

**CHAPTER 1243**  
**PUBLIC RETIREMENT SYSTEMS**  
*H.F. 2483*

**AN ACT** relating to administration and benefits for public retirement systems in this state and making an appropriation.

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

Section 1. Section 97A.6, subsection 4, Code 1985, is amended to read as follows:

4. **ALLOWANCE ON ORDINARY DISABILITY RETIREMENT.** Upon retirement for ordinary disability a member shall receive an ordinary disability retirement allowance which shall consist of a pension which shall equal ~~forty~~ fifty percent 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 equal to one-fourth of the member's average final compensation.

Sec. 2. Section 97A.6, subsection 8, Code 1985, is amended by striking the subsection and inserting in lieu thereof the following:

8. a. Upon the receipt of proof 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 "b", there shall be paid to the person designated by the member to the board of trustees as the member's beneficiary if the member has had one or more years of membership service and no pension is payable under subsection 9, 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.

b. In lieu of the payment specified in paragraph "a", a beneficiary meeting the qualifications of paragraph "c" may elect to receive a pension equal to forty percent of the average final compensation of the member, but not less than fifty dollars if the member was in service at the time of death. For a member not in service at the time of death, the pension shall be reduced as provided in subsection 1, paragraph "b".

For a member not in service at the time of death, the pension shall be paid commencing when the member would have attained the age of fifty-five except that if there is a child of the member, 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.

For a member in service at the time of death, the pension shall be paid commencing with the member's death. In addition to the pension, there shall also be paid for each child of a member, a monthly pension equal to six percent of the monthly earnable compensation payable to an active member having the rank of senior patrol officer of the Iowa highway safety patrol.

For the purpose of this chapter, a senior patrol officer is a person who has completed ten years of service in the Iowa highway safety patrol.

c. The pension under paragraph "b" may be selected only by the following beneficiaries:

(1) The spouse, to continue so long as the spouse remains unmarried.  
(2) If there is no spouse, or if the spouse dies or remarries and there is a child of a member, then the guardian of the member's child or children, divided as the board of trustees determines, to continue as a joint and survivor pension until every child of the member dies or attains the age of eighteen, or twenty-two if applicable.

(3) If there is no surviving spouse or child, then the member's dependent father or mother, or both, as the board of trustees determines, to continue until remarriage or death.

d. If there is no nomination of beneficiary, the benefits provided in this subsection shall be paid to the member's estate.

Sec. 3. Section 97B.8, unnumbered paragraph 2, Code Supplement 1985, is amended to read as follows:

The board shall consist of ~~seven~~ eight members. ~~Five~~ Six of the members shall be appointed by the governor, one of whom shall be an executive of a domestic life insurance company, one an executive of a state or national bank operating within the state of Iowa, one an executive of a major industrial corporation located within the state of Iowa, and ~~two~~ three shall be active members of the system, one of whom shall be an active member who is an employee of a school district, area education agency, or merged area, ~~and one of whom shall be an active member who is not be an employee of a school district, area education agency, or merged area, and one of whom is a retired member of the system.~~ The president of the senate shall appoint one member from the membership of the senate and the speaker of the house of representatives shall appoint one member from the membership of the house. The two members appointed by the president of the senate and the speaker of the house of representatives and the two active members of the system appointed by the governor are ex officio members of the board.

Sec. 4. Section 97B.41, subsection 1, paragraph b, subparagraph (8), Code 1985, is amended to read as follows:

(8) For each calendar year from January 1, 1988 and thereafter, except as provided in subparagraph (9), wages not in excess of twenty-four thousand dollars.

Sec. 5. Section 97B.41, subsection 1, paragraph b, Code 1985, is amended by adding after subparagraph (8) the following new subparagraph (9) and renumbering the remaining subparagraphs:

NEW SUBPARAGRAPH. (9) For each calendar year thereafter, the department shall increase the covered wages limitation by one thousand dollars if the annual actuarial valuation of the assets and liabilities of the retirement system indicates that the cost of the increase in covered wages can be absorbed within the employer and employee contribution rates in effect under section 97B.11. However, covered wages shall not exceed forty thousand dollars for a calendar year.

Sec. 6. Section 97B.41, subsection 11, Code 1985, is amended to read as follows:

11. "Retired member" means a member who ~~had~~ has applied for and commenced receiving the member's retirement allowance. A member has not established a bona fide retirement if the member accepts other employment as defined in this section before qualifying for at least one calendar month's retirement benefits under this chapter.

Sec. 7. Section 97B.41, subsection 13, paragraph c, Code 1985, is amended to read as follows:

c. The termination at the end of the school year of the contract of employment of an employee ~~who is a teacher~~ in the public schools of the state of Iowa, provided the employee enters into a further contract of employment as a ~~teacher~~ in the public schools of the state of Iowa for the next succeeding school year.

Sec. 8. Section 97B.41, subsection 19, Code 1985, is amended to read as follows:

19. "~~Five-year~~ Three-year average covered wage" means a member's covered wages averaged for the highest ~~five~~ three years of the member's service. ~~If the member has less than five years of service, then the average shall be computed using the actual number of years as a member.~~ The highest ~~five~~ three years of a member's covered wages shall be determined using calendar years. However, if a member's final quarter of a year of employment does not occur at the end of a calendar year, the department may determine the wages for the ~~fifth~~ third year by combining the wages from the highest quarter or quarters not being used in the selection of the ~~four~~ two highest years with the final quarter or quarters of the member's service to create a full year. If the ~~five-year~~ three-year average covered wage of a member exceeds the highest maximum covered wages in effect for a calendar year during the member's period of service, the ~~five-year~~ three-year average covered wage of the member shall be reduced to the highest maximum covered wages in effect during the member's period of service.

