

17 NEW SUBSECTION. Develop and assist in the implementation of public  
 18 education and communications programs in energy development, use and  
 19 conservation, in cooperation with the department of public instruction, the state  
 20 university extension services and other public or private agencies and  
 21 organizations as deemed appropriate by the council.

1 SEC. 4. Acts of the Sixty-sixth General Assembly, 1975 Session, chapter two  
 2 hundred thirty-one (231), is amended as follows:

3 1. By adding the following new section after section one (1):

4 NEW SECTION. **Aid to railways.** The state department of transportation shall  
 5 identify those segments of branch line railroad trackage which, if improved, may  
 6 provide increased transportation services for the citizens of this state. The  
 7 department shall develop and implement programs to encourage the improvement  
 8 of rail freight services on such railroad trackage. If the department determines  
 9 that public assistance is in the best interest of the citizens of this state, the  
 10 department may, in emergencies, provide financial assistance on behalf of the  
 11 citizens of this state to railroad companies, which assistance shall be used  
 12 exclusively to upgrade branch line railroad roadbeds in order to improve the  
 13 freight-carrying capacity of the railroad and to increase the speed limitations of  
 14 the railroad trackage.

15 2. By renumbering the remaining sections of chapter two hundred thirty-one  
 16 (231) in accordance with this section.

1 SEC. 5. Acts of the Sixty-fifth General Assembly, 1974 Session, chapter one  
 2 thousand one hundred thirteen (1113), section twenty-two (22), is amended to  
 3 read as follows:

4 *Sec. 22. Sections one (1) through twelve (12) of this Act are Chapter ninety-three*  
 5 *(93) of the Code is repealed effective June 30, 1977 1979. The second session of the*  
 6 *Sixty-seventh General Assembly meeting in the year 1978 shall review the activities*  
 7 *and performance of the council and shall not later than July 1, 1978 make a*  
 8 *determination concerning the status and duties of the council.*

1 SEC. 6. Sections ninety-three point nine (93.9), ninety-three point ten (93.10),  
 2 ninety-three point eleven (93.11), ninety-three point twelve (93.12), and ninety-  
 3 three point thirteen (93.13), Code 1975, are repealed.

1 SEC. 7. The Code editor is directed to place section twenty-two (22) of chapter  
 2 one thousand one hundred thirteen (1113) of the Acts of the Sixty-fifth General  
 3 Assembly, 1974 Session, as amended by section five (5) of this Act in chapter  
 4 ninety-three (93) of the Code of Iowa, to be published in 1977.

Approved June 20, 1976

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## CHAPTER 1089

### PUBLIC SAFETY EMPLOYEES RETIREMENT

H. F. 914

AN ACT relating to retirement benefits for certain public employees engaged in public safety occupations and to make an appropriation.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section ninety-seven A point one (97A.1), subsections eleven (11),  
 2 twelve (12), fourteen (14) and sixteen (16), Code 1975, are amended to read as  
 3 follows:

4 11. "Accumulated contributions" shall mean the sum of all amounts deducted  
 5 from the compensation of a member and credited to ~~his~~ *the member's* individual  
 6 account in the annuity savings fund together with regular interest thereon as  
 7 provided in section 97A.8. *Accumulated contributions do not include any amount*  
 8 *deducted from the compensation of a member and credited to the pension*  
 9 *accumulation fund.*

10 12. "Earnable compensation" or "compensation earnable" shall mean the  
 11 regular compensation which a member would earn during one year on the basis  
 12 of the stated compensation for his rank or position *excluding any amount received*  
 13 *for overtime compensation, meal and travel expenses, and uniform allowances and*  
 14 *excluding any amount received upon termination or retirement in payment for*  
 15 *accumulated sick leave.*

16 14. "Average final compensation" shall mean the average earnable  
 17 compensation of the member during ~~his~~ *the member's last highest* five years of  
 18 service as a member of the state department of public safety, or if ~~he~~ *the member*  
 19 has had less than five years of such service, then the average earnable  
 20 compensation of ~~his~~ *the member's* entire period of service.

21 16. "Pensions" shall mean annual payments for life derived from the  
 22 appropriations provided by the state of Iowa *and from contributions of the*  
 23 *members which are deposited in the pension accumulation fund.* All pensions shall be  
 24 paid in equal monthly installments.

1 SEC. 2. Section ninety-seven A point one (97A.1), subsection ten (10), Code  
 2 1975, is amended to read as follows:

3 10. "Regular interest" shall mean interest at the rate of four percent per  
 4 annum, compounded annually *and credited to the member's account as of the date*  
 5 *of the member's retirement or termination from employment.*

1 SEC. 3. Section ninety-seven A point five (97A.5), subsection one (1), Code  
 2 1975, is amended to read as follows:

3 1. Board of trustees. The general administration and the responsibility for the  
 4 proper operation of the system and for making effective the provisions of this  
 5 chapter are hereby vested in a board of trustees to administer the system. Such  
 6 board of trustees shall be constituted as follows: The commissioner of public  
 7 safety, who shall be chairman of said board, the treasurer of state, and a member  
 8 of the system, to be chosen *by secret ballot* by the members thereof for a term of  
 9 two years.

