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By LEGISLATIVE RESEARCH COMMITTEE
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O'Malley, Koch and Curran)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

An Act relating to the establishment of a central investment board for Iowa retirement systems.

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

1 Section 1. There is hereby created a board to be known as
2 the Iowa retirement systems investment board hereinafter re-
3 ferred to as the board. The board shall consist of seven (7)
4 trustees who shall be the governing body of the board.
1 Sec. 2. The governor shall appoint five (5) trustees at
2 least one (1) of whom shall be a professor of finance on the
3 staff of a university or college located within the state of
4 Iowa, one (1) an executive of a domestic life insurance com-
5 pany, one (1) an executive of a state or national bank oper-
6 ating within the state of Iowa, one (1) a financial executive
7 of a major nonfinancial corporation located within the state
8 of Iowa, and one (1) an executive of a domestic savings and
9 loan association located within the state of Iowa. The
10 president of the senate shall appoint one (1) trustee from
11 the membership of the senate and the speaker of the house of

12 representatives shall appoint one (1) trustee from the member-
13 ship of the house. The two (2) trustees appointed from the
14 general assembly shall be ex officio members of the board,
15 shall serve for a two (2) year appointment beginning July 1
16 following appointment, and shall be empowered to vote on all
17 decisions of the board.

1 Sec. 3. All members of the advisory investment board of
2 the Iowa public employees' retirement system, including any
3 member previously appointed to the board and confirmed by the
4 senate prior to the effective date of this Act, shall become
5 trustees of the board until completion of their terms. The
6 governor shall designate, in the case of his original appoin-
7 tees, one (1) who shall serve for a period of four (4) years
8 and a second who shall serve for a period of six (6) years.
9 Thereafter the appointive terms of the trustees appointed by
10 the governor shall be for a period of six (6) years dating
11 from July 1 of the year of appointment. If vacancies occur
12 on the board through resignation or other cause, a successor
13 shall be appointed for the remainder of the term in the same
14 manner as was his predecessor. Appointees to the board shall
15 be subject to confirmation by a two-thirds (2/3) vote of the
16 senate. In the event of interim appointments, such confirma-
17 tion shall be made within thirty (30) days following the con-
18 vening of the next session of the general assembly.

1 Sec. 4. The board shall elect a chairman from its member-
2 ship and such other officers as board members deem necessary.
3 The board shall prescribe rules and formulate such policies
4 as may be necessary in carrying out the purposes of this Act.
5 All trustees shall be paid actual and necessary expenses in-
6 curred in the performance of their duties and shall receive
7 in addition thereto the sum of forty (40) dollars per diem
8 for each day of service but not to exceed forty (40) days per
9 year.

1 Sec. 5. The board shall employ an executive director who
2 shall serve at the pleasure of the board. Such director shall

3 be qualified by training and prior experience to manage, admin-
4 ister, and direct the investment of funds. The executive and
5 administrative functions of the board shall be vested in the
6 executive director, who shall perform his functions in confor-
7 mity with policies and rules established by the board.

1 Sec. 6. The executive director may with the approval of
2 the board appoint one (1) or more investment directors and such
3 other employees necessary to carry out the provisions of this
4 Act. The board shall in its judgment adopt such rules as shall
5 be necessary preventing the executive director, any investment
6 director, and other employees from having financial interest,
7 directly or indirectly, in firms or corporations providing
8 services to the board and governing the receipts of gifts or
9 favors therefrom, and also governing personal investments of
10 all employees including the executive director and any invest-
11 ment directors to prevent conflicts of interest. Neither the
12 executive director, any investment director, nor any other
13 employee of the board shall have any financial interest,
14 either directly or indirectly, in any firm engaged in the sale
15 of investments of any kind, nor shall any employee of the board
16 render investment advice to others for remuneration.

17 The executive director and each investment director shall
18 file a performance bond in such amount and with such sureties
19 as the trustees require.

20 All documents required to be executed by or on behalf of
21 the board shall be signed only by the executive director or,
22 in the event of his absence or disability, by his designee
23 unless the board or executive director requires the counter
24 signature of an investment director or an investment super-
25 visor on certain documents.

26 The attorney general of the state shall be the legal advisor
27 to the board.

1 Sec. 7. The state of Iowa retirement systems investment
2 board shall be a body corporate with power to sue and be sued

3 in its own name. The board shall hold in trust all assets
4 of each of the retirement systems established under chapters
5 ninety-seven A (97A), ninety-seven B (97B), four hundred ten
6 (410), four hundred eleven (411), and six hundred five A
7 (605A) of the Code. On January 1, 1968, all assets of each
8 retirement system subject to this Act which are not in the
9 possession of the state treasurer shall be remitted to the
10 state treasurer in accordance with the provisions of this
11 Act. All debt securities shall be transferred at amortized
12 value plus accrued interest. Thereafter, all contributions
13 by the members of each system and all contributions, appro-
14 priations, and other payments by the employer to the system
15 shall be immediately remitted to the board for deposit with
16 the state treasurer. The treasurer shall maintain all assets
17 deposited by the board under this Act, all assets acquired
18 through the use of assets so deposited, and all interest,
19 dividends and rents thereon in a special fund separate from
20 all other public funds of the state and shall administer and
21 invest the assets at the direction of the board.

