

# The LATEST WORD

Iowa Public Employees' Retirement System  
June 2020

## News and Announcements

### REMINDER: New Occupation Class Code for Licensed Teachers

Effective July 1, 2020, all public school employers, K-12 and AEAs, should use a new Occupation Class Code (OCC) of 28 to report licensed teachers under Iowa Code chapter 272. Administrators and Support Staff should continue to be reported under OCC 11. Please begin using this new code starting with your July 2020 wage report but no later than the December 2020 wage report. For additional information, please see [Employer Bulletin 2020-4](#) or [contact us](#).

### COVID-19: Governor Signs Proclamation to make it Easier for Some IPERS Retirees to Return to Work

On March 26, 2020 Governor Reynolds signed a proclamation that allows some Iowans who retired from IPERS-covered employment to return to work more readily. This proclamation, which tentatively expires on June 25, 2020, waives the time period before these retirees can return to IPERS-covered employment and removes the limitation on annual earnings during their reemployment for this declared emergency period. For additional information, see [Employer Bulletin 2020-6](#) or [contact us](#).

### Retired School Personnels' Participation in Postponed Commencement Ceremonies

On May 26, Governor Reynolds issued a proclamation that allows retired school personnel to participate in rescheduled commencement ceremonies as an unpaid volunteer without violating the provisions of a bona fide retirement and without risk to the former school employee's retirement benefits. Read section 18 of the full proclamation [here](#).

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## Training and Education

### Dual Employment

Dual Employment occurs when one employee holds two positions with the same employer. For example, a temporary employee begins a permanent position, as well. In this situation, even if the temporary position is not typically IPERS-covered, you should report all wages the employee earns. This also applies if you have a permanent employee who begins a temporary position. NOTE: This does not apply to adjunct instructors at community colleges or to referee services.

Additionally, the two positions may have separate occupation codes, as is the case with firefighters. Firefighters are subject to IPERS coverage under the Protection Class withholding rates using Occupation Class Code 13.

Example: A city employs a permanent maintenance person. A few months later, that same employee also becomes a firefighter for the city. Typically a volunteer firefighter would need to qualify for coverage. However, because this person is already an employee of the city, any additional wages would also be covered. The wages earned as a maintenance person would be reported under Occupation Class Code 01, and the wages earned as a firefighter would be reported under Occupation Class Code 13. Wages mean all remuneration paid, regardless of the wage type (salary, hourly or per call).

### Bona Fide Retirement

#### Administrative Rule Change Reminder

During the bona fide retirement period, IPERS-covered employers cannot allow a former employee to work as an independent contractor. A verbal or written arrangement to work as an independent contractor cannot be made until after the former employee has received at least one IPERS benefit payment.

#### Returning to Work after Retirement

After retirement, many IPERS retirees go back to work with an IPERS-covered employer and continue to receive IPERS retirement benefits. Iowa law governs the circumstances under which this allowed. As a reporting official, you should know the regulations associated with a retiree's return to work. Use the new information sheets on [Returning to Work](#) and [Bona Fide Retirement](#) as a resource for you and your employees.

## Compliance Tips

Remember that new contribution rates will take effect on July 1. You can always view the current fiscal year contribution rate and next fiscal year's contribution rate on [our website](#).

| Membership Group       | Fiscal Year 2021 Rate (7/1/20 - 6/30/21)                      |
|------------------------|---|
| Regular                | Member share: 6.29%<br>Employer share: 9.44%<br>Total: 15.73% |
| Sheriffs and Deputies  | Member share: 9.26%<br>Employer share: 9.26%<br>Total: 18.52% |
| Protection Occupations | Member share: 6.41%<br>Employer share: 9.61%<br>Total: 16.02% |

## Independent Contractors

Employers often ask how to determine whether someone is an independent contractor or an employee. Independent contractors are not employees, so they are not eligible for IPERS coverage. The guidelines below can help you consistently decide who is an employee and who is an independent contractor.

#### Is an Independent Contractor when he or she...

- Has an established business that offers defined services
- Offers services to multiple customers or clients
- Was hired to work for you through a normal bid process
- Has substantial control over how services are provided

#### Is NOT an Independent Contractor when he or she...

- Performs work only for you
- Does not operate under a business name
- Is subject to substantial control by your organization over how services are provided

- Does not promote his/her services
- Is a teacher or superintendent
- Is a city council member, city clerk or other public official
- Is performing an essential governmental function

IPERS may review an employer's decision to designate a worker as an employee or an independent contractor either during a compliance review or at the request of the worker or another person or group. In this situation, IPERS will ask you and the worker to complete a Worker Status Determination form and supply supporting documentation of the relationship. The Worker Status Determination form helps determine employment status for IPERS' purposes only.

## Employees of Fewer than Six Months

Employers may file wage adjustments to recoup contributions for a permanent employee terminated before working six months. However, employers cannot file wage adjustments for temporary employees who qualified for coverage and subsequently left before working six months.

IPERS must verify both the employment status and length of service before approving wage adjustments. To help with this verification, please update a terminated member's employment record in I-Que (View /Update Member Information section) with the termination date and last paid date. Please note the hired date should be the actual date of hire and not the date of qualification for IPERS' coverage.

## Keep I-Que Records Current

IPERS wants to share important news and information with our members. Thank you for encouraging employees to maintain accurate contact information, both with you and with IPERS.