

CHAPTER 1060
PUBLIC RETIREMENT SYSTEMS

H. F. 2426

AN ACT relating to certain public retirement systems and making an appropriation.

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

Section 1. Section ninety-seven A point one (97A.1), subsections seven (7), eight (8), twelve (12), seventeen (17), nineteen (19), and twenty (20), Code 1977, are amended to read as follows:

7. "Beneficiary" shall mean any person receiving ~~a pension, an annuity,~~ a retirement allowance or other benefit as provided by this chapter.

8. "Surviving spouse" shall mean ~~only-such~~ the surviving spouse or former spouse of a marriage ~~consummated solemnized~~ prior to retirement of a deceased member from active service. Surviving spouse shall include a former spouse only if the division of assets in the dissolution of marriage decree pursuant to section five hundred ninety-eight point seventeen (598.17) of the Code grants the former spouse rights of a spouse under this chapter. If there is no surviving spouse of a marriage solemnized prior to retirement of a deceased member, surviving spouse includes a surviving spouse of a marriage of two years or more duration solemnized subsequent to retirement of the member.

12. "Earnable compensation" or "compensation earnable" shall mean the regular compensation which a member would earn during one year on the basis of the stated compensation for ~~his~~ the member's rank or position including compensation for longevity and excluding any amount received for overtime compensation or other special additional compensation, meal and travel expenses, and uniform allowances and excluding any amount received upon termination or retirement in payment for accumulated sick leave or vacation.

17. "Retirement allowance" shall mean the ~~sum-of-the annuity-and-the~~ pension, or any benefits in lieu thereof, granted to a member upon retirement.

19. "Pension reserve" shall mean the present value of all payments to be made on account of any pension, or benefit in lieu of a pension, granted under the provisions of this

chapter, upon the basis of such mortality tables as shall be adopted by the board of trustees and ~~regular~~ interest computed at a rate adopted by the board upon the recommendation of the actuary.

20. "Actuarial equivalent" shall mean a benefit of equal value, when computed upon the basis of mortality tables adopted by the board of trustees, and ~~regular~~ interest computed at a rate adopted by the board upon the recommendation of the actuary.

Sec. 2. Section ninety-seven A point one (97A.1), Code 1977, is amended by striking subsections ten (10), eleven (11), fifteen (15), and eighteen (18).

Sec. 3. Section ninety-seven A point three (97A.3), subsection two (2), Code 1977, is amended to read as follows:

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

Sec. 4. Section ninety-seven A point three (97A.3), Code 1977, is amended by adding the following new subsection:

NEW SUBSECTION. Effective July 1, 1979, a person shall not become a member of the system unless that person has passed the physical and mental examination given under the provisions of section eighty point fifteen (80.15) of the Code and unless that person has received a diploma for satisfactory completion of a training school held pursuant to the provisions of section eighty point thirteen (80.13) of the Code.

Sec. 5. Section ninety-seven A point five (97A.5), subsection one (1), Code 1977, is amended to read as follows:

1. BOARD OF TRUSTEES. The general administration and the responsibility for the proper operation of the system and for making effective the provisions of this chapter are hereby vested in a board of trustees to administer the system. Such board of trustees shall be constituted as follows: The commissioner of public safety, who shall be ~~chairman~~ chairperson of said board, the state treasurer, and a an actively engaged member of the system, to be chosen by secret ballot by the members thereof for a term of two years.

Sec. 6. Section ninety-seven A point six (97A.6), subsection one (1), paragraph c, Code 1977, is amended to

read as follows:

c. Any member in service who has been a member of the retirement system fifteen or more years and whose employment is terminated prior to the member's retirement, other than by death or disability, shall upon attaining retirement age, receive a service retirement allowance of fifteen twenty-seconds of the retirement allowance the member would receive at retirement if the member's employment had not been terminated, and an additional one twenty-second of such retirement allowance for each additional year of service not exceeding twenty-two years of service. The amount of the retirement allowance shall be based on the average final compensation at the time of termination of employment. ~~The allowance shall not be available to a member who has chosen to withdraw the member's accumulated contributions as provided in subsection 40 of this section.~~

Sec. 7. Section ninety-seven A point six (97A.6), subsections two (2), four (4), and six (6), Code 1977, are amended to read as follows:

2. ALLOWANCE ON SERVICE RETIREMENT. Upon retirement from service, a member shall receive a service retirement allowance which shall consist of:

~~a. An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement, and~~

~~b. A pension given by the state which shall equal one-half of the member's average final compensation.~~

4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT. Upon retirement for ordinary disability a member shall receive a service retirement allowance if he the member has attained the age of fifty-five, otherwise he the member shall receive an ordinary disability retirement allowance which shall consist of:

~~a. An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of retirement, and~~

~~b. A pension which together with the member's annuity shall make a total retirement allowance equal to ninety forty percent of one-seventieth of the member's average final compensation multiplied by the number of years of membership service, if such retirement allowance exceeds one-half of the member's average final compensation, otherwise a pension which together with the member's annuity shall provide a total retirement allowance equal to one-half of the member's average~~

~~final-compensation~~ except if the member has not had five or more years of membership service, the member shall receive a pension ~~which-together-with-the-member's-annuity-shall provide-a-total-retirement-allowance~~ equal to one-fourth of the member's average final compensation.

6. RETIREMENT AFTER ACCIDENT. Upon retirement for accidental disability a member shall receive a service retirement allowance if ~~he~~ the member has attained the age of fifty-five, otherwise ~~he~~ the member shall receive an accidental disability retirement allowance which shall consist of:

~~a--An-annuity-which-shall-be-the-actuarial-equivalent of-his-accumulated-contributions-at-the-time-of-his-retirement, and~~

~~b--A~~ a pension, ~~in-addition-to-the-annuity,-of~~ equal to sixty-six and two-thirds percent of ~~his~~ the member's average final compensation.

Sec. 8. Section ninety-seven A point six (97A.6), subsection seven (7), paragraph a, Code 1977, is amended to read as follows:

a. Should any beneficiary for either ordinary or accidental disability, except a beneficiary who is fifty-five years of age or over and would have completed twenty-two years of service if he or she had remained in active service, be engaged in a gainful occupation paying more than the difference between ~~his~~ the member's retirement allowance and ~~his-average-final compensation~~ the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement, then the amount of ~~his-pension~~ the retirement allowance shall be reduced to an amount which together with ~~his-annuity-and~~ the amount earned by ~~him~~ the member shall equal the amount of ~~his-average final-compensation~~ the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. Should ~~his~~ the member's earning capacity be later changed, the amount of ~~his-pension~~ the retirement allowance may be further modified, provided, that the new ~~pension~~ retirement allowance shall not exceed the amount of the ~~pension~~ retirement allowance originally granted adjusted by annual readjustments of pensions pursuant to subsection fifteen (15) of this section nor an amount which, when added to the amount earned by the beneficiary ~~together-with-his-annuity,~~ equals the amount of ~~his-average-final-compensation~~ the current earnable

compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. A beneficiary restored to active service at a salary less than the average final compensation upon the basis of which he the member was retired at age fifty-five or greater, shall not again become a member of the retirement system and shall have his or her retirement allowance suspended while in active service. If the rank or position held by the retired member is subsequently abolished, adjustments to the allowable limit on the amount of income which can be earned in a gainful occupation shall be computed in the same manner as provided in subsection fifteen (15), paragraph d, of this section for readjustment of pensions when a rank or position has been abolished.

A beneficiary retired under the provisions of this paragraph in order to be eligible for continued receipt of retirement benefits shall no later than May fifteenth of each year submit to the board of trustees a copy of his or her state income tax return for the preceding year.

Retroactive to July 1, 1976, the limitations on pay of a member engaged in a gainful occupation who is retired under accidental disability prescribed in this paragraph shall not apply to a member who retired before July 1, 1976.

