

State Government
Nystrom, Chairperson
Schwengel's
Carr

BY COMMITTEE ON STATE
GOVERNMENT

(FORMERLY SSB 322)

Approved 3/26/81 (g 481)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act to delete restrictions on outside earnings of disability
2 retirees of certain public retirement systems.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 97A.6, subsection 7, paragraph a Code
2 1981, is amended by striking the paragraph.

3 Sec. 2. Section 97A.6, subsection 7, paragraph b, Code
4 1981, is amended to read as follows:

5 b. Should a disability beneficiary under age fifty-five
6 be restored to active service at a compensation not less than
7 ~~his~~ the disability beneficiary's average final compensation,
8 ~~his~~ the disability beneficiary's retirement allowance shall
9 cease, ~~he~~ the disability beneficiary shall again become a
10 member and he shall contribute thereafter at the same rate
11 he paid prior to disability, and any former service on the
12 basis of which ~~his~~ the disability beneficiary's service was
13 computed at the time of ~~his~~ retirement shall be restored to
14 full force and effect and upon ~~his~~ subsequent retirement ~~he,~~
15 the disability beneficiary shall be credited with all ~~his~~
16 service as a member, and also with the period of disability
17 retirement, ~~provided that during such period of disability~~
18 ~~he has not engaged in a gainful occupation from which his~~
19 ~~net earnings exceeded the difference between his disability~~
20 ~~retirement allowance and the amount he would have received~~
21 ~~for said period if his compensation at the time of disability~~
22 ~~had continued.~~

23 Sec. 3. Section 411.6, subsection 7, paragraph a, Code
24 1981, is amended by striking the paragraph.

25 Sec. 4. Section 411.6, subsection 7, paragraph b, Code
26 1981, is amended to read as follows:

27 b. Should a disability beneficiary under age fifty-five
28 be restored to active service at a compensation not less than
29 ~~his~~ the disability beneficiary's average final compensation,
30 ~~his~~ the disability beneficiary's retirement allowance shall
31 cease, ~~he~~ the disability beneficiary shall again become a
32 member and he shall contribute thereafter at the same rate
33 he paid prior to disability, and any former service on the
34 basis of which ~~his~~ the disability beneficiary's service was
35 computed at the time of ~~his~~ retirement shall be restored to

1 full force and effect and upon his subsequent retirement he
2 the disability beneficiary shall be credited with all his
3 service as a member and also with the period of disability
4 retirement, ~~provided that during such period of disability~~
5 ~~he has not engaged in a gainful occupation from which his~~
6 ~~net earnings exceeded the difference between his disability~~
7 ~~retirement allowance and the amount he would have received~~
8 ~~for said period if his compensation at the time of disability~~
9 ~~had continued.~~

10 EXPLANATION

11 This bill deletes restrictions on outside earnings of
12 disability retirees for members of the peace officers'
13 retirement system and for members of city police and fire
14 retirement systems.

15 The bill takes effect July 1 following its enactment.

17 SENATE FILE 483
18 FISCAL NOTE

19 REQUESTED BY SENATOR NYSTROM

20 In compliance with a written request there is hereby submitted a
21 Fiscal Note for Senate File 483 pursuant to Joint Rule 16.

22 S.F.483 . An Act to delete restrictions on outside earnings of
23 disability retirees of certain public retirement systems.

24 This bill deletes restrictions on outside earnings of disability
25 retirees for members of the peace officers' retirement system and
26 for members of city policy and fire retirement systems.

27 Ultimate additional cost estimated to be \$100,000 to \$200,000 annually under
28 Chapter 411 and \$25,000 to \$50,000 annually under Chapter 97A of the
Code.

29 Tax dollars would be going to persons who are not sufficiently disabled
30 to prevent holding a job with significant income. At present they
31 may work and income is reduced only if total of benefits and income would
32 exceed previous pay. Costs could be expected to continue to increase.

33 SOURCE: FARR ANALYSTS, CONSULTANTS & TECHNICAL SERVICES, INC.

34 FILED:
35 MARCH 30, 1981

BY GERRY RANKIN, DIRECTOR
LEGISLATIVE FISCAL BUREAU