to Member re FAD final & binding on 01/14/2026. DONE

IPERS' Appeal Process. An IPERS member or beneficiary can appeal a decision that impacts their rights. Typically, an **initial appeal** is filed after IPERS makes an “**initial agency decision**” on some matter. Pursuant to Iowa Code chapter 97B, each **initial appeal** is routed through an **internal review** process. During this **internal review**, IPERS' staff conduct a thorough review of the facts and law surrounding the **initial appeal**. Frequently, this review includes gathering additional information and may include further discussions with the appellant. Once the **initial review** is finished, a **Final Agency Determination (FAD)** is issued. The **FAD** can affirm, modify, or rescind the **initial agency decision**. The **FAD** is sent to the appellant who has the opportunity to appeal the **FAD**. If the **FAD** is appealed, IPERS transfers the case to the **Department of Inspections, Appeals, & Licensing** for assignment of an administrative law judge to hold a **contested case hearing**. After the **contested case hearing** is held and the administrative law judge issues a **proposed agency decision**, IPERS or the appellant can appeal the **proposed agency decision** to the **Employment Appeal Board (EAB)**. The **EAB** reviews the records and **proposed agency decision**. The **EAB** issues its own opinion that can affirm, deny, or modify the **proposed agency decision**. If IPERS or the appellant are unsatisfied with the **EAB's** decision, then a **Petition for Judicial Review** can be filed. Ultimately, IPERS or the appellant can appeal all the way to the **Iowa Supreme Court**.

2026

JANUARY						
S	M	T	W	T	F	S
			1	2	3	
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

FEBRUARY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

MARCH						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

APRIL						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

MAY						
S	M	T	W	T	F	S
				1	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

JUNE						
S	M	T	W	T	F	S
			1	2	3	4
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

JULY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

AUGUST						
S	M	T	W	T	F	S
					1	
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

SEPTEMBER						
S	M	T	W	T	F	S
			1	2	3	4
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER						
S	M	T	W	T	F	S
			1	2	3	
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

DECEMBER						
S	M	T	W	T	F	S
			1	2	3	4
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

BAC Meetings

January

1/26/26 - BAC Meeting

February

2/23/26 - BAC Meeting

March

3/30/26 - BAC Meeting

August

8/24/26 - BAC Meeting

October

10/26/26 - BAC Meeting

December

12/4/26 - Investment Board & BAC Mtg
(Actuarial Valuation Presentation)