Sec. 9. Section ninety-seven A point six (97A.6), subsections eight (8), nine (9), thirteen (13), nineteen (19),* and twenty (20),* Code 1977, are amended to read as follows:

8. ORDINARY DEATH BENEFIT. Upon the receipt of proper proofs of the death of a member in service, or a member not in service who has completed fifteen or more years of service as provided in subsection 1, paragraph "c", of this section, there shall be paid to such person having an insurable interest in the member's life as the member shall have nominated by written designation duly executed and filed with the board of trustees:

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

~~b.--An~~ an amount equal to fifty percent of the compensation earned by the member during the year immediately preceding the member's death if the member is in service or an amount equal to fifty percent of the compensation earned by the member during the member's last year of service if the member is not in service; or

*According to enrolled Act

b. If there be no such nomination of beneficiary, the benefits provided in ~~paragraphs~~ paragraph "a" and "b" of this subsection 8 shall be paid to the member's estate; or in lieu thereof, at the option of the following beneficiaries, respectively, even though nominated as such, for a member in service there shall be paid a pension which ~~together with the actuarial equivalent of the member's accumulated contributions,~~ shall be equal to one-fourth of the average final compensation of such member, but in no instance less than fifty dollars per month or for a member not in service the pension shall be reduced as provided in subsection 1, paragraph "c", of this section and shall be paid commencing when the member would have attained the age of fifty-five except if there is a child of the member under the age of eighteen, or under the age of twenty-two who is a full-time student, or who is disabled, under the definitions used in section 402 of the Social Security Act as amended to July 1, ~~1976~~ 1978 (42 U.S.C. 402) the pension shall be paid commencing with the member's death until the children reach the age of eighteen, or twenty-two if applicable, and shall resume commencing when the member would have attained the age of fifty-five;

c. To the surviving spouse to continue so long as said partner remains unmarried; or

d. If there be no surviving spouse, or if the spouse dies or remarries before any child of such deceased member shall have attained the age of eighteen years, then to the guardian of the member's child or children under said age, divided in such manner as the board of trustees in its discretion shall determine, to continue as a joint and survivor pension until every such child dies or attains the age of eighteen; or

e. If there be no surviving spouse or child under age eighteen, then to the member's dependent father or mother, as the board of trustees in its discretion shall determine, to continue until remarriage or death.

f. In addition to the benefits herein enumerated, there shall also be paid for each child of a member under the age of eighteen years the sum of twenty dollars per month a monthly pension equal to six percent of the monthly earnable compensation payable to an active member having the rank of senior patrolman of the Iowa highway safety patrol.

For the purpose of this chapter, a senior patrolman is

a man or woman who has completed ten years of service in the Iowa highway safety patrol.

9. ACCIDENTAL DEATH BENEFIT. If, upon the receipt of evidence and proof that the death of a member was the natural and proximate result of an accident or exposure occurring at some definite time and place while the member was in the actual performance of duty, the board of trustees shall decide that death was so caused in the performance of duty there shall be paid, in lieu of the ordinary death benefit provided in subsection 8 of this section, to his the member's estate or to such person having an insurable interest in his or her life as he the member shall have nominated by written designation duly executed and filed with the board of trustees:

~~a. His accumulated contributions, and in addition thereto--~~

~~b.~~ A pension equal to one-half of the average final compensation of such member shall be paid to the surviving spouse, children or dependent parents as provided in paragraphs "c", "d", and "e" of subsection 8 of this section.

~~e~~ b. If there be no surviving spouse, children under the age of eighteen years or dependent parent surviving such deceased member, the death shall be treated as an ordinary death case and the benefit payable in accordance with the provisions of subsection 8, paragraph "b a" of this section, in lieu of the pension provided in paragraph "b a" of this subsection 9, shall be paid to the member's estate.

~~d~~ c. In addition to the benefits for the surviving spouse herein enumerated, there shall also be paid for each dependent child of a member under the age of eighteen years the sum of twenty dollars per month a monthly pension equal to six percent of the monthly earnable compensation payable to an active member having the rank of senior patrolman of the Iowa highway safety patrol.

13. PENSION TO SURVIVING SPOUSE AND CHILDREN OF DECEASED PENSIONED MEMBERS. In the event of the death of any member receiving a retirement allowance under the provisions of subsections 2, 4 or 6 of this section there shall be paid a pension:

a. To the member's surviving spouse to continue so long as said party remains unmarried, equal to one-half the amount received by such deceased beneficiary, but in no instance less than fifty dollars per month, and in addition thereto the sum of twenty dollars per month a monthly pension equal to the monthly pension payable under subsection nine (9), paragraph c, of this section for each child under eighteen

years of age; or

b. In the event of the death of the spouse either prior or subsequent to the death of the member, to the guardian of each surviving child under eighteen years of age, in-the sum-of-twenty-dollars-per-month a monthly pension equal to the monthly pension payable under subsection nine (9), paragraph c, of this section for the support of such child.

Sec. 10. Section ninety-seven A point six (97A.6), Code 1977, is amended by striking subsection ten (10) and subsection fifteen (15), paragraph b.

Sec. 11. Section ninety-seven A point six (97A.6), subsection fifteen (15), paragraph a, Code 1977, is amended to read as follows:

a. As of the first of July of each year, the monthly pensions authorized in this section payable to each retired member and to each beneficiary, except children, of a deceased member shall be recomputed. The formula authorized in this section which was used to compute the retired member's or beneficiary's pension at the time of retirement or death shall be used in the recomputation, except the pension compensation shall be used in lieu of the average final compensation which the retired or deceased member was receiving at the time of retirement or death. The adjusted monthly pension shall be the amount payable at the member's retirement or death adjusted by fifty percent of the difference between the recomputed pension and the amount payable at the member's retirement or death. At no time shall the monthly pension or payment to the beneficiary be less than the amount which was paid at the time of the member's retirement or death.

As of the first of July of each year, the monthly pension payable to each surviving child under the provisions of subsections eight (8), nine (9), and thirteen (13) of this section shall be adjusted to equal six percent of the monthly earnable compensation payable on that July first to an active member having the rank of senior patrolman of the Iowa highway safety patrol.

Sec. 12. Section ninety-seven A point seven (97A.7), Code 1977, is amended by striking subsection three (3).

Sec. 13. Section ninety-seven A point seven (97A.7), subsection six (6), Code 1977, is amended to read as follows:

6. The board of trustees may invest funds of the fire and police retirement systems created under the provisions of chapter 411 in the manner prescribed in this section.

Sec. 14. Section ninety-seven A point eight (97A.8), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

All the assets of the system created and established by this chapter shall be credited according to the purpose for which they are held to one of ~~five~~ three funds, namely, ~~the annuity-savings-fund, the annuity-reserve-fund,~~ the pension accumulation fund, the pension reserve fund, and the expense fund.

Sec. 15. Section ninety-seven A point eight (97A.8), subsection three (3), unnumbered paragraph one (1) and paragraphs a and b, Code 1977, are amended to read as follows:

The pension accumulation fund shall be the fund in which shall be accumulated all ~~reserves~~ moneys for the payment of all pensions and other benefits payable from contributions made by the state and from which shall be paid the lump-sum death benefits for all members payable from the said contributions. Contributions to and payments from the pension accumulation fund shall be as follows:

a. On account of each member there shall be paid annually into the pension accumulation fund by the state of Iowa an amount equal to a certain percentage of the earnable compensation of the member to be known as the "normal contribution". The rate percent of such contribution shall be fixed on the basis of the liabilities of the retirement system as shown by annual actuarial valuations. ~~Until the first-valuation-the-normal-contribution-shall-be-eight-percent.~~

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

rate of interest and of mortality and service tables adopted by the board of trustees ~~and regular interest~~, all reduced by the employee contribution made pursuant to paragraph f of this subsection. The normal rate of contribution shall be determined by the state commissioner of insurance after each valuation.

Sec. 16. Section ninety-seven A point eight (97A.8), subsection three (3), paragraph f, Code 1977, is amended to read as follows:

f. An amount equal to ~~one~~ two and twenty-one hundredths percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund. ~~The provisions of this section, subsection 4, paragraphs "b" and "c", of the Code relating to the contributions of members shall be applicable to this paragraph.~~

Sec. 17. Section ninety-seven A point eight (97A.8), subsection three (3), Code 1977, is amended by adding the following new paragraph:

NEW PARAGRAPH. The board of trustees shall certify to the state comptroller and the state comptroller shall cause to be deducted from the earnable compensation of each member the contribution required under this subsection and shall forward the contributions to the board of trustees for recording and for deposit in the pension accumulation fund.

The deductions provided for under this subsection shall be made notwithstanding that the minimum compensation provided by law for any member is reduced. Every member is deemed to consent to the deductions made under this section.

Sec. 18. Section ninety-seven A point eight (97A.8), Code 1977, is amended by striking subsections one (1) and two (2).

Sec. 19. Chapter ninety-seven A (97A), Code 1977, is amended by adding the following new section:

NEW SECTION.

1. Members who became vested and terminated service prior to July 1, 1979, and members receiving an annuity from accumulated contributions made prior to July 1, 1979, shall continue to receive the benefits the member was entitled to under the provisions of chapter ninety-seven A (97A), as chapter ninety-seven A (97A) was effective on the date of the member's retirement or vested termination.