1 Sec. 8. The board may direct the investment and reinvest-
2 ment of the assets of the systems established under chapters
3 ninety-seven A (97A), ninety-seven B (97B), four hundred
4 ten (410), four hundred eleven (411), and six hundred five
5 A (605A) of the Code in interest-bearing bonds issued by the
6 United States, the state of Iowa, counties and school dis-
7 tricts within the state, and general obligation or limited
8 levy bonds issued by municipal corporations within the state.
9 The assets of the systems may be commingled for purposes of
10 investment. The board may also direct the investment and
11 reinvestment of the assets of the system established by chap-
12 ter ninety-seven B (97B) of the Code in common stocks subject
13 to the restrictions in section ninety-seven B point seven
14 (97B.7) of the Code. The board shall maintain such records
15 as are necessary to determine the interest of any system in

16 the special fund. All income or gain realized from investment
17 of the special fund and all investment expense or loss shall
18 be allocated at least semiannually to the account of each sys-
19 tem.

1 Sec. 9. The board shall execute instruments in which the
2 board agrees to indemnify against failure to endorse payments
3 of any kind which may be made upon bonds, debentures, or other
4 securities or to indemnify the issuer of securities, whether
5 the board be the obligor thereon or a trustee or agent, against
6 any loss which might be incurred as the result of the issuance
7 or reissuance of securities to replace securities which have
8 been lost, stolen, mutilated or destroyed.

1 Sec. 10. To insure orderly investment the board may:

2 1. Sell and reinvest any securities or other property held
3 by the treasurer when such action may be deemed advisable for
4 the protection of the funds or the preservation of the value
5 of the investment.

6 2. Direct the treasurer to subscribe for the purchase of
7 securities for future delivery in anticipation of future
8 income. Such securities shall be paid for by such anticipated
9 income or from funds from the sale of securities or other prop-
10 erty held by the treasurer.

11 3. Authorize the comptroller to issue warrants to pay for
12 securities directed to be purchased by the board on receipt
13 of the purchasing bank's paid statement or paid confirmation
14 of the purchase.

15 4. Employ outside investment counsel in matters arising
16 within the scope of the investment authority provided in this
17 Act.

18 In the event of loss on the redemption or sale of securities,
19 where invested as prescribed by this Act, neither the treasurer
20 nor the board shall be personally liable.

1 Sec. 11. All payments of benefits, refunds, or other dis-
2 bursement from the account of any system subject to this Act
3 shall be made at the direction of the board and upon warrants

4 drawn by the comptroller. The board shall order the treasurer
5 to disburse funds only upon certification of a claim by the
6 governing authority, which shall be the board of trustees for
7 any system established under chapters ninety-seven A (97A),
8 four hundred ten (410), or four hundred eleven (411) of the
9 Code, the Iowa employment security commission for the system
10 established under chapter ninety-seven B (97B) of the Code,
11 and the comptroller for the system established under chapter
12 six hundred five A (605A) of the Code. Certification of a
13 claim shall state the name of the claimant, the amount of
14 the payment, and when the payment is to be issued and shall
15 be subject to such rules as the board may establish.

1 Sec. 12. The board shall retain an actuary to provide
2 any actuarial services required under chapters ninety-seven
3 A (97A), ninety-seven B (97B), four hundred ten (410), four
4 hundred eleven (411) and six hundred five A (605A) of the
5 Code if requested by the governing authority of any system.
6 All costs of actuarial service shall be charged to the system
7 for which such services are provided.

1 Sec. 13. At the request of the governing authority of
2 any retirement system subject to this Act, the board shall
3 assume the maintenance of the fiscal accounting for the
4 system including records of accumulated contributions and
5 benefits, both payable and received, of members, and records
6 of the assets, liabilities, reserves, and other financial
7 matters of the system. The services provided by the board
8 shall include the calculation of benefits and contributions
9 but shall not include the determination of eligibility for
10 benefits or the certification of contribution rates. All
11 costs of these services shall be charged to the system for
12 which they are performed.

1 Sec. 14. The board shall annually report to the governing
2 authority of each system subject to this Act which report
3 shall include:

4 1. The financial transactions of the board for the preceding

5 year.

6 2. The amount of cash and securities held by the board at
7 the close of the reporting period.

8 3. The interest which each system holds in all assets ad-
9 ministered by the board under this Act.

10 4. A summary of investments held by the treasurer together
11 with earnings accrued and received during the year preceding
12 the report for each system.

1 Sec. 15. Section ninety-seven A point one (97A.1), Code
2 1966, is hereby amended as follows:

3 1. By striking from line four (4) of subsection eleven (11)
4 the word "fund" and inserting in lieu thereof the word "ac-
5 count".

6 2. By striking subsections twenty-one (21) and twenty-two
7 (22) of such section.

8 3. By adding thereto the following subsections:

9 a. "'Investment board' means the Iowa retirement systems
10 investment board."

11 b. "'Actuary' means the actuary employed by the board of
12 trustees or by the investment board."

1 Sec. 16. Section ninety-seven A point two (97A.2), Code 1966,
2 is hereby amended by striking from lines thirteen (13), four-
3 teen (14), and fifteen (15) the words ", invest all of its funds
4 and hold all its cash and security and other property".

1 Sec. 17. Section ninety-seven A point five (97A.5), Code
2 1966, is hereby amended as follows:

3 1. By striking from line three (3) of subsection three (3)
4 the word "fund" and inserting in lieu thereof the word "account".

