

## CHAPTER 75

## PENSION SYSTEM. POLICEMEN AND FIREMEN

## S. F. 295

AN ACT to provide for the creation, maintenance and administration of a police retirement or pension system and/or a fire retirement or pension system in all cities of this state, including special charter cities and cities under the city manager form of government, that now or may hereafter have police and/or fire department employees appointed under civil service by requirement of law; providing for payments to such members of said forces who shall be appointed after the date this act takes effect, in said cities, and to certain dependents; defining the terms used in this act; providing names by which such systems shall be known; providing who shall be eligible to benefits and what benefits shall be payable; providing for the creation of boards of trustees to manage and administer such retirement systems and prescribing their powers, duties and mode of procedure; providing for the method of financing and the creation and disposition of certain funds; providing for contributions from members and appropriations by such cities to finance such retirement systems; providing that the payment of all pensions, annuities, retirement allowances, refunds and other benefits granted under the provisions of this act and all expenses of administration and operation of such retirement systems shall be obligations of the said cities; and providing for the exemption of benefits under such retirement systems from attachment, execution, garnishment or other legal process; all relating to retirement systems applicable only to civil service members of police and/or fire departments who shall be appointed to such forces after the date this act takes effect; also, to amend sections six thousand three hundred ten (6310), as amended by the Forty-fifth General Assembly, six thousand three hundred eleven (6311), six thousand three hundred fourteen (6314), six thousand three hundred sixteen (6316), six thousand three hundred eighteen (6318), and six thousand three hundred twenty-one (6321), all of the Code, 1931, and to repeal section six thousand three hundred twenty-three (6323), Code, 1931, and to enact a substitute therefor, all relating to pensions for disabled and retired firemen and policemen and civil service members of police and/or fire departments appointed prior to the date this act takes effect.

*Be it enacted by the General Assembly of the State of Iowa:*

## Division I. Creation of Retirement System

Creating retirement systems for policemen and firemen appointed as such after the date this act takes effect.

1 SECTION 1. Definitions controlling division I. The following words  
2 and phrases as used in division I of this act, unless a different mean-  
3 ing is plainly required by the context, shall have the following  
4 meanings:

5 1. "Retirement system" shall mean either the fire or the police  
6 retirement system of the said cities as defined in section 2 of this  
7 act.

8 2. "Policeman" or "policemen" shall mean only the members of  
9 a police department who have passed a regular mental and physical  
10 civil service examination for policeman, policewoman, or matron,  
11 and who shall have been duly appointed to such positions. Such  
12 members shall include patrolmen, patrolwomen, probationary patrol-  
13 men, matrons, sergeants, lieutenants, captains, detectives and other  
14 senior officers who are so employed for police duty.

15 3. "Fireman" or "firemen" shall mean only the members of a  
16 fire department who have passed a regular mental and physical civil  
17 service examination for fireman and who shall have been duly ap-  
18 pointed to such position. Such members shall include firemen,

19 probationary firemen, lieutenants, captains, and other senior officers  
20 who have been so employed for the duty of fighting fires.

21 4. "Member" shall mean a member of either the police or fire  
22 retirement systems as defined by section 3 of this act.

23 5. "He", "his", and all other terms in the masculine gender shall  
24 be considered to include the feminine gender.

25 6. "Board of fire trustees" and "board of police trustees" shall  
26 mean the boards provided in section 5 of this act to administer the  
27 fire retirement system and the police retirement system respectively.

28 7. "Medical board" shall mean the board of physicians provided  
29 for in section 5 of this act.

30 8. "Membership service" shall mean service as policemen or fire-  
31 men rendered since last becoming a member, or, where membership  
32 is regained as provided in this act, all of such service.

33 9. "Beneficiary" shall mean any person receiving a pension, an  
34 annuity, a retirement allowance or other benefit as provided by this  
35 act.

36 10. "Widow" shall mean only such surviving spouse of a mar-  
37 riage consummated prior to retirement of a deceased member from  
38 active service.

39 11. "Child" or "children" shall mean only surviving issue of a  
40 deceased active or retired member, or the child or children legally  
41 adopted by a deceased member prior to his retirement.

42 12. "Regular interest" shall mean interest at the rate of 4 per  
43 centum per annum, compounded annually.

44 13. "Accumulated contributions" shall mean the sum of all  
45 amounts deducted from the compensation of a member and credited  
46 to his individual account in the annuity savings fund together with  
47 regular interest thereon as provided in section 8 of this act.

48 14. "Earnable compensation" or "compensation earnable" shall  
49 mean the regular compensation which a member would earn during  
50 one year on the basis of the stated compensation for his rank or  
51 position.

52 15. "Amount earned" shall mean the amount of money actually  
53 earned by a beneficiary in some definite period of time.

54 16. "Average final compensation" shall mean the average earn-  
55 able compensation of the member during his last five years of service  
56 as a policeman or fireman, or if he has had less than five years of  
57 such service, then the average earnable compensation of his entire  
58 period of service.

59 17. "Annuity" shall mean annual payments for life derived from  
60 the accumulated contributions of a member. All annuities shall be  
61 payable in monthly instalments.

62 18. "Pensions" shall mean annual payments for life derived from  
63 appropriations provided by the said cities. All pensions shall be  
64 paid in equal monthly instalments.

65 19. "Retirement allowance" shall mean the sum of the annuity  
66 and the pension, or any benefits in lieu thereof granted to a member  
67 upon retirement.

68 20. "Annuity reserve" shall mean the present value of all pay-  
69 ments to be made on account of an annuity, or benefit in lieu of an  
70 annuity, granted under the provisions of this act, upon the basis of

71 such mortality tables as shall be adopted by the boards of trustees,  
72 and regular interest.

73 21. "Pension reserve" shall mean the present value of all pay-  
74 ments to be made on account of any pension, or benefit in lieu of a  
75 pension, granted under the provisions of this act, upon the basis of  
76 such mortality tables as shall be adopted by the boards of trustees,  
77 and regular interest.