1 SEC. 4. Section ninety-seven A point five (97A.5), subsections ten (10), eleven  
 2 (11), and twelve (12), Code 1975, are amended to read as follows:

3 10. Tables—rates. Immediately after the establishment of this system, the state  
 4 commissioner of insurance shall make such investigation of *anticipated interest*  
 5 *earnings and of* the mortality, service and compensation experience of the  
 6 members of the system as ~~he~~ *the actuary* shall recommend and the board of  
 7 trustees shall authorize, and on the basis of such investigation ~~he~~ *the actuary* shall  
 8 recommend for adoption by the board of trustees such tables and such rates as  
 9 are required in subsection 11 of this section. The board of trustees shall adopt *the*  
 10 *rate of interest and* tables, and certify rates of contributions to be used by the  
 11 system.

12 11. Actuarial investigation. In the year 1952, and at least once in each two-year  
 13 period thereafter, the state commissioner of insurance shall make an actuarial  
 14 investigation in the mortality, service and compensation experience of the  
 15 members and beneficiaries of the system, *and the interest and other earnings on the*  
 16 *moneys and other assets of the system*, and shall make a valuation of the assets and  
 17 liabilities of the funds of the system, and taking into account the results of such  
 18 investigation and valuation, the board of trustees shall:

19 a. Adopt for the system such *interest rate*, mortality, and other tables as shall be  
20 deemed necessary;

21 b. Certify the rates of contribution payable by the state of Iowa in accordance  
22 with section 97A.8.

23 12. Valuation. On the basis of *such rate of interest and* such tables as the board  
24 of trustees shall adopt, the state commissioner of insurance shall make an annual  
25 valuation of the assets and liabilities of the funds of the system created by this  
26 chapter.

1 SEC. 5. Section ninety-seven A point six (97A.6), subsection one (1), Code  
2 1975, is amended by adding the following new paragraph:

3 NEW PARAGRAPH. Any member in service who has been a member of the  
4 retirement system fifteen or more years and whose employment is terminated  
5 prior to the member's retirement, other than by death or disability, shall upon  
6 attaining retirement age, receive a service retirement allowance of fifteen twenty-  
7 seconds of the retirement allowance the member would receive at retirement if the  
8 member's employment had not been terminated, and an additional one twenty-  
9 second of such retirement allowance for each additional year of service not  
10 exceeding twenty-two years of service. The amount of the retirement allowance  
11 shall be based on the average final compensation at the time of termination of  
12 employment. The allowance shall not be available to a member who has chosen  
13 to withdraw the member's accumulated contributions as provided in subsection  
14 ten (10) of this section.

1 SEC. 6. Section ninety-seven A point six (97A.6), subsection two (2),  
2 paragraph b, Code 1975, is amended to read as follows:

3 b. A pension given by the state ~~in addition to his annuity which together with~~  
4 ~~his annuity shall make a total service retirement allowance equal to one-half of~~  
5 ~~his the member's~~ average final compensation.

1 SEC. 7. Section ninety-seven A point six (97A.6), subsection three (3), Code  
2 1975, is amended to read as follows:

3 3. Ordinary disability retirement benefit. Upon the application of a member in  
4 service or of the commissioner of public safety, any member ~~who has had five or~~  
5 ~~more years of membership service~~ shall be retired by the board of trustees, not  
6 less than thirty and not more than ninety days next following the date of filing  
7 such application, on an ordinary disability retirement allowance, provided, that  
8 the medical board after a medical examination of such member shall certify that  
9 said member is mentally or physically incapacitated for further performance of  
10 duty, that such incapacity is likely to be permanent and that such member should  
11 be retired.