5 2. By striking from line four (4) of subsection four (4)
6 the word "funds" and inserting in lieu thereof the word "ac-
7 counts".

8 3. By striking from line four (4) of subsection six (6)
9 the word "funds" and inserting in lieu thereof the word
10 "accounts".

11 4. By striking lines one (1) and two (2) of subsection

12 nine (9) and inserting in lieu thereof the words "The actuary
13 shall".

14 5. By striking from line four (4) of subsection nine (9)
15 the word "funds" and inserting in lieu thereof the word
16 "accounts".

17 6. By striking subsection ten (10) of such section.

18 7. By striking from line three (3) of subsection eleven
19 (11) of such section the words "state commissioner of insur-
20 ance" and inserting in lieu thereof the word "actuary".

21 8. By striking from line eight (8) of subsection eleven
22 (11) the word "funds" and inserting in lieu thereof the word
23 "accounts".

24 9. By striking from lines two (2) and three (3) of sub-
25 section twelve (12) of such section the words "state com-
26 missioner of insurance" and inserting in lieu thereof the
27 word "actuary".

28 10. By striking from line five (5) of subsection twelve
29 (12) the word "funds" and inserting in lieu thereof the word
30 "accounts".

1 Sec. 18. Section ninety-seven A point six (97A.6), Code
2 1966, is hereby amended as follows:

3 1. By striking from line ten (10) of subsection ten
4 (10) the word "fund" and inserting in lieu thereof the word
5 "account".

6 2. By striking from lines twenty-two (22) and twenty-three
7 (23) of subsection eleven (11) the words "state commissioner
8 of insurance" and inserting in lieu thereof the word "actuary".

1 Sec. 19. Section ninety-seven A point seven (97A.7), Code
2 1966, is hereby amended as follows:

3 1. By striking subsection one (1) of such section and in-
4 serting in lieu thereof the following:

5 "The investment board shall administer the investment of
6 the assets of the system according to the provisions of this
7 Act.

8 2. By striking subsection two (2) of such section.

9 3. By striking from line three (3) of subsection three (3)
10 the word "funds" and inserting in lieu thereof the word "ac-
11 counts".

12 4. By striking from line four (4) of subsection three (3)
13 the word "fund" and inserting in lieu thereof the word "ac-
14 count".

15 5. By striking from line six (6) of subsection three (3)
16 the word "funds" and inserting in lieu thereof the word "ac-
17 counts".

18 6. By striking from line ten (10) of subsection three (3)
19 the word "funds" and inserting in lieu thereof the word "ac-
20 counts".

21 7. By striking lines one (1) through four (4) of subsec-
22 tion four (4) and inserting in lieu thereof the following:

23 "All claims for disbursement from the system's account with
24 the state treasurer shall be certified to the investment board
25 by two (2) persons desig-".

26 8. By striking all of such section after the word "the" in
27 line nine (9) and inserting in lieu thereof the following:

28 "investment board as authority for directing the treasurer
29 to make such disbursement. No claim shall be certified unless
30 previously allowed by resolution of the board of trustees."

31 9. By striking from line four (4) of subsection five (5)
32 the words "board of trustees" and inserting in lieu thereof
33 the words "investment board".

34 10. By striking from lines nine (9), ten (10), and eleven
35 (11) of subsection five (5) the words "except to make such
36 current and necessary payments as are authorized by the board
37 of trustees,".

1 Sec. 20. Section ninety-seven A point eight (97A.8), Code
2 1966, is hereby amended as follows:

3 1. By striking lines five (5) through eight (8) and in-
4 serting in lieu thereof the following:

5 "accounts, namely, the annuity savings account, the annuity
6 reserve account, the pension accumulation account, the pen-

7 sion reserve account, and the expense account the funds of
8 which may be merged for investment purposes."

9 2. By striking from line one (1) of subsection one (1)
10 the word "fund" and inserting in lieu thereof the word
11 "account".

12 3. By striking from lines one (1) and two (2) of paragraph
13 a of subsection one (1) the words "fund shall be the fund in
14 which shall be accumulated" and inserting in lieu thereof
15 the words "account shall be the account to which shall be
16 credited".

17 4. By inserting in line seven (7) of paragraph b of sub-
18 section one (1) after the word "member" the words "and re-
19 mitted to the investment board".

20 5. By striking all of paragraph c of subsection one (1)
21 after the word "salary" in line eighteen (18) of such paragraph
22 and inserting in lieu thereof the words "and the board of
23 trustees shall credit the certified amount with regular
24 interest thereon to the individual account of the member from
25 whose compensation the deduction was made in the annuity
26 savings account."

27 6. By striking from line nine (9) of paragraph d of sub-
28 section one (1) the word "fund" and inserting in lieu thereof
29 the word "account".

30 7. By striking from line fourteen (14) of paragraph d of
31 subsection one (1) the word "fund" and inserting in lieu
32 thereof the word "account".

33 8. By striking from lines four (4) and five (5) of para-
34 graph e of subsection one (1) the words "paid from the annuity
35 savings fund" and inserting in lieu thereof the words "charged
36 to the annuity savings account".

37 9. By striking from line seven (7) of paragraph e of sub-
38 section one (1) the word "fund" and inserting in lieu thereof
39 the word "account".

40 10. By striking from line eight (8) of paragraph e of sub-
41 section one (1) the word "fund" and inserting in lieu thereof

42 the word "account".

