

WITHDRAWN

FILED MAR 04 1992

SENATE FILE 2280  
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 2241)

*Appropriation (p. 600)*

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to public retirement systems and administration  
2 and benefits of the Iowa public employees' retirement system,  
3 including penalties, and providing effective and retroactive  
4 applicability dates.

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

**SENATE FILE 2280**

S-5138

1 Amend Senate File 2280 as follows:

2 1. Page 32, by inserting after line 24 the  
3 following:

4 "Sec. \_\_\_\_ . Section 97B.66, unnumbered paragraph 3,  
5 Code 1991, is amended by striking the unnumbered  
6 paragraph."

7 2. Page 40, line 21, by striking the figures  
8 "97B.26, 97B.66," and inserting the following:  
9 "97B.26".

10 3. By renumbering and correcting internal  
11 references as necessary.

By WALLY HORN

S-5138 FILED MARCH 5, 1992

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TLSB 5743SV 74  
mc/jw/5

1 Section 1. Section 97B.4, unnumbered paragraph 1, Code  
2 1991, is amended to read as follows:

3 The department, through the administrator, shall administer  
4 this chapter. The department may adopt, amend, or rescind  
5 rules, employ persons, execute contracts with outside parties,  
6 make expenditures, require reports, make investigations, and  
7 take other action it deems necessary for the administration of  
8 the system. The rules shall be effective upon compliance with  
9 chapter 17A. Not later than the fifteenth day of December of  
10 each year, the department shall submit to the governor a  
11 report covering the administration and operation of this  
12 chapter during the preceding fiscal year and shall make  
13 recommendations for amendments to this chapter. The report  
14 shall include a balance sheet of the moneys in the Iowa public  
15 employees' retirement fund.

16 Sec. 2. Section 97B.5, Code 1991, is amended to read as  
17 follows:

18 97B.5 STAFF.

19 Subject to other provisions of this chapter, the department  
20 may employ personnel as necessary for the administration of  
21 the system. The maximum number of full-time equivalent  
22 employees specified by the general assembly for the department  
23 for administration of the system for a fiscal year shall not  
24 be reduced by any authority other than the general assembly.  
25 The staff shall be appointed pursuant to chapter 19A. The  
26 department shall not appoint or employ a person who is an  
27 officer or committee member of a political party organization  
28 or who holds or is a candidate for an elective public office.  
29 The department may employ attorneys and contract with  
30 attorneys and legal firms for the provision of legal counsel  
31 and advice in the administration of this chapter, chapter 97C,  
32 and chapter 12A. The department may execute contracts with  
33 investment advisors, consultants, and managers outside state  
34 government in the administration of this chapter and chapter  
35 12A. The department may delegate to any person such authority

1 as it deems reasonable and proper for the effective  
2 administration of this chapter, and may bond any person  
3 handling moneys or signing checks under this chapter.

4 Sec. 3. Section 97B.6, Code 1991, is amended to read as  
5 follows:

6 97B.6 OLD RECORDS.

7 The department may destroy or dispose of such original  
8 reports or records as have been properly recorded or  
9 summarized in the permanent records of the department and are  
10 deemed by the director ~~and state records commission~~ to be no  
11 longer necessary to the proper administration of this chapter.  
12 ~~Such~~ The destruction or disposition shall be made only by  
13 order of the director. Records of deceased members of the  
14 system may be destroyed ten years after the later of the final  
15 payment made to a third party on behalf of the member or the  
16 death of the member. Any moneys received from the disposition  
17 of ~~such~~ these records shall be deposited to the credit of the  
18 public employees' retirement fund subject to rules promulgated  
19 adopted by the department.

20 Sec. 4. Section 97B.7, subsection 3, Code 1991, is amended  
21 to read as follows:

22 3. All moneys which are paid or deposited into this fund  
23 are hereby appropriated and made available to the department  
24 to be used ~~only for the purposes herein~~ for the exclusive  
25 benefit of the members and their beneficiaries or contingent  
26 annuitants as provided in this chapter:

27 a. To be used by the department for the payment of  
28 retirement claims for benefits under this chapter, ~~or such~~  
29 ~~other purposes as may be authorized by the general assembly.~~

30 b. To be used by the department to pay refunds provided  
31 for in this chapter.

32 c. To be used for the costs of administering the  
33 retirement system. If as a result of action under section  
34 8.31, the governor has reduced the moneys appropriated from  
35 the Iowa public employees' retirement system fund to the

1 department of personnel for salaries, support, maintenance,  
2 and other operational purposes to pay the costs of the Iowa  
3 public employees' retirement system for a fiscal year, the  
4 amount by which the appropriation has been reduced is  
5 appropriated from that fund to the department of personnel for  
6 salaries, support, maintenance, and other operational purposes  
7 to pay the costs of the Iowa public employees' retirement  
8 system for that fiscal year.

9     Sec. 5. Section 97B.8, unnumbered paragraph 2, Code  
10 Supplement 1991, is amended to read as follows:

11     The board consists of nine members. Six of the members  
12 shall be appointed by the governor. One member shall be an  
13 executive of a domestic life insurance company, one an  
14 executive of a state or national bank operating within the  
15 state of Iowa, one an executive of a ~~major~~ an industrial  
16 corporation located within the state of Iowa, and three shall  
17 be members of the system, one of whom ~~shall be~~ is an active  
18 member who is an employee of a school district, area education  
19 agency, or merged area, one of whom ~~shall be~~ is an active  
20 member who is not an employee of a school district, area  
21 education agency, or merged area, and one of whom is a retired  
22 member of the system. The president of the senate, after  
23 consultation with the majority leader and the minority leader  
24 of the senate, shall appoint one member from the membership of  
25 the senate and the speaker of the house of representatives  
26 shall appoint one member from the membership of the house.  
27 The two members appointed by the president of the senate,  
28 after consultation with the majority leader and the minority  
29 leader of the senate, and the speaker of the house of  
30 representatives and the two active members of the system  
31 appointed by the governor are ex officio members of the board.  
32 The director of the department of personnel is an ex officio,  
33 nonvoting member of the board.

34     Sec. 5. Section 97B.10, Code 1991, is amended to read as  
35 follows:

## 1 97B.10 REFUNDS.

2 ~~In any case in which~~ If the department finds the employee  
3 or employer has, or both, have erroneously paid contributions  
4 ~~thereon which have been erroneously paid, and has filed~~  
5 ~~application for an adjustment thereof,~~ the department shall  
6 make such an adjustment, compromise, or settlement and make  
7 such a refund of such payments to the employee or employer, or  
8 both, as it finds just and equitable ~~in the premises.~~ Refunds  
9 so made shall be charged to the fund to which the erroneous  
10 collections have been credited and shall be paid to the  
11 claimant employee or employer, or both, without interest. Any  
12 A claim of an employee or employer for such a refund shall be  
13 made within three years of date of payment and not thereafter.  
14 However, the department may make refund payments to employees  
15 or employers after the expiration of the three-year deadline  
16 if the department finds that the payment of the refund is just  
17 and equitable.

18 Sec. 7. Section 97B.11, Code 1991, is amended to read as  
19 follows:

## 20 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

21 Each employer shall deduct from the wages of each member of  
22 the system a contribution in the amount of ~~three and six-~~  
23 ~~tenths percent of the covered wages paid by the employer~~  
24 ~~through June 30, 1979, and commencing July 1, 1979 in the~~  
25 amount of three and seven-tenths percent of the covered wages  
26 paid by the employer, until the member's termination or  
27 retirement from employment, whichever is earlier. The  
28 contributions of the employer shall be in the amount of three  
29 ~~and one-half percent of the covered wages of the member for~~  
30 ~~service through December 31, 1975, and in the amount of five~~  
31 ~~and twenty-five hundredths percent of the covered wages of the~~  
32 ~~member for service commencing July 1, 1977, through June 30,~~  
33 ~~1979, and in the amount of five and seventy-five hundredths~~  
34 percent of the covered wages of the member ~~for service~~  
35 ~~commencing July 1, 1979.~~

1 Sec. 8. Section 97B.17, unnumbered paragraph 1, Code 1991,  
2 is amended to read as follows:

3 The department shall establish and maintain records of each  
4 member, including but not limited to, the amount of wages of  
5 each member, the contribution of each member with interest,  
6 and interest dividends credited, ~~and these.~~ These records are  
7 the basis for the compilation of the retirement benefits  
8 provided under this chapter. The following records maintained  
9 under this chapter containing personal identifiable  
10 information are not public records for the purposes of chapter  
11 22:

12 Sec. 9. Section 97B.18, Code 1991, is amended to read as  
13 follows:

14 97B.18 STATEMENT OF ACCUMULATED CREDIT.

15 After the expiration of each calendar year and prior to  
16 July 1 of the succeeding year, the department shall furnish  
17 each member with a statement of the member's accumulated  
18 contributions and benefit credits accrued under this chapter  
19 up to the end of such that calendar year and additional  
20 information the department deems useful to a member. The  
21 department may furnish an estimate of such the credits as of  
22 the projected normal retirement date of the member under  
23 section 97B.45. The department shall mail such the statement  
24 to each employer not later than June 30 of the succeeding  
25 calendar year. The employer shall distribute such the  
26 statements to its employees, and the records of the department  
27 as shown by said the statement as to the wages of such each  
28 individual member for such a year and the periods of payment  
29 shall be conclusive for the purpose of this chapter, except as  
30 hereinafter otherwise provided in this chapter.

31 Effective for the calendar year beginning January 1, 1994,  
32 the department may transmit the statements directly to the  
33 members in lieu of mailing them to the employers.

