

Red Tape Review Rule Report (Due: September 1, 2025)

Department Name:	Dept. of Management	Date:	5/5/2025	Total Rule Count:	4
IAC #:	545	Chapter/ SubChapter/ Rule(s):	4	Iowa Code Section Authorizing Rule:	384
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

To establish basic obligations concerning allowable employee benefits and establishing the requirement that benefits be in the city budget.

Is the benefit being achieved? Please provide evidence.

Yes. There are no controversies concerning the rule.

What are the costs incurred by the public to comply with the rule?

None.

What are the costs to the agency or any other agency to implement/enforce the rule?

None.

Do the costs justify the benefits achieved? Please explain.

Yes. There are no costs, but it is important that benefits be defined to avoid confusion and ensure equal treatment of staff.

Are there less restrictive alternatives to accomplish the benefit? ☐ YES ☒ NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

No. The components of employee benefits must be identified, and the best place to do this is in this rule.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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The existing rule included some restrictive terms that could be removed, so the rule has been updated in this draft to address EO10 considerations.

RULES PROPOSED FOR REPEAL (list rule number[s]):

N/A

**CHAPTER 4
EMPLOYEE BENEFITS**

~~[Prior to 11/30/88, see City Finance Committee[230] Ch 4]~~

545—4.1(384) Definition. Employee benefits are defined as and limited to the following:

1. Employer's share of FICA (Federal Insurance Contribution Act).
2. Employer's share of IPERS (Iowa Public Employees' Retirement System).
3. Employer's share of police and fire retirement systems.
4. Employer's share of medical payments under Iowa Code chapters 410 and 411.
5. Retiree hospital/medical/prescription benefits pursuant to Iowa Code section 364.25.
6. Workers' compensation costs or insurance premiums.
7. Unemployment benefits.
8. Employer's share of employee benefit plan costs for employees and their dependents, which would include only:
 - Hospital/medical/prescription benefits;
 - Dental benefits;
 - Disability insurance benefits;
 - Life insurance benefits;
 - Long-term insurance benefits;
 - Vision benefits.
9. Deferred compensation programs for city managers, fire chiefs, and police chiefs who do not participate in either IPERS or the Municipal Fire and Police Retirement System of Iowa (MFPRSI).
10. Employee wellness programs that are a part of, or are included with, a hospital/medical/prescription benefit program or a health and fitness program for employees that is adopted by city council motion, resolution, ordinance or included in a document approved by the city council.
11. Employee assistance program providing free counseling for employees and their dependents.
12. Occupational Safety and Health Administration (OSHA) required tests (e.g., pulmonary and heart tests).
13. Regularly scheduled, city-required, post employment physicals for employees, police reserves and volunteer firefighters.

545—4.2(384) Mandatory procedures. These employee benefits ~~must~~ will be budgeted in the city general fund up to the tax rate limit of that fund with the excess being budgeted in the trust and agency fund for those employees being paid from the city general fund:

1. Employer's share of FICA under Iowa Code section 97C.10.
2. Employer's share of IPERS under Iowa Code section 97B.9.

545—4.3(384) Optional procedures. These employee benefits may be budgeted in either the city general or city trust and agency fund for those employees being paid from the city general fund.

1. Employer's share of police and fire pension and retirement systems under Iowa Code chapters 410 and 411.
2. Employer's share of medical payments under Iowa Code sections 410.18 and 411.15.
3. Retiree hospital/medical/prescription benefits pursuant to Iowa Code section 364.25.
4. Workers' compensation costs or insurance premiums.
5. Unemployment benefits.
6. Employer's share of employee benefit plan costs for employees and their dependents, which would include only:
 - Hospital/medical/prescription benefits;
 - Dental benefits;
 - Disability insurance benefits;

Life insurance benefits;
Long-term care insurance benefits;
Vision benefits.

7. Deferred compensation programs for city managers, fire chiefs, and police chiefs who do not participate in either IPERS or the Municipal Fire and Police Retirement System of Iowa (MFPRSI).

8. Employee wellness programs that are a part of, or are included with, a hospital/medical/prescription benefit program or a health and fitness program for employees that is adopted by city council motion, resolution, ordinance or included in a document approved by the city council.

9. Employee assistance program providing free counseling for employees and their dependents.

10. Occupational Safety and Health Administration (OSHA) required tests (e.g., pulmonary and heart tests).

11. Regularly scheduled, city-required post employment physicals for employees, police reserves and volunteer firefighters.

545—4.4(384) Budgeting—other than general fund and road use tax fund. The revenues and appropriations for employee benefits for those employees being paid from any fund other than the city general fund and the road use tax fund ~~shall~~ are to be budgeted in and paid from the fund from which the employee is being paid.

This rule is intended to implement Iowa Code section 384.15.

~~[Filed emergency 4/20/78 — published 5/17/78, effective 4/20/78]~~

~~[Filed 9/15/78, Notice 6/14/78 — published 10/4/78, effective 11/8/78]⁺~~

~~[Filed 1/18/79, Notice 12/13/78 — published 2/7/79, effective 3/14/79]~~

~~[Filed 11/3/88, Notice 5/4/88 — published 11/30/88, effective 1/4/89]~~

~~[Filed 10/25/06, Notice 8/16/06 — published 11/22/06, effective 12/27/06]~~

1. ~~+ ——— Effective date of 11/8/78 delayed 70 days by the Administrative Rules Review Committee. Delay suspended by ARRC, 11/14/78~~

****For rules being re-promulgated with changes, you may attach a document with suggested changes.***

METRICS

Total number of rules repealed:	0
Proposed word count reduction after repeal and/or re-promulgation	18
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	2

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

No.