Sec. 9. Section 97B.45, Code 1985, is amended to read as follows:

**97B.45 RETIREMENT AGE AT SIXTY-FIVE.**

A member's normal retirement date shall be the is any of the following, whichever is applicable to the member:

1. The first of the month in which a member attains the age of sixty-five years if the member has not completed thirty years of membership service.

2. The first of the month in which the member attains the age of sixty-two years if the member has completed thirty years of membership service.

3. The first of any month in which the member has completed thirty years of membership service if the member has attained the age of sixty-two years but is not yet sixty-five years of age.

**PARAGRAPH DIVIDED.** A member may retire after the member's sixty-fifth birthday except as otherwise provided in section 97B.46. A member retiring on or after 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~~. The date shall be after 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~~ ceases when contributions cease as provided in section 97B.11.

Sec. 10. Section 97B.49, subsection 5, unnumbered paragraph 1, Code Supplement 1985, is amended to read as follows:

For each active member retiring ~~between January 1, 1976 and June 30, 1982 on or after July 1, 1986, 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-seven~~ fifty percent of the ~~five-year three-year average covered wage multiplied by a fraction of years of service. For each member retiring on or after July 1, 1982, with four or more complete years of service, the percent used in computing the monthly benefit is fifty.~~ 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.

Sec. 11. Section 97B.49, subsection 7, Code Supplement 1985, is amended to read as follows:

7. 7. a. Notwithstanding other provisions of this chapter, a member who is or has been employed as a conservation peace officer under section 107.13 and who retires ~~between July 1, 1978 and June 30, 1982 on or after July 1, 1986, 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 5 of this section, a monthly retirement allowance equal to one-twelfth of forty-seven~~ fifty percent of the member's ~~five-year three-year average covered wage as a conservation peace officer, with benefits payable during the member's lifetime. For each conservation peace officer eligible for benefits under this subsection who retires on or after July 1, 1982, the percent used in computing the monthly retirement allowance is fifty.~~

b. A conservation peace officer who retires on or after July 1, 1986 and has not completed twenty-five years of membership service as required under this subsection is eligible to receive a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as a conservation peace officer multiplied by a fraction of years of service as a conservation peace officer. For the purpose 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 as a conservation peace officer, divided by twenty-five years. On or after July 1, 1986, if the conservation peace officer has not reached sixty years of age at retirement, the monthly retirement allowance shall be reduced by five-tenths of one percent per month for each month that the conservation peace officer's retirement precedes the date on which the conservation peace officer attains sixty years of age.

The annual contribution necessary to pay for the additional benefits provided in this paragraph, shall be paid by the employer and employee in the same proportion that employer and employee contributions are made under section 97B.11.

PARAGRAPH DIVIDED. c. There is appropriated from the general fund of the state to the Iowa department of job service from funds not otherwise appropriated an actuarially-determined amount sufficient to pay eight and forty-three hundredths percent of the covered wages of each conservation peace officer, for the additional benefits provided in paragraph "a" and for the employer portion of the benefits provided in paragraph "b". The amount is in addition to the contribution paid by the employer under section 97B.11, to finance increased benefits to conservation peace officers under this subsection.

Sec. 12. Section 97B.49, subsection 8, paragraph a, unnumbered paragraph 1, Code Supplement 1985, is amended to read as follows:

Notwithstanding other provisions of this chapter, a member who is or has been employed as a county sheriff, as defined in section 39.17, or as a deputy sheriff appointed pursuant to section 341.1, Code 1981, or section 331.903, and who retires between January 1, 1978 and June 30, 1982 peace officer and who retires on or after July 1, 1986, 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 peace officer, may elect to receive, in lieu of the benefits under subsection 5 of this section, a monthly retirement allowance equal to one-twelfth of forty-seven fifty percent of the member's five-year three-year average covered wage as a sheriff or deputy sheriff peace officer, with benefits payable during the member's lifetime. For each sheriff and deputy sheriff eligible for benefits under this subsection who retires between July 1, 1982 and June 30, 1983, the percent used in computing the monthly retirement allowance is fifty.

Sec. 13. Section 97B.49, subsection 8, paragraph a, unnumbered paragraph 2, Code Supplement 1985, is amended by striking the unnumbered paragraph.

Sec. 14. Section 97B.49, subsection 8, paragraph a, unnumbered paragraph 3, Code Supplement 1985, is amended to read as follows:

A peace officer who retires on or after July 1, 1984 1986 and has not completed twenty-five years of membership service as required under this subsection is eligible to receive a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as a peace officer multiplied by a the fraction of years of service as a peace officer. For the purpose 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 as a peace officer, divided by twenty-five years. On or after July 1, 1984, if the peace officer has not reached sixty years of age at retirement, the monthly retirement allowance shall be reduced by five-tenths of one percent per month for each month that the peace officer's retirement precedes the date on which the peace officer attains sixty years of age.

Sec. 15. Section 97B.49, subsection 10, unnumbered paragraph 1, Code Supplement 1985, is amended to read as follows:

Notwithstanding sections of this chapter relating to eligibility for and determination of retirement benefits, a vested member who is or has been employed as a correctional officer by the Iowa department of corrections and who retires on or after July 1, 1983 1986 and at the time of retirement is at least sixty years of age and has completed at least thirty years of membership service as a correctional officer, may elect to receive, in lieu of the receipt of benefits under subsection 5 of this section, a monthly retirement allowance equal to one-twelfth of fifty percent of the member's five-year three-year average covered wages wage as a correctional officer, with benefits payable during the member's lifetime.