1 SEC. 8. Section ninety-seven A point six (97A.6), subsection four (4),  
2 paragraph b, Code 1975, is amended to read as follows:

3 b. A pension which together with ~~his the member's~~ annuity shall make a total  
4 retirement allowance equal to ninety percent of one-seventieth of ~~his the member's~~  
5 average final compensation multiplied by the number of years of membership  
6 service, if such retirement allowance exceeds one-half of ~~his the member's~~ average  
7 final compensation, otherwise a pension which together with ~~his the member's~~  
8 annuity shall provide a total retirement allowance equal to one-half of ~~his the~~  
9 ~~member's~~ average final compensation *except if the member has not had five or more*  
10 *years of membership service, the member shall receive a pension which together with*  
11 *the member's annuity shall provide a total retirement allowance equal to one-fourth of*  
12 *the member's average final compensation.*

1 SEC. 9. Section ninety-seven A point six (97A.6), subsection seven (7),  
2 paragraph a, Code 1975, is amended to read as follows:

3 a. Should any beneficiary for *either ordinary or accidental* disability ~~not incurred~~  
4 ~~in line of duty~~, be engaged in a gainful occupation paying more than the

5 difference between his retirement allowance and his average final compensation,  
 6 then the amount of his pension shall be reduced to an amount which together  
 7 with his annuity and the amount earned by him shall equal the amount of his  
 8 average final compensation. Should his earning capacity be later changed, the  
 9 amount of his pension may be further modified, provided, that the new pension  
 10 shall not exceed the amount of the pension originally granted nor an amount  
 11 which, when added to the amount earned by the beneficiary together with his  
 12 annuity, equals the amount of his average final compensation. A beneficiary  
 13 restored to active service at a salary less than the average final compensation  
 14 upon the basis of which he was retired at age fifty-five or greater, shall not again  
 15 become a member of the retirement system and shall have his retirement  
 16 allowance suspended while in active service.

1 SEC. 10. Section ninety-seven A point six (97A.6), subsection eight (8),  
 2 unnumbered paragraph one (1), paragraphs a and b, and unnumbered paragraph  
 3 two (2), Code 1975, are amended to read as follows:

4 Upon the receipt of proper proofs of the death of a member in service, *or a*  
 5 *member not in service who has completed fifteen or more years of service as provided*  
 6 *in section five (5) of this Act*, there shall be paid to such person having an insurable  
 7 interest in ~~his~~ *the member's* life as ~~he~~ *the member* shall have nominated by written  
 8 designation duly executed and filed with the board of trustees:

9 a. ~~His~~ *The member's* accumulated contributions and, if the member has had one  
 10 or more years of membership service and no pension is payable under the  
 11 provisions of subsection 9 of this section, in addition thereto-

12 b. An amount equal to fifty percent of the compensation earned by ~~him~~ *the*  
 13 *member* during the year immediately preceding ~~his~~ *the member's* death *if the*  
 14 *member is in service or an amount equal to fifty percent of the compensation earned*  
 15 *by the member during the member's last year of service if the member is not in service* ;  
 16 or

17 If there be no such nomination of beneficiary, the benefits provided in  
 18 paragraphs "a" and "b" of this subsection 8 shall be paid to ~~his~~ *the member's*  
 19 estate; or in lieu thereof, at the option of the following beneficiaries, respectively,  
 20 even though nominated as such, *for a member in service* there shall be paid a  
 21 pension which, together with the actuarial equivalent of ~~his~~ *the member's*  
 22 accumulated contributions, shall be equal to one-fourth of the average final  
 23 compensation of such member, but in no instance less than fifty dollars per  
 24 month *or for a member not in service the pension shall be reduced as provided in*  
 25 *section five (5) of this Act and shall be paid commencing when the member would*  
 26 *have attained the age of fifty-five except if there is a child of the member under the*  
 27 *age of eighteen, or under the age of twenty-two who is a full-time student, or who is*  
 28 *disabled, under the definitions used in section four hundred two (402) of the Social*  
 29 *Security Act as amended to July 1, 1976 (forty-two (42) U.S.C. four hundred two*  
 30 *(402)) the pension shall be paid commencing with the member's death until the*  
 31 *children reach the age of eighteen, or twenty-two if applicable, and shall resume*  
 32 *commencing when the member would have attained the age of fifty-five;*

1 SEC. 11. Section ninety-seven A point six (97A.6), subsection fifteen (15),  
 2 paragraph a, Code 1975, is amended to read as follows:

3 a. As of the first of July of each year, the monthly pensions authorized in this  
 4 section payable to each retired member and to each beneficiary, except children,  
 5 of a deceased member shall be recomputed. The formula authorized in this  
 6 section which was used to compute the retired member's or beneficiary's pension  
 7 at the time of retirement or death ~~including all amendments to the formula which~~  
 8 ~~may be adopted subsequent to the member's retirement or death~~, shall be used in  
 9 the recomputation, except the pension compensation shall be used in lieu of the  
 10 average final compensation which the retired or deceased member was receiving  
 11 at the time of retirement or death. The adjusted monthly pension shall be the  
 12 amount payable at the member's retirement or death adjusted by ~~forty-five~~ *fifty*

13 percent of the difference between the recomputed pension and the amount  
14 payable at the member's retirement or death. At no time shall the monthly  
15 pension or payment to the beneficiary be less than the amount which was paid at  
16 the time of the member's retirement or death.