43 11. By striking from line one (1) of subsection two (2) the
44 word "fund" and inserting in lieu thereof the word "account".

45 12. By striking from lines two (2) and three (3) of sub-
46 section two (2) the words "fund shall be the fund from which
47 shall be paid" and inserting in lieu thereof the words "account
48 shall be the account to which shall be charged".

49 13. By striking from line nine (9) of subsection two (2)
50 the words "fund to the annuity savings fund". and inserting in
51 lieu thereof the words "account to the annuity savings account".

52 14. By striking from line one (1) of subsection three (3)
53 the word "fund" and inserting in lieu thereof the word "ac-
54 count".

55 15. By striking from line two (2) of subsection three (3)
56 the words "fund shall be the fund" and inserting in lieu thereof
57 the words "account shall be the account".

58 16. By striking from lines five (5) and six (6) of subsec-
59 tion three (3) the words "from which shall be paid" and insert-
60 ing in lieu thereof the words "to which shall be charged".

61 17. By striking from lines eight (8), nine (9), and ten
62 (10) of subsection ten (10) the words "Contributions to and
63 payments from the pension accumulation fund shall be as follows:".

64 18. By striking from line two (2) of paragraph a of subsec-
65 tion three (3) the word "into" and inserting in lieu thereof the
66 words "to the investment board for deposit with the state
67 treasurer and credited to".

68 19. By striking from line three (3) of paragraph a of sub-
69 section three (3) the word "fund" and inserting in lieu thereof
70 the word "account".

71 20. By striking from lines three (3) and four (4) of para-
72 graph b of subsection three (3) the words "state commissioner
73 of insurance" and inserting in lieu thereof the word "actuary".

74 21. By striking from lines eighteen (18) and nineteen (19)
75 of paragraph b of subsection three (3) the words "fund the amount
76 of the funds in hand to the credit of the fund" and inserting

77 in lieu thereof the words "system the sum of the assets in
78 hand to the credit of the system and the present value of the
79 prospective future contributions of all members".

80 22. By striking from line twenty-six (26) of paragraph b
81 of subsection three (3) the words "state commissioner of
82 insurance" and inserting in lieu thereof the word "actuary".

83 23. By striking from line one (1) of paragraph c of sub-
84 section three (3) the word "payable" and inserting in lieu
85 thereof the word "credited".

86 24. By striking from line two (2) of paragraph c of sub-
87 section three (3) the word "fund" and inserting in lieu thereof
88 the word "account".

89 25. By striking from line eight (8) of paragraph c of sub-
90 section three (3) the word "fund" and inserting in lieu thereof
91 the word "account".

92 26. By striking from line ten (10) of paragraph c of sub-
93 section three (3) the word "fund" and inserting in lieu thereof
94 the word "account".

95 27. By striking from line three (3) of paragraph d of sub-
96 section three (3) the words "paid from" and inserting in lieu
97 thereof the words "charged to".

98 28. By striking from line four (4) of paragraph d of sub-
99 section three (3) the word "fund" and inserting in lieu thereof
100 the word "account".

101 29. By striking from line five (5) of paragraph e of sub-
102 section three (3) the words "fund to the pension reserve fund"
103 and inserting in lieu thereof the words "account to the pension
104 reserve account".

105 30. By striking from line one (1) of subsection four (4)
106 the word "fund" and inserting in lieu thereof the word "account".

107 31. By striking from line two (2) of subsection four (4)
108 the words "fund shall be the fund" and inserting in lieu thereof
109 the words "account shall be the account".

110 32. By striking from line four (4) of subsection four (4)
111 the word "from" and inserting in lieu thereof the word "to".

112 33. By striking from line six (6) of subsection four (4)
113 the word "paid" and inserting in lieu thereof the word "charged".

114 34. By striking from line ten (10) of subsection four (4)
115 the word "fund" and inserting in lieu thereof the word "account".

116 35. By striking from line eleven (11) of subsection four
117 (4) the word "fund" and inserting in lieu thereof the word "ac-
118 count".

119 36. By striking from line fifteen (15) of subsection four
120 (4) the words "paid annually into" and inserting in lieu thereof
121 the words "credited annually to".

122 37. By striking from line sixteen (16) of subsection four
123 (4) the word "fund" and inserting in lieu thereof the word
124 "account".

125 38. By striking from lines one (1) and two (2) of subsection
126 five (5) the words "fund. The expense fund shall be the fund"
127 and inserting in lieu thereof the words "account. The expense
128 account shall be the account".

129 39. By striking from line four (4) and five (5) of sub-
130 section five (5) the words "from which shall be paid" and in-
131 serting in lieu thereof the words "to which shall be charged".

132 40. By inserting in line four (4) of subsection five (5)
133 after the word "expenses" the words "except investment expense".

134 41. By striking from line nine (9) of subsection five (5)
135 the words "into the expense fund" and inserting in lieu thereof
136 the words "to the investment board and credited to the expense
137 account".

1 Sec. 21. Section ninety-seven A point eleven (97A.11),
2 Code 1966, is hereby amended as follows:

3 1. By striking from line six (6) the word "fund" and in-
4 serting in lieu thereof the word "account".

5 2. By striking from line seven (7) the word "fund" and in-
6 serting in lieu thereof the word "account".