2. For the purposes of this section:

a. "Accumulated contributions" means the sum of all amounts deducted from the compensation of a member and credited to the member's individual account in the annuity savings fund

together with regular interest thereon as provided in this subsection. Accumulated contributions do not include any amount deducted from the compensation of a member and credited to the pension accumulation fund.

b. "Annuity" means annual payments for life derived from the accumulated contributions of a member. All annuities shall be payable in monthly installments.

c. "Annuity reserve" shall mean the present value of all payments to be made on account of an annuity, or benefit in lieu of an annuity, granted under the provisions of this chapter, upon the basis of such mortality tables as shall be adopted by the board of trustees, and regular interest.

d. "Annuity savings fund" means the account maintained by the board of trustees in which the accumulated contributions of the members were deposited prior to July 1, 1979, to provide for their annuities.

e. "Annuity reserve fund" means the account maintained by the board of trustees from which shall be paid all annuities and all benefits in lieu of annuities payable as provided in this chapter as this chapter was effective on June 30, 1978.

f. "Regular interest" means interest at the rate of four percent per annum, compounded annually and credited to the member's account as of the date of the member's retirement or termination from employment.

3. Beginning July 1, 1979, the board of trustees shall maintain and invest funds in the annuity reserve fund and the annuity savings fund which had been contributed by members prior to July 1, 1979. Members receiving an annuity as a portion of their retirement or disability benefits on June 30, 1979, shall continue to receive such annuity from the annuity reserve fund maintained by the board of trustees. Members receiving an annuity, if reemployed under service covered by this chapter, shall cease to receive retirement benefits.

4. The accumulated contributions of a member withdrawn by the member or paid to the member's estate or designated beneficiary in the event of the member's death shall be paid from the annuity savings fund account. Upon the retirement of a member, the member's accumulated contributions shall be transferred from the annuity savings fund to the annuity reserve fund.

5. A member of the retirement system prior to July 1, 1979 with fifteen or more years of service whose employment

was terminated prior to retirement, other than by death or disability, shall be entitled to receipt of his or her accumulated contributions upon retirement together with other retirement benefits provided in the law on the date of the member's retirement. However, the member shall not be eligible for a service retirement allowance under section ninety-seven A point six (97A.6) of the Code if he or she has chosen to withdraw his or her accumulated contributions from the annuity savings fund prior to the member's retirement.

6. Any member in service prior to July 1, 1979 may at the time of his or her retirement withdraw his or her accumulated contributions made before July 1, 1979 or receive an annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement.

7. Notwithstanding the provisions of subsections one (1), three (3), four (4), five (5), and six (6) of this section, an active or vested member may request in writing and receive from the board of trustees, his or her accumulated contributions from the annuity savings' fund at the discretion of the board of trustees, except that the board shall not liquidate securities at a loss for the sole purpose of returning the accumulated contributions to the members. All requested accumulated contributions shall be returned prior to July 1, 1984.

8. The actuary shall annually determine the amount required in the annuity reserve fund. If the amount required is less than the amount in the annuity reserve fund, the board of trustees shall transfer the excess funds from the annuity reserve fund to the pension accumulation fund. If the amount required is more than the amount in the annuity reserve fund, the board of trustees shall transfer the amount prescribed by the actuary to the annuity reserve fund from the pension accumulation fund.

Sec. 20. Section ninety-seven B point eleven (97B.11), Code 1977, is amended to read as follows:

97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE. Each employer shall deduct from the wages of each member of the system a contribution in the amount of three and six-tenths percent of the covered wages paid by the employer through June 30, 1979, and commencing July 1, 1979 in the amount of three and seven-tenths percent of the covered wages paid by the employer, until the first of the month ~~after the member's~~ seventieth birthday in which the member attains the age of

seventy years or the member's termination or retirement from employment, whichever is earlier. The contributions of the employer shall be in the amount of three and one-half percent of the covered wages of the member for service through December 31, 1975, ~~and~~ in the amount of five and twenty-five hundredths percent of the covered wages of the member for service commencing July 1, 1977 through June 30, 1979, and in the amount of five and seventy-five hundredths percent of the covered wages of the member for service commencing July 1, 1979.

Sec. 21. Section ninety-seven B point twenty-six (97B.26), Code 1977, is amended to read as follows:

97B.26 HEARING OFFICER. Unless such appeal is withdrawn, a hearing officer to be designated by the department for this purpose, after affording the parties reasonable opportunity for fair hearing, shall affirm or modify the findings of fact and decision of the deputy. ~~At-said-hearing-all-of-the evidence-taken-and-the-proceedings-had-shall-be-taken-and fully-reported-by-a-certified-shorthand-reporter---Said reporter-shall-promptly-transcribe-said-evidence-and proceedings-and-certify-to-same.~~ The hearing shall be recorded by mechanical means and a transcript of the hearing shall be made. The said transcript shall then be made available for use by the appeal board and by the courts at subsequent judicial review proceedings under the Iowa administrative procedure Act, if any. The parties shall be duly notified of the hearing officer's decision, together with ~~his~~ the hearing officer's reasons therefor, which shall be deemed to be the final decision of the department unless, within thirty days after the date of notification or mailing of such decision, further appeal is initiated pursuant to section 97B.27.

Sec. 22. Section ninety-seven B point forty-one (97B.41), subsection one (1), paragraph a, unnumbered paragraph one (1), Code 1977, is amended to read as follows:

"Wages" means all remuneration for employment, including the cash value of remuneration paid in any medium other than cash, but not including the cash value of remuneration paid in any medium other than cash necessitated by the convenience of the employer, such amount as agreed upon by the employer and employee and reported to the department by the employer shall be conclusive of the value of remuneration in a medium other than cash; except that remuneration which does not equal or exceed the sum of three hundred dollars in any calendar

~~quarter shall be excluded, provided, however, that the membership of such employee shall not be considered terminated as long as the employer-employee relationship exists.~~ Wages for an elected official means the salary received by an elected official, exclusive of expense and travel allowances.

Sec. 23. Section ninety-seven B point forty-one (97B.41), subsection one (1), paragraph b, subparagraph five (5), Code 1977, is amended to read as follows:

(5) Effective July 1, ~~1973~~ 1978, covered wages shall not include wages to a member on or after the first of the month coinciding with or next following his seventieth birthday in which the member attains the age of seventy years, or after the effective date of ~~his~~ the member's retirement unless ~~he~~ the member is re-employed, as provided under section 97B.48, subsection 3.

Sec. 24. Section ninety-seven B point forty-one (97B.41), subsection two (2), Code 1977, is amended to read as follows:

2. "Employment for any calendar quarter" means any service performed under an employer-employee relationship under the provisions of this chapter if the remuneration equals or exceeds three hundred dollars in the calendar quarter. For the purposes of this chapter, elected officials, ~~excluding members of the general assembly,~~ are deemed to be in employment.

Sec. 25. Section ninety-seven B point forty-one (97B.41), subsection three (3), paragraph b, Code 1977, is amended by adding the following new subparagraphs:

NEW SUBPARAGRAPH. Persons employed under the federal Comprehensive Employment Training Act as amended to January 1, 1978 unless such employees shall make an application to the department to be covered under the provisions of this chapter.

NEW SUBPARAGRAPH. Foreign exchange teachers and visitors including alien scholars, trainees, professors, teachers, research assistants, and specialists in their field of specialized knowledge or skill.

NEW SUBPARAGRAPH. Members of the ministry, rabbinate, or other religious order who have taken the vow of poverty.

NEW SUBPARAGRAPH. Persons employed as city managers under a form of city government listed in chapter three hundred seventy-two (372) of the Code unless such employees shall make an application to the department to be covered under the provisions of this chapter.

Sec. 26. Section ninety-seven B point forty-one (97B.41),

subsections nine (9) and eighteen (18), Code 1977, are amended to read as follows:

9. "Active member" ~~with-respect-to-service-after-July 4-1953-at-the-end-of-a-year~~ during a calendar year means a member who made contributions to the system at any time during the calendar year and who ~~as-of-December-31-of-the-current-year;~~

a. had not received or applied for a refund of his or her accumulated contributions for withdrawal or death,

~~b. had not terminated employment and applied for a deferred vested retirement allowance; and~~

~~e b.~~ had not ~~retired and~~ commenced receiving a retirement allowance.

18. "Membership service" means service rendered by a member after July 4, 1953, and prior to the first of the month coinciding with or next following his seventieth birthday in which the member attains the age of seventy years. Years of membership service shall be counted to the complete quarter calendar year.

Sec. 27. Section ninety-seven B point forty-one (97B.41), subsection twenty (20), Code 1977, is amended to read as follows:

20. "~~Final five-year~~ Five-year average covered wage" means a member's covered wages averaged for the highest five consecutive years of the member's ~~last ten consecutive years which will produce the highest average service.~~ service. ~~If the member has not completed ten consecutive years then the actual years as a member shall be considered, and if~~ the member has less than five consecutive years then the average over the actual number of years as a member shall be used. For the purposes of this chapter the word "consecutive" means in sequence with respect to the years of service rendered as a member and not necessarily in sequence with respect to actual periods of time measured by the calendar.