1 SEC. 12. Section ninety-seven A point six (97A.6), subsection fifteen (15),  
2 Code 1975, is amended by adding the following new paragraph:

3 NEW PARAGRAPH. A retired member who became eligible for benefits under  
4 the provisions of subsection one (1) of this section but who did not serve twenty-  
5 two years and did not attain the age of fifty-five years prior to the member's  
6 termination of employment shall not be eligible for the annual readjustment of  
7 pensions provided for by this subsection.

1 SEC. 13. Section ninety-seven A point seven (97A.7), Code 1975, is amended  
2 by adding the following new subsection:

3 NEW SUBSECTION. The board of trustees may invest funds of fire and police  
4 retirement systems created under the provisions of chapter four hundred eleven  
5 (411) of the Code in the manner prescribed in this section.

1 SEC. 14. Section ninety-seven A point seven (97A.7), subsection three (3),  
2 Code 1975, is amended to read as follows:

3 3. The board of trustees annually shall allow regular interest on the mean  
4 amount for the preceding year in each of the funds with the exception of the  
5 *pension accumulation fund and the expense fund*. The amount so allowed shall be  
6 due and payable to said funds and shall be annually credited thereto by the board  
7 of trustees from interest and other earnings on the moneys and other assets of the  
8 system. Any additional amount required to meet the interest on the funds of the  
9 system shall be paid by the state of Iowa and any excess of earnings over such  
10 amount required shall be deductible from the amounts to be contributed by the  
11 state of Iowa.

1 SEC. 15. Section ninety-seven A point eight (97A.8), subsection three (3), Code  
2 1975, is amended by adding the following new paragraph:

3 NEW PARAGRAPH. An amount equal to one and twenty-one hundredths  
4 percent of each member's compensation from the compensation of the member  
5 shall be paid to the pension accumulation fund.

6 The provisions of section ninety-seven A point eight (97A.8), subsection one  
7 (1), paragraphs b and c, of the Code relating to the contributions of members  
8 shall be applicable to this paragraph.

1 SEC. 16. Section ninety-seven A point eight (97A.8), subsection three (3),  
2 paragraph b, Code 1975, is amended to read as follows:

3 b. On the basis of ~~regular~~ *the rate of interest* and of such mortality, *interest*, and  
4 other tables as shall be adopted by the board of trustees, the state commissioner  
5 of insurance shall make each valuation required by this chapter and shall  
6 immediately after making such valuation, determine the uniform and constant  
7 percentage of the earnable compensation of the average new entrant, which, if  
8 contributed throughout his entire period of active service, would be sufficient to  
9 provide for the payment of any death benefit or pension payable on this account.  
10 The rate percent so determined shall be known as the "normal contribution rate".  
11 The normal contribution rate shall be the rate percent of the earnable  
12 compensation of all members obtained by deducting from the total liabilities of  
13 the fund the amount of the funds in hand to the credit of the fund and dividing  
14 the remainder by one percent of the present value of the prospective future  
15 compensation of all members as computed on the basis of *the rate of interest and*  
16 *of mortality* and service tables adopted by the board of trustees and regular  
17 interest. The normal rate of contribution shall be determined by the state  
18 commissioner of insurance after each valuation.

1 SEC. 17. There is appropriated from the general fund of the state to the  
 2 department of public safety for the fiscal year beginning July 1, 1976 and ending  
 3 June 30, 1977 the sum of two hundred seventy-seven thousand (277,000) dollars,  
 4 or so much thereof as is necessary, to be deposited in the pension accumulation  
 5 fund of the department of public safety peace officers' retirement, accident, and  
 6 disability system to finance the changes in benefits provided in sections one (1)  
 7 through sixteen (16) of this Act.

1 SEC. 18. Section four hundred eleven point one (411.1), subsections twelve  
 2 (12), thirteen (13), fourteen (14), and eighteen (18), Code 1975, are amended to  
 3 read as follows:

4 12. "Regular interest" shall mean interest at the rate of four percent per  
 5 annum, compounded annually *and credited to the member's account as of the date*  
 6 *of the member's retirement or termination from employment.*

7 13. "Accumulated contributions" shall mean the sum of all amounts deducted  
 8 from the compensation of a member and credited to ~~his~~ *the member's* individual  
 9 account in the annuity savings fund together with regular interest thereon as  
 10 provided in section 411.8. *Accumulated contributions do not include any amount*  
 11 *deducted from the compensation of a member and credited to the pension*  
 12 *accumulation fund.*

13 14. "Earnable compensation" or "compensation earnable" shall mean the  
 14 regular compensation which a member would earn during one year on the basis  
 15 of the stated compensation for his rank or position *excluding any amount received*  
 16 *for overtime compensation, meal and travel expenses, and uniform allowances and*  
 17 *excluding any amount received upon termination or retirement in payment for*  
 18 *accumulated sick leave.*

19 18. "Pensions" shall mean annual payments for life derived from  
 20 appropriations provided by the said cities *and from contributions of the members*  
 21 *which are deposited in the pension accumulation fund.* All pensions shall be paid in  
 22 equal monthly installments.

