

IN THE SENATE

SENATE BILL NO. 1246

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1
2 RELATING TO BOARD OF EDUCATION OPTIONAL RETIREMENT PROGRAM; AMENDING SEC-
3 TION 33-107A, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE BOARD'S
4 OPTIONAL RETIREMENT PROGRAM, TO ALLOW CERTAIN EMPLOYEES A ONETIME ELEC-
5 TION TO REMAIN MEMBERS OF A CERTAIN RETIREMENT PROGRAM, AND TO MAKE
6 TECHNICAL CORRECTIONS; AND DECLARING AN EMERGENCY AND PROVIDING AN EF-
7 FECTIVE DATE.

8 Be It Enacted by the Legislature of the State of Idaho:

9 SECTION 1. That Section 33-107A, Idaho Code, be, and the same is hereby
10 amended to read as follows:

11 33-107A. BOARD MAY ESTABLISH AN OPTIONAL RETIREMENT PROGRAM. (1) The
12 state board of education may establish an optional retirement program un-
13 der which contracts providing retirement and death benefits may be purchased
14 for ~~members of the teaching nonclassified staff and officers,~~ pursuant to
15 section 67-5303, Idaho Code, of the university of Idaho, Idaho state uni-
16 versity, Boise state university, Lewis-Clark state college and the office
17 of the state board of education who are hired on or after July 1, 1993; pro-
18 vided, however, that no such employee shall be eligible to participate in an
19 optional retirement program unless he would otherwise be eligible for mem-
20 bership in the public employee retirement system of Idaho.

21 (2) The state board of education is hereby authorized to provide for the
22 administration of the optional retirement program and to perform or autho-
23 rize the performance of such functions as may be necessary for such purposes.
24 The board shall designate the company or companies from which contracts are
25 to be purchased under the optional retirement program and shall approve the
26 form and contents of such contracts. In making the designation and giving
27 approval, the board shall consider:

28 (a) The nature and extent of the rights and benefits to be provided by
29 such contracts for participants and their beneficiaries;

30 (b) The relation of such rights and benefits to the amount of contribu-
31 tions to be made;

32 (c) The suitability of such rights and benefits to the needs of the par-
33 ticipants and the interests of the institutions in the recruitment and
34 retention of staff members; and

35 (d) The ability of the designated company to provide such suitable
36 rights and benefits under such contracts.

37 ~~(3) Elections to participate in an optional retirement program shall be~~
38 ~~as follows:~~

39 ~~(a) Eligible employees are:~~

40 ~~(i) Those faculty and nonclassified staff initially appointed or~~
41 ~~hired between July 1, 1990, and June 30, 1993; and~~

~~(ii) Those teaching staff and officers initially appointed or hired on or after July 1, 1993.~~

~~All eligible employees, except those who are vested members of the public employee retirement system of Idaho, shall participate in the optional retirement program.~~

~~(b) Vested members of the public employee retirement system of Idaho may make a one (1) time irrevocable election to remain a member of that retirement system. The election shall be made in writing, within sixty (60) days of the date of initial hire or appointment or the effective date of this act, whichever occurs later. It shall be filed with the administrative officer of the employing institution.~~

~~(c) An election by an eligible employee of the optional retirement program shall be irrevocable and shall be accompanied by an appropriate application, where required, for issuance of a contract or contracts under the program.~~

~~(d) The accumulated contributions of employees who make the one (1) time irrevocable election or are required to participate in the optional retirement program may be transferred by the public employee retirement system of Idaho to such qualified plan, maintained under the optional retirement program, as designated in writing by the employee.~~

(3) Nonclassified staff initially appointed or hired on or after July 1, 1993, shall participate in the optional retirement plan, except vested members of the public employee retirement system of Idaho, as defined in section 59-1302, Idaho Code. Nonclassified employees hired by the office of the state board of education on or after July 1, 2024, with previous credited service in the public employee retirement system of Idaho may make a onetime irrevocable election to remain a member of the public employee retirement system of Idaho. Such election shall be made in writing within sixty (60) days of initial hire or appointment and filed with the administrative officer of the employing institution or agency.

(4) (a) Each institution shall contribute on behalf of each participant in its optional retirement program the following:

(i) To the designated company or companies, an amount equal to nine and thirty-five hundredths percent (9.35%) of each participant's salary, reduced by any amount necessary, if any, to provide contributions to a total disability program provided either by the state or by a private insurance carrier licensed and authorized to provide such benefits, or any combination thereof, but in no event less than five percent (5%) of each participant's salary; and

(ii) To the public employee retirement system, an amount equal to one and forty-nine hundredths percent (1.49%) of salaries of members who are participants in the optional retirement program. This amount shall be paid until July 1, 2025, and is in lieu of amortization payments and withdrawal contributions required pursuant to chapter 13, title 59, Idaho Code.

(b) Each participant shall contribute an amount equal to six and ninety-seven hundredths percent (6.97%) of the participant's salary. Employee contributions may be made by employer ~~pick-up~~ pickup pursuant to section 59-1332, Idaho Code.

1 (c) Payment of contributions authorized or required under this subsec-
2 tion shall be made by the financial officer of the employing institution
3 to the designated company or companies for the benefits of each partici-
4 pant.

5 (5) Any person participating in the optional retirement program shall
6 be ineligible for membership in the public employee retirement system of
7 Idaho as long as he remains continuously employed in ~~any teaching staff posi-~~
8 ~~tion or as an officer with any of the institutions under the jurisdiction of~~
9 ~~the state board of education~~ a nonclassified position.

10 (6) A retirement, death or other benefit shall not be paid by the state
11 of Idaho or the state board of education for services credited under the
12 optional retirement program. Such benefits are payable to participants or
13 their beneficiaries only by the designated company or companies in accor-
14 dance with the terms of the contracts.

15 SECTION 2. An emergency existing therefor, which emergency is hereby
16 declared to exist, this act shall be in full force and effect on and after
17 July 1, 2024.