Sec. 16. Section 97B.49, subsection 10, unnumbered paragraph 3, Code Supplement 1985, is amended to read as follows:

The Iowa department of corrections shall pay to the Iowa department of job service, from funds appropriated to the Iowa department of corrections, an actuarially-determined amount sufficient to pay one and seventy-one hundredths percent of the covered wages of each correctional officer, for the additional benefits provided in this subsection. The amount is in addition to the employer contributions required in section 97B.11 ~~to pay for the lower retirement age for correctional officers provided in this subsection.~~

Sec. 17. Section 97B.49, subsection 13, Code Supplement 1985, is amended to read as follows:

13. a. Each member who retired from the system between January 1, 1976 and June 30, 1982, or a contingent annuitant or beneficiary of such a member, shall receive with the November ~~1984~~ 1986 and the November ~~1985~~ 1987 monthly benefit payments a retirement dividend equal to fifty percent of the monthly benefit payment the member received for the preceding June. The retirement dividend does not affect the amount of a monthly benefit payment.

b. Each member who retired from the system between July 4, 1953 and December 31, 1975, or a contingent annuitant or beneficiary of such a member, shall receive with the November ~~1984~~ 1986 and the November ~~1985~~ 1987 monthly benefit payments a retirement dividend equal to seventy-five percent of the monthly benefit payment the member received for the preceding June. The retirement dividend does not affect the amount of a monthly benefit payment.

c. Notwithstanding the determination of the amount of a retirement dividend under paragraph "a" or "b", a retirement dividend shall not be less than twenty-five dollars.

Sec. 18. Section 97B.49, Code Supplement 1985, is amended by adding the following new subsection:

**NEW SUBSECTION.** 14. Notwithstanding other provisions of this chapter, a member who is or has been employed by the office of disaster services as an airport firefighter who retires on or after July 1, 1986, 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 an airport firefighter, may elect to receive, in lieu of the receipt of any benefits under subsection 5 of this section, a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as an airport firefighter, with benefits payable during the member's lifetime.

An airport firefighter who retires on or after July 1, 1986 and has not completed twenty-five years of membership service as required under this subsection is eligible to receive a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as an airport firefighter multiplied by a fraction of years of service as an airport firefighter. For the purpose 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 as an airport firefighter, divided by twenty-five years. On or after July 1, 1986, if the airport firefighter has not reached sixty years of age at retirement, the monthly retirement allowance shall be reduced by five-tenths of one percent per month for each month that the airport firefighter's retirement precedes the date on which the airport firefighter attains sixty years of age.

The employer and each employee eligible for benefits under this subsection shall annually contribute an actuarially determined amount specified by the department, as a percentage of covered wages, that is necessary to pay for the additional benefits provided by this subsection. The annual contribution in excess of the employer and employee contributions required in section 97B.11 shall be paid by the employer and the employee in the same proportion that the employer and employee contributions are made under section 97B.11.

There is appropriated from the general fund of the state to the department from funds not otherwise appropriated an amount sufficient to pay the employer share of the cost of the additional benefits provided in this subsection.

Sec. 19. Section 97B.50, subsection 1, paragraph a, Code 1985, is amended to read as follows:

a. For a member who is less than sixty-two years of age and has not completed thirty years of membership service, by five-tenths of one percent per month for each month that the member's early retirement date precedes the normal retirement date.

Sec. 20. Section 97B.50, subsection 1, paragraph b, Code 1985, is amended to read as follows:

b. For a member who is at least sixty-two years of age and less than sixty-five years of age and who has not completed thirty-five thirty years of membership service and prior service, by twenty-five hundredths of one percent per month for each month that the early retirement date precedes the normal retirement date.

Sec. 21. Section 97B.50, subsections 2, 3, and 4, Code 1985, are amended to read as follows:

2. A member who has completed thirty or more years of service who retires from the system due to disability 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 97B.49 and shall not have benefits reduced upon retirement as required under subsection 1 of this section. This section takes effect July 1, 1986 for a member meeting the requirements of this subsection who retired from the system at any time between July 4, 1953 and June 30, 1978.

3. A member who has not completed thirty years of service who retires from the system due to disability 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 97B.49 reduced by twenty-five hundredths of one percent per month for each month that the early retirement date precedes the normal retirement date. This section takes effect July 1, 1986 for a member meeting the requirements of this subsection who retired from the system at any time between July 4, 1953 and June 30, 1978.

4. A member who is at least sixty-two years of age and less than sixty-five years of age who has completed thirty-five thirty or more years of membership service and prior service shall receive full benefits under section 97B.49 determined as if the member had attained sixty-five years of age. For a member who is at least fifty-nine but less than sixty-two years of age who has completed at least thirty years of service, the monthly retirement allowance shall be reduced by twenty-five hundredths percent per month for each month that the member's retirement date precedes the member's sixty-second birthday. For a member who is at least fifty-five years of age and less than fifty-nine years of age who has completed thirty years of membership service, the monthly retirement allowance shall be reduced by five-tenths percent per month for each month that the member's retirement date precedes the member's normal retirement date.