78 22. "Actuarial equivalent" shall mean a benefit of equal value,  
79 when computed upon the basis of mortality tables adopted by the  
80 boards of trustees, and regular interest.

81 23. "City" and/or "cities" shall mean any city or cities in which  
82 fire and/or police retirement systems are established by this act,  
83 including special charter cities and cities under the city manager  
84 form of government.

85 24. "Superintendent of public safety" shall mean any elected city  
86 official who has direct jurisdiction over the fire and/or police depart-  
87 ment, or the city manager in cities under the city manager form of  
88 government.

1 SEC. 2. Name and date of establishment. In any city in which  
2 the firemen and/or policemen are or shall be appointed under the  
3 civil service law of this state, there are hereby created and estab-  
4 lished two separate retirement or pension systems for the purpose  
5 of providing retirement allowances only for firemen and/or police-  
6 men of said cities who shall be so appointed after the date this act  
7 takes effect, or benefits to their dependents. Each such system shall  
8 be under the management of a board of trustees hereinafter de-  
9 scribed, and shall be known as the "fire retirement system of . . .  
10 . . . . . (name of city)", and the "police  
11 retirement system . . . . . (name of city)", and  
12 by such names all of their business shall be transacted, all funds  
13 invested, and all cash and securities and other property held. The  
14 retirement systems so created shall begin operation as of the first  
15 day of the month in which said systems are there established by  
16 this act.

1 SEC. 3. Membership. 1. All persons who become policemen or  
2 firemen after the date such retirement systems are established by  
3 this act, shall become members thereof as a condition of their em-  
4 ployment. Such members shall not be required to make contribu-  
5 tions under any other pension or retirement system of city, county,  
6 or state of Iowa, anything to the contrary notwithstanding.

7 2. Should any member in any period of five consecutive years  
8 after last becoming a member, be absent from service for more than  
9 four years, or should he withdraw his accumulated contributions,  
10 or should he become a beneficiary or die, he shall thereupon cease  
11 to be a member.

1 SEC. 4. Service creditable. 1. The board of trustees shall fix  
2 and determine by proper rules and regulations how much service  
3 in any year shall be equivalent to one year of service, but in no case  
4 shall more than one year of service be creditable for all service in  
5 one calendar year, nor shall the board of trustees allow credit as

6 service for any period of more than one month's duration during  
7 which the member was absent without pay.

1 **SEC. 5. Administration.** 1. The general administration and the  
2 responsibility for the proper operation of the retirement systems  
3 and for making effective the provisions of this act are hereby vested  
4 in a board of fire trustees to administer the system relating to fire-  
5 men and a board of police trustees to administer the system relating  
6 to policemen. The said boards shall be constituted as follows:

7 a. The chief officer of the fire department, the city treasurer, the  
8 city solicitor or attorney, two firemen elected by ballot by the mem-  
9 bers of said department who are entitled to participate in a firemen's  
10 pension fund established by law, and two citizens who do not hold  
11 any other public office, who shall be appointed by the mayor with  
12 the approval of the city council, shall constitute the members of the  
13 board of trustees of the fire retirement system.

14 b. The chief officer of the police department, the city treasurer,  
15 the city solicitor or attorney, two policemen elected by ballot by the  
16 members of said department who are entitled to participate in a  
17 policemen's pension fund established by law, and two citizens who  
18 do not hold any other public office, who shall be appointed by the  
19 mayor with the approval of the city council, shall constitute the  
20 members of the board of trustees of the police retirement system.

21 c. The two citizens appointed by the mayor shall serve on both  
22 of said boards.

23 d. Upon the taking effect of this act, such members of each said  
24 department in said cities shall elect by ballot two active members  
25 of each such department to serve as members of said respective  
26 boards; one of whom shall serve until the first Monday in April of  
27 the second year, and one until the first Monday in April of the fourth  
28 year. Thereafter each such department shall, every second year,  
29 on such date and in such manner as shall be prescribed by said board  
30 of trustees, elect by ballot one such member to serve for a term of  
31 four years.

32 e. Upon the taking effect of this act, the mayor, with the ap-  
33 proval of the city council, shall appoint two citizens who do not hold  
34 any other public office, to serve as members of said boards of trus-  
35 tees; one of whom shall serve until the first Monday in April of  
36 the second year, and one until the first Monday in April of the  
37 fourth year. Thereafter, every second year, one such citizen shall  
38 be so appointed for a four-year term.

39 f. If a vacancy occurs in the office of trustee, the vacancy shall  
40 be filled for the unexpired term in the same manner as the office was  
41 previously filled.

42 2. Each trustee shall be entitled to one vote on each board. Four  
43 concurring votes shall be necessary for a decision by the trustees at  
44 any meeting of either board.

45 3. The trustees shall serve as such without compensation, but  
46 they shall be reimbursed from the expense fund for all necessary  
47 expenses which they may incur through service on the board.

48 4. Subject to the limitations of this act, each board of trustees  
49 shall, from time to time, establish rules and regulations for the ad-

50 ministration of funds created by this act and for the transaction of  
51 its business.

52 5. Each board of trustees shall elect from its membership a  
53 chairman, and shall, by majority vote of its members, appoint a  
54 secretary, who may, but need not be, one of its members. It shall  
55 engage such actuarial and other services as shall be required to  
56 transact the business of the retirement system. The compensation  
57 of all persons engaged by each board of trustees, and all other  
58 expenses of each board necessary for the operation of the retire-  
59 ment system, shall be paid at such rates and in such amounts as each  
60 board of trustees shall approve.

61 6. Each board of trustees shall keep in convenient form such  
62 data as shall be necessary for actuarial valuation of the various  
63 funds of the retirement system and for checking the experience of  
64 the system.