34 Sec. 10. NEW SECTION. 97B.20A APPEAL PROCEDURE.

35 Members and third-party payees may appeal any decision made

1 by the department that affects their rights under this  
2 chapter. The appeal shall be filed with the department within  
3 thirty days after the notification of the decision was mailed  
4 to the party's last known mailing address, or the decision of  
5 the department is final. If the party appeals the decision of  
6 the department, the department shall conduct an internal  
7 review of the decision and the chief benefits officer shall  
8 notify the individual who has filed the appeal in writing of  
9 the department's decision. The individual who has filed the  
10 appeal may file an appeal of the department's final decision  
11 with the department under chapter 17A by notifying the  
12 department of the appeal in writing within thirty days after  
13 the notification of its final decision was mailed to the  
14 party's last known mailing address. Once notified, the  
15 department shall forward the appeal to the department of  
16 inspections and appeals.

17 Sec. 11. NEW SECTION. 97B.20B HEARING BY ADMINISTRATIVE  
18 LAW JUDGE.

19 If an appeal is filed and is not withdrawn, an  
20 administrative law judge in the department of inspections and  
21 appeals, after affording the parties reasonable opportunity  
22 for fair hearing, shall affirm, modify, or reverse the  
23 decision of the department. The hearing shall be recorded by  
24 mechanical means and a transcript of the hearing shall be  
25 made. The transcript shall then be made available for use by  
26 the employment appeal board and by the courts at subsequent  
27 judicial review proceedings under the Iowa administrative  
28 procedure Act, if any. The parties shall be duly notified of  
29 the administrative law judge's decision, together with the  
30 administrative law judge's reasons. The decision is final  
31 unless, within thirty days after the date of notification or  
32 mailing of the decision, review by the employment appeal board  
33 is initiated pursuant to section 97B.27.

34 Sec. 12. Section 97B.22, Code 1991, is amended to read as  
35 follows:

1 97B.22 WITNESSES AND EVIDENCE.

2 For the purpose of any hearing, investigation, or other  
3 proceeding authorized or directed under this chapter, or  
4 relative to any other matter within its jurisdiction hereunder  
5 ~~under this chapter~~, the department or ~~appeal-referee-shall~~  
6 ~~have-the-power-to~~ administrative law judge may issue subpoenas  
7 requiring the attendance and testimony of witnesses and the  
8 production of any evidence that relates to any matter under  
9 investigation or in question before the ~~commission~~ department.  
10 ~~Such-attendance~~ Attendance of witnesses and production of  
11 evidence at the designated place of ~~such~~ the hearing,  
12 investigation, or other proceedings may be required from any  
13 political subdivision in the state. Subpoenas of the  
14 department shall be served by anyone authorized by it ~~{t}~~ by  
15 delivering a copy ~~thereof~~ of the subpoena to the individual  
16 named ~~therein~~ in it, or ~~{t}~~ by certified mail addressed to  
17 ~~such~~ the individual at the individual's last known dwelling  
18 place or principal place of business. A verified return by  
19 the individual ~~so~~ serving the subpoena setting forth the  
20 manner of service, or, in the case of service by certified  
21 mail, the return post-office receipt ~~therefor~~ signed by the  
22 individual ~~so~~ served, shall be proof of service. Witnesses ~~so~~  
23 subpoenaed shall be paid the same fees and mileage as are paid  
24 witnesses in the district courts of the state of Iowa. In the  
25 discharge of the duties imposed by this chapter, the  
26 ~~chairperson-or-an-appeal-referee~~ department or an  
27 administrative law judge and any duly authorized  
28 representative or member of the department ~~shall-have-power-to~~  
29 may administer oaths and affirmations, take depositions,  
30 certify to official acts, and issue subpoenas to compel the  
31 attendance of witnesses and the production of books, papers,  
32 correspondence, memoranda, and other records deemed necessary  
33 as evidence in connection with the administration of this  
34 chapter.

35 Sec. 13. Section 97B.23, Code 1991, is amended to read as

1 follows:

2 97B.23 PENALTY FOR CONTUMACY NONCOMPLIANCE.

3 In case of ~~contumacy-by,~~ or refusal to obey a subpoena duly  
4 served upon any person, any district court of the state of  
5 Iowa for the district in which ~~said~~ the person charged with  
6 ~~contumacy-or~~ refusal to obey is found or resides or transacts  
7 business, upon application by the department, ~~shall-have~~  
8 ~~jurisdiction-to may~~ issue an order requiring ~~such~~ that person  
9 to appear and give testimony, or to appear and produce  
10 evidence, or both. Any failure to obey ~~such~~ the order of the  
11 court may be punished by ~~said~~ the court as contempt thereof.

12 Sec. 14. Section 97B.25, Code 1991, is amended to read as  
13 follows:

14 97B.25 APPLICATIONS FOR BENEFITS.

15 A representative designated by the administrator and  
16 referred to in this chapter as a retirement benefits deputy  
17 specialist, shall promptly examine applications for retirement  
18 benefits and on the basis of facts found shall determine  
19 whether or not the claim is valid and if valid, the month with  
20 respect to which benefits shall commence, the monthly benefit  
21 amount payable, and the maximum duration. The deputy shall  
22 promptly notify the applicant and any other interested party  
23 of the decision and the reasons. Unless the applicant or  
24 other interested party, within thirty calendar days after the  
25 notification was mailed to the applicant's or party's last  
26 known address, files an appeal ~~to-an-administrative-law-judge~~  
27 ~~in-the-department-of-inspections-and-appeals~~ as provided in  
28 section 97B.20A, the decision is final and benefits shall be  
29 paid or denied in accord with the decision.

30 Sec. 15. Section 97B.34, Code 1991, is amended to read as  
31 follows:

32 97B.34 PAYMENT TO INCOMPETENTS REPRESENTATIVES.

33 When it appears to the department that the interest of an  
34 applicant entitled to a payment would be served ~~thereby~~,  
35 certification of payment may be made, regardless of the legal

1 competency or incompetency of the individual entitled thereto  
2 to the payment, either for direct payment to such the  
3 applicant, or for the applicant's use and benefit to a  
4 relative-or-some-other-person representative of an applicant.  
5 The department may adopt rules under chapter 17A for making  
6 payments to a representative of an applicant if the department  
7 determines that it can sufficiently safeguard the member's  
8 rights under this chapter.

9 Sec. 16. NEW SECTION. 97B.34A PAYMENT TO MINORS.

10 The department may make payments to a minor, as defined in  
11 section 599.1, as follows:

12 1. If the total sum to be paid to the minor is less than  
13 ten thousand dollars, the funds may be paid to an adult as  
14 custodian for the minor. The custodian must complete the  
15 proper forms as determined by the department.

16 2. If the total sum to be paid to the minor is equal to or  
17 more than ten thousand dollars, the funds must be paid to a  
18 court-established conservator. The department shall not make  
19 payment until the conservatorship has been established and the  
20 department has received the appropriate documentation.

21 3. Interest shall be paid on the funds, at a rate  
22 determined by the department, until disbursement of the funds.

23 If the department makes payments to a minor pursuant to  
24 this section, the department may make payments directly to the  
25 person when the person attains the age of eighteen or is  
26 declared to be emancipated by a court of competent  
27 jurisdiction.

28 Sec. 17. Section 97B.41, subsection 1, paragraph a,  
29 unnumbered paragraph 1, Code 1991, is amended to read as  
30 follows:

31 "Wages" means all remuneration for employment, including  
32 the cash value of remuneration paid in a medium other than  
33 cash, but not including the cash value of remuneration paid in  
34 a medium other than cash as necessitated by the convenience of  
35 the employer. The amount agreed upon by the employer and

1 employee for remuneration paid in a medium other than cash  
2 shall be reported to the department by the employer and is  
3 conclusive of the value of the remuneration. However,  
4 ~~remuneration which does not equal or exceed the sum of three~~  
5 ~~hundred dollars in a calendar quarter shall be excluded.~~  
6 "Wages" does not include special lump sum payments made as  
7 payment for accrued sick leave or accrued vacation or payments  
8 made as an incentive for early retirement or as payments made  
9 upon dismissal, severance, or a special bonus payment. Wages  
10 for an elected official means the salary received by an  
11 elected official, exclusive of expense and travel allowances.

12 Sec. 18. Section 97B.41, subsection 1, paragraph b,  
13 subparagraph (12), Code 1991, is amended to read as follows:

14 (12) Effective July 1, ~~1988~~ 1992, covered wages does not  
15 include wages to a member on or after the effective date of  
16 the member's retirement unless the member is reemployed, as  
17 provided under section ~~97B.487-subsection-3~~ 97B.48A.

18 Sec. 19. Section 97B.41, subsection 2, Code 1991, is  
19 amended to read as follows:

20 2. "Employment for any calendar quarter" means any service  
21 performed under an employer-employee relationship under the  
22 ~~provisions of this chapter if the remuneration equals or~~  
23 ~~exceeds three hundred dollars~~ for which wages are reported in  
24 the calendar quarter. For the purposes of this chapter,  
25 elected officials are deemed to be in employment for all  
26 quarters of the elected officials' respective terms of office,  
27 even if the elected officials have selected a method of  
28 payment of wages which results in the elected officials not  
29 being credited with wages every quarter of a year.

30 Sec. 20. Section 97B.41, subsection 3, paragraph a,  
31 unnumbered paragraph 1, Code 1991, is amended to read as  
32 follows:

33 "Employer" means the state of Iowa, the counties,  
34 municipalities, and agencies, public school districts, and all  
35 ~~of the~~ political subdivisions, and all of their departments

1 and instrumentalities, including joint planning commissions  
2 created under ~~the provisions of~~ chapter 28I.