7 3. By striking all of such section after the word "safety"
8 in line ten (10) and inserting in lieu thereof the words "to

9 the investment board for deposit with the state treasurer."

1 Sec. 22. Chapter ninety-seven A (97A), Code 1966, is hereby
2 amended by adding thereto the following section:

3 "The board of trustees may transfer responsibility for the
4 maintenance of the fiscal accounts and records of the members
5 of the system, maintenance of accounts for the financing of the
6 system as provided under section ninety-seven A point eight
7 (97A.8) of the Code, and all actuarial services, exclusive of
8 the adoption of tables and certification of contribution rates
9 to the investment board. The board of trustees shall effect
10 the transfer by certifying to the investment board such fiscal
11 records as the investment board deems necessary, verifying that
12 all records are complete, accurate, and current. Upon compli-
13 ance with this section, the board shall be relieved of all
14 duties assumed by the investment board, but may conduct both
15 financial and actuarial audits when deemed necessary."

1 Sec. 23. Section ninety-seven B point seven (97B.7), Code
2 1966, is hereby amended as follows:

3 1. By striking lines one (1) through ten (10) of subsection
4 two (2) and inserting in lieu thereof the following:

5 "The investment board shall administer the fund according to
6 the provisions of this Act. The fund shall be invested in
7 interest-bearing securities is-".

8 2. By striking all of subsection two (2) after the word
9 "state-" in line seventeen (17).

10 3. By striking all of subsection three (3) after the word
11 "appropriated" in line two (2) and inserting in lieu thereof
12 the words "to the investment board for:

13 "a. Payment of benefits and refunds provided for under this
14 chapter upon certification of claim by the commission.

15 "b. Investment expenses of the fund."

1 Sec. 24. Section ninety-seven B point eight (97B.8), Code
2 1966, is hereby repealed.

1 Sec. 25. Section ninety-seven B point ten (97B.10), Code
2 1966, is hereby amended as follows:

3 1. By striking lines one (1) through fourteen (14) and in-
4 serting in lieu thereof the following:

5 "Any employer may file an application for refund of taxes
6 erroneously paid. Any employce may file an application for
7 refund of any taxes withheld in any one (1) year by one (1)
8 or more employers which are in excess of the tax levied upon
9 the employee by section ninety-seven B point eleven (97B.11)
10 of the Code. Application for refund shall be made to the com-
11 mission within three (3) years of the date of payment and not
12 thereafter. The commission shall upon determining that a claim
13 is valid make such adjustments as it finds just and equitable.
14 The commission shall if a claim is allowed to the employee,
15 also make an adjustment for the taxes paid by the employer for
16 the employee on which the employee is allowed a rcfund. Re-
17 funds so allowed shall be charged to the fund to which the
18 collections have been credited and shall be paid to the
19 claimant without interest. For lack of time and".

20 2. By striking from line fifteen (15) the words ", compro-
21 mises or refunds".

1 Sec. 26. Section ninety-seven B point thirty-three (97B.33),
2 Code 1966, is hereby amended as follows:

3 1. By striking from lines six (6) and seven (7) the words
4 "state comptroller" and inserting in lieu thereof the words
5 "investment board".

6 2. By striking lines eleven (11) through fourteen (14) and
7 inserting in lieu thereof the following:

8 "should be made. Upon receipt of the commission's certifi-
9 cation the investment board shall direct the state comptroller
10 to make payment in accordance with the certification provided,
11 that where a review of the".

12 3. By inserting in line nineteen (19) after the word "made"
13 the words "at the direction of the investment board and".

1 Sec. 27. Section ninety-seven B point forty-one (97B.41),
2 Code 1966, is hereby amended by adding thereto the following
3 subsection:

4 "'Investment board' means the Iowa retirement systems in-
5 vestment board."

1 Sec. 28. Section ninety-seven B point fifty-nine (97B.59),
2 Code 1966, is hereby amended by adding thereto the following:

3 "The commission may, in lieu of employing an actuary, re-
4 quest the investment board to furnish actuarial services as
5 provided in section twelve (12) of this Act."

1 Sec. 29. Section ninety-seven B point seventy (97B.70),
2 Code 1966, is hereby amended as follows:

3 1. By striking from lines two (2) and three (3) of para-
4 graph a of subsection one (1) the word "advisory".

5 2. By striking from line fourteen (14) of paragraph a of
6 subsection one (1) the word "advisory".

1 Sec. 30. Section ninety-seven B point seventy-one (97B.71),
2 Code 1966, is hereby repealed.

1 Sec. 31. Section four hundred ten point three (410.3),
2 Code 1966, is hereby repealed and the following enacted in
3 lieu thereof:

4 "All assets of any fund or system not necessary for the im-
5 mediate payment of benefits shall be remitted to the Iowa re-
6 tirement systems investment board for deposit with the state
7 treasurer to be administered in compliance with this Act."

1 Sec. 32. Section four hundred ten point sixteen (410.16),
2 Code 1966, is hereby repealed and the following enacted in
3 lieu thereof:

4 "All claims for disbursement from the account of any fund
5 or system held by the state treasurer shall be certified to
6 the Iowa retirement systems investment board by the board of
7 trustees of the fund. No claim shall be so certified unless
8 previously allowed by resolution of the board of trustees."