65 7. Each board of trustees shall keep a record of all its proceed-  
66 ings, which record shall be open to public inspection. It shall an-  
67 nually make a report to the city council showing the fiscal transac-  
68 tions of the retirement system for the preceding fiscal year, the  
69 amount of the accumulated cash and securities of the system, and  
70 the last balance sheet showing the financial condition of the system  
71 by means of an actuarial valuation of the assets and liabilities of  
72 the retirement system.

73 8. Legal advisor. The city attorney or solicitor of the said cities  
74 shall be the legal advisor of the boards of trustees.

75 9. Medical board. The board of fire trustees and the board of  
76 police trustees jointly shall designate a medical board to be com-  
77 posed of three physicians who shall arrange for and pass upon all  
78 medical examinations required under the provisions of this act and  
79 shall report in writing to each board of trustees, respectively, its  
80 conclusions and recommendations upon all matters duly referred  
81 to it.

82 10. Duties of actuary. The actuary shall be the technical advisor  
83 of the boards of trustees on matters regarding the operation of the  
84 funds created by the provisions of this act and shall perform such  
85 other duties as are required in connection therewith.

86 11. Immediately after the establishment of each retirement sys-  
87 tem, the actuary shall make such investigation of the mortality,  
88 service and compensation experience of the members of the system  
89 as he shall recommend and the board of trustees shall authorize,  
90 and on the basis of such investigation he shall recommend for adop-  
91 tion by the board of trustees such tables and such rates as are  
92 required in subsection 12 of this section. The board of trustees  
93 shall adopt tables and certify rates of contribution to be used by  
94 the system.

95 12. In the year 1938, and at least once in each five-year period  
96 thereafter, the actuary shall make an actuarial investigation into  
97 the mortality, service and compensation experience of the members  
98 and beneficiaries of the retirement system and shall make a valu-  
99 ation of the assets and liabilities of the funds of the system, and  
100 taking into account the results of such investigation and valuation,  
101 the board of trustees shall:

102 a. Adopt for the retirement system such mortality and other  
103 tables as shall be deemed necessary;  
104 b. Certify the rates of contribution payable by the members  
105 under the provisions of this act; and  
106 c. Certify the rates of contribution payable by the said cities in  
107 accordance with section 8 of this act.  
108 13. On the basis of such tables as the boards of trustees shall  
109 adopt, the actuary shall make an annual valuation of the assets and  
110 liabilities of the funds of the retirement systems created by this act.

1 SEC. 6. **Benefits.** Service retirement benefit.

2 1. Retirement of a member on a service retirement allowance  
3 shall be made by each board of trustees as follows:

4 a. Any member in service may retire upon his written applica-  
5 tion to the board of police or fire trustees as the case may be, setting  
6 forth at what time, not less than thirty nor more than ninety days  
7 subsequent to the execution and filing therefor, he desires to be  
8 retired, provided, that the said member at the time so specified for  
9 his retirement shall have attained the age of sixty, or of fifty-five  
10 if he has duly exercised the option of retirement at age fifty-five as  
11 provided in this act, and notwithstanding that, during such period  
12 of notification, he may have separated from the service.

13 b. Any member in service who has attained the age of seventy  
14 years, shall be retired forthwith, provided, that upon the request of  
15 the superintendent of public safety, the respective board of trustees  
16 may permit such member to remain in service for periods not to  
17 exceed one year from the date of the last request from the super-  
18 intendent of public safety.

19 2. Allowance on service retirement.

20 Upon retirement for service, a member shall receive a service  
21 retirement allowance which shall consist of:

22 a. An annuity which shall be the actuarial equivalent of his  
23 accumulated contributions at the time of his retirement; and

24 b. A pension given by the city in addition to his annuity which  
25 shall equal  $1/140$  of his average final compensation multiplied by the  
26 number of years of his membership service.

27 3. Ordinary disability retirement benefit.

28 Upon the application of a member in service or of the chief of  
29 the police or fire departments, respectively, any member who has had  
30 ten or more years of membership service shall be retired by the  
31 respective board of trustees, not less than thirty and not more than  
32 ninety days next following the date of filing such application, on an  
33 ordinary disability retirement allowance, provided, that the medical  
34 board after a medical examination of such member shall certify that  
35 said member is mentally or physically incapacitated for further  
36 performance of duty, that such incapacity is likely to be permanent  
37 and that such member should be retired.

38 4. Allowance on ordinary disability retirement.

39 Upon retirement for ordinary disability a member shall receive  
40 a service retirement allowance if he has attained the age of sixty,  
41 otherwise he shall receive an ordinary disability retirement allow-  
42 ance which shall consist of:

43 a. An annuity which shall be the actuarial equivalent of his  
44 accumulated contributions at the time of retirement; and

45 b. A pension which together with his annuity shall make a total  
46 retirement allowance equal to ninety per centum of  $1/70$  of his  
47 average final compensation multiplied by the number of years of  
48 membership service, if such retirement allowance exceeds  $1/4$  of  
49 his average final compensation, otherwise a pension which together  
50 with his annuity shall provide a total retirement allowance equal  
51 to  $1/4$  of his average final compensation; provided, however, that  
52 no such allowance shall exceed ninety per centum of  $1/70$  of his  
53 average final compensation multiplied by the number of years which  
54 would be creditable to him were his service to continue until the  
55 attainment of age sixty.

56 5. Accidental disability benefit.

57 Upon application of a member in service or of the chief of the  
58 police or fire departments, respectively, any member who has become  
59 totally and permanently incapacitated for duty as the natural and  
60 proximate result of an accident or exposure occurring while in the  
61 actual performance of duty at some definite time and place shall be  
62 retired by the respective board of trustees, provided, that the medical  
63 board shall certify that such member is mentally or physically in-  
64 capacitated for further performance of duty, that such incapacity  
65 is likely to be permanent and that such member should be retired.