3 Sec. 21. Section 97B.41, subsection 3, paragraph b,  
4 unnumbered paragraph 1, and subparagraphs 1, 2, 3, 4, 5, and  
5 7, Code 1991, are amended to read as follows:

6 "Employee" means ~~any~~ an individual who is ~~in-employment~~  
7 employed as defined in this chapter, except:

8 (1) Elective officials in positions for which the  
9 compensation is on a fee basis, elective officials of school  
10 districts, elective officials of townships, and elective  
11 officials of other political subdivisions who are in part-time  
12 positions, unless the elective official makes an application  
13 to the department to be covered under this chapter. An  
14 elective official who made an application to the department to  
15 be covered under this chapter may terminate membership under  
16 this chapter by informing the department in writing of the  
17 expiration of the member's termination term of office. A  
18 county attorney is an employee for purposes of this chapter  
19 whether that county attorney is employed on a full-time or  
20 part-time basis.

21 (1A) Individuals who are enrolled as students and whose  
22 primary occupations are as students who are incidentally  
23 employed by employers.

24 (1B) Graduate medical students while serving as interns or  
25 resident doctors in training at any hospital, or county  
26 medical examiners and deputy county medical examiners under  
27 chapter 331, division V, part 8.

28 (2) Members of the general assembly of Iowa and temporary  
29 employees of the general assembly of Iowa, unless such members  
30 or employees ~~shall~~ make an application to the department to be  
31 covered under ~~the provisions of~~ this chapter. A member of the  
32 ~~general assembly or temporary employee of the general assembly~~  
33 who made an application to the department to be covered under  
34 this chapter may terminate membership under this chapter by  
35 informing the department in writing of the member's or

1 ~~temporary-employee's-termination~~ intent to terminate.

2 Temporary employees of the general assembly who have  
3 electd coverage under this chapter may terminate membership  
4 by sending written notification to the department of their  
5 separation from service.

6 (3) Employees Nonvested employees of drainage and levee  
7 districts not-vested, unless such drainage-and-levee-districts  
8 shall those employees make an application to the department to  
9 be covered under the-provisions-of this chapter. However, any  
10 drainage-or-levee-district-which-has-made-contributions  
11 against-which-no-application-for-benefits-has-been-made-shall  
12 be-entitled-to-withdraw-all-such-contributions-by-making  
13 application-to-the-department-prior-to-December-31, 1969.  
14 Each drainage-or-levee-district-which-withdraws-its  
15 contributions-shall-refund-to-its-employees-contributions  
16 deducted-from-their-wages.

17 (4) Employees hired for temporary employment of six months  
18 months' or less duration. An employee who works for an  
19 employer for six or more months in a calendar year or who  
20 works for an employer for more than one thousand forty hours  
21 in a calendar year is not a temporary employee under this sub-  
22 paragraph.

23 (5) Employees of a community action programs program,  
24 determined to be an instrumentality of the state or a  
25 political subdivision, unless such the employees elect by  
26 filing an application with the department to be covered under  
27 the-provisions-of this chapter and the department has approved  
28 the election. Coverage will begin when the election has been  
29 approved by the department.

30 (7) Persons employed under the federal Job Training  
31 Partnership Act of 1982, Pub. L. No. 97-300, unless these  
32 employees make an application to the department to be covered  
33 under this chapter and the department has approved the  
34 election. Coverage will begin when the election has been  
35 approved by the department.

1 Sec. 22. Section 97B.41, subsection 7, Code 1991, is  
2 amended to read as follows:

3 7. "Member" means an employee or a former employee  
4 ~~required-to-become-a-member-of-the-system-by-sections-97B.42~~  
5 ~~and-97B.43~~ who maintains the employee's or former employee's  
6 accumulated contributions in the system. The former employee  
7 is not a member if the former employee has received a refund  
8 of the former employee's accumulated contributions.

9 Sec. 23. Section 97B.41, subsection 10, paragraph a,  
10 unnumbered paragraph 1, Code 1991, is amended to read as  
11 follows:

12 "Vested member" means a member who meets who has attained  
13 through age or sufficient years of service eligibility to  
14 receive monthly retirement benefits upon the member's  
15 retirement. A vested member must meet one of the following  
16 requirements:

17 Sec. 24. Section 97B.41, subsection 11, Code 1991, is  
18 amended to read as follows:

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

25 Sec. 25. Section 97B.41, Code 1991, is amended by adding  
26 the following new subsection:

27 NEW SUBSECTION. 11A. "Bona fide retirement" means a  
28 retirement by a vested member which meets the requirements of  
29 section 97B.52A, subsection 1, and in which the member is  
30 eligible to receive benefits under this chapter.

31 Sec. 26. Section 97B.41, subsections 16 and 17, Code 1991,  
32 are amended to read as follows:

33 16. "Beneficiary" means the person or persons who are  
34 entitled to receive any benefits payable under this chapter at  
35 the death of a member payable-under-this-chapter-who-has-or,

1 if the person or persons have been designated in-writing-by  
2 the-member on a form provided by the department and filed with  
3 the department, ~~or-if.~~ If no such designation is in effect at  
4 the time of death of the member or if no person so designated  
5 is living at that time, then the beneficiary ~~shall-be~~ is the  
6 estate of the member.

7 17. "Membership service" means service rendered by a  
8 member after July 4, 1953. Years of membership service shall  
9 be counted to the complete quarter calendar year. However,  
10 membership service for a calendar year shall not include more  
11 than four quarters.

12 Sec. 27. Section 97B.41, subsection 19, Code 1991, is  
13 amended to read as follows:

14 19. "Three-year average covered wage" means a member's  
15 covered wages averaged for the highest three years of the  
16 member's service, except as otherwise provided in this  
17 subsection. The highest three years of a member's covered  
18 wages shall be determined using calendar years. However, if a  
19 member's final quarter of a year of employment does not occur  
20 at the end of a calendar year, the department may determine  
21 the wages for the third year by combining the wages from the  
22 highest quarter or quarters not being used in the selection of  
23 the two highest years with the final quarter or quarters of  
24 the member's service to create a full year. However, the  
25 department shall not use the member's final quarter of wages  
26 if using that quarter would reduce the member's three-year  
27 average covered wage. If the three-year average covered wage  
28 of a member exceeds the highest maximum covered wages in  
29 effect for a calendar year during the member's period of  
30 service, the three-year average covered wage of the member  
31 shall be reduced to the highest maximum covered wages in  
32 effect during the member's period of service.

33 Sec. 28. Section 97B.42, unnumbered paragraph 1, Code  
34 1991, is amended to read as follows:

35 Each employee whose employment commences after July 4,

1 1953, or who has not qualified for credit for prior service  
2 rendered prior to July 4, 1953, or any publicly elected  
3 official of the state or any of its political subdivisions,  
4 ~~other than individuals who are students and who devote their~~  
5 ~~time and efforts chiefly to their studies, rather than to~~  
6 ~~incidental employment,~~ shall become a member upon the first  
7 day in which such employee is employed. The employee shall  
8 continue to be a member so long as the employee continues in  
9 public employment ~~except that the.~~ The employee shall cease  
10 to be a member if ~~after making said election~~ the employee  
11 joins another retirement system in the state which is  
12 maintained in whole or in part by public contributions or  
13 payments which ~~has been in operation prior to July 4, 1953,~~  
14 ~~and was subsequently liquidated and may have thereafter been~~  
15 ~~re-established. However, the participation in such other~~  
16 ~~retirement system shall be voluntary and shall not be a~~  
17 ~~condition for continuance of employment.~~

18 Sec. 29. Section 97B.42, unnumbered paragraph 5, Code  
19 1991, is amended to read as follows:

20 Notwithstanding any other provision of this section,  
21 commencing July 1, 1994, a member who is employed by a  
22 community college may elect coverage under an alternative  
23 retirement benefits system, which is issued by or through a  
24 nonprofit corporation issuing retirement annuities exclusively  
25 to educational institutions and their employees, in lieu of  
26 continuing or commencing contributions to the Iowa public  
27 employees' retirement system, if the board of directors of the  
28 community college has approved the alternative system pursuant  
29 to section 280A.23. ~~However, a vested member who elects to~~  
30 ~~participate in the alternative benefits system does not have a~~  
31 ~~right to withdraw funds from the member's Iowa public~~  
32 ~~employees' retirement system account prior to retirement or~~  
33 ~~termination of covered employment~~ A member employed by a  
34 community college who elects coverage under an alternative  
35 retirement benefits system may withdraw the member's

1 accumulated contributions effective when coverage under the  
2 alternative benefits system commences. The department shall  
3 cooperate with the boards of directors of the community  
4 colleges to facilitate the implementation of this unnumbered  
5 paragraph provision.