Sec. 28. Section ninety-seven B point forty-three (97B.43), unnumbered paragraph three (3), Code 1977, is amended to read as follows:

Each individual who as of July 1, ~~1973~~ 1978, was an active, vested, or retired member and who (1) made application for and received a refund of contributions made under the abolished system or (2) has on deposit with the retirement fund his or her contributions made under the abolished system shall be entitled to credit for years of prior service in the determination of retirement allowance payments by filing a

written election with the department ~~between July 1, 1973~~
~~and July 1, 1974~~ on or after July 1, 1978, and by repositing
any withdrawn contributions under the abolished system together
with interest as stated in this paragraph. Any individual
who as of July 1, ~~1973~~ 1978, is a retired member and who made
application for and received a refund of contributions made
under the abolished system, may, by filing a written election
with the department ~~between July 1, 1973 and July 1, 1974~~
on or after July 1, 1978, have the department retain fifty
percent of the monthly increase in retiree benefits that will
accrue to the individual because of prior service. If the
monthly increase in retirement benefits is less than ten
dollars, the department shall retain five dollars of the
scheduled increase, and if the monthly increase is less than
five dollars, the provisions of this paragraph shall not
apply. The department shall continue to retain such funds
until the withdrawn contributions, together with interest
accrued to ~~July 1, 1973~~ the month in which the written election
is filed, have been repaid. Due notice of this provision
shall be sent to all retired members as of July 1, ~~1973~~ 1978.
However, this paragraph shall not apply to any person who
received a refund of any membership service contributions;
provided, however, that a refund of contributions remitted
for the calendar quarter ending September 30, 1953 which was
based entirely upon employment which terminated prior to July
4, 1953 shall not be considered as a refund of membership
service contributions. The interest to be paid into the fund
shall be compounded at the rates credited to member accounts
from the date of payment of the refund of contributions under
the abolished system to the date the member redeposits the
refunded amount. The provisions of the first paragraph of
this section relating to the consideration given to credited
amounts shall apply to the redeposited amounts or to amounts
left on deposit. Effective ~~January~~ July 1, 1976 1978, the
provisions of this paragraph shall apply to each individual
who as of ~~January~~ July 1, 1976 1978, was an active, vested,
or retired member, but who was not in service on July 4, 1953.
The period for filing the written election with the department
and repositing any withdrawn contributions together with
interest accrued ~~to~~ shall commence January July 1, 1976 ~~shall~~
~~be between January 1, 1976 and January 1, 1977~~ 1978. A member
who is a retired member as of ~~January~~ July 1, 1976 1978 may
file written election with the department between on or after
January July 1, 1976 ~~and January 1, 1977~~ 1978 to have the

department retain fifty percent of the monthly increase as provided in this paragraph.

Sec. 29. Section ninety-seven B point forty-five (97B.45), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

A member's normal retirement date shall be the first of the month ~~coinciding with or next following his sixty-fifth birthday~~ in which a member attains the age of sixty-five years. A member may retire after ~~his~~ the member's sixty-fifth birthday except as otherwise provided in section 97B.46.

A member retiring on or after ~~his~~ the normal retirement date, as provided in section 97B.46, shall submit a written notice to the department setting forth the date the retirement is to become effective, provided that such date shall be after ~~his~~ the member's last day of service and not before the first day of the sixth calendar month preceding the month in which the notice is filed, except that credit for service shall cease when contributions cease as provided in section 97B.11.

Sec. 30. Section ninety-seven B point forty-six (97B.46), Code 1977, is amended to read as follows:

97B.46 SERVICE AFTER AGE SIXTY-FIVE. A member may, on the request of the employer, remain in the active employ of the employer beyond the date ~~he~~ the member attains the age of sixty-five for such period or periods as the employer from time to time shall approve, provided, however, that credit for such service shall cease when contributions cease as provided in section 97B.11. The member shall retire ~~from the employment of the employer~~ at the end of the last approved period, on the first day of the month ~~next following or coinciding with such date~~ in which the member retires, except that such date shall be after the last day of service. A member remaining in service ~~past his seventieth birthday~~ after attaining the age of seventy years shall be entitled to receive a retirement allowance under section 97B.49 as applicable commencing with payment for the calendar month within which the written notice is submitted to the department, except that if ~~he~~ the member fails to submit the notice on a timely basis, retroactive payments shall be made for no more than six months immediately preceding the month in which the written notice is submitted.

Sec. 31. Section ninety-seven B point forty-seven (97B.47), Code 1977, is amended to read as follows:

97B.47 EARLY RETIREMENT DATE. A member's early retirement date shall be the first of ~~any~~ the month ~~coinciding with or~~

~~following-his-fifty-fifth-birthday-and~~ in which a member attains the age of fifty-five years or the first of any month after attaining the age of fifty-five years prior to his the member's normal retirement date, provided such date shall be after the last day of service. A member may retire on his the member's early retirement date by submitting written notice to the department setting forth the early retirement date which shall not be before the first day of the sixth calendar month preceding the month in which such notice is filed.

Sec. 32. Section ninety-seven B point forty-eight (97B.48), subsection three (3), Code 1977, is amended to read as follows:

3. If at any time after the first day of the month ~~coinciding-with-or-next-following-his-fifty-fifth-birthday~~ in which the member attains the age of fifty-five years and until his the member's sixty-fifth birthday, a member who is retired under this chapter is in regular full-time employment, his the member's retirement allowance shall be suspended for as long as he the member remains in employment. However, employment shall not be regarded as full-time employment until he the member receives remuneration in an amount in excess of two thousand one hundred dollars for any calendar year. Effective the first of the month ~~coinciding with-or-next-following-his-sixty-fifth-birthday~~ in which a member attains the age of sixty-five years, a retired member shall be entitled to receive a retirement allowance after return to covered employment regardless of the amount of remuneration received. As of the first of the month ~~coinciding with-or-next-following-the-member's-seventieth-birthday~~ in which the member attains the age of seventy years, he the member shall be entitled to receive a retirement allowance determined under section 97B.49, regardless of the amount of remuneration received. Upon any retirement after reemployment, a retired member shall be entitled to have his or her retirement allowance redetermined under this section or sections 97B.49 or 97B.50, whichever is applicable, based upon the employee's and his employer's additional contributions, and any membership service of the employee after his reemployment.

Sec. 33. Section ninety-seven B point forty-nine (97B.49), subsection five (5), Code 1977, is amended to read as follows:

5. For each active member retiring ~~on-or-after~~ between January 1, 1976 and June 30, 1978, with four or more complete years of service a monthly benefit shall be computed which

is equal to one-twelfth of an amount equal to forty percent of the ~~final~~ five-year average covered wage multiplied by a fraction of years of service. For each active member retiring on or after July 1, 1978 the monthly benefit computed under this subsection shall be equal to one-twelfth of an amount equal to forty-four percent of the five-year average covered wage multiplied by a fraction of years of service. For the purposes of this subsection, "fraction of years of service" means a number, not to exceed one, equal to the sum of the years of membership service and the number of years of prior service divided by thirty years.

If benefits under this subsection commence on an early retirement date, the amount of benefit shall be reduced in accordance with section 97B.50.

Sec. 34. Section ninety-seven B point forty-nine (97B.49), subsection seven (7), Code 1977, is amended to read as follows:

7. Notwithstanding the provisions of this chapter, a member who is or has been employed as a conservation peace officer under the provisions of section 107.13 and who retires ~~on or after~~ between January 1, 1976 and June 30, 1978, and at the time of retirement is at least sixty years of age and has completed at least twenty-five years of membership service as a conservation peace officer, may elect to receive, in lieu of the receipt of any benefits under subsection five (5) of this section, a monthly retirement allowance equal to one-twelfth of forty percent of the member's ~~final~~ five-year average covered wage as a conservation peace officer, with benefits payable during the member's lifetime. For each such member retiring on or after July 1, 1978, the monthly benefit computed under this subsection shall be equal to one-twelfth of an amount equal to forty-four percent of the five-year average covered wage as a conservation peace officer multiplied by a fraction of years of service. There is appropriated from the general fund of the state to the department of job service from funds not otherwise appropriated an amount sufficient to pay ~~the additional costs above the employee and employer contributions~~ eight and forty-three hundredths percent of the covered wages of each conservation peace officer, in addition to the contribution paid by the employer under section ninety-seven B point eleven (97B.11) of the Code, to pay for finance increased benefits to conservation peace officers under this subsection. ~~The provisions of this subsection shall be effective July 1, 1976.~~

Sec. 35. Section ninety-seven B point forty-nine (97B.49),

Code 1977, is amended by adding the following new subsections:

NEW SUBSECTION. a. Notwithstanding the provisions of this chapter, effective July 1, 1979 to be included in county budgets for the fiscal year beginning July 1, 1979, a member who is or has been employed as a county sheriff, as defined in section thirty-nine point seventeen (39.17) of the Code, or as a deputy sheriff appointed pursuant to chapter three hundred forty-one (341) of the Code, and who retires on or after January 1, 1978, and at the time of retirement is at least sixty years of age and has completed at least twenty-five years of membership service as a county sheriff or deputy sheriff, may elect to receive, in lieu of the receipt of any benefits under subsection five (5) of this section, a monthly retirement allowance equal to one-twelfth of forty-four percent of the member's five-year average covered wage as a sheriff or deputy sheriff, with benefits payable during the member's lifetime.

b. Each county and employee eligible for benefits under this section shall annually contribute an amount determined by the Iowa department of job service, as a percentage of covered wages, to be necessary to pay for the additional benefits provided by this section. The annual contribution in excess of the employer and employee contributions required by this chapter shall be paid by the employer and the employee in the same proportion that employer and employee contributions are made under section ninety-seven B point eleven (97B.11) of the Code. The additional percentage of covered wage calculated by the department shall be an actuarially determined amount which, if contributed throughout the entire period of active service, would be sufficient to provide the pension benefit provided in this section.