Sec. 22. Section 97B.51, unnumbered paragraph 1, Code 1985, is amended to read as follows:

Each member shall have ~~has~~ the right at any time prior to the member's retirement date to elect to have the member's retirement allowance payable under one of the options hereinafter set forth in this section in lieu of the retirement allowance otherwise payable to the member upon retirement under any of the provisions of the retirement system. The amount of any the optional retirement allowance shall be the actuarial equivalent of the amount of ~~such~~ the retirement allowance otherwise payable to the member. The member shall make ~~such~~ an election by written request to the department and ~~such an~~ the election ~~will be~~ is subject to the approval of the department. If the member is married, election of an option under this section requires the written acknowledgement of the member's spouse.

Sec. 23. NEW SECTION. 97B.72A FORMER LEGISLATIVE MEMBERS AND EMPLOYEES.

A vested member of the system who was a member or temporary employee of the general assembly prior to July 1, 1986 but was not eligible under this chapter to elect coverage under the system for all or a portion of the period of service as a member of the general assembly, or period of employment as a temporary employee of the general assembly, at any time on or after July 4, 1953, may make contributions to the system for all or a portion of that period of service or employment. The contributions shall be equal to the accumulated contributions as defined in section 97B.41, subsection 12, which would have been made if the member or employee of the general assembly had been a member of the system during the period of service elected. The member of the system shall submit proof to the department of membership or employment in the general assembly. The department shall credit the member of the system with the period of membership service for which contributions are made.

There is appropriated from the general fund of the state to the department an amount sufficient to pay the contributions of the employer based on the period of service of members of the general assembly or employment of employees of the general assembly for which the member paid accumulated contributions under this section. The amount appropriated is equal to the employer contributions which would have been made if the members of the system who made employee contributions had been members of the system during the period for which they made employee contributions under this section plus two percent interest plus the interest dividend rate applicable for each year compounded annually.

Sec. 24. NEW SECTION. 97B.76 PUBLIC RETIREMENT SYSTEMS COMMITTEE ESTABLISHED.

1. A public retirement systems committee is established. The committee consists of five members of the senate appointed by the majority leader of the senate in consultation with the minority leader and five members of the house of representatives appointed by the speaker of the house in consultation with the minority leader. The committee shall elect a chairperson and vice chairperson. Meetings may be called by the chairperson or a majority of the members.

Members shall be appointed prior to January 31 of the first regular session of each general assembly and shall serve for terms ending upon the convening of the following general assembly or when their successors are appointed, whichever is later. A vacancy shall be filled in the same manner as the original appointment and shall be for the remainder of the unexpired term of the vacancy.

2. The members of the committee shall be reimbursed for actual and necessary expenses incurred in the performance of their duties and shall be paid forty dollars for each day in which they engaged in the performance of their duties. However, per diem compensation and expenses shall not be paid when the general assembly is actually in session at the seat of government. Expenses and per diem shall be paid from funds appropriated pursuant to section 2.12.

3. The committee shall:

a. Develop and recommend retirement standards and a coherent state policy on public retirement systems.

b. Continuously survey pension and retirement developments in other states and in industry and business and periodically review the state's policy and standards in view of these developments and changing economic and social conditions.

c. Review the provisions in the public retirement systems in effect in this state.

d. Review individually sponsored bills relating to the public retirement systems.

e. Review proposals from interested associations and organizations recommending changes in the state's retirement laws.

f. Study the feasibility of adopting a consolidated retirement system for the public employees of this state.

g. Make recommendations to the general assembly.

4. The committee may contract for actuarial assistance deemed necessary, and the costs of actuarial studies are payable from funds appropriated in section 2.12, subject to the approval of the legislative council. The committee may administer oaths, issue subpoenas, and cite for contempt with the approval of the general assembly when the general assembly is in session and with the approval of the legislative council when the general assembly is not in session.

Administrative assistance shall be provided by the legislative service bureau and the legislative fiscal bureau.

Sec. 25. The public retirement systems committee may direct the department of personnel to conduct a study of the public retirement systems established in this state and to provide to the committee by March 1, 1987, an analysis of its findings and recommendations concerning modification to or consolidation of the existing systems. If the committee directs the department of personnel to conduct the study, there is appropriated from the Iowa public employees' retirement system fund an amount sufficient to pay the costs of the study. The department of personnel shall determine the portion of the cost of the study to be allocated to each public retirement system in this state and shall notify the governing boards of each public system. Each governing board shall reimburse the Iowa public employees' retirement system fund for its share of the cost from moneys available to the governing boards.

Sec. 26. Section 410.6, subsections 1 and 2, Code 1985, are amended to read as follows:

1. ~~As of the first of July each year~~ On each July 1 and January 1, the monthly pension authorized in this chapter payable to each retired member and to each beneficiary, except children, of a deceased member shall be recomputed. The applicable formulas authorized in this chapter which were 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 earnable compensation payable on each July 1 or January 1 to an active member having the same or equivalent rank or position as was held by such retired or deceased member at the time of retirement or death, shall be used in lieu of the final compensation which the retired or deceased member was receiving at the time of 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 such member's retirement or death.

2. All monthly pensions adjusted as provided in this section shall be payable beginning on July 1 or January 1 of the year which the adjustment is made and shall continue in effect until the next ~~following July 1~~ adjustment at which time the monthly pension shall again be recomputed and all monthly pensions adjusted in accordance with the computations.

Sec. 27. Section 411.6, subsection 4, Code 1985, is amended to read as follows:

4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT. Upon retirement for ordinary disability a member shall receive an ordinary disability retirement allowance which shall consist of a pension which shall equal ~~forty~~ fifty percent 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 equal to one-fourth of the member's average final compensation.