6 Sec. 30. Section 97B.43, unnumbered paragraph 1, Code  
7 1991, is amended to read as follows:

8 Each member in service on July 4, 1953, who made  
9 contributions under the abolished system, and who has not  
10 applied for and qualified for benefit payments under the  
11 abolished system, shall receive credit for years of prior  
12 service in the determination of retirement allowance payments  
13 ~~under any-of-the-provisions-of~~ this chapter, ~~provided-(1)-such~~  
14 if the member elects to become a member on or before October  
15 1, 1953, ~~(2)-such~~ the member has not made application for a  
16 refund of ~~such~~ the part of the member's contributions under  
17 the abolished system ~~as-is~~ which are payable under the  
18 ~~provisions-of~~ sections 97.50 to 97.53, and ~~(3)-such~~ the member  
19 gives written authorization prior to October 1, 1953, to the  
20 commission to credit to the retirement fund the amount of the  
21 member's contribution which would be subject to a claim for  
22 refund. The amount so credited shall, after such transfer, be  
23 considered as a contribution to the system made as of July 4,  
24 1953, by the member and shall be included ~~as-such~~ in the  
25 determination of the amount of ~~any-accumulated-contributions~~  
26 ~~payable-under-this-chapter-in-the-event-of-the-death-prior-to~~  
27 ~~retirement-or-termination-of-employment-of-the-member,-but~~  
28 ~~shall-not-be-included-in-the-accumulated-contributions-of-the~~  
29 ~~member-in-the-determination-of-the-amount-of-any-retirement~~  
30 ~~allowance-payable-under-this-chapter~~ moneys payable under this  
31 chapter. ~~Provided,-however~~ However, an employee who was under  
32 a contract of employment as a teacher in the public schools of  
33 the state of Iowa at the end of the school year 1952-1953, or  
34 any person covered by ~~the-provisions-of~~ paragraph "c" or "d",  
35 of subsection 13, of section 97B.41, shall be considered as in

1 service as of July 4, 1953, if they were members of the  
2 abolished system.

3 Sec. 31. Section 97B.43, unnumbered paragraph 3, Code  
4 1991, is amended to read as follows:

5 Each An individual who, on or after July 1, 1978, was an  
6 active, vested, or retired member and who ~~(1)~~ made application  
7 for and received a refund of contributions made under the  
8 abolished system or ~~(2)~~ has on deposit with the retirement  
9 fund contributions made under the abolished system ~~shall be~~,  
10 is entitled to credit for years of prior service in the  
11 determination of retirement allowance payments by filing a  
12 written election with the department on or after July 1, 1978,  
13 and by redepositing any withdrawn contributions under the  
14 abolished system together with interest as stated in this  
15 paragraph. Any An individual who, on or after July 1, 1978,  
16 is a retired member and who made application for and received  
17 a refund of contributions made under the abolished system,  
18 may, by filing a written election with the department on or  
19 after July 1, 1978, have the department retain fifty percent  
20 of the monthly increase in retiree benefits that will accrue  
21 to the individual because of prior service. If the monthly  
22 increase in retirement benefits is less than ten dollars, the  
23 department shall retain five dollars of the scheduled  
24 increase, and if the monthly increase is less than five  
25 dollars, ~~the provisions of this paragraph shall~~ increase does  
26 not apply. The department shall continue to retain such funds  
27 until the withdrawn contributions, together with interest  
28 accrued to the month in which the written election is filed,  
29 have been repaid. Due notice of this provision shall be sent  
30 to all retired members on or after July 1, 1978. ~~However,~~  
31 ~~this paragraph shall not apply to any person who received a~~  
32 ~~refund of any membership service contributions unless the~~  
33 ~~person repaid the membership service contributions pursuant to~~  
34 ~~section 97B-74; but a refund of contributions remitted for the~~  
35 ~~calendar quarter ending September 30, 1953 which was based~~

1 ~~entirely-upon-employment-which-terminated-prior-to-July-4-~~  
2 ~~1953-shall-not-be-considered-as-a-refund-of-membership-service~~  
3 ~~contributions.~~ The interest to be paid into the fund shall be  
4 compounded at the rates credited to member accounts from the  
5 date of payment of the refund of contributions under the  
6 abolished system to the date the member redeposits the  
7 refunded amount. ~~The provisions of the first-paragraph-of~~  
8 ~~this section relating to the consideration given to credited~~  
9 ~~amounts shall~~ for members in service on July 4, 1953, apply to  
10 the redeposited amounts or to amounts left on deposit.  
11 ~~Effective July 1, 1978, the-provisions-of this paragraph-shall~~  
12 ~~apply~~ section applies to each individual who on or after July  
13 1, 1978, was an active, vested, or retired member, but who was  
14 not in service on July 4, 1953. The period for filing the  
15 written election with the department and redepositing any  
16 withdrawn contributions together with interest accrued shall  
17 commence July 1, 1978. A member who is a retired member on or  
18 after July 1, 1978, may file a written election with the  
19 department on or after July 1, 1978, to have the department  
20 retain fifty percent of the monthly increase as provided in  
21 ~~this-paragraph~~ retiree benefits in the manner provided in this  
22 section.

23 Sec. 32. Section 97B.44, Code 1991, is amended to read as  
24 follows:

25 97B.44 BENEFICIARY.

26 Each member shall designate on a form to be furnished by  
27 the department a beneficiary for any death benefits payable  
28 ~~hereunder~~ under this chapter on the death of ~~such the~~ member.  
29 ~~Such~~ The designation may be changed from time to time by the  
30 member by filing a new designation with the department. The  
31 designation of a beneficiary is not applicable if the member  
32 receives a refund of all contributions of the member. If a  
33 member who has received a refund of contributions returns to  
34 employment, the member shall file a new designation with the  
35 department.

1 If a member has not designated a beneficiary on a form  
2 furnished by the department, or if there are no surviving  
3 designated beneficiaries of a member, death benefits payable  
4 under this chapter shall be paid to the member's estate.

5 Sec. 33. Section 97B.48, subsection 2, Code 1991, is  
6 amended to read as follows:

7 2. The first monthly payment of a normal retirement  
8 allowance shall be paid as of the normal retirement effective  
9 date, which date shall be the later of the normal retirement  
10 date or the first day of the sixth calendar month preceding  
11 the month in which written notice of normal retirement is  
12 submitted to the department. Written notice under this  
13 section may consist of submission of a completed estimate  
14 request form, a completed application for retirement form, or  
15 a letter from the member requesting information on retirement  
16 benefits, whichever is received first by the department.  
17 However, a letter requesting information on benefits or  
18 submission of a completed estimate request form is only valid  
19 for six months following the date of its receipt by the  
20 department, unless during that six-month period the department  
21 receives a completed application for retirement form from the  
22 member. A retirement allowance may only be provided  
23 retroactively for a single six-month period. Payment of an  
24 early retirement allowance or an allowance for retirement  
25 after the normal retirement date shall be paid as of the  
26 effective date of retirement subject to the provisions of  
27 section 97B.45, 97B.46, or 97B.47. The payments shall be  
28 continued thereafter for the lifetime of the retired member  
29 except as provided in subsection 3.

30 Sec. 34. Section 97B.48, subsection 3, Code 1991, is  
31 amended by striking the subsection and inserting in lieu  
32 thereof the following:

33 3. As of the first of the month in which a member attains  
34 the age of seventy years, the member may commence receiving a  
35 retirement allowance regardless of the member's employment

1 status.

2 Sec. 35. NEW SECTION. 97B.48A REEMPLOYMENT.

3 1. If, after the first day of the month in which the  
4 member attains the age of fifty-five years and until the  
5 member's sixty-fifth birthday, a member who has a bona fide  
6 retirement under this chapter is in regular full-time  
7 employment during a calendar year, the member's retirement  
8 allowance shall be suspended for as long as the member remains  
9 in employment for the remainder of that calendar year.  
10 However, effective January 1, 1992, employment is not full-  
11 time employment until the member receives remuneration in an  
12 amount in excess of seven thousand four hundred forty dollars  
13 for a calendar year. Effective the first of the month in  
14 which a member attains the age of sixty-five years, a retired  
15 member may receive a retirement allowance after return to  
16 covered employment regardless of the amount of remuneration  
17 received.

18 2. Effective January 1, 1991, a retired member of any age  
19 may receive a retirement allowance after return to covered  
20 employment, regardless of the amount of remuneration received,  
21 if the covered employment consists of holding an elective  
22 office.

23 3. Upon a retirement after reemployment, a retired member  
24 may have the retired member's retirement allowance  
25 redetermined under this section or section 97B.49 or 97B.50,  
26 whichever is applicable, based upon the addition of credit for  
27 the years of membership service of the employee after  
28 reemployment, the covered wage during reemployment, and the  
29 age of the employee after reemployment. The member shall  
30 receive a single retirement allowance calculated from both  
31 periods of membership service, one based on the initial  
32 retirement and one based on the second retirement following  
33 reemployment. If the total years of membership service and  
34 prior service of a member who has been reemployed equals or  
35 exceeds thirty, the years of membership service on which the

1 original retirement allowance was based may be reduced by a  
2 fraction of the years of service equal to the number of years  
3 by which the total years of membership service and prior  
4 service exceeds thirty divided by thirty, if this reduction in  
5 years of service will increase the total retirement allowance  
6 of the member. The additional retirement allowance calculated  
7 for the period of reemployment shall be added to the  
8 retirement allowance calculated for the initial period of  
9 membership service and prior service, adjusted as provided in  
10 this subsection. The retirement allowance calculated for the  
11 initial period of membership service and prior service shall  
12 not be adjusted for any other factor than years of service.  
13 The retired member shall not receive a retirement allowance  
14 based upon more than a total of thirty years of service.

15 4. The department shall pay to the member the accumulated  
16 contributions of the member and to the employer the employer  
17 contributions, plus two percent interest plus interest  
18 dividends for all completed calendar years, compounded  
19 annually, on the covered wages earned by a retired member that  
20 are not used in the recalculation of the retirement allowance  
21 of a member.