66 6. Upon retirement for accidental disability a member shall  
67 receive a service retirement allowance if he has attained the age  
68 of sixty, otherwise he shall receive an accidental disability retire-  
69 ment allowance which shall consist of:

70 a. An annuity which shall be the actuarial equivalent of his  
71 accumulated contributions at the time of his retirement; and

72 b. A pension, in addition to the annuity, of  $66\frac{2}{3}$  per centum  
73 of his average final compensation.

74 7. Re-examination of beneficiaries retired on account of disability.

75 Once each year during the first five years following the retire-  
76 ment of a member on a disability retirement allowance, and once  
77 in every three-year period thereafter, the respective board of trus-  
78 tees may, and upon his application shall, require any disability ben-  
79 efiary who has not yet attained age sixty to undergo a medical  
80 examination at a place designated by the medical board. Such  
81 examination shall be made by the medical board or in special cases,  
82 by an additional physician or physicians designated by such board.  
83 Should any disability beneficiary who has not attained the age of  
84 sixty refuse to submit to such medical examination, his allowance  
85 may be discontinued until his withdrawal of such refusal, and should  
86 his refusal continue for one year all rights in and to his pension  
87 may be revoked by the respective board of trustees.

88 a. Should any beneficiary for disability not incurred in line of  
89 duty, be engaged in a gainful occupation paying more than the dif-  
90 ference between his retirement allowance and his average final com-  
91 pensation, then the amount of his pension shall be reduced to an  
92 amount which together with his annuity and the amount earned by  
93 him shall equal the amount of his average final compensation. Should  
94 his earning capacity be later changed, the amount of his pension may

95 be further modified, provided, that the new pension shall not exceed  
96 the amount of the pension originally granted nor an amount which,  
97 when added to the amount earned by the beneficiary together with  
98 his annuity, equals the amount of his average final compensation.  
99 A beneficiary restored to active service at a salary less than the  
100 average final compensation upon the basis of which he was retired  
101 at age fifty-five or greater, shall not again become a member of the  
102 retirement system and shall have his retirement allowance sus-  
103 pended while in active service.

104 b. Should a disability beneficiary under age fifty-five be restored  
105 to active service at a compensation not less than his average final  
106 compensation, his retirement allowance shall cease, he shall again  
107 become a member and he shall contribute thereafter at the same rate  
108 he paid prior to disability, and any former service on the basis of  
109 which his service was computed at the time of his retirement shall  
110 be restored to full force and effect and upon his subsequent retire-  
111 ment he shall be credited with all his service as a member.

112 c. The chief of the fire department or the chief of the police de-  
113 partment of such city may, subject to approval of the medical board,  
114 assign any former member of such department who is retired and  
115 drawing a pension for disability under the provisions of this act, to  
116 the performance of light duties in such department.

117 8. Ordinary death benefit.

118 Upon the receipt of proper proofs of the death of a member in  
119 service, there shall be paid to such person having an insurable in-  
120 terest in his life as he shall have nominated by written designation  
121 duly executed and filed with the respective board of trustees:

122 a. His accumulated contributions and, if the member has had one  
123 or more years of membership service and no pension is payable under  
124 the provisions of subsection 9 of this section, in addition thereto—

125 b. An amount equal to 50 per centum of the compensation earn-  
126 able by him during the year immediately preceding his death; or

127 If there be no such nomination of beneficiary, the benefits pro-  
128 vided in paragraphs (a) and (b) shall be paid to his estate; or in lieu  
129 thereof, at the option of the following beneficiaries, respectively,  
130 there shall be paid a pension which, together with the actuarial  
131 equivalent of his accumulated contributions, shall be equal to  $\frac{1}{4}$   
132 of the average final compensation of such member, but in no instance  
133 less than thirty (30) dollars per month;

134 c. To his widow to continue during her widowhood; or

135 d. If there be no widow, or if the widow dies or remarries be-  
136 fore any child of such deceased member shall have attained the age  
137 of sixteen years, then to the guardian of his child or children under  
138 said age, divided in such manner as the board of trustees in its dis-  
139 cretion shall determine, to continue as a joint and survivor pension  
140 until every such child dies or attains the age of sixteen; or

141 e. If there be no surviving widow or child under age sixteen,  
142 then to his dependent father and/or mother, as the board of trustees  
143 in its discretion shall determine, to continue until remarriage or  
144 death.

145 9. Accidental death benefit.

146 If, upon the receipt of evidence and proof that the death of a



147 member was the natural and proximate result of an accident or ex-  
148 posture occurring at some definite time and place while the member  
149 was in the actual performance of duty, the board of trustees shall  
150 decide that death was so caused in the performance of duty there  
151 shall be paid, in lieu of the ordinary death benefit provided in sub-  
152 section 8 of this section, to his estate or to such person having an  
153 insurable interest in his life as he shall have nominated by written  
154 designation duly executed and filed with the respective board of  
155 trustees:

156 a. His accumulated contributions; and in addition thereto

157 b. A pension equal to one half of the average final compensation  
158 of such member shall be paid to his widow, children or dependent  
159 parents as provided in paragraphs (c), (d), and (e) of subsection 8  
160 of this section.

161 c. If there be no widow, children under the age of sixteen years  
162 or dependent parent surviving such deceased member, the death  
163 shall be treated as an ordinary death case and the benefit payable  
164 in accordance with the provisions of subsection 8, paragraph (b), in  
165 lieu of the pension provided in paragraph (b) of this subsection 9,  
166 shall be paid to his estate.

167 10. Return of accumulated contributions.

168 Should a member cease to be a policeman or fireman except by  
169 death or retirement, he shall be paid on demand the amount of his  
170 accumulated contributions standing to the credit of his individual  
171 account in the annuity savings fund.

172 11. Optional allowance.