Sec. 28. Section 411.6, subsection 8, Code 1985, is amended by striking the subsection and inserting in lieu thereof the following:

8. a. Upon the receipt of proof 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 "b", there shall be paid to the person designated by the member to the board of trustees as the member's beneficiary if the member has had one or more years of membership service and no pension is payable under subsection 9, 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.



b. In lieu of the payment specified in paragraph "a", a beneficiary meeting the qualifications of paragraph "c" may elect to receive a pension equal to forty percent of the average final compensation of the member, but not less than seventy-five dollars if the member was in service at the time of death. For a member not in service at the time of death, the pension shall be reduced as provided in subsection 1, paragraph "b".

For a member not in service at the time of death, the pension shall be paid commencing when the member would have attained the age of fifty-five except that if there is a child of the member, 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.

For a member in service at the time of death, the pension shall be paid commencing with the member's death. In addition to the pension, there shall also be paid for each child of a member, 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.

c. The pension under paragraph "b" may be selected only by the following beneficiaries:

(1) The spouse, to continue so long as the spouse remains unmarried.  
 (2) If there is no spouse, or if the spouse dies or remarries and there is a child of a member, then the guardian of the member's child or children, divided as the board of trustees determines, to continue as a joint and survivor pension until every child of the member dies or attains the age of eighteen, or twenty-two if applicable.

(3) If there is no surviving spouse or child, then the member's dependent father or mother, or both, as the board of trustees determines, to continue until remarriage or death.

d. If there is no nomination of beneficiary, the benefits provided in this subsection shall be paid to the member's estate.

Sec. 29. Section 411.9, Code 1985, is amended to read as follows:

#### 411.9 MILITARY SERVICE EXCEPTIONS.

Any A member who is absent while serving in the armed services of the United States or its allies and is discharged or separated therefrom from the armed services under honorable conditions shall have any such the period or periods of absence while serving in such the armed services on other than a voluntary basis and one such period of absence, not in excess of four years unless any period in excess of four years is at the request and for the convenience of the federal government, while serving in such armed forces on a voluntary basis included as part of the member's period of service in the department. Such The member shall not be required to continue the contributions required of the member under section 411.8 during such the period of military service, provided that if the member shall, within six months after the member has been discharged or separated under honorable conditions from such military service, return and resume returns and resumes duties in the department, and provided further, that such if the member shall be is declared physically capable of resuming such duties upon examination by the medical board. A period of absence may exceed four years at the request and for the convenience of the federal government.

#### Sec. 30. NEW SECTION. 411.30 TRANSFER OF MEMBERSHIP.

Upon the written approval of the applicable county board of supervisors and city council, to the Iowa public employees' retirement system, a vested member of the Iowa public employees' retirement system on June 30, 1986 who meets all of the following requirements shall become a member of a retirement system under this chapter on the effective date of this Act:

1. Was a vested member of the retirement system established in this chapter on June 30, 1973.

2. Was an elected bailiff of a municipal court on June 30, 1973.

3. Became a deputy sheriff on July 1, 1973 and pursuant to 1972 Iowa Acts, chapter 1124, section 43, continued coverage under a retirement system under this chapter.

4. Upon election as a county sheriff, was transferred from membership under this chapter to membership in a retirement system established in chapter 97B.

The Iowa public employees' retirement system shall transfer to the board of trustees of the applicable retirement system under this chapter an amount equal to the total of the accumulated contributions of the member as defined in section 97B.41, subsection 12, together with the employer contribution for that period of service plus the interest that accrued on the contributions for that period equal to two percent plus the interest dividend rate applicable for each year. The board of trustees of the applicable retirement system under this chapter shall credit the member whose contributions are transferred under this section with membership service under this chapter for the period for which the member was covered under the Iowa public employees' retirement system. If the amount of the accumulated contributions as defined in section 97B.41, subsection 12, transferred is less than the amount that would have been contributed under section 411.8, subsection 1, paragraph "f", at the rates in effect for the period for which contributions were made plus the interest that would have accrued on the amount, the member shall pay the difference together with interest that would have accrued on the amount.

If the amount of the employer contributions transferred is less than the amount that would have been contributed by the employer under section 411.5, subsection 12, paragraph "b", plus the interest that would have accrued on the contributions, the board of trustees of the applicable retirement system under this chapter shall determine the remaining contribution amount due. The board of trustees shall notify the county board of supervisors of the county in which the sheriff was elected of the remaining amount to be paid to the retirement system under this chapter.

The county board of supervisors shall forthwith pay to the board of trustees of the applicable retirement system the remaining amount to be paid from moneys in the county general fund.

From the effective date of this Act, the county board of supervisors of the county in which the sheriff was elected shall deduct the contribution required of the member under section 411.8, subsection 1, paragraph "f", from the member's earnable compensation and the county shall pay from the county general fund an amount equal to the normal rate of contribution multiplied by the member's earnable compensation to the applicable retirement system for the period in which the member remains sheriff or deputy sheriff of that county.

