



---

**SF 226** – Increase Contribution Rates Under Chapter 411 (LSB1635SV)  
Analyst: Jennifer Acton (Phone: 515-281-7846) (jennifer.acton@legis.state.ia.us)  
Fiscal Note Version – New

---

### **Description**

**Senate File 226** establishes a presumption that cancer is work-related for purposes of disability and death benefits for firefighters in the Statewide Fire and Police Retirement System and by increasing the contribution rate for firefighters.

### **Background**

- Senate File 226 increases the minimum contribution rate for firefighter members from 9.35% to 9.40%.
- There are 3,881 members of the Statewide Fire and Police Retirement System (411). Of these members, 1,637 are firefighters and 2,244 are police officers.
- Since the inception of the Retirement Plan on January 1, 1992, there have been 13 cancer disabilities. Ten of these were considered work-related (accidental) due to causation (lung presumption). Of these ten, four were police officers and six were firefighters. The remaining three were cancer disabilities considered non-work related (ordinary) due to causation of which all three were police officers. The three types of cancers were renal, liver, and throat.
- The average earnable compensation for a firefighter is \$53,509 per year.
- According to the National Conference on State Legislatures (NCSL), during the 2007-2008 Legislative Sessions, there were four States that enacted legislation approving the cancer presumption for firefighters and seven States where it failed. A total of 18 States have a cancer presumption for firefighters in statute.

### **Assumptions**

- The actuarial cost of the cancer assumption, as calculated by the 411 System's actuary, is 0.04 of 1.00%, and is paid by the members.
- The average annual contribution cost to each firefighter ranges between \$25 and \$30.
- The lifetime cost-to-treat average is \$100,000 per person and would be paid by the cities.

## **Fiscal Impact**

There is no impact to the State General Fund or the 411 System, as the contribution costs are paid by the plan members. The fiscal impact to the cities is a lifetime cost-to-treat average of \$100,000 per person.

## **Sources**

Municipal Fire and Police Retirement System  
Iowa League of Cities  
National Conference of State Legislatures (NCSL)

/s/ Holly M. Lyons

---

March 3, 2009

---

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Section 2.56](#), [Code of Iowa](#). Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.

---