173 With the provision that no optional selection shall be effective in  
174 case a beneficiary dies within thirty days after retirement, in which  
175 event such a beneficiary shall be considered as an active member at  
176 the time of death; until the first payment on account of any benefit  
177 becomes normally due, any beneficiary may elect to receive his bene-  
178 fit in a retirement allowance payable throughout life, or he may  
179 elect to receive the actuarial equivalent at that time of his retire-  
180 ment allowance in a lesser retirement allowance payable through-  
181 out life with the provision that an amount in money not exceeding  
182 the amount of his accumulated contributions shall be immediately  
183 paid in cash to such member or some other benefit or benefits shall  
184 be paid either to the member or to such person or persons as he  
185 shall nominate, provided such cash payment or other benefit or  
186 benefits, together with the lesser retirement allowance, shall be certi-  
187 fied by the actuary to be of equivalent actuarial value to his retire-  
188 ment allowance and shall be approved by the board of trustees;  
189 provided, that a cash payment to such member or beneficiary at the  
190 time of retirement of an amount not exceeding fifty (50) per cent  
191 of his accumulated contributions shall be made by the board of  
192 trustees upon said member's or beneficiary's election.

193 12. Pensions offset by compensation benefits.

194 Any amounts which may be paid or payable by the said cities  
195 under the provisions of any workmen's compensation or similar law  
196 to a member or to the dependents of a member on account of any  
197 disability or death, shall be offset against and payable in lieu of any  
198 benefits payable out of funds provided by the said cities under the

199 provisions of this act on account of the same disability or death. In  
200 case the present value of the total commuted benefits under said  
201 workmen's compensation or similar law is less than the pension  
202 reserve on the benefits otherwise payable from funds provided by  
203 the said cities under this act, then the present value of the com-  
204 muted payments shall be deducted from the pension reserve and  
205 such benefits as may be provided by the pension reserve so reduced  
206 shall be payable under the provisions of this act.

207 13. Pension to widow and children of deceased pensioned mem-  
208 ber.

209 In the event of the death of any member receiving a retirement  
210 allowance under the provisions of subsections 2, 4, and/or 6 of this  
211 section there shall be paid a pension:

212 a. To his widow to continue during her widowhood, equal to one  
213 half the amount received by such deceased beneficiary, but in no  
214 instance less than thirty (30) dollars per month, and in addition  
215 thereto the sum of ten (10) dollars per month for each child under  
216 sixteen years of age; or

217 b. In the event of the death of the wife either prior or subse-  
218 quent to the death of the member, to the guardian of each surviving  
219 child under sixteen years of age, in the sum of ten (10) dollars per  
220 month for the support of such child.

1 **SEC. 7. Management of funds.** 1. The respective boards of  
2 trustees shall be the trustees of the several funds created by this act  
3 as provided in section 8 and shall have full power to invest and rein-  
4 vest such funds subject to the terms, conditions, limitations and  
5 restrictions imposed by subsection 2 of this section, and subject to  
6 like terms, conditions, limitations and restrictions said trustees shall  
7 have full power to hold, purchase, sell, assign, transfer or dispose  
8 of any of the securities and investments in which any of the funds  
9 created herein shall have been invested, as well as of the proceeds  
10 of said investments and any moneys belonging to said funds.

11 2. The investment of the several funds created by this act, are  
12 hereby limited to interest bearing bonds issued by the United States  
13 of America, by the state of Iowa, and those issued by counties, school  
14 districts and/or general obligation or limited levy bonds issued by  
15 municipal corporations in this state as authorized by law.

16 3. Each board of trustees annually shall allow regular interest  
17 on the mean amount for the preceding year in each of the funds  
18 with the exception of the expense fund. The amount so allowed  
19 shall be due and payable to said funds and shall be annually cred-  
20 ited thereto by the respective board of trustees from interest and  
21 other earnings on the moneys and other assets of the retirement sys-  
22 tems. Any additional amount required to meet the interest on the  
23 funds of the retirement system shall be paid by the cities and any  
24 excess of earnings over such amount required shall be deductible  
25 from the amounts to be contributed by the said cities.

26 4. The treasurer of the said cities shall be the custodian of the  
27 several funds. All payments from said funds shall be made by him  
28 only upon vouchers signed by two persons designated by the re-  
29 spective board of trustees. A duly attested copy of the resolution

30 of the respective board of trustees designating such persons and  
31 bearing on its face specimen signatures of such persons shall be  
32 filed with the treasurer as his authority for making payments upon  
33 such vouchers. No voucher shall be drawn unless it shall previously  
34 have been allowed by resolution of the respective board of trustees.

35 5. For the purpose of meeting disbursements for pensions, annui-  
36 ties, and other payments, there may be kept available cash not ex-  
37 ceeding ten per centum of the total amount in the several funds of  
38 the retirement system on deposit in one or more banks or trust com-  
39 panies in said cities, organized under the laws of the state of Iowa,  
40 or of the United States, provided, that the amount on deposit in any  
41 one bank or trust company shall not exceed twenty-five per centum  
42 of the paid-up capital and surplus of such bank or trust company.

43 6. No trustee and no employee of either board shall have any  
44 direct interest in the gains or profits of any investment made by  
45 the respective boards of trustees. No trustee shall receive any pay  
46 or emolument for his services except as secretary. No trustee or  
47 employee of either board of trustees shall directly or indirectly for  
48 himself or as an agent in any manner use the assets of the retire-  
49 ment system except to make such current and necessary payments  
50 as are authorized by the board of trustees, nor shall any trustee or  
51 employee of the boards become an indorser or surety or become in  
52 any manner an obligor for moneys loaned by or borrowed from the  
53 respective board of trustees.

1 SEC. 8. Method of Financing. All the assets of each retirement  
2 system created and established by this act shall be credited accord-  
3 ing to the purpose for which they are held to one of five funds,  
4 namely, the annuity savings fund, the annuity reserve fund, the  
5 pension accumulation fund, the pension reserve fund and the ex-  
6 pense fund.

