

House substituted S 252 for H 393 - 4/10 3/17
Rec. amend. passage

February 19, 1953.
Passed on File.

Doc Dec 2/19

Senate File 252
By VAN EATON.

Passed Senate, Date 4-7-53
Vote: Ayes 40 Nays 1
Passed House, Date 4-10-53
Vote: Ayes 89 Nays 0
Approved 4-16-53

A BILL FOR

An Act to permit the liquidation of the pension and annuity retirement system of public school teachers as such pension system has been established in accordance with the provisions of section two hundred ninety-four point eight (294.8), Code 1950.

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

1 Section 1. Section two hundred ninety-four point eleven
2 (294.11), Code 1950, as amended by section twenty-one (21) of
3 chapter one hundred sixty-five (165) laws of the fifty-fourth
4 general assembly, is hereby repealed and the following substituted
5 in lieu thereof:
6 "Any independent school district which has in operation
7 the pension and annuity retirement system created pursuant
8 to sections two hundred ninety-four point eight (294.8) to
9 two hundred ninety-four point ten (294.10), Code 1950,
10 inclusive, may terminate such system by the adoption by the
11 board of directors of such district, of a resolution declaring
12 such system terminated as of a date specified therein."

1 Sec. 2. Section two hundred ninety-four point twelve
2 (294.12), Code 1950, is hereby amended by striking all after

3 the word "retirement" in line fifteen (15) of such section
4 and inserting in lieu thereof the following:

5 "Liquidation fund. Such liquidation fund shall be held
6 for the benefit of those surviving beneficiaries under such
7 system as of said date of termination, and of members of such
8 system as of date of termination. There shall be set aside
9 from such retirement liquidation fund an amount sufficient to
10 provide for the payment of all surviving beneficiaries who
11 shall be entitled to receive benefits under such system as of
12 said date of termination, providing an actuarial computation
13 has been made of the amount required to meet such benefit payments,
14 providing the amount in the retirement liquidation fund is
15 sufficient for this purpose, and the amount set aside shall
16 be used for no other purpose than for the payment of claims
17 to such beneficiaries. Any amount in excess of the actuarial
18 equivalent of the sum required to pay such benefit payments
19 shall be apportioned to persons who were as of the effective
20 date of the termination of the system, members of such system,
21 in proportion to the amount which the accumulated contribution
22 of each such person bears to the total funds of such retirement
23 system subject to such apportionment. In any case where the
24 board of directors of a school district including a teachers
25 retirement system established under the provisions of section
26 two hundred ninety-four point eight (294.8), whose members
27 were not under coverage of the Iowa Old Age and Survivors
28 Insurance system prior to May 1, 1953, the board of directors

29 may authorize the payment from funds in excess of the actuarial
30 amount estimated as required for the payment of benefits to
31 persons entitled to them, and for the purpose of obtaining
32 retroactive social security coverage from January 1, 1951
33 until the effective date of federal coverage of Iowa public
34 employees as provided by laws of the fifty-fifth
35 general assembly. Each surviving beneficiary entitled to
36 receive retirement benefits of the date of termination of the
37 system will be entitled to receive retirement benefits at
38 the time and in the amount in effect with respect to such
39 beneficiary immediately prior to the date of termination."

1 Sec. 3. This Act, being deemed of immediate importance,
2 shall be in full force and effect from and after its
3 publication in the Daily Reporter, a newspaper published at
4 Sioux City, Iowa, and in The Danbury Review, a newspaper
5 published at Danbury, Iowa.

1 Amend Senate File 252 by inserting after the period (.)
2 in line 23, section 2, the following:
3 "Any member of such system as of the date of termination
4 thereof, may, in lieu of receiving the cash refund of his
5 share of the liquidation fund, elect to come under the
6 coverage of any new pension and annuity retirement system
7 established by the district, to which he is eligible, with
8 credits toward future benefits in consideration of his prior
9 contributions and length of service, and may direct the
10 transfer of the amount payable to him to the assets of the
11 new pension and annuity retirement system."

adopted
4/7

Filed

February 26, 1953.

By KNUDSON.

EXPLANATION

(To amendment to Senate File 252)

1 It is the purpose of this amendment to permit a
2 teacher who will be entitled to a refund upon liquidation of
3 a local system to elect to have his refund transferred to any
4 new pension and annuity retirement system which may later be
5 established by the district, with credits toward future
6 benefits in said new system in consideration of his prior
7 contribution and service. It is to be noted that this
8 provision is identical in substance with section five (5) of
9 Senate File 112 which makes the same provisions for the benefit
10 of state employees who are entitled to cash refunds upon
11 dissolution of the state system.

Filed

February 26, 1953.

By KNUDSON.

1 Amend Senate File 252 by inserting as section 3
2 of said bill the following:
3 "Sec. 3. The board of directors of said district shall
4 annually, for a period of five years after the effective date
5 of the termination of its pension system, at the meeting at
6 which it estimates the amount required for the general fund,
7 in accordance with the provisions of section two hundred ninety-
8 eight point one (298.1), estimate the additional amount if any
9 necessary to pay to participants in the pension system who are
10 not entitled to receive benefits under such system at the date
11 of termination thereof, one-fifth of the amount paid into said
12 pension fund by such participants therein, without interest,
13 which amount shall be levied by the board of supervisors, in
14 accordance with provisions of section two hundred ninety-eight
15 point eight (298.8) and, in addition thereto, the board of
16 directors of said district shall each year at the meeting at
17 which it estimates the amount required for the general fund,
18 in accordance with the provisions of section two hundred ninety-
19 eight point one (298.1), estimate the additional amount, if any,
20 necessary to provide the required annual payments to surviving
21 beneficiaries of said pension system, as defined in section two
22 hundred ninety-four point twelve (294.12), which amount shall
23 be levied by the board of supervisors, in accordance with the
24 provisions of section two hundred ninety-eight point eight
25 (298.8). Upon the death of the last beneficiary, as defined
26 in section two hundred ninety-four point twelve (294.12), to
27 survive, any balance remaining in said fund, including any
28 undisposed of accumulations, shall be transferred to the general
29 fund of said school district."

adopted
4/7

30 Further amend Senate File 252 by renumbering the final
31 section.

Filed

February 23, 1953.

By VAN EATON.

(Committee Amendment)

1 Amend Senate File 252 in accordance with the amendment to
2 Senate File 252 filed by Senator Van Eaton and found on page
3 396 of the Senate Journal.

Filed

March 17, 1953.

By COMMITTEE ON SOCIAL SECURITY.