1 SEC. 19. Section four hundred eleven point five (411.5), subsection one (1),  
 2 paragraphs a, b, and d, Code 1975, are amended to read as follows:

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

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

15 d. Upon the taking effect of this chapter, such members of each said  
 16 department in said cities shall elect by *secret* ballot two active members of each  
 17 such department to serve as members of said respective boards; one of whom  
 18 shall serve until the first Monday in April of the second year, and one until the  
 19 first Monday in April of the fourth year. Thereafter each such department shall,  
 20 every second year, on such date and in such manner as shall be prescribed by  
 21 said board of trustees, elect by ballot one such member to serve for a term of four  
 22 years.

1 SEC. 20. Section four hundred eleven point five (411.5), Code 1975, is  
 2 amended by adding the following new subsection:

3 **NEW SUBSECTION. Commissioner of insurance.** Within five days following its  
 4 submission to the city council, each board of trustees shall transmit to the

5 commissioner of insurance a copy of the report submitted to the city council and  
6 the amount of contributions deposited in the pension accumulation fund by the  
7 city. The commissioner of insurance shall review the report and the adequacy of  
8 the contribution of the city. The commissioner of insurance shall inform the city  
9 council of each city in which the contribution of a city is deemed to be  
10 inadequate.

1 SEC. 21. Section four hundred eleven point five (411.5), subsection nine (9),  
2 Code 1975, is amended to read as follows:

3 9. Medical board. The board of fire trustees and the board of police trustees  
4 jointly shall designate a medical board to be composed of three physicians who  
5 shall arrange for and pass upon all medical examinations required under the  
6 provisions of this chapter, *except that for examinations required because of disability*  
7 *three physicians from the university of Iowa hospitals and clinics who shall pass upon*  
8 *the medical examinations required for disability retirements*, and shall report in  
9 writing to each board of trustees, respectively, its conclusions and  
10 recommendations upon all matters duly referred to it.

1 SEC. 22. Section four hundred eleven point five (411.5), subsections eleven  
2 (11), twelve (12), and thirteen (13), Code 1975, are amended to read as follows:

3 11. Tables—rates. Immediately after the establishment of each retirement  
4 system, the actuary shall make such investigation of *anticipated interest earnings*  
5 *and of the mortality*, service and compensation experience of the members of the  
6 system as ~~he~~ *the actuary* shall recommend and the board of trustees shall  
7 authorize, and on the basis of such investigation ~~he~~ *the actuary* shall recommend  
8 for adoption by the board of trustees such tables and such rates as are required in  
9 subsection 12 of this section. The board of trustees shall adopt *the rate of interest*  
10 *and tables*, and certify rates of contribution to be used by the system.

11 12. Actuarial investigation. In the year 1938, and at least once in each five-year  
12 period thereafter, the actuary shall make an actuarial investigation into the  
13 mortality, service and compensation experience of the members and beneficiaries  
14 of the retirement system, *and the interest and other earnings on the moneys and*  
15 *other assets of the retirement system*, and shall make a valuation of the assets and  
16 liabilities of the funds of the system, and taking into account the results of such  
17 investigation and valuation, the board of trustees shall:

18 a. Adopt for the retirement system such *interest rate*, mortality, and other tables  
19 as shall be deemed necessary;

20 b. Certify the rates of contribution payable by the said cities in accordance  
21 with section 411.8 of this chapter.

22 13. Valuation. On the basis of such *rate of interest and such tables* as the boards  
23 of trustees shall adopt, the actuary shall make an annual valuation of the assets  
24 and liabilities of the funds of the retirement systems created by this chapter.

1 SEC. 23. Section four hundred eleven point six (411.6), subsection two (2),  
2 paragraph b, Code 1975, is amended to read as follows:

3 b. A pension given by the city ~~in addition to his annuity~~ which ~~together with~~  
4 ~~his annuity~~ shall ~~make a total service retirement allowance~~ equal to one-half of  
5 ~~his~~ *the member's* average final compensation.

1 SEC. 24. Section four hundred eleven point six (411.6), subsection three (3),  
2 Code 1975, is amended to read as follows:

3 3. Ordinary disability retirement benefit. Upon the application of a member in  
4 service or of the chief of the police or fire departments, respectively, any member  
5 ~~who has had five or more years of membership service~~ shall be retired by the  
6 respective board of trustees, not less than thirty and not more than ninety days  
7 next following the date of filing such application, on an ordinary disability  
8 retirement allowance, provided, that the medical board after a medical  
9 examination of such member shall certify that said member is mentally or  
10 physically incapacitated for further performance of duty, that such incapacity is  
11 likely to be permanent and that such member should be retired.