Sec. 31. Section 453.4, Code 1985, is amended to read as follows:

#### 453.4 LOCATION OF DEPOSITORIES.

Deposits by the treasurer of state shall be in depositories located in this state; by a county officer or county public hospital officer or merged area hospital officer, in depositories located in the county or in an adjoining county within this state; by a memorial hospital treasurer, in a depository located within this state which shall be selected by the memorial hospital treasurer and approved by the memorial hospital commission; by a city treasurer or other city financial officer, in depositories located in the county in which the city is located or in an adjoining county, but if there is no depository in the county in which the city is located or in an adjoining county then in any other depository located in this state which shall be selected as a depository by the city council; by a school treasurer or by a school secretary in a depository within this state which shall be selected by the board of directors or the trustees of the school district; by a township clerk in a depository located within this state which shall be selected by the township clerk and approved by the trustees of the township. However, deposits may be made in depositories outside of Iowa for the purpose of paying principal and interest on bonded indebtedness of any municipality when the deposit is made not more than ten days before the date the principal or interest becomes due. Further, the treasurer of state may maintain an account or accounts outside the state of Iowa for the purpose of providing custodial services for the state and state retirement fund accounts.

Sec. 32. Section 509A.13, Code 1985, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. This section applies to employees who retired on or after January 1, 1981.

Sec. 33. Section 422.7, Code Supplement 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 21. Add the four percent of the basic salary of a judge, who is a member of the judicial retirement system established in chapter 602, article 9, which is exempt from federal income tax under the Internal Revenue Code of 1954.

Sec. 34. Section 602.1611, subsections 1 and 2, Code 1985, are amended to read as follows:

1. Justices Judges of the supreme court, judges of the and court of appeals, and district judges, and district associate judges are members of the judicial retirement system as determined under established in article 9, part 1, and are not members of the public employees' retirement system established in chapter 97B, except as provided in paragraphs "a" and "b".

a. District associate judges who exercised the election under section 602.1115, subsection 1, are members of the public employees' retirement system and are not members of the judicial retirement system. District associate judges who exercised the election under section 602.1115, subsection 2, are members of the judicial retirement system and are inactive members of the public employees' retirement system.

b. District associate judges appointed after June 30, 1984, judges of the supreme court and court of appeals, and district judges, who were vested members of the public employees' retirement system at the time they became members of the judicial retirement system, and whose contributions in the public employees' retirement system were not refunded to them prior to the repeal of section 97B.69, are members of the judicial retirement system and are inactive vested members of the public employees' retirement system until they become qualified to receive retirement benefits from the judicial retirement system and become retired members of the public employees' retirement system or voluntarily withdraw their contributions from the public employees' retirement system.

2. District associate judges are members of the judicial retirement system under article 9, part 1, or the Iowa public employees' retirement system. Alternate district associate judges whose appointment is authorized under section 602.6303 are not members of either the judicial retirement system or the Iowa public employees' retirement system.

Sec. 35. Section 602.9104, Code 1985, is amended to read as follows:

602.9104 DEPOSIT BY JUDGE — DEDUCTIONS FROM JUDGES' SALARIES — CONTRIBUTIONS BY GOVERNING BODY STATE.

1. Each judge coming within the purview of this article shall, on or before retirement, pay to the court administrator for deposit with the treasurer of state to the credit of a fund to be known as the "judicial retirement fund", hereinafter called the "fund", a sum equal to four percent of the judge's basic salary for services as such judge for the total period of service as a judge of a municipal, superior, district or supreme court, or the court of appeals, including district associate judges, before the date of said notice, and after the date of the notice there shall be deducted and withheld from the basic salary of each judge coming within the purview of this article a sum equal to four percent of such basic salary. Provided that the maximum amount which any judge shall be required to contribute for past service shall not exceed for municipal or superior or district associate judges thirty-five hundred dollars, for district judges four thousand dollars, for court of appeals judges four thousand five hundred dollars, and for supreme court judges five thousand dollars. A judge to whom this article applies, shall be paid an amount equal to ninety-six percent of the basic salary of the judge as set by the general assembly. An amount equal to four percent of the basic salary of the judge as set by the general assembly is designated as the judge's contribution to the judicial retirement fund, and shall be paid by the state in the manner provided in subsection 2.

2. The amounts so deducted and withheld from the basic salary of each said judge The amount designated in subsection 1 as the judge's contribution to the judicial retirement fund shall be paid by the state comptroller from the general fund of the state to the court administrator for deposit with the treasurer of state to the credit of the judicial retirement fund, and said. Moneys in the fund is hereby are appropriated for the payment of annuities, refunds, and allowances herein provided by this article, except that the amount of such the appropriations affecting payment of annuities, refunds, and allowances to judges of the municipal and superior court shall be is limited to that part of said the fund accumulated for their benefit as hereinafter provided in this article. The corpus and income of the fund shall be used only for the exclusive benefit of the judges covered under this article or their survivors.

3. The judges of the municipal, superior, district and supreme court, and the court of appeals, including district associate judges, coming within the provisions of A judge covered under this article shall be is deemed to consent and agree to the deductions from reduction in basic salary as provided herein and payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services rendered by such judges during the period covered by such payment, except the right to the benefits to which they shall be entitled under the provisions of this article in subsection 1.

4. The state shall contribute a sum not exceeding an amount equal to three percent of the basic salary of all judges of the district and supreme court for the years 1949 and 1950 and thereafter covered under this article, or such sums as may be necessary over the amount contributed by the district and supreme court judges to finance the system, but only to the extent that the system applies to them. After June 30, 1973, the state shall contribute such sums as may be necessary over the amount contributed by district associate judges to finance the system as to them for the portion of their tenure after July 1, 1973, and thereafter such sums as may be necessary over the amount contributed by the district associate judges to finance the system, but only to the extent the system applies to them. After July 1, 1976, the state shall contribute such sums as may be necessary over the amount contributed by judges of the court of appeals to finance the system, but only to the extent the system applies to them.