7 1. Annuity savings fund. a. The annuity savings fund shall be the  
8 fund in which shall be accumulated contributions from the compen-  
9 sation of the members to provide for their annuities. Upon the basis  
10 of such tables as the respective boards of trustees shall adopt, and  
11 regular interest, the actuary of the retirement system shall deter-  
12 mine for each member the proportions of compensation which when  
13 deducted from each payment of his prospective annual earnable  
14 compensation prior to his attainment of age fifty-five and of age  
15 sixty and accumulated at regular interest until his attainment of  
16 such ages, shall be computed to provide at either of those times an  
17 annuity equal to the pension to which he would be entitled at age  
18 sixty on account of his membership service. Such proportions of  
19 compensation shall be computed to remain constant. Each member  
20 shall, within one year after first attaining membership, file with the  
21 board of trustees his written election as to which of such retirement  
22 ages his rate of contribution shall be based upon, and pay into the  
23 fund a sum sufficient to make his contributions prior to such elec-  
24 tion conform to such rate. Subject to the provisions of this act as to  
25 the certification of rates of contribution payable by members, until  
26 the first valuation the rates of contribution payable by members  
27 according to their ages when becoming members shall be as follows:

	Age when becoming a member	Rate of contribution, to retire at age 60	Rate of contribution, to retire at age 55
28			
29			
30			
31	20	3.91%	5.68%
32	21	3.97%	5.79%
33	22	4.04%	5.92%
34	23	4.11%	6.04%
35	24	4.18%	6.17%
36	25	4.26%	6.30%
37	26	4.33%	6.44%
38	27	4.41%	6.58%
39	28	4.48%	6.73%
40	29	4.56%	6.89%
41	30	4.64%	7.05%
42	31	4.72%	7.21%
43	32	4.80%	7.39%
44	33	4.88%	7.57%
45	34	4.97%	7.77%
46	35	5.05%	7.97%
47	36	5.14%	8.19%
48	37	5.22%	8.42%
49	38	5.31%	8.67%
50	39	5.40%	8.94%
51	40	5.50%	9.23%

52 b. The proportions so computed for a person at age forty shall  
 53 be applied to a member who attains a greater age before he becomes  
 54 a member. The respective boards of trustees shall certify to the  
 55 superintendent of public safety and the superintendent of public  
 56 safety shall cause to be deducted from the salary of each member on  
 57 each and every payroll for each and every pay period, the proportion  
 58 of the compensation of each member so computed for the retirement  
 59 age elected by the member. No member shall be required to increase  
 60 his rate of contribution as a result of any valuation or revision of  
 61 members' contribution rates after the first valuation by the actuary.  
 62 In determining the amount earnable by a member in any payroll  
 63 period, the respective board of trustees may consider the rate of  
 64 annual compensation payable to such member on the first day of  
 65 the payroll period as continuing throughout such payroll period, and  
 66 it may omit deduction from compensation for any period less than  
 67 a full payroll period if the policeman or fireman was not a member  
 68 on the first day of the payroll period, and to facilitate the making  
 69 of the deductions it may modify the deduction required of any mem-  
 70 ber by such amount as shall not exceed one tenth of one per centum  
 71 of the compensation upon the basis of which such deduction was  
 72 made.

73 c. The deductions provided for herein shall be made notwith-  
 74 standing that the minimum compensation provided by law for any  
 75 member shall be reduced thereby. Every member shall be deemed  
 76 to consent to the deductions made and provided for herein, and shall  
 77 receipt for his full salary or compensation, and payment of salary  
 78 or compensation less said deduction shall be a full and complete dis-  
 79 charge and acquittance of all claims and demands whatsoever for

80 services rendered during the period covered by the payment except  
81 as to benefits provided by this act. The superintendent of public  
82 safety shall certify to the respective boards of trustees on each and  
83 every payroll, or in such other manner as the said boards of trustees  
84 shall prescribe, the amount deducted from each member's salary,  
85 and such amounts shall be paid into the respective annuity savings  
86 fund and shall be credited together with regular interest thereon to  
87 the individual account of the member from whose compensation  
88 said deduction was made.

89 d. In addition to the contributions deducted from compensation  
90 as hereinbefore provided, any member may redeposit in the annuity  
91 savings fund by a single payment or by an increased rate of con-  
92 tribution an amount equal to the total amount he previously with-  
93 drew therefrom as provided in this act or any part thereof, or any  
94 member may deposit therein by a single payment or by an increased  
95 rate of contribution an amount computed to be sufficient to purchase  
96 an additional annuity which together with his prospective retire-  
97 ment allowance at age fifty-five or at age sixty shall provide for him  
98 a total retirement allowance of not to exceed one half of his average  
99 final compensation at either age fifty-five or age sixty. Such addi-  
100 tional amounts so contributed shall become a part of his accumu-  
101 lated contributions except in the case of ordinary disability retire-  
102 ment when they shall be treated as excess contributions returnable  
103 to the member with regular interest in cash or as an annuity of  
104 equivalent actuarial value. The accumulated contributions of a mem-  
105 ber withdrawn by him or paid to his estate or designated beneficiary  
106 in the event of his death shall be paid from the annuity savings  
107 fund. Upon the retirement of a member his accumulated contribu-  
108 tions shall be transferred from the annuity savings fund to the an-  
109 nuity reserve fund.

110 2. Annuity reserve fund. The annuity reserve fund shall be the  
111 fund from which shall be paid all annuities and all benefits in lieu  
112 of annuities payable as provided in this act. Should a beneficiary  
113 retired on account of disability be restored to active service and  
114 again become a member of the retirement system, his annuity re-  
115 serve shall be transferred from the annuity reserve fund to the  
116 annuity savings fund and credited to his individual account therein.

117 3. Pension accumulation fund.

