

## HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	House File 1023 (HF 967/HSB 265)	House Committee:	<b>PASSED</b> March 6 (20-1)
Committee:	State Government/Ways and Means	House Ways:	<b>PASSED</b> April 16 (24-0)
Floor Manager:	Representative Nordman	House Floor:	
Date:	April 24, 2025	Senate Floor:	
Staff:	Jason Covey (1-3626)	Governor:	

### IPERS Protection Occupation Benefits

- Provides protection occupation retirees the ability to retire at the age of 50 if they have 22 years of eligible service.
- Provides annual COLA for retirees who are 55 years or older and have 22 years of service. The COLA is an additional 1.5% and retirees who receive a COLA are ineligible to receive retirement dividends.
- Increases the percentage used to calculate a member's benefit by 5/8% for each quarter of service beyond 22 years of service, not to exceed and additional 12%.
- **FISCAL NOTE:** A 7.10% increase to the contribution rate changes it from 15.52% to 22.62% and the increase would be split between employer (2.00%) and employee (5.10%) and is estimated to increase costs by approximately \$10.3 million for the employer, and \$26.2 million for the employee group or \$3,400 per employee.

### Section by Section Analysis

#### Section 1 – Contributions by employer and employee (Iowa Code 97B.11(3)(1))

Conforming changes to reflect section 2.

#### Section 2 – Contributions by employer and employee (Iowa Code 97B.11(4))

Changes the contribution rates for members who receive the enhanced benefits of this bill to 50% employee/50% employer.

Clarifies that to receive the enhanced benefits the member must retire as a member of the Protection Occupation Service.

#### Section 3 – Protection Occupation (Iowa Code 97B.49B(1)(a)(6))

Keeps the current applicable percentage for members who have retired before the enactment of this bill.

#### Section 4 – Protection Occupation (Iowa Code 97B.49B(1)(a)(7))

NEW SUBPARAGRAPH – Adds an additional 5/8 of percentage for each additional calendar quarter of eligible service after 22 years of service, not to exceed 12 additional percentage points.

#### Section 5 – Protection Occupation (Iowa Code 97B.49B(2))

Allows a member to retire under the age of 55 with 22 years of eligible service.

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Section 6 – Protection Occupation (Iowa Code 97B.49B(5))

NEW SUBSECTION – Provides an annual adjustment of allowance for any member who retires after July 1, 2025 of 1.5%. Retirees must have reached the age of 55 with 22 years of service to be eligible for an annual adjustment. Members who receive an annual adjustment are not eligible to receive to retirement dividends.