1 SEC. 25. Section four hundred eleven point six (411.6), subsection four (4),  
2 paragraph b, Code 1975, is amended to read as follows:

3 b. A pension which together with ~~his the member's~~ annuity shall make a total  
4 retirement allowance equal to ninety percent of 1/70 of ~~his the member's~~ average  
5 final compensation multiplied by the number of years of membership service, if  
6 such retirement allowance exceeds one-half of ~~his the member's~~ average final  
7 compensation, otherwise a pension which together with ~~his the member's~~ annuity  
8 shall provide a total retirement allowance equal to one-half of ~~his the member's~~  
9 average final compensation *except if the member has not had five or more years of*  
10 *membership service the member shall receive a pension which together with the*  
11 *member's annuity shall provide a total retirement allowance equal to one-fourth of the*  
12 *member's average final compensation.*

1 SEC. 26. Section four hundred eleven point six (411.6), subsection six (6),  
2 unnumbered paragraph one (1), Code 1975, is amended to read as follows:

3 Upon retirement for accidental disability a member shall receive *a service*  
4 *retirement allowance if the member has attained the age of fifty-five, otherwise the*  
5 *member shall receive* an accidental disability retirement allowance which shall  
6 consist of:

1 SEC. 27. Section four hundred eleven point six (411.6), subsection seven (7),  
2 paragraph a, Code 1975, is amended to read as follows:

3 a. Should any beneficiary for *either ordinary or accidental* disability ~~not incurred~~  
4 ~~in line of duty~~, be engaged in a gainful occupation paying more than the  
5 difference between his retirement allowance and his average final compensation,  
6 then the amount of his pension shall be reduced to an amount which together  
7 with his annuity and the amount earned by him shall equal the amount of his  
8 average final compensation. Should his earning capacity be later changed, the  
9 amount of his pension may be further modified, provided, that the new pension  
10 shall not exceed the amount of the pension originally granted nor an amount  
11 which, when added to the amount earned by the beneficiary together with his  
12 annuity, equals the amount of his average final compensation. A beneficiary  
13 restored to active service at a salary less than the average final compensation  
14 upon the basis of which he was retired at age fifty-five or greater, shall not again  
15 become a member of the retirement system and shall have his retirement  
16 allowance suspended while in active service.

1 SEC. 28. Section four hundred eleven point six (411.6), subsection eight (8),  
2 unnumbered paragraph one (1), paragraphs a and b, and unnumbered paragraph  
3 two (2), Code 1975, are amended to read as follows:

4 Upon the receipt of proper proofs of the death of a member in service, *or a*  
5 *member not in service who has completed fifteen or more years of service as provided*  
6 *in subsection one (1), paragraph c, of this section*, there shall be paid to such person  
7 having an insurable interest in ~~his the member's~~ life as ~~he the member~~ shall have  
8 nominated by written designation duly executed and filed with the respective  
9 board of trustees:

10 a. ~~His~~ *The member's* accumulated contributions and, if the member has had one  
11 or more years of membership service and no pension is payable under the  
12 provisions of subsection 9 of this section, in addition thereto-

13 b. An amount equal to fifty percent of the compensation earnable by ~~him the~~  
14 *member* during the year immediately preceding ~~his the member's~~ death *if the*  
15 *member is in service or an amount equal to fifty percent of the compensation earned*  
16 *by the member during the member's last year of service if the member is not in service;*  
17 or

18 If there be no such nomination of beneficiary, the benefits provided in  
19 paragraphs "a" and "b" shall be paid to ~~his the member's~~ estate; or in lieu thereof,  
20 at the option of the following beneficiaries, respectively, even though nominated



21 as such, *for a member in service* there shall be paid a pension which, together with  
 22 the actuarial equivalent of ~~his~~ *the member's* accumulated contributions, shall be  
 23 equal to one-fourth of the average final compensation of such member, but in no  
 24 instance less than seventy-five dollars. In addition to the benefits herein  
 25 enumerated, there shall also be paid for each child of a member under the age of  
 26 eighteen years the sum of twenty dollars per month *or for a member not in service*  
 27 *the pension shall be reduced as provided in subsection one (1), paragraph c, of this*  
 28 *section and shall be paid commencing when the member would have attained the age*  
 29 *of fifty-five except if there is a child of the member under the age of eighteen, or under*  
 30 *the age of twenty-two who is a full-time student, or who is disabled, under the*  
 31 *definitions used in section four hundred two (402) of the Social Security Act as*  
 32 *amended to July 1, 1976 (forty-two (42) U.S.C. four hundred two (402)) the pension*  
 33 *shall be paid commencing with the member's death until the children reach the age of*  
 34 *eighteen, or twenty-two if applicable. The pension shall resume commencing when the*  
 35 *member would have attained the age of fifty-five;*