Sec. 36. Section 602.9107, Code 1985, is amended to read as follows:

602.9107 AMOUNT OF ANNUITY.

1. The annual annuity of a judge under this system shall be is an amount equal to three percent of the judge's average annual basic salary for the judge's last three years as a judge of one or more of the courts included in this article, multiplied by the judge's years of service as a judge of one or more of such the courts, but no such for which contributions were made to the system. However, an annual annuity shall not exceed an amount equal to fifty percent of the basic annual salary that which the judge is receiving at the time the judge becomes separated from such service. Forfeitures shall not be used to increase the annuities a judge or survivor would otherwise receive under the system.

2. A judge shall not receive under this article in any calendar year an annuity benefit which, if received in the form of a straight life annuity with no ancillary benefits, exceeds the lesser of the following:

a. A dollar limitation of ninety thousand dollars adjusted each January 1 to the dollar limitation determined by the federal commissioner of internal revenue pursuant to section 415(d) of the United States Internal Revenue Code of 1954, as amended.

b. A compensation limit of one hundred percent of the average compensation paid to the judge during those three consecutive calendar years as a judge of one or more of the courts included in this article which give the highest average.

The limitations of this subsection do not apply to an annuity benefit which is less than ten thousand dollars.

3. The limitations in subsection 2 shall be adjusted as follows:

a. If the annuity begins prior to the sixty-second birthday of the judge, the dollar limitation shall be equal to an annual annuity benefit which is equal to the actuarial equivalent of an annuity benefit commencing on the sixty-second birthday of the judge, but not below seventy-five thousand dollars.

b. If the annuity begins after the sixty-fifth birthday of the judge, the dollar limitation shall be equal to an annual annuity benefit which is the actuarial equivalent of an annuity benefit commencing on the sixty-fifth birthday of the judge.

c. If the annuity begins prior to the judge having ten years of creditable service, the dollar limitation, the one hundred percent of average compensation limitation, and the exception for an annuity benefit which is less than ten thousand dollars, shall be reduced by a fraction, the numerator of which is the total years and months of creditable service, and the denominator of which is ten.

For purposes of the limitations of this subsection, the actuarial equivalent shall be determined from actuarial tables using the 1983 group annuity table for males and five percent interest compounded annually. The value of the joint and survivorship feature of an annuity shall not be taken into account in applying the limitations of this section.

4. This section is intended to meet the requirements of section 415 of the United States Internal Revenue Code and shall be construed in accordance with that section, and shall, by this reference, incorporate any subsequent changes to that section which apply to the judicial retirement system.

Sec. 37. Section 602.9108, Code 1985, is amended to read as follows:

602.9108 INDIVIDUAL ACCOUNTS – REFUNDING.

The amounts deducted and withheld from the basic salary of each judge of the municipal, superior, district or supreme court, or court of appeals, including district associate judges, for the credit of amount designated as the judge's contribution to the judicial retirement fund in section 602.9104, subsection 1, and all amounts paid into such the fund by each a judge shall be credited to the individual account of such the judge. In the event If a judge of the municipal, superior, district or supreme court, or court of appeals, including district associate judges, covered under this article becomes separated from service as such a judge before the judge completes an aggregate of six years of service as a judge of one or more of such the courts, the total amount of the judge's contribution to the fund in the judge's individual account shall be returned to said the judge or the judge's legal representatives, and in the event within one year of the separation. If a judge, who is covered under this article and who has completed an aggregate of six years or more of service as a judge of one or more of such the courts, dies before retirement, without a survivor, the total amount of the judge's contribution to the fund in the judge's individual account shall be paid in one sum to the judge's legal representatives, and in the event within one year of the judge's death. If an annuitant under this section dies without a survivor, and without having received in annuities an amount equal to the total amount remaining to the annuitant's credit in the judge's individual account at the time of separation from service, the amount remaining to the annuitant's credit shall be paid in one sum to the annuitant's legal representatives within one year of the annuitant's death.

Sec. 38. Section 602.9114, Code 1985, is amended to read as follows:

602.9114 FORFEITURE OF BENEFITS – REFUND.

In the event If a judge of the supreme, district or municipal court including a district associate judge, or a judge of the court of appeals, covered under this part is removed for cause other than permanent disability the judge and the judge's survivor shall forfeit the right to any retirement benefits under the system but the total amount of the judge's contribution to the fund in the judge's individual account shall be returned to the judge or the judge's legal representative representatives within one year of the removal.

Sec. 39. Section 602.9115, Code 1985, is amended to read as follows:

602.9115 ANNUITY FOR SURVIVOR OF ANNUITANT.

The survivor of a judge who was qualified for retirement compensation under the system at the time of the judge's death, is entitled to receive an annuity of one-half of the amount of the annuity the judge was receiving or would have been entitled to receive at the time of the

judge's death, or if the judge died before age sixty-five, then one-half of the amount the judge would have been entitled to receive at age sixty-five based on the judge's years of service for which contributions were made to the system. The annuity shall begin on the judge's death or upon the survivor's reaching age sixty, whichever is later. However, a survivor less than sixty years old may elect to receive a decreased retirement annuity to begin on the judge's death by filing a written election with the state court administrator. The election is subject to the approval of the state court administrator. The amount of the decreased retirement annuity shall be the actuarial equivalent of the amount of the annuity otherwise payable to the survivor under this section.