22 Sec. 36. Section 97B.49, subsection 5, unnumbered  
23 paragraph 1, Code 1991, is amended to read as follows:

24 Commencing July 1, 1991, the department shall increase the  
25 percentage multiplier of the three-year average covered wage  
26 by an additional two percent each July 1 until reaching sixty  
27 percent of the three-year average covered wage if the annual  
28 actuarial valuation of the retirement system indicates for  
29 that year that the cost of this increase in the percentage of  
30 the three-year average covered wage used in computing  
31 retirement benefits can be absorbed within the employer and  
32 employee contribution rates in effect under section 97B.11.  
33 The two percent increase in the percentage multiplier for a  
34 year applies only to the members retiring on or after July 1  
35 of the respective year.

1 Sec. 37. Section 97B.49, subsection 5, Code 1991, is  
2 amended by adding the following new unnumbered paragraph after  
3 unnumbered paragraph 2:

4 NEW UNNUMBERED PARAGRAPH. In accordance with sections  
5 97D.1 and 97D.4, it is the intent of the general assembly that  
6 once the goal of sixty percent of the three-year average  
7 covered wage is attained for a percentage multiplier, the  
8 department shall submit to the public retirement systems  
9 committee a plan for future benefit enhancements. This plan  
10 shall include, but is not limited to, continuation in the  
11 increase in the covered wage ceiling until reaching fifty-five  
12 thousand dollars for a calendar year, providing for annual  
13 adjustments in the annual dividends paid to retired members as  
14 provided in section 97B.49, subsection 13, and providing for  
15 the indexing of terminated vested members' earned benefits at  
16 a rate of three percent per year calculated from the date of  
17 termination from covered employment until the date of  
18 retirement.

19 Sec. 38. Section 97B.49, subsection 13, Code 1991, is  
20 amended to read as follows:

21 13. a. A member who retired from the system between  
22 January 1, 1976, and June 30, 1982, or a contingent annuitant  
23 or beneficiary of such a member, shall receive with the  
24 November ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit  
25 payments a retirement dividend equal to one hundred forty  
26 percent of the monthly benefit payment the member received for  
27 the preceding June, or the most recently received benefit  
28 payment, whichever is greater. The retirement dividend does  
29 not affect the amount of a monthly benefit payment.

30 b. Each member who retired from the system between July 4,  
31 1953, and December 31, 1975, or a contingent annuitant or  
32 beneficiary of such a member, shall receive with the November  
33 ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit payments  
34 a retirement dividend equal to one hundred eighty percent of  
35 the monthly benefit payment the member received for the

1 preceding June, or the most recently received benefit payment,  
2 whichever is greater. The retirement dividend does not affect  
3 the amount of a monthly benefit payment.

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

8 d. A member who retired from the system between July 1,  
9 1982, and June 30, 1986, or a contingent annuitant or  
10 beneficiary of such a member, shall receive with the November  
11 ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit payments  
12 a retirement dividend equal to twenty-four percent of the  
13 monthly benefit payment the member received for the preceding  
14 June, or the most recently received benefit payment, whichever  
15 is greater. The retirement dividend does not affect the  
16 amount of a monthly benefit payment.

17 e. If the member dies on or after July 1 of the dividend  
18 year but before the payment date, the full amount of the  
19 retirement dividend for that year shall be paid to the  
20 designated beneficiary. If there is no beneficiary designated  
21 by the member, the department shall pay the dividend to the  
22 member's estate. The beneficiary, or the representative of  
23 the member's estate, must apply for the dividend within two  
24 years after the dividend is payable or the dividend is  
25 forfeited.

26 Sec. 39. Section 97B.49, subsection 16, paragraph a, Code  
27 1991, is amended by adding the following new subparagraph:

28 NEW SUBPARAGRAPH. (4) The years of membership service  
29 required under this paragraph include membership service as a  
30 sheriff or deputy sheriff and membership service as an  
31 employee in a protection occupation under paragraph "d",  
32 subparagraph 2.

33 Sec. 40. Section 97B.50, subsection 1, unnumbered  
34 paragraph 1, Code Supplement 1991, is amended to read as  
35 follows:

1 Except as otherwise provided in this section, a vested  
2 member, upon retirement prior to the normal retirement date,  
3 is entitled to receive a monthly retirement allowance  
4 determined in the same manner as provided for normal  
5 retirement in subsections 1, 4, and 5 of section 97B.49  
6 reduced as follows:

7 Sec. 41. Section 97B.50, subsections 2 and 4, Code  
8 Supplement 1991, are amended to read as follows:

9 2. a. A vested member who retires from the system due to  
10 disability and commences receiving disability benefits  
11 pursuant to the United States Social Security Act (42 U.S.C.),  
12 as amended to July 1, 1978, and who has not reached the normal  
13 retirement date, shall receive ~~full~~ benefits under section  
14 97B.49 and shall not have benefits reduced upon retirement as  
15 required under subsection 1 regardless of whether the member  
16 has completed thirty or more years of membership service.  
17 However, the benefits shall be suspended during any period in  
18 which the member returns to covered employment. This section  
19 takes effect July 1, 1990, for a member meeting the  
20 requirements of this paragraph who retired from the system at  
21 any time after July 4, 1953. Eligible members are entitled to  
22 the receipt of retroactive adjustment payments back to July 1,  
23 1990.

24 b. A vested member who retires from the system due to  
25 disability and commences receiving disability benefits  
26 pursuant to the United States Railroad Retirement Act (45  
27 U.S.C. § 231 et seq.), and who ~~is-eligible-for-early~~  
28 ~~retirement-but~~ has not reached the normal retirement date,  
29 shall receive ~~full~~ benefits under section 97B.49 and shall not  
30 have benefits reduced upon retirement as required under  
31 subsection 1 regardless of whether the member has completed  
32 thirty or more years of membership service. However, the  
33 benefits shall be suspended during any period in which the  
34 member returns to covered employment. This section takes  
35 effect July 1, 1990, for a member meeting the requirements of

1 this paragraph who retired from the system at any time since  
2 July 4, 1953. However, ~~eligible~~ Eligible members are entitled  
3 to the receipt of retroactive adjustment payments for ~~no more~~  
4 ~~than six months immediately preceding the month after~~ back to  
5 July 1, 1990, ~~in which written notice was submitted to the~~  
6 department.

7 Effective July 17, 1990, ~~for members terminating on or after~~  
8 July 4, 1953, ~~a member who terminates covered employment due~~  
9 ~~to disability and commences receiving disability benefits~~  
10 ~~pursuant to the United States Railroad Retirement Act (45~~  
11 ~~U.S.C. § 231 et seq.) who has not attained the age of fifty-~~  
12 ~~five years, is eligible to receive benefits under section~~  
13 97B.49, ~~reduced by twenty-five hundredths of one percent for~~  
14 ~~each month that the retirement date precedes the first day of~~  
15 ~~the month in which the member attains the age of fifty-five.~~  
16 However, ~~the benefits shall be suspended during any period in~~  
17 ~~which the member returns to covered employment.~~ ~~Eligible~~  
18 ~~members are entitled to receipt of retroactive adjustment~~  
19 ~~payments for no more than six months immediately preceding the~~  
20 ~~month after July 1, 1990, in which written notice was~~  
21 ~~submitted to the department.~~

22 4. A vested member eligible for a retirement allowance  
23 adjusted under this section is entitled to receipt of  
24 retroactive adjustment payments for no more than six months  
25 immediately preceding the month in which written notice of  
26 retirement was submitted to the department.

27 Sec. 42. Section 97B.51, subsections 2, 5, and 6, Code  
28 1991, are amended to read as follows:

29 2. The election by a member or the contingent annuitant of  
30 the option stated under subsection 1 of this section shall be  
31 null and void if the member dies prior to retirement the  
32 department issuing payment of the member's first retirement  
33 allowance.

34 5. At retirement, a member may designate that upon the  
35 member's death, a specified amount of money shall be paid to a

1 named beneficiary, and the member's monthly retirement  
2 allowance ~~will~~ shall be reduced by an actuarially determined  
3 amount to provide for the lump sum payment. The amount  
4 designated by the member must be in thousand dollar  
5 increments, and the amount designated shall not lower the  
6 monthly retirement allowance of the member by more than one-  
7 half the amount payable under section 97B.49, subsection 1 or  
8 5. A member may designate a different beneficiary if the  
9 original named beneficiary predeceases the member.

10 6. A member may elect to receive a decreased retirement  
11 allowance during the member's lifetime with provision that in  
12 event of the member's death during the first one hundred  
13 twenty months of retirement, monthly payments of the member's  
14 decreased retirement allowance shall be made to the member's  
15 beneficiary until a combined total of one hundred twenty  
16 monthly payments have been made to the member and the member's  
17 beneficiary. A member may designate a different beneficiary  
18 if the original named beneficiary predeceases the member.

19 Sec. 43. Section 97B.52, subsections 1 and 2, Code 1991,  
20 are amended to read as follows:

21 1. If a member dies prior to the date the member's first  
22 retirement allowance is ~~payable-under~~ issued by the system,  
23 the accumulated contributions of the member at the date of  
24 death plus the product of an amount equal to the highest year  
25 of covered wages of the deceased member and the number of  
26 years of membership service divided by thirty shall be paid to  
27 the member's beneficiary in a lump sum payment. However, a  
28 lump sum payment made to a beneficiary under this subsection  
29 due to the death of a member shall not be less than the amount  
30 that would have been payable on the death of the member on  
31 June 30, 1984, under this subsection as it appeared in the  
32 1983 Code.

33 Effective July 1, 1978, a method of payment under this  
34 subsection filed with the department by a member does not  
35 apply.