1 SEC. 29. Section four hundred eleven point six (411.6), subsection fourteen  
 2 (14), paragraph a, Code 1975, is amended to read as follows:

3 a. As of the first of July of each year, the monthly pensions authorized in this  
 4 section payable to each retired member and to each beneficiary, except children,  
 5 of a deceased member shall be recomputed. The formula authorized in this  
 6 section which was used to compute the retired member's or beneficiary's pension  
 7 at the time of retirement or death; ~~including all amendments to the formula which~~  
 8 ~~may be adopted subsequent to the member's retirement or death,~~ shall be used in  
 9 the recomputation except the pension compensation shall be used in lieu of the  
 10 average final compensation which the retired or deceased member was receiving  
 11 at the time of retirement or death. The adjusted monthly pension shall be the  
 12 amount payable at the member's retirement or death adjusted by one-half of the  
 13 difference between the recomputed pension and the amount payable at the  
 14 member's retirement or death. At no time shall the monthly pension or payment  
 15 to the beneficiary be less than the amount which was paid at the time of the  
 16 member's retirement or death.

1 SEC. 30. Section four hundred eleven point seven (411.7), subsection three (3),  
 2 Code 1975, is amended to read as follows:

3 3. Each board of trustees annually shall allow regular interest on the mean  
 4 amount for the preceding year in each of the funds with the exception of the  
 5 *pension accumulation fund and the expense fund*. The amount so allowed shall be  
 6 due and payable to said funds and shall be annually credited thereto by the  
 7 respective board of trustees from interest and other earnings on the moneys and  
 8 other assets of the retirement systems. Any additional amount required to meet  
 9 the interest on the funds of the retirement system shall be paid by the cities and  
 10 any excess of earnings over such amount required shall be deductible from the  
 11 amounts to be contributed by the said cities.

1 SEC. 31. Section four hundred eleven point eight (411.8), subsection three (3),  
 2 Code 1975, is amended by adding the following new paragraph:

3 NEW PARAGRAPH. An amount equal to one and twenty-one hundredths  
 4 percent of each member's compensation from the compensation of the member  
 5 shall be paid to the pension accumulation fund.

6 The provisions of section four hundred eleven point eight (411.8), subsection  
 7 one (1), paragraphs b and c, of the Code relating to the contributions of members  
 8 shall be applicable to this paragraph.

1 SEC. 32. Section four hundred eleven point eight (411.8), subsection three (3),  
 2 paragraph b, Code 1975, is amended to read as follows:

3 b. On the basis of ~~regular~~ *the rate of interest* and of such mortality, *interest*, and  
 4 other tables as shall be adopted by the boards of trustees, the actuary engaged by  
 5 the said boards to make each valuation required by this chapter, shall

6 immediately after making such valuation, determine the uniform and constant  
 7 percentage of the earnable compensation of the average new entrant, which, if  
 8 contributed throughout his entire period of active service, would be sufficient to  
 9 provide for the payment of any death benefit or pension payable on this account.  
 10 The rate percent so determined shall be known as the "normal contribution rate".  
 11 The normal contribution rate shall be the rate percent of the earnable  
 12 compensation of all members obtained by deducting from the total liabilities of  
 13 the fund the amount of the funds in hand to the credit of the fund and dividing  
 14 the remainder by one percent of the present value of the prospective future  
 15 compensation of all members as computed on the basis of *the rate of interest and*  
 16 *of mortality and service tables adopted by the boards of trustees and regular*  
 17 *interest.* The normal rate of contribution shall be determined by the actuary after  
 18 each valuation.

1 SEC. 33. Chapter four hundred eleven (411), Code 1975, is amended by adding  
 2 the following new section:

3 NEW SECTION. Each board of trustees may, in lieu of investing funds as  
 4 provided in section four hundred eleven point seven (411.7) of the Code, transfer  
 5 authority to invest funds to the board of trustees of the peace officers' retirement,  
 6 accident, and disability system under chapter ninety-seven A (97A) of the Code.  
 7 Assets held by the system electing to transfer investment authority shall either be  
 8 transferred in cash or market value plus accrued interest. The assets of the system  
 9 may be commingled with assets of the peace officers' retirement, accident and  
 10 disability system for purposes of investment, and no system shall have any right  
 11 to any specific asset deposited in any of the peace officers' retirement, accident  
 12 and disability funds other than its undivided interest in all assets. The board of  
 13 trustees of chapter ninety-seven A (97A) of the Code shall maintain the necessary  
 14 records to determine the interest of any system in the funds. All income or gain  
 15 realized from investments of moneys in the funds and all investment expense or  
 16 loss shall be allocated to the funds of each system in the same ratio that the  
 17 average quarterly balances based on market values of the funds of each system  
 18 bear to the total average quarterly balance of the funds in chapter ninety-seven A  
 19 (97A) of the Code.