NEW SUBSECTION. Effective July 1, 1978, for each member who retired from the system prior to January 1, 1976, the amount of regular monthly retirement allowance attributable to membership service and prior service that was payable to the member for June 1978 is increased as follows:

a. For the first ten years of service, fifty cents per month for each complete year of service.

b. For the eleventh through the twentieth years of service, two dollars per month for each complete year of service.

c. For the twenty-first through the thirtieth years of service, three dollars per month for each complete year of service.

Sec. 36. Section ninety-seven B point fifty (97B.50),

Code 1977, is amended to read as follows:

97B.50 EARLY RETIREMENT.

1. A member shall upon retirement on his early retirement date be entitled to receive a monthly retirement allowance determined in the same manner as provided for normal retirement in subsections 1, 4 and 5 of section 97B.49 reduced by five-tenths of one percent per month for each month that the early retirement date precedes the normal retirement date.

2. A member who has completed thirty or more years of service who retires from the system and commences receiving disability benefits pursuant to the United States Social Security Act (42 U.S.C.), as amended to July 1, 1978, who is eligible for early retirement, but has not reached the normal retirement date, shall receive full benefits under section ninety-seven B point forty-nine (97B.49) of the Code and shall not have benefits reduced upon retirement as required under subsection one (1) of this section.

3. A member who has not completed thirty years of service who retires from the system and commences receiving disability benefits pursuant to the United States Social Security Act (42 U.S.C.), as amended to July 1, 1978, who is eligible for early retirement, but has not reached the normal retirement date, shall upon retirement have benefits received under section ninety-seven B point forty-nine (97B.49) of the Code reduced by twenty-five hundredths of one percent per month for each month that the early retirement date precedes the normal retirement date.

Sec. 37. Section ninety-seven B point fifty-one (97B.51), subsection three (3), Code 1977, is amended to read as follows:

3. A member who had elected to take the option stated in subsection 1 of this section may, at any time prior to his or her retirement, revoke such an election by written notice to the commission department.

Sec. 38. Section ninety-seven B point fifty-two (97B.52), subsection one (1), paragraph c, Code 1977, is amended by striking unnumbered paragraphs two (2) and three (3) and inserting in lieu thereof the following:

If the beneficiary is the estate of the member or is not an individual, or if two or more persons are to share as beneficiaries, payment shall be made under the provisions of paragraph a of this subsection. If the beneficiary is an individual, the beneficiary may elect in writing to the department payment in one of the forms specified in this

subsection, except that if the beneficiary does not file notice of election with the department within one hundred eighty days after the member's death, payment shall be made under the provisions of paragraph a of this subsection.

If the payment form prescribed in paragraphs b or c of this subsection is elected by the beneficiary, and the monthly life annuity elected would equal less than ten dollars, the department may require the application of the payment form prescribed in paragraph a of this subsection in lieu of the elected payment form.

The provisions of this subsection shall apply if the claim under this subsection is filed with the department on or after July 1, 1978, even though the member may have specified the payment form on designation of beneficiary form filed with the department.

Sec. 39. Section ninety-seven B point fifty-three (97B.53), subsection two (2), Code 1977, is amended to read as follows:

2. If the employment with the employer of a member is terminated prior to ~~his~~ the member's retirement, other than by death, but after ~~he~~ the member has either

a. Completed at least four years of service, or
b. Has attained the age of fifty-five, ~~he~~ the member shall receive a monthly retirement allowance commencing on the first day of the month ~~next-following-or-coinciding-with-the-date~~ he in which the member attains the age of sixty-five years, if ~~he~~ the member is then alive, or, if the member so elects in accordance with section 97B.47, commencing on the first day of ~~any~~ the month ~~coinciding-or-next-following-the-date~~ he in which the member attains the age of fifty-five and ~~any~~ month thereafter prior to the date ~~he~~ the member attains the age of sixty-five years, and continuing on the first day of each month thereafter during ~~his~~ the member's lifetime, provided the member does not receive prior to the date ~~his~~ the member's retirement allowance is to commence a refund of accumulated contributions under any of the provisions of this chapter. The amount of each such monthly retirement allowance shall be determined as provided in either section 97B.49 or in section 97B.50, whichever is applicable.

Sec. 40. Chapter ninety-seven B (97B), Code 1977, is amended by adding the following new sections:

NEW SECTION. Persons who are members of the Sixty-eighth General Assembly who submit proof to the department of membership in the general assembly during any period beginning July 4, 1953 and ending January 8, 1979 may make contributions

to the system for service equal to the accumulated contributions as defined in section ninety-seven B point forty-one (97B.41), subsection thirteen (13), of the Code which would have been made if the member of the general assembly had been a member of the system during the member's service in the general assembly. The proof of membership in the general assembly and payment of accumulated contributions shall be transmitted to the department not later than December 31, 1979. Persons eligible to receive retirement allowances under this section shall be eligible to commence receiving retirement allowances on January 8, 1979.

There is appropriated from the general fund of the state to the Iowa department of job service an amount sufficient to pay the contributions of the employer based on service of the members in an amount equal to the contributions which would have been made if the members of the general assembly who made employee contributions had been members of the system during their service in the general assembly plus two percent interest plus interest dividends for all completed calendar years and for any completed calendar year for which the interest dividend has not been declared and for completed months of partially completed calendar years at two percent interest plus the interest dividend rate calculated for the previous year, compounded annually, from the end of the calendar year in which contribution was made to the first day of the month of such date.

NEW SECTION. A vested or retired member who was not a vested member of a public retirement system in another state may, upon submitting verification of membership and service in the public retirement system in another state to the department not later than July 1, 1979 for members vested on July 1, 1978 or within one year after the member becomes vested, make employer and employee contributions to the system for the period of service in the public retirement system in another state and receive credit for membership service in this system. The contributions paid by the vested or retired member for service in the public retirement system in another state shall be equal to the accumulated contributions as defined in section ninety-seven B point forty-one (97B.41), subsection thirteen (13), of the Code, by the member for that period of membership service and the contributions of the employer which would have been contributed for that period of membership service plus interest on the contributions for the period from the date of service of the member in the

public retirement system in another state to the date of payment of the contributions by the member equal to two percent plus the interest dividend rate applicable for each year.

Sec. 41. Section three hundred eighty-four point six (384.6), subsection one (1), Code 1977, is amended to read as follows:

1. Accounting for pension and related employee benefit funds. A city may make contributions to a retirement system other than the Iowa public employees' retirement system for its city manager in an annual amount not to exceed the amount that would have been contributed by the employer under the provisions of section ninety-seven B point eleven (97B.11) of the Code. A city may certify taxes to be levied for the trust and agency fund in the amount necessary to meet such obligations.

Sec. 42. Section four hundred eleven point one (411.1), subsections nine (9), ten (10), fourteen (14), nineteen (19), twenty-one (21), and twenty-two (22), Code 1977, are amended to read as follows:

9. "Beneficiary" shall mean any person receiving ~~a pension, an annuity,~~ a retirement allowance or other benefit as provided by this chapter.

10. "Surviving spouse" shall mean ~~only-such~~ the surviving spouse of a marriage consummated solemnized prior to retirement of a deceased member from active service. Surviving spouse shall include a former spouse only if the division of assets in the dissolution of marriage decree pursuant to section five hundred ninety-eight point seventeen (598.17) of the Code grants the former spouse rights of a spouse under this chapter. If there is no surviving spouse of a marriage solemnized prior to retirement of a deceased member, surviving spouse includes a surviving spouse of a marriage of two years or more duration solemnized subsequent to retirement of the member.