1 2. If a member dies after the date the member's first  
2 retirement allowance is ~~payable-under~~ issued by the retirement  
3 system, the excess, if any, of the accumulated contributions  
4 by the member as of said date, over the total monthly  
5 retirement allowances received by the member under the  
6 retirement system will be paid to the member's beneficiary  
7 unless the retirement allowance is then being paid in  
8 accordance with subsection 1, 4, 5, or 6 of section 97B.51.

9 Sec. 44. Section 97B.52, subsection 3, paragraph b, Code  
10 1991, is amended to read as follows:

11 b. If a death benefit is due and payable, interest shall  
12 continue to accumulate through the month preceding the month  
13 in which payment is made to the designated beneficiary, heirs  
14 at law, or ~~to~~ the estate unless the payment of the death  
15 benefit is delayed because of a dispute between alleged heirs,  
16 in which case the benefit due and payable shall be placed in a  
17 noninterest bearing escrow account until the beneficiary is  
18 determined in accordance with this section. In order to  
19 receive the death benefit, the beneficiary, heirs at law, or  
20 the estate, or any other third-party payee, must apply to the  
21 department within two years of the member's death.

22 Sec. 45. Section 97B.52, subsection 4, Code 1991, is  
23 amended to read as follows:

24 4. If the department cannot locate the beneficiary within  
25 eighteen months following the member's death and receipt of  
26 verification that a certified letter with return receipt  
27 requested, addressee only, has been ~~delivered~~ mailed to the  
28 beneficiary, the department shall pay to the estate of the  
29 deceased member the amount otherwise designated to be received  
30 by the beneficiary. If a beneficiary is known to exist but  
31 cannot be notified, the department shall not pay the death  
32 benefits to the estate.

33 Sec. 46. Section 97B.52, Code 1991, is amended by adding  
34 the following new subsection:

35 NEW SUBSECTION. 6. If a member has not filed a

1 designation of beneficiary with the department, the death  
2 benefit is payable to the member's estate. If no designation  
3 has been filed and an estate is not probated, the death  
4 benefit shall be paid to the surviving spouse, if any. If no  
5 designation has been filed, no estate has been probated, and  
6 there is no surviving spouse, the death benefit shall be paid  
7 to the heirs. Otherwise, the death benefit shall remain in  
8 the fund.

9 Sec. 47. NEW SECTION. 97B.52A ELIGIBILITY FOR BENEFITS -  
10 - BONA FIDE RETIREMENT.

11 1. A member has a bona fide retirement when the member  
12 terminates employment and remains out of employment for at  
13 least one hundred twenty consecutive days, files an  
14 application for benefits form with the department, and does  
15 not return to employment as defined in this chapter until the  
16 member has qualified for no fewer than four calendar month's  
17 retirement benefits.

18 2. A member may commence receiving retirement benefits  
19 under this chapter upon satisfying eligibility requirements  
20 and remaining out of covered employment for one calendar  
21 month. However, a retired member who commences receiving a  
22 retirement allowance but returns to employment before the  
23 expiration of the one hundred twenty consecutive day period,  
24 does not have a bona fide retirement and any retirement  
25 allowance received by such a member must be returned to the  
26 system together with interest earned on the retirement  
27 allowance calculated at a rate determined by the department.  
28 Until the member has repaid the retirement allowance and  
29 interest, the department may withhold any future retirement  
30 allowance for which the member may qualify.

31 Sec. 48. Section 97B.53, Code 1991, is amended to read as  
32 follows:

33 97B.53 TERMINATION OF EMPLOYMENT -- REFUND OPTIONS.

34 All-rights-to-all-benefits-under Membership in the  
35 retirement system, and all rights to the benefits under the

1 system, will cease upon a member's termination of employment  
2 with the employer prior to the member's retirement, other than  
3 by death, except-as-provided-hereafter: and upon receipt by  
4 the member of the member's accumulated contributions.

5 1. Upon the termination of employment with the employer  
6 prior to retirement other than by death of a member, the  
7 accumulated contributions by the member at the date of such  
8 the termination will may be paid to ~~such~~ the member upon  
9 application, except as may-be provided in subsection  
10 subsections 2, subsection 5, and subsection 6 of-this-section.

11 2. If a vested member's employment is terminated prior to  
12 the member's retirement, other than by death, the member ~~shall~~  
13 may receive a monthly retirement allowance commencing on the  
14 first day of the month in which the member attains the age of  
15 sixty-five years, if the member is then alive, or, if the  
16 member so elects in accordance with section 97B.47, commencing  
17 on the first day of the month in which the member attains the  
18 age of fifty-five or any month thereafter prior to the date  
19 the member attains the age of sixty-five years, and continuing  
20 on the first day of each month thereafter during the member's  
21 lifetime, provided the member does not receive prior to the  
22 date the member's retirement allowance is to commence a refund  
23 of accumulated contributions under any of the provisions of  
24 this chapter. The amount of each such monthly retirement  
25 allowance shall be determined as provided in either section  
26 97B.49 or in section 97B.50, whichever is applicable.

27 3. The accumulated contributions of a terminated, vested  
28 ~~member who-is-entitled-to-the-benefits-of-subsection-2-of-this~~  
29 ~~section~~ shall be credited with interest, including interest  
30 dividends.

31 4. A terminated, vested member ~~who-is-entitled-to-the~~  
32 ~~benefits-of-subsection-2-of-this-section-shall-have~~ has the  
33 right, prior to the commencement of the member's retirement  
34 allowance, to receive a refund of the member's accumulated  
35 contributions, and in the event of the death of the member

1 prior to the commencement of the member's retirement allowance  
2 and prior to the receipt of any such refund the benefits of  
3 subsection 1 of section 97B.52 shall be paid. ~~No member shall~~  
4 ~~be entitled to any refund based upon any credit for prior~~  
5 ~~service as determined under the provisions of section 97B.43~~  
6 ~~or for any portion of any contribution made by an employer~~  
7 ~~unless otherwise provided by this chapter.~~

8 5. A member has not terminated employment if the member  
9 accepts other covered employment in the state of Iowa under  
10 ~~which the member is eligible to membership in the Iowa public~~  
11 ~~employees' retirement system,~~ within thirty days after the  
12 ~~member has left public employment.~~

13 5A. Within sixty days after a member has been issued  
14 payment for a refund of the member's accumulated  
15 contributions, the member may repay the accumulated  
16 contributions plus interest that would have accrued, as  
17 determined by the department, and receive credit for  
18 membership service for the period covered by the refund  
19 payment.

20 5B. Any A member who does not withdraw the member's  
21 accumulated contributions upon termination of employment may  
22 at any time request the return of the member's accumulated  
23 contributions, but if the member receives such a return of  
24 contributions the member ~~shall be deemed to have~~ has waived  
25 all claims for any other benefits and membership rights from  
26 the fund.

27 6. Any A member who terminates employment before the  
28 member is ~~entitled to the benefits of subsection 2 of this~~  
29 ~~section~~ vested and who does not claim and receive a refund of  
30 the member's accumulated contributions within five years of  
31 the date of termination shall, ~~in event~~ if the member makes  
32 claim for such a refund more than five years after the date of  
33 termination, be required to submit proof satisfactory to the  
34 department of the member's entitlement to such the refund, but  
35 in no case shall interest be allowed upon the accumulated

1 contributions for any period in which the member is not an  
2 employee. The department ~~shall be~~ is under no obligation to  
3 maintain the accumulated contribution accounts of such former  
4 members for more than five years after their dates of  
5 termination.

6 Any A person who made contributions to the abolished  
7 system, who is entitled to a refund in accordance with the  
8 provisions of this chapter, and who has not claimed and  
9 received such a refund prior to January 1, 1964, shall, ~~in~~  
10 event if the person makes a claim for such refund after  
11 January 1, 1964, be required to submit proof satisfactory to  
12 the department of the person's entitlement to such the refund.  
13 The department ~~shall be~~ is under no obligation to maintain the  
14 contribution accounts of such persons after January 1, 1964.

15 7. Any Effective July 1, 1992, a member whose employment  
16 is terminated ~~after one year of employment but before the~~  
17 member has ~~accumulated four or more years of employment;~~  
18 ~~either under the provisions of this chapter or as a result of~~  
19 ~~prior service credits; may elect to leave the member's~~  
20 ~~accumulated contributions in the retirement fund attained~~  
21 ~~vested status must take a refund of the member's accumulated~~  
22 ~~contributions. In the event the member returns to public~~  
23 ~~employment at any time within four years after this~~  
24 ~~termination of employment, the member shall be entitled to~~  
25 ~~resume membership in the system with the same credits for~~  
26 ~~prior service and accumulated contributions that the member~~  
27 ~~had earned when the member's original employment was~~  
28 ~~terminated. No interest shall be credited on the member's~~  
29 ~~accumulated contributions nor on the member's employer's~~  
30 ~~accumulated contributions during the period from the time of~~  
31 ~~the member's termination of employment to the member's~~  
32 ~~resumption of employment. The employer shall notify the~~  
33 ~~department of a member's termination and upon receipt of a~~  
34 ~~signed application for refund, the department shall refund the~~  
35 ~~member's accumulated contributions.~~

1 Any member who has resumed employment under the provisions  
2 of this subsection shall not be eligible for any second period  
3 of absence from membership as a result of termination of  
4 service.

5 8. If an employee hired to fill a permanent position  
6 terminates the employee's employment within six months from  
7 the date of employment, the employer may file a claim with the  
8 department for a refund of the funds contributed to the  
9 department by the employer for the employee.

10 9.---The department shall refund employee and employer  
11 contributions on the covered wages earned by a retired member  
12 that are not used in the recomputation of monthly benefits of  
13 that member.