1 Sec. 33. Chapter four hundred ten (410), Code 1966, is
2 hereby amended by adding thereto the following section:

3 "The board of trustees of any system may transfer responsi-
4 bility for the maintenance of the fiscal accounts and records
5 of the members of the system, maintenance of accounts for

6 the financing of the fund, and all actuarial services, exclu-
7 sive of the adoption of tables and certification of contri-
8 bution rates, to the retirement systems investment board.
9 The board of trustees shall effect the transfer by certifying
10 to the investment board such fiscal records as the investment
11 board deems necessary, verifying that all records are complete,
12 accurate, and current. Upon compliance with this section,
13 the board of trustees shall be relieved of all duties assumed
14 by the investment board, but may conduct both financial and
15 actuarial audits when deemed necessary."

1 Sec. 34. Section four hundred eleven point one (411.1),
2 Code 1966, is hereby amended as follows:

3 1. By striking from line four (4) of subsection thirteen
4 (13) the word "fund" and inserting in lieu thereof the word
5 "account".

6 2. By adding thereto the following subsections:

7 a. "'Investment board' means the Iowa retirement systems
8 investment board."

9 b. "'Actuary' means the actuary employed by the board of
10 trustees or the actuary employed by the investment board as
11 provided in section twelve (12) of this Act."

1 Sec. 35. Section four hundred eleven point two (411.2),
2 Code 1966, is hereby amended by striking from lines eighteen
3 (18) and nineteen (19) the words ", all funds invested, and
4 all cash and securities and other property held".

1 Sec. 36. Section four hundred eleven point five (411.5),
2 Code 1966, is hereby amended as follows:

3 1. By striking from line three (3) of subsection three (3)
4 the word "fund" and inserting in lieu thereof the word "account".

5 2. By striking from line four (4) of subsection four (4) the
6 word "funds" and inserting in lieu thereof the word "accounts".

7 3. By striking from line four (4) of subsection six (6) the
8 word "funds" and inserting in lieu thereof the word "accounts".

9 4. By striking from line four (4) of subsection ten (10) the
10 word "funds" and inserting in lieu thereof the word "accounts".

11 5. By striking subsection eleven (11) of such section.

12 6. By striking from line eight (8) of subsection twelve
13 (12) the word "funds" and inserting in lieu thereof the word
14 "accounts".

15 7. By striking from line four (4) of subsection thirteen
16 (13) the word "funds" and inserting in lieu thereof the word
17 "accounts".

1 Sec. 37. Section four hundred eleven point six (411.6),
2 subsection ten (10), Code 1966, is hereby amended by strik-
3 ing from line seven (7) the word "fund" and inserting in lieu
4 thereof the word "account".

1 Sec. 38. Section four hundred eleven point seven (411.7),
2 Code 1966, is hereby amended as follows:

3 1. By striking subsection one (1) of such section and in-
4 serting in lieu thereof the following:

5 "The investment board shall administer the investment of
6 the assets of each system according to the provisions of
7 this Act."

8 2. By striking subsection two (2) of such section.

9 3. By striking from line three (3) of subsection three
10 (3) the word "funds" and inserting in lieu thereof the
11 word "accounts".

12 4. By striking from line four (4) of subsection three (3) the
13 word "fund" and inserting in lieu thereof the word "account".

14 5. By striking from line six (6) of subsection three (3)
15 the word "funds" and inserting in lieu thereof the word "ac-
16 counts".

17 6. By striking from line eleven (11) of subsection three (3)
18 the word "funds" and inserting in lieu thereof the word "ac-
19 counts".

20 7. By striking lines one (1) through four (4) of subsection
21 four (4) and inserting in lieu thereof the following:

22 "All claims for disbursement from the system's account with
23 the state treasurer shall be certified to the investment board
24 by two (2) persons".

25 8. By striking all of subsection four (4) after the word
26 "the" in line ten (10) and inserting in lieu thereof the follow-
27 ing:

28 "investment board as authority for directing the treasurer
29 to make such disbursement. No claim shall be certified unless
30 previously allowed by resolution of the board of trustees."

31 9. By striking all of subsection five (5) of such section.

32 10. By striking from line four (4) of subsection six (6)
33 the words "respective boards of trustees" and inserting in lieu
34 thereof the words "investment board".

35 11. By striking from lines ten (10), eleven (11), and twelve
36 (12) of subsection six (6) the words "except to make such cur-
37 rent and necessary payments as are authorized by the board of
38 trustees,".

1 Sec. 39. Section four hundred eleven point eight (411.8),
2 Code 1966, is hereby amended as follows:

3 1. By striking lines five (5) through eight (8) and insert-
4 ing the following in lieu thereof:

5 "one (1) of five (5) accounts, namely, the annuity savings
6 account, the annuity reserve account, the pension accumulation
7 account, the pension reserve account, and the expense account
8 the funds of which may be merged for investment purposes."

9 2. By striking from line one (1) of subsection one (1) the
10 word "fund" and inserting in lieu thereof the word "account".

11 3. By striking from lines one (1) and two (2) of paragraph
12 a of subsection one (1) the words "fund shall be the fund in
13 which shall be accumulated" and inserting in lieu thereof the
14 words "account shall be the account to which shall be credited".

15 4. By inserting in line eight (8) of paragraph b of sub-
16 section one (1) after the word "member" the words "and re-
17 mitted to the investment board".