118 a. The pension accumulation fund shall be the fund in which  
119 shall be accumulated all reserves for the payment of all pensions and  
120 other benefits payable from contributions made by the said cities  
121 and from which shall be paid the lump sum death benefits for all  
122 members payable from the said contributions. Contributions to and  
123 payments from the pension accumulation fund shall be as follows:

124 b. On account of each member there shall be paid annually into  
125 the pension accumulation fund by the said cities an amount equal to  
126 a certain percentage of the earnable compensation of the member  
127 to be known as the "normal contribution." The rate per centum of  
128 such contribution shall be fixed on the basis of the liabilities of the  
129 retirement system as shown by actuarial valuations. Until the first  
130 valuation the normal contribution shall be 7.9 per centum.

131 c. On the basis of regular interest and of such mortality and  
132 other tables as shall be adopted by the boards of trustees, the actuary  
133 engaged by the said boards to make each valuation required by this  
134 act, shall immediately after making such valuation, determine the  
135 uniform and constant percentage of the earnable compensation of  
136 the average new entrant, which, if contributed throughout his entire  
137 period of active service, would be sufficient to provide for the pay-  
138 ment of any death benefit or pension payable on this account. The  
139 rate per centum so determined shall be known as the "normal con-  
140 tribution rate." The normal contribution rate shall be the rate per  
141 centum of the earnable compensation of all members obtained by  
142 deducting from the total liabilities of the fund the amount of the  
143 funds in hand to the credit of the fund and dividing the remainder  
144 by one per centum of the present value of the prospective future  
145 compensation of all members as computed on the basis of mortality  
146 and service tables adopted by the boards of trustees and regular  
147 interest. The normal rate of contribution shall be determined by  
148 the actuary after each valuation.

149 d. The total amount payable in each year to the pension accumu-  
150 lation fund shall be not less than the rate per centum known as the  
151 normal contribution rate of the total compensation earnable by all  
152 members during the year, provided, however, that the aggregate  
153 payment by the said cities shall be sufficient when combined with the  
154 amount in the fund to provide the pensions and other benefits pay-  
155 able out of the fund during the then current year.

156 e. All lump sum death benefits on account of death in active  
157 service payable from contributions of the said cities shall be paid  
158 from the pension accumulation fund.

159 f. Upon the retirement or death of a member an amount equal  
160 to the pension reserve on any pension payable to him or on account  
161 of his death shall be transferred from the pension accumulation fund  
162 to the pension reserve fund.

163 4. Pension reserve fund. The pension reserve fund shall be the  
164 fund in which shall be held the reserves on all pensions granted to  
165 members or to their beneficiaries and from which such pensions and  
166 benefits in lieu thereof shall be paid. Should a beneficiary retired  
167 on account of disability be restored to active service and again be-  
168 come a member of the retirement system, his pension reserve shall  
169 be transferred from the pension reserve fund to the pension accu-  
170 mulation fund. Should the pension of a disability beneficiary be  
171 reduced as a result of an increase in his amount earned, the amount  
172 of the annual reduction in his pension shall be paid annually into  
173 the pension accumulation fund during the period of such reduction.

174 5. Expense fund. The expense fund shall be the fund to which  
175 shall be credited all money provided by the said cities to pay the  
176 administration expenses of the retirement system and from which  
177 shall be paid all the expenses necessary in connection with the ad-  
178 ministration and operation of the system. Annually the boards of  
179 trustees shall estimate the amount of money necessary to be paid  
180 into the expense fund during the ensuing year to provide for the  
181 expense of operation of the retirement system.

1     **SEC. 9. Contributions by the city.** 1. On or before the first day  
2 of July in each year the respective boards of trustees shall certify  
3 to the superintendent of public safety the amounts which will be-  
4 come due and payable during the year next following to the pension  
5 accumulation fund and the expense fund. The amounts so certified  
6 shall be included by the superintendent of public safety in his annual  
7 budget estimate. The amounts so certified shall be appropriated by  
8 the said cities and transferred to the retirement system for the en-  
9 suing year.

10    2. To cover the requirements of the respective retirement systems  
11 for the period prior to the date when the first regular appropriation  
12 is due as provided in subsection 1 of this section, such amounts as  
13 shall be necessary to cover the needs of the retirement system shall  
14 be paid into the pension accumulation fund and expense fund by spe-  
15 cial appropriations to the retirement system.

1     **SEC. 10. Guaranty.** Regular interest charges payable, the cre-  
2 ation and maintenance of reserves in the pension accumulation fund  
3 and the maintenance of annuity reserves and pension reserves as  
4 provided for the payment of all pensions, annuities, retirement al-  
5 lowances, refunds and other benefits granted under the provisions  
6 of this act and all expenses in connection with the administration  
7 and operation of the retirement systems are hereby made direct  
8 liability obligations of the said cities. All income, interest and divi-  
9 dends derived from deposits and investments authorized by this act  
10 shall be used for the payment of the said obligations of the said  
11 cities. Any amounts derived therefrom, which, when combined with  
12 regular appropriations made under the provisions of this act, exceed  
13 the amount required to provide for the discharge of such obligations,  
14 shall be used to reduce the regular appropriations otherwise re-  
15 quired.

1     **SEC. 11. Exemption from tax and execution.** The right of any  
2 person to a pension, annuity or retirement allowance, to the return  
3 of contributions, the pension, annuity or retirement allowance itself,  
4 any optional benefit or death benefit, any other right accrued or  
5 accruing to any person under the provisions of this act, and the  
6 moneys in the various funds created under this act, are hereby  
7 exempt from any tax of the state of Iowa and shall not be subject  
8 to execution, garnishment, attachment or any other process what-  
9 soever, and shall be unassignable except as in this act specifically  
10 provided.