14 Sec. 49. Section 97B.58, Code 1991, is amended to read as  
15 follows:

16 97B.58 INFORMATION FURNISHED BY EMPLOYER.

17 To enable the department to perform its functions, the  
18 employer shall, upon the request of and in the manner provided  
19 by the department, supply full and timely information to the  
20 department of all matters relating to the pay of all members,  
21 date of birth, their retirement, death, or other cause for  
22 termination of employment, and such other pertinent facts as  
23 the department may require in the manner provided by the  
24 department.

25 Sec. 50. Section 97B.73, Code 1991, is amended to read as  
26 follows:

27 97B.73 MEMBERS FROM OTHER PUBLIC SYSTEMS.

28 A vested or retired member who was in public employment  
29 comparable to employment covered under this chapter in another  
30 state or in the federal government, or who was a member of  
31 another public retirement system in this state, including but  
32 not limited to the teachers insurance annuity association-  
33 college retirement equities fund, but who was not retired  
34 under that system, upon submitting verification of membership  
35 and service in the other public retirement system to the

1 department, including proof that the member has no further  
2 claim upon a retirement benefit from that other public system,  
3 may make employer and employee contributions to the system  
4 either for the entire period of service in the other public  
5 retirement system and, or for partial service in the other  
6 public system in increments of no greater than one year or  
7 less than one calendar quarter. If the member wishes to  
8 transfer only a portion of the service value of another public  
9 system to this system and the other public system allows a  
10 partial withdrawal of a member's system credits, the member  
11 shall receive credit for membership service in this system  
12 equivalent to the number of years of service in transferred  
13 from the other public retirement system. The contribution  
14 payable shall be based upon the member's covered wages for the  
15 most recent full calendar year at the applicable rates in  
16 effect for that calendar year under sections 97B.11 and 97B.49  
17 and multiplied by the member's years of service in other  
18 public employment. If the member's most recent covered wages  
19 were earned prior to the most recent calendar year, the  
20 member's covered wages shall be adjusted by the department by  
21 an inflation factor to reflect changes in the economy since  
22 the covered wages were earned.

23 This section is applicable to a vested or retired member  
24 who was a member of a public retirement system established in  
25 sections 294.8, 294.9, and 294.10 but was not retired under  
26 that system.

27 A member vested-under entitled to a benefit from another  
28 public system must waive, on a form provided by the Iowa  
29 public employees' retirement system, all rights to a  
30 retirement benefit under that the other public system before  
31 receiving credit in this system for these the years of service  
32 in the other public system. The waiver must be accepted by  
33 the other public system.

34 Effective July 1, 1988, a member eligible for an increased  
35 retirement allowance because of the payment of contributions

1 under this section is entitled to receipt of retroactive  
2 adjustment payments for no more than six months immediately  
3 preceding the month in which written notice was submitted to  
4 the department.

5 Sec. 51. Section 97B.80, Code 1991, is amended to read as  
6 follows:

7 97B.80 VETERAN'S CREDIT.

8 Effective July 1, ~~1990~~ 1992, a vested or retired member  
9 ~~with-reportable-wages-in-the-most-recent-calendar-year~~, who at  
10 any time served on active duty in the armed forces of the  
11 United States, upon submitting verification of the dates of  
12 the active duty service, may make employer and employee  
13 contributions to the system based upon the member's covered  
14 wages for the most recent full calendar year in which the  
15 member had reportable wages at the applicable rates in effect  
16 for that year under sections 97B.11 and 97B.49, for the period  
17 of time of the active duty service, either for the entire  
18 service period or in one-year increments but-not-to-exceed  
19 four-years of no greater than one year and not less than one  
20 calendar quarter, and receive credit for membership service  
21 and prior service for the period of time for which the  
22 contributions are made. If the member's most recent covered  
23 wages were earned prior to the most recent calendar year, the  
24 member's covered wages shall be adjusted by the department by  
25 an inflation factor to reflect changes in the economy. The  
26 department shall adjust benefits for a six-month period prior  
27 to the date the member pays contributions under this section  
28 if the member is receiving a retirement allowance at the time  
29 the contribution payment is made. Verification of active duty  
30 service and payment of contributions shall be made to the  
31 department. However, a member is not eligible to make  
32 contributions under this section if the member is receiving,  
33 or is eligible to receive, or may in the future be eligible to  
34 receive retirement pay from the United States government for  
35 active duty in the armed forces, except for retirement pay

1 granted by the United States government under retired pay for  
2 nonregular service (10 U.S.C. § 1331, et seq.). A member  
3 receiving retired pay for nonregular service who makes  
4 contributions under this section shall provide information  
5 required by the department documenting time periods covered  
6 under retired pay for nonregular service.

7 Sec. 52. Section 411.1, subsection 11, Code Supplement  
8 1991, is amended by striking the subsection and inserting in  
9 lieu thereof the following:

10 11. "Earnable compensation" or "compensation earnable"  
11 shall mean the annual compensation which a member receives for  
12 services rendered as a police officer or fire fighter in the  
13 course of employment with a participating city. However, the  
14 term "earnable compensation" or "compensation earnable" shall  
15 not include amounts received for overtime compensation, meal  
16 or travel expenses, uniform allowances, fringe benefits,  
17 severance pay, or any amount received upon termination or  
18 retirement in payment for accumulated sick leave or vacation.  
19 Contributions made by a member from the member's earnable  
20 compensation to a plan of deferred compensation shall be  
21 included in earnable compensation. Other contributions made  
22 to a plan of deferred compensation shall not be included  
23 except to the extent provided in rules adopted by the board of  
24 trustees pursuant to section 411.5, subsection 3.

25 Sec. 53. Section 411.5, subsection 6, Code Supplement  
26 1991, is amended to read as follows:

27 6. RECORDS -- REPORTS. The board of trustees shall keep a  
28 record of all its proceedings, which record shall be open to  
29 public inspection. It shall submit an annual report to the  
30 governor, the general assembly, and the city council of each  
31 participating city concerning the financial condition of the  
32 retirement system, its current and future liabilities, and the  
33 actuarial valuation of the system. The board of trustees  
34 shall submit a certified audit report prepared by a certified  
35 public accountant to the auditor of state annually.

1 Sec. 54. Section 411.6, subsection 2, paragraphs a through  
2 c, Code Supplement 1991, are amended to read as follows:

3 ~~Upon retirement from service, prior to July 1, 1990, a~~  
4 ~~member shall receive a~~ The service retirement allowance which  
5 for a member who terminates service, other than by death or  
6 disability, prior to July 1, 1990, shall consist of a pension  
7 ~~given by the city~~ which equals fifty percent of the member's  
8 average final compensation.

9 ~~Upon retirement from service on or after July 1, 1990,~~  
10 ~~but before July 1, 1992, a member shall receive a~~ The service  
11 retirement allowance which for a member who terminates  
12 service, other than by death or disability, on or after July  
13 1, 1990, but before July 1, 1992, shall consist of a pension  
14 which equals fifty-four percent of the member's average final  
15 compensation.

16 c. Commencing July 1, 1992, for members who terminate  
17 service, other than by death or disability, on or after that  
18 date, the system shall increase the percentage multiplier of  
19 the member's average final compensation by an additional two  
20 percent each July 1 until reaching sixty percent of the  
21 member's average final compensation. The applicable  
22 percentage multiplier shall be the rate in effect on the date  
23 of the member's termination from service.

24 Sec. 55. Section 411.6, subsection 3, Code Supplement  
25 1991, is amended to read as follows:

26 3. ORDINARY DISABILITY RETIREMENT BENEFIT. Upon  
27 application to the system, of a member in service or of the  
28 chief of the police or fire departments, respectively, any  
29 member shall be retired by the system, not less than thirty  
30 and not more than ninety days next following the date of  
31 filing the application, on an ordinary disability retirement  
32 allowance, if the medical board after a medical examination of  
33 the member certifies that the member is mentally or physically  
34 incapacitated for further performance of duty, that the  
35 incapacity is likely to be permanent, and that the member

1 should be retired. However, if a person's membership in the  
2 system first commenced on or after July 1, 1992, the member  
3 shall not be eligible for benefits with respect to a  
4 disability which would not exist, but for a medical condition  
5 that was known to exist on the date that membership commenced.

6 Sec. 56. Section 411.6, subsection 5, Code Supplement  
7 1991, is amended to read as follows:

8 5. ACCIDENTAL DISABILITY BENEFIT.

9 a. Upon application to the system, of a member in service  
10 or of the chief of the police or fire departments,  
11 respectively, any member who has become totally and  
12 permanently incapacitated for duty as the natural and  
13 proximate result of an injury or disease incurred in or  
14 aggravated by the actual performance of duty at some definite  
15 time and place, or while acting pursuant to order, outside of  
16 the city by which the member is regularly employed, shall be  
17 retired by the system, if the medical board certifies that the  
18 member is mentally or physically incapacitated for further  
19 performance of duty, that the incapacity is likely to be  
20 permanent, and that the member should be retired. However, if  
21 a person's membership in the system first commenced on or  
22 after July 1, 1992, the member shall not be eligible for  
23 benefits with respect to a disability which would not exist,  
24 but for a medical condition that was known to exist on the  
25 date that membership commenced.