18 5. By striking all of paragraph c of subsection one (1)
19 after the word "salary" in line eighteen (18) of such paragraph
20 and inserting in lieu thereof the words "and the board of trus-
21 tees shall credit the certified amount with regular interest to

22 the individual account of the member from whose compensation
23 the deduction was made in the annuity savings account".

24 6. By striking from line four (4) of paragraph d of sub-
25 section one (1) the words "paid from the annuity savings fund"
26 and inserting in lieu thereof the words "charged to the annuity
27 savings account".

28 7. By striking from line seven (7) of paragraph d of sub-
29 section one (1) the word "fund" and inserting in lieu thereof
30 the word "account".

31 8. By striking from line eight (8) of paragraph d of sub-
32 section one (1) the word "fund" and inserting in lieu thereof
33 the word "account".

34 9. By striking from line one (1) of subsection two (2) the
35 word "fund" and inserting in lieu thereof the word "account".

36 10. By striking from lines two (2) and three (3) of sub-
37 section two (2) the words "fund shall be the fund from which
38 shall be paid" and inserting in lieu thereof the words "ac-
39 count shall be the account to which shall be charged".

40 11. By striking from lines nine (9) and ten (10) of sub-
41 section two (2) the words "fund to the annuity savings fund"
42 and inserting in lieu thereof the words "account to the annuity
43 savings account".

44 12. By striking from line one (1) of subsection three (3)
45 the word "fund" and inserting in lieu thereof the word "ac-
46 count".

47 13. By striking from line two (2) of subsection three (3)
48 the words "fund shall be the fund" and inserting in lieu thereof
49 the words "account shall be the account".

50 14. By striking from line six (6) of subsection three (3)
51 the words "from which shall be paid" and inserting in lieu
52 thereof the words "to which shall be charged".

53 15. By striking from lines eight (8), nine (9), and ten (10)
54 of subsection three (3) the words "Contributions to and payments
55 from the pension accumulation fund shall be as follows:".

56 16. By striking from line two (2) of paragraph a of sub-

57 section three (3) the word "into" and inserting in lieu thereof
58 the words "to the investment board for deposit with the state
59 treasurer and credited to".

60 17. By striking from line three (3) of paragraph a of sub-
61 section three (3) the word "fund" and inserting in lieu thereof
62 the word "account".

63 18. By striking from lines eighteen (18) and nineteen (19) of
64 paragraph b of subsection three (3) the words "fund the amount
65 of the funds in hand to the credit of the fund" and inserting
66 in lieu thereof the words "system the sum of the assets in
67 hand to the credit of the system and the present value of the
68 prospective future contributions of all members".

69 19. By striking from line one (1) of paragraph c of
70 subsection three (3) the word "payable" and inserting in lieu
71 thereof the word "credited".

72 20. By striking from line two (2) of paragraph c of sub-
73 section three (3) the word "fund" and inserting in lieu thereof
74 the word "account".

75 21. By striking from line eight (8) of paragraph c of sub-
76 section three (3) the word "fund" and inserting in lieu thereof
77 the word "account".

78 22. By striking from line ten (10) of paragraph c of sub-
79 section three (3) the word "fund" and inserting in lieu thereof
80 the word "account".

81 23. By striking from line three (3) of paragraph d of sub-
82 section three (3) the words "paid from" and inserting in lieu
83 thereof the words "charged to".

84 24. By striking from line four (4) of paragraph d of sub-
85 section three (3) the word "fund" and inserting in lieu thereof
86 the word "account".

87 25. By striking from lines five (5) and six (6) of para-
88 graph e of subsection three (3) the words "fund to the pension
89 reserve fund" and inserting in lieu thereof the words "ac-
90 count to the pension reserve account".

91 26. By striking from line one (1) of subsection four (4)

92 the word "fund" and inserting in lieu thereof the word "ac-
93 count".

94 27. By striking from line two (2) of subsection four (4)
95 the words "fund shall be the fund" and inserting in lieu thereof
96 the words "account shall be the account".

97 28. By striking from line four (4) of subsection four (4)
98 the word "from" and inserting in lieu thereof the word "to".

99 29. By striking from line six (6) of subsection four (4)
100 the word "paid" and inserting in lieu thereof the word "charged".

101 30. By striking from line ten (10) of subsection four (4)
102 the word "fund" and inserting in lieu thereof the word "ac-
103 count".

104 31. By striking from line eleven (11) of subsection four
105 (4) the word "fund" and inserting in lieu thereof the word
106 "account".

107 32. By striking from line fifteen (15) of subsection four
108 (4) the words "paid annually into" and inserting in lieu thereof
109 the words "credited annually to".

110 33. By striking from line sixteen (16) of subsection four
111 (4) the word "fund" and inserting in lieu thereof the word
112 "account".

113 34. By striking from lines one (1) and two (2) of sub-
114 section five (5) the words "fund. The expense fund shall be
115 the fund" and inserting in lieu thereof the words "account.
116 The expense account shall be the account".

117 35. By striking from line five (5) of subsection five (5)
118 the words "from which shall be paid" and inserting in lieu
119 thereof the words "to which shall be charged".

120 36. By inserting in line four (4) of subsection five (5)
121 after the word "expenses" the words "except investment expense".

122 37. By striking from lines nine (9) and ten (10) of sub-
123 section five (5) the words "into the expense fund" and in-
124 serting in lieu thereof the words "to the investment board and
125 credited to the expense account".