14. "Earnable compensation" or "compensation earnable" shall mean the regular compensation which a member would earn during one year on the basis of the stated compensation for ~~his~~ the member's rank or position including compensation for longevity and excluding any amount received for overtime compensation or other special additional compensation, meal and travel expenses, and uniform allowances and excluding any amount received upon termination or retirement in payment for accumulated sick leave or vacation.

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

21. "Pension reserve" shall mean the present value of all payments to be made on account of any pension, or benefit in lieu of a pension, granted under the provisions of this chapter, upon the basis of such mortality tables as shall be adopted by the boards of trustees, and ~~regular~~ interest computed at rates adopted by the boards upon the recommendation of the actuary.

22. "Actuarial equivalent" shall mean a benefit of equal value, when computed upon the basis of mortality tables adopted by the boards of trustees, and ~~regular~~ interest computed at rates adopted by the boards upon the recommendation of the actuary.

Sec. 43. Section four hundred eleven point one (411.1), Code 1977, is amended by striking subsections twelve (12), thirteen (13), seventeen (17), and twenty (20).

Sec. 44. Section four hundred eleven point three (411.3), Code 1977, is amended to read as follows:

1. All persons who become ~~police~~ police officers or ~~firemen~~ fire fighters after the date ~~such the~~ retirement systems are established by this chapter, shall become members thereof as a condition of their employment. Such members shall not be required to make contributions under any other pension or retirement system of city, county, or state of Iowa, anything to the contrary notwithstanding.

2. Should any member in any period of five consecutive years after last becoming a member, be absent from service for more than four years, ~~or-should-he-withdraw-his-accumulated contributions,~~ or should he or she become a beneficiary or die, he or she shall thereupon cease to be a member of the system.

Sec. 45. Section four hundred eleven point six (411.6), subsection one (1), paragraph c, Code 1977, is amended to read as follows:

c. Any member in service who has been a member of the retirement system fifteen or more years and whose employment is terminated prior to ~~his~~ the member's retirement, other than by death or disability, shall upon attaining retirement age, receive a service retirement allowance of fifteen twenty-seconds of the retirement allowance ~~he~~ the member would receive at retirement if his or her employment had not been terminated, and an additional one twenty-second of such retirement

allowance for each additional year of service not exceeding twenty-two years of service. The amount of the retirement allowance shall be based on the average final compensation at the time of termination of employment. ~~The allowance shall not be available to a member who has chosen to withdraw his accumulated contributions as provided in subsection 40 of this section.~~

Sec. 46. Section four hundred eleven point six (411.6), subsections two (2) and four (4), Code 1977, are amended to read as follows:

2. ALLOWANCE ON SERVICE RETIREMENT. Upon retirement from service, a member shall receive a service retirement allowance which shall consist of:

~~a.--An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement, and~~

~~b.--A~~ a pension given by the city which shall equal one-half of the member's average final compensation.

4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT. Upon retirement for ordinary disability a member shall receive a service retirement allowance if ~~he~~ the member has attained the age of fifty-five, otherwise ~~he~~ the member shall receive an ordinary disability retirement allowance which shall consist of:

~~a.--An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of retirement, and~~

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

Sec. 47. Section four hundred eleven point six (411.6), subsection six (6), Code 1977, is amended to read as follows:

6. RETIREMENT AFTER ACCIDENT. Upon retirement for accidental disability a member shall receive a service

retirement allowance if the member has attained the age of fifty-five, otherwise the member shall receive an accidental disability retirement allowance which shall consist of:

~~a. -- An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement, and~~

~~b. -- A pension, in addition to the annuity, of equal to 66 2/3 percent of his the member's average final compensation.~~

Sec. 48. Section four hundred eleven point six (411.6), subsection seven (7), paragraph a, Code 1977, is amended to read as follows:

a. Should any beneficiary for either ordinary or accidental disability, except a beneficiary who is fifty-five years of age or over and would have completed twenty-two years of service if he or she had remained in active service, be engaged in a gainful occupation paying more than the difference between his the member's retirement allowance and his average final compensation the earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement, then the amount of his pension the member's retirement allowance shall be reduced to an amount which together with his annuity and the amount earned by him the member shall equal the amount of his average final compensation the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. Should his the member's earning capacity be later changed, the amount of his pension the member's retirement allowance may be further modified, provided, that the new pension retirement allowance shall not exceed the amount of the pension originally granted retirement allowance adjusted by annual readjustments of pensions pursuant to subsection fourteen (14) of this section nor an amount which, when added to the amount earned by the beneficiary together with his annuity, equals the amount of his average final compensation the earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. A beneficiary restored to active service at a salary less than the average final compensation upon the basis of which he the member was retired at age fifty-five or greater, shall not again become a member of the retirement system and shall have his or her retirement allowance suspended while in active service. If the rank or position held by the retired member is subsequently abolished, adjustments to the allowable limit

on the amount of income which can be earned in a gainful occupation shall be computed in the same manner as provided in subsection fourteen (14), paragraph d, of this section for readjustment of pensions when a rank or position has been abolished.

A beneficiary retired under the provisions of this paragraph in order to be eligible for continued receipt of retirement benefits shall no later than May fifteenth of each year submit to the board of trustees a copy of his or her state income tax return for the preceding year.

Retroactive to July 1, 1976, the limitations on pay of a member engaged in a gainful occupation who is retired under accidental disability prescribed in this paragraph shall not apply to a member who retired before July 1, 1976.

Sec. 49. Section four hundred eleven point six (411.6), subsections eight (8) and nine (9), Code 1977, are amended to read as follows:

8. ORDINARY DEATH BENEFIT. Upon the receipt of proper proofs of the death of a member in service, or a member not in service who has completed fifteen or more years of service as provided in subsection 1, paragraph "c", of this section, there shall be paid to such person having an insurable interest in the member's life as the member shall have nominated by written designation duly executed and filed with the respective board of trustees:

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

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

b. If there be no such nomination of beneficiary, the benefits provided in ~~paragraphs~~ paragraph "a" ~~and "b"~~ shall be paid to the member's estate; or in lieu thereof, at the option of the following beneficiaries, respectively, even though nominated as such for a member in service, there shall be paid a pension which, ~~together with the actuarial equivalent of the member's accumulated contributions,~~ shall be equal to one-fourth of the average final compensation of such member, but in no instance less than seventy-five dollars. In addition

to the benefits herein enumerated, there shall also be paid for each child of a member under the age of eighteen years the sum of twenty dollars per month a monthly pension equal to six percent of the monthly earnable compensation paid to an active member holding the highest grade in the rank of fire fighter, for a child of a deceased member of a fire department, or the highest grade in the rank of police patrol officer, for a child of a deceased member of a police department or for a member not in service the pension shall be reduced as provided in subsection 1, paragraph "c," of this section and shall be paid commencing when the member would have attained the age of fifty-five except if there is a child of the member under the age of eighteen, or under the age of twenty-two who is a full-time student, or who is disabled, under the definitions used in section 402 of the Social Security Act as amended to July 1, 1976 1978 U.S.C. 402 the pension shall be paid commencing with the member's death until the children reach the age of eighteen, or twenty-two if applicable. The pension shall resume commencing when the member would have attained the age of fifty-five;

c. To the spouse to continue so long as said party remains unmarried; or

d. If there be no spouse, or if the spouse dies or remarries before any child of such deceased member shall have attained the age of eighteen years, then to the guardian of his or her child or children under said age, divided in such manner as the board of trustees in its discretion shall determine, to continue as a joint and survivor pension until every such child dies or attains the age of eighteen; or

e. If there be no surviving spouse or child under age eighteen, then to his or her dependent father or mother or both, as the board of trustees in its discretion shall determine, to continue until remarriage or death.

9. ACCIDENTAL DEATH BENEFIT. If, upon the receipt of evidence and proof that the death of a member in service or the chief of police or fire departments was the natural and proximate result of an injury or disease incurred in or aggravated by the actual performance of duty at some definite time and place, or while acting pursuant to order, outside of the city by which he the member is regularly employed, the board of trustees shall decide that death was so caused in the performance of duty there shall be paid, in lieu of the ordinary death benefit provided in subsection 8 of this section, to his the member's estate or to such person having

an insurable interest in ~~his~~ the member's life as ~~he~~ the member shall have nominated by written designation duly executed and filed with the respective board of trustees the benefits set forth in paragraphs "a", and "b" and "c" of this subsection:

~~a. His accumulated contributions, and in addition thereto--~~

~~b.~~ A pension equal to one-half of the average final compensation of such member shall be paid to ~~his~~ the member's spouse, children or dependent parents as provided in paragraphs "c", "d" and "e" of subsection 8 of this section. In addition to the benefits for the spouse herein enumerated, there shall also be paid for each dependent child of a member under the age of eighteen years ~~the sum of twenty dollars per month~~ a monthly pension equal to six percent of the monthly earnable compensation paid to an active member holding the highest grade in the rank of fire fighter, for a child of a deceased member of a fire department, or holding the highest grade in the rank of police patrol officer, for a child of a deceased member of a police department.