20 The board of trustees electing to transfer investment authority may withdraw in  
 21 total or in part its assets from the funds established under chapter ninety-seven A  
 22 (97A) of the Code. Withdrawal shall be by written notice and the amount payable  
 23 shall be the balance as of the end of the quarter next following receipt of the  
 24 notice.

1 SEC. 34. Chapter four hundred eleven (411), Code 1975, is amended by adding  
 2 the following new section:

3 NEW SECTION. A member of a retirement system established in this chapter  
 4 who terminates employment with a city and is subsequently employed by another  
 5 city and is eligible for coverage under this chapter may transfer membership  
 6 service earned under the first system to the system under which the member is  
 7 employed. Upon the written request of the member with verification by the board  
 8 of trustees of the system under which the member is employed, the board of  
 9 trustees of the first system shall transmit to the board of trustees of the system  
 10 under which the member is employed, within thirty days of the receipt of the  
 11 request, the member's accumulated contributions to be deposited in the annuity  
 12 savings fund of the system under which the member is employed and the  
 13 actuarial equivalent of the amount in the pension accumulation fund which would  
 14 be necessary to fund a pension equal to one twenty-second times the number of  
 15 years of membership service completed, under the first system, to be deposited in  
 16 the pension accumulation fund of the system under which the member is  
 17 employed.

1 SEC. 35. Chapter four hundred eleven (411), Code 1975, is amended by adding  
2 the following new section:

3 NEW SECTION. There is appropriated from the general fund of the state to the  
4 municipal assistance fund established in chapter four hundred five (405) of the  
5 Code for each fiscal year an amount necessary to be distributed to cities which  
6 have established pension accumulation funds of fire retirement systems or police  
7 retirement systems under the provisions of chapter four hundred eleven (411) of  
8 the Code. Funds shall be used to finance the costs of benefits provided in sections  
9 eighteen (18) through thirty-four (34) of this Act. The amounts distributed to each  
10 eligible city in the manner provided in chapter four hundred five (405) of the  
11 Code shall be based upon claims filed with the state comptroller by the cities  
12 accompanied by the verified statement of the claim signed by the consulting  
13 actuary of the retirement system. The claim shall specify for each fiscal year the  
14 normal contribution rate which would be required to pay the city's share in the  
15 retirement systems and the total amount payable to the pension accumulation  
16 funds by the city under the formula by which benefits were computed prior to  
17 July 1, 1976 and the normal contribution rate which would be required to pay the  
18 city's share in the retirement systems and the total amount payable to the pension  
19 accumulation funds by the city under chapter four hundred eleven (411) of the  
20 Code. The state comptroller shall pay the difference between the two amounts.

Approved June 28, 1976

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## CHAPTER 1090

### SOCIAL GAMBLING

#### S. F. 1102

AN ACT to permit gambling in the form of social games on premises owned or occupied by associations charging dues as a condition of membership.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Chapter ninety-nine B (99B)\*, section eight (8), subsection one (1),  
2 paragraph g, Acts of the Sixty-sixth General Assembly, 1975 Session, amending  
3 section ninety-nine B point six (99B.6), Code 1975, is amended to read as follows:

4 g. No cover charge, participation charge or other charge is imposed upon a  
5 person ~~admitted to the premises, whether or not the person participates in for the~~  
6 *privilege of participating in or observing* gambling, and no rebate, discount, credit,  
7 or other method is used to discriminate between the charge for *the sale of goods* or  
8 or services to participants in gambling and the charge for *the sale of goods* or  
9 services to nonparticipants. *Satisfaction of an obligation into which a member of an*  
10 *organization enters to pay at regular periodic intervals a sum fixed by that*  
11 *organization for the maintenance of that organization is not a charge which is*  
12 *prohibited by this paragraph.*

1 SEC. 2. Chapter ninety-nine B (99B)\*, section eleven (11), subsection one (1),  
2 paragraph g, Acts of the Sixty-sixth General Assembly, 1975 Session, amending  
3 section ninety-nine B point nine (99B.9), Code 1975, is amended to read as  
4 follows:

5 g. No cover charge, participation charge or other charge is imposed upon a  
6 person ~~admitted to the premises, whether or not the person participates in for the~~  
7 *privilege of participating in or observing* gambling, and no rebate, discount, credit,  
8 or other method is used to discriminate between the charge for *the sale of goods*

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\*Amended by Chapter 1091 of these Acts