For the purposes of this article "survivor" means the surviving spouse of a person who was a judge, if married to the judge for at least five years next one year preceding the judge's death, but does not include a surviving spouse who remarries.

~~In the event~~ If the judge dies leaving a survivor but without receiving in annuities an amount equal to the judge's credit, the balance shall be credited to the account of the judge's survivor, and if the survivor dies without remarrying and without receiving in annuities an amount equal to said the balance, the amount then remaining shall be paid to the survivor's legal representative representatives within one year of the survivor's death.

Sec. 40. NEW SECTION. 602.9115A OPTIONAL ANNUITY FOR JUDGE AND SURVIVOR.

In lieu of the annuities and refunds provided for judges and judges' survivors under sections 602.9107, 602.9108, 602.9115, 602.9204, 602.9208, and 602.9209, judges may elect to receive an optional retirement annuity during the judge's lifetime and have the optional retirement annuity, or a designated fraction of the optional retirement annuity, continued and paid to the judge's survivor after the judge's death and during the lifetime of the survivor.

The judge shall make the election request in writing to the state court administrator prior to retirement. The election is subject to the approval of the state court administrator. The judge may revoke the election prior to retirement by written request to the state court administrator, but cannot revoke the election after retirement.

The optional retirement annuity shall be the actuarial equivalent of the amounts of the annuities payable to judges and survivors under sections 602.9107, 602.9115, 602.9204, 602.9208, and 602.9209. The actuarial equivalent shall be based on the mortality and interest assumptions set out in section 602.9107, subsection 3.

If the judge dies without a survivor, prior to retirement or prior to receipt in annuities of an amount equal to the total amount remaining to the judge's credit at the time of separation from service, the election is null and void and the refunding provisions of section 602.9108 apply.

If the judge dies with a survivor prior to retirement, the election remains valid and the survivor is entitled to receive the annuity beginning at the death of the judge.

If the judge dies with a survivor and the survivor subsequently dies prior to receipt in annuities by both the judge and the survivor of an amount equal to the total amount remaining to the judge's credit at the time of separation from service, the election remains valid and the refunding provision of section 602.9115 applies.

Sec. 41. Section 602.9204, Code 1985, is amended to read as follows:

602.9204 ANNUITY OF SENIOR JUDGE AND RETIRED SENIOR JUDGE.

A senior judge or a retired senior judge shall not be paid a salary. A senior judge or retired senior judge shall be paid an annuity under the judicial retirement system in the manner provided in section 602.9109, but computed under this section in lieu of section 602.9107, as follows: The annuity paid to a senior judge or retired senior judge shall be an amount equal to three percent of the current base basic salary, as of the time each payment is made, of the office in which the senior judge last served as a judge before retirement as a judge or senior judge, multiplied by the judge's years of service prior to retirement as a judge of one or more

of the courts included under this ~~chapter~~ article, for which contributions were made to the system, except the annuity of the senior judge or retired senior judge shall not exceed fifty percent of such ~~the~~ current base ~~basic~~ salary.

Sec. 42. A member of the peace officers' retirement system employed by the department of public safety as an arson investigator on the effective date of this Act who became a member of the peace officers' retirement system on July 1, 1976 shall receive credit for membership service under the peace officers' retirement system for the member's period of employment as an arson investigator prior to July 1, 1976.

Sec. 43. Section 1 of this Act takes effect July 1, 1986 for members receiving an ordinary disability retirement allowance prior to the effective date of this Act.

Sec. 44. Section 602.9105, Code 1985, is repealed. Section 602.9103, Code Supplement 1985, is repealed.

Sec. 45. The Iowa public employees' retirement system division of the department of personnel is directed to conduct a study during the 1986 legislative interim to develop various alternatives for payment of death benefits to spouses of deceased active members and of deceased retired members, to determine the cost of vested buybacks, to determine the cost of providing earlier retirement benefits for motor vehicle enforcement officers employed by the department of transportation, and to make recommendations to the general assembly meeting in 1987.

Approved May 29, 1986

## CHAPTER 1244

### REORGANIZATION COORDINATING AMENDMENTS

*S.F. 2303*

**AN ACT** relating to restoring provisions of legislation relating to appropriations which had been removed from the comprehensive legislation on the subject of state government reorganization.

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

Section 1. Section 2.12, unnumbered paragraphs 1, 2, and 3, Code Supplement 1985, are amended to read as follows:

There is hereby appropriated out of any funds in the state treasury not otherwise appropriated a sum sufficient to pay for legislative printing and all current and miscellaneous expenses of the general assembly, authorized by either the senate or the house, and the ~~state comptroller is hereby authorized and directed to~~ director of revenue and finance shall issue warrants for such items of expense upon requisition of the ~~president~~ majority leader and secretary of the senate or the speaker and chief clerk of the house.

There is hereby appropriated out of any funds in the state treasury not otherwise appropriated, such sums as ~~may be~~ are necessary, for each house of the general assembly for the payment of any unpaid expense of the general assembly incurred during or in the interim between sessions of the general assembly, including but not limited to salaries and necessary travel and actual expenses of members, ~~and expenses of standing and interim committees or subcommittees, and per diem or expenses for members of the general assembly who serve on statutory boards, commissions, or councils for which per diem or expenses are authorized by law.~~ The state ~~comptroller is hereby authorized and directed to~~ director of revenue and finance shall issue warrants for such items of expense upon requisition of the ~~president~~ majority leader and secretary of the senate for senate expense or the speaker and chief clerk of the house for house expense.