~~e~~ b. If there be no spouse, children under the age of eighteen years or dependent parent surviving such deceased member, the death shall be treated as an ordinary death case and the benefit payable in accordance with the provisions of subsection 8, paragraph "b a", in lieu of the pension provided in paragraph "b a" of this subsection 9, shall be paid to ~~his~~ the member's estate.

Disease under this subsection shall mean heart disease or any disease of the lungs or respiratory tract and shall be presumed to have been contracted while on active duty as a result of strain or the inhalation of noxious fumes, poison, or gases.

Sec. 50. Section four hundred eleven point six (411.6), Code 1977, is amended by striking subsection ten (10).

Sec. 51. Section four hundred eleven point six (411.6), subsection thirteen (13), Code 1977, is amended to read as follows:

13. PENSION TO SPOUSE AND CHILDREN OF DECEASED PENSIONED MEMBER. In the event of the death of any member receiving a retirement allowance under the provisions of subsections 2, 4, or 6 of this section there shall be paid a pension:

a. To the spouse to continue so long as said partner remains unmarried, equal to one-half the amount received by such deceased beneficiary, but in no instance less than seventy-five dollars per month, and in addition thereto ~~the~~

~~sum-of-twenty-dollars-per-month~~ a monthly pension equal to the monthly pension payable under subsection nine (9) of this section for each child under eighteen years of age; or

b. In the event of the death of the spouse either prior or subsequent to the death of the member, to the guardian of each surviving child under eighteen years of age, ~~in-the sum-of-twenty-dollars-per-month~~ a monthly pension equal to the monthly pension payable under subsection nine (9) of this section for the support of such child.

Sec. 52. Section four hundred eleven point six (411.6), subsection fourteen (14), paragraph a, Code 1977, is amended to read as follows:

a. As of the first of July of each year, the monthly pensions authorized in this section payable to each retired member and to each beneficiary, except children, of a deceased member shall be recomputed. The formula authorized in this section which was used to compute the retired member's or beneficiary's pension at the time of retirement or death shall be used in the recomputation except the pension compensation shall be used in lieu of the average final compensation which the retired or deceased member was receiving at the time of retirement or death. The adjusted monthly pension shall be the amount payable at the member's retirement or death adjusted by one-half of the difference between the recomputed pension and the amount payable at the member's retirement or death. At no time shall the monthly pension or payment to the beneficiary be less than the amount which was paid at the time of the member's retirement or death.

As of the first of July of each year, the monthly pension payable to each surviving child under the provisions of subsections eight (8), nine (9), and thirteen (13) of this section shall be adjusted to equal six percent of the monthly earnable compensation payable on that July first to an active member holding the highest grade in the rank of fire fighter, for a child of a deceased member of a fire department, or holding the highest grade in the rank of police patrol officer, for a child of a deceased member of a police department.

Sec. 53. Section four hundred eleven point six (411.6), subsection fourteen (14), Code 1977, is amended by striking paragraph b.

Sec. 54. Section four hundred eleven point six (411.6), Code 1977, is amended by striking subsection eleven (11).

Sec. 55. Section four hundred eleven point seven (411.7), Code 1977, is amended by striking subsection three (3).

Sec. 56. Section four hundred eleven point eight (411.8), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

All the assets of each retirement system created and established by this chapter shall be credited according to the purpose for which they are held to one of ~~five three~~ funds, namely, ~~the annuity-savings-fund, the annuity-reserve fund,~~ the pension accumulation fund, the pension reserve fund, and the expense fund.

Sec. 57. Section four hundred eleven point eight (411.8), Code 1977, is amended by striking subsections one (1) and two (2).

Sec. 58. Section four hundred eleven point eight (411.8), subsection three (3), Code 1977, is amended to read as follows:

3. PENSION ACCUMULATION FUND. The pension accumulation fund shall be the fund in which shall be accumulated all ~~reserves moneys~~ for the payment of all pensions and other benefits payable from contributions made by the said cities ~~and the members~~ and from which shall be paid the lump-sum death benefits for all members payable from the said contributions. Contributions to and payments from the pension accumulation fund shall be as follows:

a. On account of each member there shall be paid annually into the pension accumulation fund by the said cities an amount equal to a certain percentage of the earnable compensation of the member to be known as the "normal contribution". The rate percent of such contribution shall be fixed on the basis of the liabilities of the retirement system as shown by annual actuarial valuations. ~~Until the first-valuation the normal contribution shall be 7.9 percent.~~

b. On the basis of the rate of interest and of such mortality, interest and other tables as shall be adopted by the boards of trustees, the actuary engaged by the said boards to make each valuation required by this chapter, shall immediately after making such valuation, determine ~~the uniform and constant percentage of the earnable compensation of the average new entrant, which, if contributed throughout his entire period of active service, would be sufficient to provide for the payment of any death benefit or pension payable on this account. The rate percent so determined shall be known~~ as the "normal contribution rate". The normal contribution rate shall be the rate percent of the earnable compensation of all members obtained by deducting from the total liabilities of the fund the amount of the funds in hand to the credit

of the fund and dividing the remainder by one percent of the present value of the prospective future compensation of all members as computed on the basis of the rate of interest and of mortality and service tables adopted by the boards of trustees, all reduced by the employee contribution made pursuant to paragraph f of this subsection. The normal rate of contribution shall be determined by the actuary after each valuation.

c. The total amount payable in each year to the pension accumulation fund shall be not less than the rate percent known as the normal contribution rate of the total compensation earnable by all members during the year, provided, however, that the aggregate payment by the said cities shall be sufficient when combined with the amount in the fund to provide the pensions and other benefits payable out of the fund during the then current year.

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

e. Upon the retirement or death of a member an amount equal to the pension reserve on any pension payable to him or her or on account of his or her death shall be transferred from the pension accumulation fund to the pension reserve fund.

f. An amount equal to one two and twenty-one hundredths percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund. ~~The provisions of this section, subsection 47, paragraphs "b" and "e", relating to the contributions of members shall be applicable to this paragraph.~~

g. Each board of trustees shall certify to the superintendent of public safety as defined in this chapter and the superintendent of public safety as defined in this chapter shall cause to be deducted from the earnable compensation of each member the contribution required under paragraph f of this subsection and shall forward the contributions to the board of trustees for recording and for deposit in the pension accumulation fund.

The deductions provided for under this subsection shall be made notwithstanding that the minimum compensation provided by law for any member is reduced. Every member is deemed to consent to the deductions made under this section.

Sec. 59. Section four hundred eleven point eleven (411.11), Code 1977, is amended by striking subsection two (2).

Sec. 60. Section four hundred eleven point twelve (411.12), Code 1977, is amended to read as follows:

411.12 GUARANTY. ~~Regular-interest-charges-payable, the~~ The creation and maintenance of ~~reserves moneys~~ in the pension accumulation fund and the maintenance of ~~annuity-reserves~~ and pension reserves as provided for the payment of all pensions, ~~annuities, retirement-allowances, refunds,~~ and other benefits granted under the provisions of this chapter and all expenses in connection with the administration and operation of the retirement systems are hereby made direct liability obligations of the said cities. ~~All-income, interest, and dividends derived from deposits and investments authorized by this chapter shall be used for the payment of the said obligations of the said cities,--Any amounts derived therefrom, which, when combined with regular appropriations made under the provisions of this chapter, exceed the amount required to provide for the discharge of such obligations, shall be used to reduce the regular appropriations otherwise required.~~

Sec. 61. Section four hundred eleven point twenty (411.20), Code 1977, is amended by striking the section and inserting in lieu thereof the following:

411.20 APPROPRIATION TO MUNICIPAL ASSISTANCE FUND. There is appropriated from the general fund of the state to the municipal assistance fund established in chapter four hundred five (405) of the Code for each fiscal year an amount necessary to be distributed to cities which have established fire and police retirement systems under the provisions of this chapter. Funds shall be used to finance the costs of benefits provided in this chapter by amendments of the Acts of the Sixty-sixth General Assembly, chapter one thousand eighty-nine (1089).

Commencing with the fiscal year beginning July 1, 1979, the amounts distributed to each eligible city to pay the state's portion of the costs of benefit improvements provided by the Sixty-sixth General Assembly, chapter one thousand eighty-nine (1089) shall be computed by the actuary employed by the respective board of trustees on the basis of the results of actuarial studies performed by such actuary for the fiscal years beginning July 1, 1978 and July 1, 1979 as provided in this section.