1 Sec. 40. Section four hundred eleven point eleven (411.11),

2 Code 1966, is hereby amended as follows:

3 1. By striking from line six (6) of subsection one (1) the
4 word "fund" and inserting in lieu thereof the word "account".

5 2. By striking from line seven (7) of subsection one (1)
6 the word "fund" and inserting in lieu thereof the word "account".

7 3. By striking from lines eleven (11) and twelve (12) of
8 subsection one (1) the words "to the retirement system for the
9 ensuing year" and inserting in lieu thereof the words "to the
10 investment board for deposit with the state treasurer".

11 4. By striking all of subsection two (2) after the word
12 "paid" in line seven (7) and inserting in lieu thereof the
13 words "to the investment board for deposit with the state
14 treasurer and credited to the pension accumulation account and
15 the expense account by special appropriation."

1 Sec. 41. Section four hundred eleven point twelve (411.12),
2 Code 1966, is hereby amended as follows:

3 1. By striking from line three (3) the word "fund" and
4 inserting in lieu thereof the word "account".

5 2. By inserting in line fifteen (15) after the word "cities"
6 the words "and investment expense".

1 Sec. 42. Chapter four hundred eleven (411), Code 1966, is
2 hereby amended by adding thereto the following section:

3 "The board of trustees of any system may transfer responsi-
4 bility for the maintenance of the fiscal accounts and records
5 of the members of the system, maintenance of accounts for
6 the financing of the system as provided under section four
7 hundred eleven point eight (411.8) of the Code, and all
8 actuarial services, exclusive of the adoption of tables and
9 certification of contribution rates, to the investment board.
10 The board of trustees shall effect the transfer by certi-
11 fying to the investment board such fiscal records as the
12 investment board deems necessary, verifying that all records
13 are complete, accurate, and current. Upon compliance with
14 this section, the board of trustees shall be relieved of all
15 duties assumed by the investment board, but may conduct both

16 financial and actuarial audits when deemed necessary."

1 Sec. 43. Section six hundred five A point four (605A.4),
2 Code 1966, is hereby amended as follows:

3 1. By striking from lines three (3) and four (4) the words
4 "state comptroller" and inserting in lieu thereof the words
5 "Iowa retirement systems investment board".

6 2. By striking from line twenty-four (24) the words
7 "state comptroller" and inserting in lieu thereof the words
8 "Iowa retirement systems investment board".

9 3. By inserting in line twenty-eight (28) after the word
10 "refunds," the word "expenses,".

11 4. By adding thereto the following sentence:

12 "All contributions by the state, counties, or municipali-
13 ties shall be remitted to the Iowa retirement systems invest-
14 ment board for deposit with the treasurer."

1 Sec. 44. Section six hundred five A point nine (605A.9),
2 Code 1966, is hereby amended by inserting in line eleven (11)
3 after the word "comptroller" the words "subject to such
4 notice as the Iowa retirement systems investment board shall
5 require".

1 Sec. 45. Section six hundred five A point eleven (605A.11),
2 Code 1966, is hereby repealed and the following enacted in
3 lieu thereof:

4 "The Iowa retirement systems investment board shall ad-
5 minister the investment of the judicial retirement fund ac-
6 cording to the provisions of this Act."

1 Sec. 46. Chapter six hundred five A (605A), Code 1966, is
2 hereby amended by adding thereto the following section:

3 "The comptroller may transfer responsibility for the main-
4 tenance of the fiscal accounts and records of the members
5 of the system, maintenance of accounts for the financing of the
6 judicial retirement fund, and all actuarial services to the
7 Iowa retirement systems investment board. The comptroller
8 shall effect the transfer by certifying to the investment

9 board such fiscal records as the board deems necessary, veri-
 10 fying that all records are complete, accurate, and current.
 11 Upon compliance with this section, the comptroller shall be
 12 relieved of all duties assumed by the investment board but may
 13 conduct both financial and actuarial audits when deemed neces-
 14 sary."

1 Amend Senate File 714 as follows:

2 Section 1. By striking from line seven (7) of Section
 3 eight (8) the word "and".

4 Sec. 2. By striking from line eight (8) of Section
 5 eight (8) the period (.) and inserting in lieu thereof,
 6 ", and one or more appropriate group annuity contracts
 7 (with or without a separate account feature) issued by
 8 insurance companies licensed to do business in Iowa."

Filed

April 25, 1967

By BENDA

1 Amend Senate File 714 as follows:

2 1. Amend section seven (7) by striking lines five (5),
 3 six (6), and seven (7) and inserting in lieu thereof the
 4 following: "ninety-seven A (97A), ninety-seven B (97B) of
 5 the Code. On January 1, 1968, all assets of each".

6 2. Amend section eight (8) by striking lines three (3),
 7 four (4) and five (5) and inserting in lieu thereof the fol-
 8 lowing: "ninety-seven A (97A), ninety-seven B (97B) of the
 9 Code in interest-bearing bonds issued by the".

Filed

May 15, 1967

By REPERT

1 Amend Senate File 714 as follows:

2 1. Amend section two (2), line one (1) by striking the word
 3 "at" and inserting in lieu thereof a period (.).

4 2. Further, amend by striking all of lines two (2), three (3),
 5 four (4), five (5), six (6), seven (7), eight (8), and nine
 6 (9) and inserting in lieu thereof the word "The".

Filed

May 15, 1967

By REPERT