1     **SEC. 12. Protection against fraud.** Any person who shall know-  
2 ingly make any false statement, or shall falsify or permit to be  
3 falsified any record or records of such retirement system in any  
4 attempt to defraud such system as a result of such act, shall be  
5 guilty of a misdemeanor, and shall be punishable therefor under  
6 the laws of this state. Should any change or errors in records re-  
7 sult in any member or beneficiary receiving from the retirement  
8 system more or less than he would have been entitled to receive had  
9 the records been correct, the respective board of trustees shall cor-

10 rect such error, and as far as practicable, shall adjust the payments  
 11 in such a manner that the actuarial equivalent of the benefit to  
 12 which such member or beneficiary was correctly entitled, shall be  
 13 paid.

#### Division II. Pension Funds

Amendments to sections in chapter three hundred twenty-two (322),  
 Code, 1931.

1 SEC. 13. That section six thousand three hundred ten (6310),  
 2 Code, 1931, as amended by acts of Forty-fifth General Assembly, be  
 3 and the same is hereby amended by adding the following after line  
 4 11: "Provided, further, that cities, in which a police and/or fire re-  
 5 tirement system based upon actuarial tables shall be established by  
 6 law, shall levy for the police and/or fire pension funds a tax suffi-  
 7 cient in amount to meet all necessary obligations and expenditures;  
 8 and said obligations and expenditures shall be direct liabilities of  
 9 said cities."

1 SEC. 14. That section six thousand three hundred eleven (6311),  
 2 Code, 1931, be and the same is hereby amended by adding thereto  
 3 the following: "Provided, however, that in any city where contribu-  
 4 tory fire and/or police retirement systems based upon actuarial  
 5 tables shall be established by this act for the benefit of policemen  
 6 and/or firemen appointed to the force after the establishment of  
 7 same, the board of trustees of each such system, respectively, shall  
 8 also constitute the board of trustees for the management of each  
 9 fund under this section as a separate and distinct fund in itself."

1 SEC. 15. That section six thousand three hundred fourteen  
 2 (6314), Code, 1931, be and the same is hereby amended by striking  
 3 the word "semiannual" in line 10 and substituting therefor the word  
 4 "monthly."

1 SEC. 16. That section six thousand three hundred sixteen (6316),  
 2 Code, 1931, be and the same is hereby amended by striking all of  
 3 the sentence after the word "upon" in line 9 to the period in  
 4 line 11 and substituting therefor the words " the concurring re-  
 5 port of at least two out of three physicians designated by the board  
 6 of trustees to make a complete physical examination of the member."

1 SEC. 17. That section six thousand three hundred eighteen  
 2 (6318), Code, 1931, be and the same is hereby amended by adding  
 3 thereto the following: "Provided, however, that the benefits pro-  
 4 vided by this section shall be subject to the following definitions:  
 5 The term 'widow' shall mean only such surviving spouse of a mar-  
 6 riage contracted prior to retirement of a deceased member from  
 7 active service, or of a marriage of a retired member contracted  
 8 prior to the date this act takes effect. The terms 'child' and 'chil-  
 9 dren' shall mean only the surviving issue of a deceased active or  
 10 retired member, or the child or children legally adopted by a de-  
 11 ceased member prior to his retirement from active service, or by a  
 12 member now retired prior to the date this act takes effect."



1 SEC. 18. That section six thousand three hundred twenty-one  
 2 (6321), Code, 1931, be and the same is hereby amended by strik-  
 3 ing all of the sentence after the word "examined" in line 5 to the  
 4 period in line 10 and substituting therefor the words "by three  
 5 competent physicians appointed by the board of trustees to discover  
 6 whether such disability yet continues and can be improved and  
 7 whether such retired member should be continued on the pension roll,  
 8 and shall have power to examine witnesses for the same purpose.  
 9 The question of continued disability or ability to perform regular  
 10 or light duty in the police or fire department shall be determined  
 11 by the concurring report of at least two of the three examining  
 12 physicians."

1 SEC. 19. That section six thousand three hundred twenty-three  
 2 (6323), Code, 1931, be and the same is hereby repealed and the fol-  
 3 lowing substituted therefor:

4 "Guarantee of pension benefits. Each city, in which contributory  
 5 fire and/or police retirement systems based upon actuarial tables,  
 6 shall be established by this act for the benefit of firemen and/or  
 7 policemen appointed to either force after the establishment of the  
 8 same, is hereby bound and obligated to carry out, and authorized to  
 9 enter into a written agreement evidencing the same, with each per-  
 10 son, on retired or active service, who has heretofore contributed, or,  
 11 at the time of the taking effect of this act, is contributing to the  
 12 pension system now in effect in said city, in consideration of his past  
 13 and/or his future payments to the pension fund of the system to  
 14 which he is, or has been contributing, the present and prospective  
 15 benefits provided by the pension system to which he is or has been  
 16 contributing, guaranteeing that the present rate of payment by such  
 17 person to said pension fund shall not be increased, also guarantee-  
 18 ing that the present and prospective rights and benefits provided  
 19 for by said systems shall not be abridged nor lessened, and guaran-  
 20 teeing to all such persons so contributing all of the rights and bene-  
 21 fits present and prospective provided in such pension system. The  
 22 obligation of each such city for said rights and benefits shall be a  
 23 direct charge on said city."

#### Division III. General Provisions.

1 SEC. 20. **Constitutionality.** The invalidity of any portion of this  
 2 act shall not affect the validity of any other portion thereof which  
 3 can be given effect without such invalid part.

1 SEC. 21. This act, being deemed of immediate importance, shall  
 2 be in full force and effect after its passage and publication in the  
 3 Plain Talk, which is a newspaper published at Des Moines, Iowa,  
 4 and in the Muscatine Journal, a newspaper published at Muscatine,  
 5 Iowa.

Senate File No. 295. Approved February 23, 1934.

I hereby certify that the foregoing act was published in the Des Moines Plain Talk,  
 March 1, 1934, and Muscatine Journal, February 28, 1934.

MRS. ALEX MILLER, *Secretary of State.*