Prior to December 31, 1979 the actuary employed by the respective board of trustees shall perform the actuarial valuations of the system which are needed to determine the state's portion of the cost of the benefit improvements

provided by the Acts of the Sixty-sixth General Assembly, chapter one thousand eighty-nine (1089), for the fiscal year commencing July 1, 1979, under this section as this section was effective on June 30, 1978. In addition, the actuary shall perform the actuarial valuations of the system which would have been needed to determine the state's portion of the cost of the benefit improvements under this section as this section was effective on June 30, 1978, for the fiscal year commencing July 1, 1978.

On the basis of the results of the actuarial valuations described above, each actuary employed by a board of trustees shall determine a ratio of the payroll which is determined by dividing the total of the state's portion of the cost of said benefit improvements as determined by the actuarial valuations described for the two fiscal years by the total payroll of the members of the system for the two fiscal years. The actuary shall certify the ratio so determined to the state comptroller.

For the fiscal year commencing July 1, 1979 and each fiscal year thereafter, the state comptroller shall pay to each city an amount equal to the ratio of payroll computed for a city times the payroll of the active members employed under that system by that city for the fiscal year.

Sec. 62. Sections ninety-seven A point ten (97A.10) and four hundred eleven point ten (411.10), Code 1977, are repealed.

Sec. 63. Chapter four hundred eleven (411), Code 1977, as amended by Acts of the Sixty-seventh General Assembly, 1977 Session, chapters forty-eight (48) and one hundred eighteen (118), is amended by adding the following new section:

NEW SECTION.

1. Members who became vested and terminated service prior to July 1, 1979, and members receiving an annuity from accumulated contributions made prior to July 1, 1979, shall continue to receive the benefits the member was entitled to under the provisions of chapter four hundred eleven (411), as chapter four hundred eleven (411) was effective on the date of the member's retirement or vested termination.

2. For the purposes of this section:

a. "Accumulated contributions" means the sum of all amounts deducted from the compensation of a member and credited to the member's individual account in the annuity savings fund together with regular interest thereon as provided in this subsection. Accumulated contributions do not include any

amount deducted from the compensation of a member and credited to the pension accumulation fund.

b. "Annuity" means annual payments for life derived from the accumulated contributions of a member. All annuities shall be payable in monthly installments.

c. "Annuity reserve" shall mean the present value of all payments to be made on account of an annuity, or benefit in lieu of an annuity, granted under the provisions of this chapter, upon the basis of such mortality tables as shall be adopted by the respective boards of trustees, and regular interest.

d. "Annuity savings fund" means the account maintained by the respective board of trustees in which the accumulated contributions of the members were deposited prior to July 1, 1979, to provide for their annuities.

e. "Annuity reserve fund" means the account maintained by the respective boards of trustees from which shall be paid all annuities and all benefits in lieu of annuities payable as provided in this chapter as this chapter was effective on June 30, 1979.

f. "Regular interest" means interest at the rate of four percent per annum, compounded annually and credited to the member's account as of the date of the member's retirement or termination from employment.

3. Beginning July 1, 1979, the respective boards of trustees shall maintain and invest funds in the annuity reserve fund and the annuity savings fund contributed by members prior to July 1, 1979. Members receiving an annuity as a portion of their retirement or disability benefits on June 30, 1979, shall continue to receive such annuity from the annuity reserve fund maintained by the respective board of trustees. Members receiving an annuity, if reemployed under service covered by this chapter, shall cease to receive retirement benefits.

4. The accumulated contributions of a member withdrawn by the member or paid to the member's estate or designated beneficiary in the event of the member's death shall be paid from the annuity savings fund account. Upon the retirement of a member, the member's accumulated contributions shall be transferred from the annuity savings fund to the annuity reserve fund.

5. A member of the retirement system prior to July 1, 1979 with fifteen or more years of service whose employment was terminated prior to retirement, other than by death or disability, shall be entitled to receipt of his or her

accumulated contributions upon retirement together with other retirement benefits provided in the law on the date of the member's retirement. However, the member shall not be eligible for a service retirement allowance under section four hundred eleven point six (411.6) of the Code if he or she has chosen to withdraw his or her accumulated contributions from the annuity savings fund.

6. Any member in service prior to July 1, 1979 may at the time of his or her retirement withdraw his or her accumulated contributions made before July 1, 1979 or receive an annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement.

7. Notwithstanding the provisions of subsections one (1), three (3), four (4), five (5), and six (6) of this section, beginning January 1, 1981, an active or vested member may request in writing and receive from the board of trustees, his or her accumulated contributions from the annuity savings fund according to the following schedule:

a. During the period beginning January 1, 1981 and ending December 31, 1982, any member who has completed twenty or more years of service.

b. During the period beginning January 1, 1983 and ending December 31, 1984, any member who has completed fifteen or more years of service.

c. During the period beginning January 1, 1985 and ending December 31, 1986, any member who has completed ten or more years of service.

d. During the period beginning January 1, 1987 and ending December 31, 1988, any member who has completed five or more years of service.

8. The actuary shall annually determine the amount required in the annuity reserve fund. If the amount required is less than the amount in the annuity reserve fund, the respective board of trustees shall transfer the excess funds from the annuity reserve fund to the pension accumulation fund. If the amount required is more than the amount in the annuity reserve fund, the respective board of trustees shall transfer the amount prescribed by the actuary to the annuity reserve fund from the pension accumulation fund.

Sec. 64. Section ninety-seven C point two (97C.2), subsection three (3), Code 1977, is amended to read as follows:

3. The term "employee" includes elective and appointive officials of the state or any political subdivision thereof,

~~except members-of-the-general-assembly,~~ elective officials in positions, the compensation for which is on a fee basis, elective officials of school districts, elective officials of townships, and elective officials of other political subdivisions who are in part-time positions; provided that no member of a county board of supervisors shall be deemed to be an elective official in a part-time position, but every member of a county board of supervisors shall be deemed to be an employee within the purview of this chapter and shall be eligible to receive all of the benefits provided by this chapter to which he may be entitled as an employee.

Sec. 65. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1978 and ending June 30, 1979 to the courts for a state contribution to the judicial retirement system provided for in chapter six hundred five A (605A) of the Code, the amount of one hundred ninety-five thousand seven hundred (195,700) dollars. The amount appropriated shall be in addition to the amount appropriated in section one (1), subsection one (1), of Senate File two thousand two hundred forty-six (2246), enacted by the Sixty-seventh General Assembly, 1978 Session.

Sec. 66. The legislative council is directed to approve the establishment of a joint subcommittee of the senate and house committees on state government to study during the legislative interim the funding, benefits, and administration of the various public retirement systems in this state. The study shall include but not be limited to a method of funding the judicial retirement system to provide actuarial soundness, a method for paying the accumulated contributions to the members of the peace officers' retirement system and the local police and fire retirement systems as early as is financially feasible, and a method of compensating public employees who are employed in hazardous duty occupations. In addition, the study shall include:

1. Determination of a method to place all public employees under a single retirement system over a period of twenty years.

2. Determination of a system of hazardous pay remuneration for various occupations in which employees are exposed to unusual danger.

3. Determination of the reasonable number of vested years of service for which employees will continue to retire under their present retirement benefit schedule; and determination of the minimum and maximum years of vested service for

personnel within a system wherein the vested employee may choose to receive the IPERS-hazardous pay system or remain under the employee's present system and the conditions of transfer of funds of the employee's present retirement system.

Sec. 67. Section sixty-four (64) of this Act is effective January 8, 1979.

Sec. 68. The sections of this Act amending sections of chapters ninety-seven A (97A) and four hundred eleven (411) of the Code are effective July 1, 1979.

Approved June 27, 1978

CHAPTER 1061

SMOKING PROHIBITED IN PUBLIC AREAS

S. F. 2022

AN ACT prohibiting smoking in certain public areas and providing a civil penalty.

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

Section 1. NEW SECTION. SMOKING DEFINED. As used in this Act, "smoking" means inhaling or exhaling the smoke of, or the possession or control of, a lighted cigarette, pipe, cigar, or little cigar as defined in section ninety-eight point forty-two (98.42), subsection sixteen (16) of the Code.

Sec. 2. NEW SECTION. SMOKING PROHIBITED IN CERTAIN AREAS. Smoking is prohibited in:

1. An elevator, indoor theater, library, art museum, concert hall, auditorium, or other similar facility which is open to the public. However, those in custody of buildings or facilities housing indoor theaters, libraries, art museums, concert halls, or other similar facilities open to the public may permit smoking by persons seated at tables provided for the purpose of consuming food or beverages served or provided on the premises and may make available smoking areas adjacent to such facilities within the same structure where the words "smoking permitted" are posted.

2. Those portions of a railroad passenger coach, passenger bus, passenger airplane, or other common carrier providing departures originating in this state, which portions are set aside by the person in custody or control of the carrier as non-smoking areas. Such areas shall be of sufficient capacity to accommodate all persons who do not wish to be seated in a smoking area.