26 b. If a member in service or the chief of the police or  
27 fire departments becomes incapacitated for duty as a natural  
28 or proximate result of an injury or disease incurred in or  
29 aggravated by the actual performance of duty at some definite  
30 time or place or while acting, pursuant to order, outside the  
31 city by which the member is regularly employed, the member,  
32 upon being found to be temporarily incapacitated following a  
33 medical examination as directed by the system city, is  
34 entitled to receive the member's full pay and allowances from  
35 the city's general fund until re-examined as directed by the

1 system city and found to be fully recovered or until the city  
2 determines that the member is likely to be permanently  
3 disabled. The board of trustees of the statewide system has  
4 no jurisdiction over these matters until the city determines  
5 that the disability is likely to be permanent.

6 c. Disease under this section shall mean heart disease or  
7 any disease of the lungs or respiratory tract and shall be  
8 presumed to have been contracted while on active duty as a  
9 result of strain or the inhalation of noxious fumes, poison or  
10 gases. However, if a person's membership in the system first  
11 commenced on or after July 1, 1992, and the heart disease or  
12 disease of the lungs or respiratory tract would not exist, but  
13 for a medical condition that was known to exist on the date  
14 that membership commenced, the presumption established in this  
15 paragraph shall not apply.

16 Sec. 57. Section 411.6A, Code 1991, is amended by striking  
17 the section and inserting in lieu thereof the following:

18 411.6A OPTIONAL RETIREMENT BENEFITS.

19 1. In lieu of the payment of a service retirement  
20 allowance under section 411.6, subsection 2, and the payment  
21 of a pension to the spouse of a deceased pensioned member  
22 under section 411.6, subsection 11, a member may select an  
23 option provided under this section. The board of trustees  
24 shall adopt rules under section 411.5, subsection 3, providing  
25 the optional forms of payment that may be selected by the  
26 member. The optional forms of payment may provide adjustments  
27 to the amount of the retirement allowance paid to the member,  
28 may alter the pension amount paid and period of payment to the  
29 member's spouse after the death of the member, and may provide  
30 for payments to a designated recipient other than the member's  
31 spouse for a designated period of time or an unlimited period  
32 of time.

33 2. Prior to the member's retirement and as a part of the  
34 application for a service retirement allowance, the member  
35 shall elect, in writing, either the benefits provided under

1 section 411.6, subsections 2 and 11, or one of the optional  
2 forms adopted by the board of trustees. If the member is  
3 married at the time of application and the member elects an  
4 optional form, the member's spouse must consent in writing to  
5 the optional form selected and to the receipt of payments to a  
6 designated recipient, if applicable. Upon acceptance by a  
7 member of an initial retirement benefit paid in accordance  
8 with the election under this section, the election of the  
9 member is irrevocable.

10 3. The optional forms of payment determined by the board  
11 of trustees under this section, shall be the actuarial  
12 equivalent of the amount of retirement benefits payable to the  
13 member and the member's spouse pursuant to section 411.6,  
14 subsections 2 and 11. The actuarial equivalent shall be based  
15 upon the actuarial assumptions adopted for this purpose  
16 pursuant to section 411.5, subsection 10. Election of an  
17 optional form adopted by the board of trustees shall not  
18 affect the benefits, if any, payable to the member's child or  
19 children pursuant to section 411.6, subsection 11.

20 Sec. 58. Section 411.8, subsection 1, paragraph f,  
21 subparagraph (8), and unnumbered paragraphs 2 and 3, Code  
22 Supplement 1991, are amended to read as follows:

23 (8) Beginning July 1, 1996, and each fiscal year  
24 thereafter, an amount equal to the member's contribution rate  
25 times each member's compensation shall be paid to the fund  
26 from the earnable compensation of the member. For the  
27 purposes of this subparagraph, the member's contribution rate  
28 shall be the greater of nine and one-tenth percent or the rate  
29 percent of the earnable compensation of all members obtained  
30 by deducting from the total liabilities of the fund the amount  
31 of the funds in hand to the credit of the fund and dividing  
32 the remainder by one percent of the present value of the  
33 prospective future compensation of all members as computed on  
34 the basis of the rate of interest and of mortality and service  
35 tables adopted, multiplied by four-tenths, ~~or nine and one-~~

1 tenth-percent, whichever is greater. However, the system  
2 shall increase this percentage for its members the member's  
3 contribution rate as necessary to cover any increase in cost  
4 to the system resulting from statutory changes which are  
5 enacted by any session of the general assembly meeting after  
6 January 1, 1991, if the increase cannot be absorbed within the  
7 contribution rates otherwise established pursuant to this  
8 paragraph, but subject to a maximum employee contribution rate  
9 of eleven and three-tenths percent. After the employee  
10 contribution reaches the maximum rate specified in this  
11 subparagraph, sixty percent of the additional cost of such  
12 statutory changes shall be paid by employers under paragraph  
13 "c" and forty percent of the additional cost shall be paid by  
14 employees under this paragraph.

15 ~~Beginning July 1, 1996, and each fiscal year thereafter, an~~  
16 ~~amount equal to the member's contribution rate times each~~  
17 ~~member's compensation shall be paid to the fund from the~~  
18 ~~earnable compensation of the member.~~

19 The total amount to be contributed by the member shall be  
20 determined by the actuary after each valuation.

21 ~~Sec. 59. Sections 97B.26, 97B.66, and 97B.71, Code 1991,~~  
22 ~~are repealed.~~

23 Sec. 60. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

24 1. The portion of this Act which amends section 97B.50,  
25 subsection 2, being deemed of immediate importance, takes  
26 effect upon enactment and applies retroactively to July 1,  
27 1990.

28 2. The section of this Act which amends section 411.6,  
29 subsection 2, being deemed of immediate importance, takes  
30 effect upon enactment and applies retroactively to January 1,  
31 1992.

32 EXPLANATION

33 This bill makes the following changes to the Iowa public  
34 employees' retirement system in chapter 97B:

35 Sections 97B.4 and 97B.5 changes add authority for the

1 department of personnel to contract with outside parties for  
2 various purposes.

3 Section 97B.5 also provides that the maximum number of  
4 full-time equivalent positions specified by the general  
5 assembly for administration of the system for a fiscal year  
6 shall not be reduced by any authority other than the general  
7 assembly.

8 Section 97B.6 change establishes a policy for destruction  
9 of old records of deceased members.

10 Section 97B.7 changes specify that the fund is for the  
11 benefit of the members and to be used for administration of  
12 the retirement system. Section 97B.7 also provides if the  
13 moneys appropriated from the retirement fund for the operation  
14 of the system are subject to an across-the-board cut, the  
15 amount by which the appropriation has been reduced is  
16 appropriated. The changes also eliminate a provision that the  
17 fund may be used for other purposes specified by the general  
18 assembly.

19 Section 97B.8 change allows a member of the investment  
20 board to be an executive of any industrial corporation rather  
21 than a major industrial corporation.

22 Section 97B.10 change allows refunds of contributions to be  
23 made to employers and employees after the three-year deadline  
24 specified for just and equitable refunds.

25 Section 97B.11 change deletes obsolete contribution  
26 percentages.

27 Section 97B.17 change makes grammatical changes.

28 Section 97B.18 change allows the department to provide  
29 additional information concerning the members' contributions  
30 and benefit credits.

31 New sections 97B.20A and 97B.20B relate to the appeal  
32 procedure, including the departmental review and appeal to an  
33 administrative law judge from the department of inspections  
34 and appeals.

35 Section 97B.22 updates references to the old employment

1 security commission and from appeal referee to administrative  
2 law judge.

3 Section 97B.23 change revises archaic language.

4 Section 97B.25 change adds a reference to the appeal  
5 procedure provided in the new section 97B.20A and changes a  
6 reference from benefits deputy to retirement benefits  
7 specialist.

8 Section 97B.34 change allows the department to adopt rules  
9 for making payments to a representative of an applicant for  
10 benefits.

11 New section 97B.34A provides procedures for payment of  
12 benefits to minors.

13 Section 97B.41 changes allow calendar quarters to be  
14 counted regardless of remuneration received by a member during  
15 the quarter, add agencies to the definition of employer,  
16 define termination under the system for an elected member, and  
17 make technical changes regarding coverage of students,  
18 drainage district employees, temporary employees, and  
19 employees of community action programs. The changes expand  
20 the definitions of member, vested member, and retired member,  
21 and define bona fide retirement. The changes provide that the  
22 final quarter of a member's wages not be used in calculating  
23 the member's retirement allowance if it would reduce the  
24 retirement allowance. The changes also specify that an  
25 elected official shall be employed within a calendar quarter  
26 for all quarters of the term of office, even if the official  
27 selects a method of payment which results in not being  
28 credited with wages for the quarter.

29 Section 97B.42 changes make technical Code changes and also  
30 allow community college employees who join TIAA-CREF to  
31 withdraw their IPERS contributions.

32 Section 97B.43 changes allow prior service credit to be  
33 used in computation of a member's retirement benefits.

34 Section 97B.44 changes clarify that a member who takes a  
35 refund of contributions also cancels a designation of

1 beneficiary.

2 Section 97B.48 changes relate to the notification required  
3 for retirement and establish a policy that benefits will not  
4 be figured to start retroactively beyond six months prior to  
5 the time the member notifies the department of the member's  
6 wish to retire.

7 New section 97B.48A adjusts to match the social security  
8 level the amount which a reemployed retired member can earn  
9 without having benefit payments suspended, outlines the  
10 procedure for calculating benefits if a member retires,  
11 returns to employment, and retires a second time, and provides  
12 for refund with interest of employer and employee  
13 contributions not used in calculating the retirement benefit.

14 Section 97B.49 changes specify that the 2 percent annual  
15 increases in the percentage multiplier apply only to members  
16 retiring during the specific year in which the 2 percent  
17 increase is applied, provide for payment of dividends in  
18 November 1992 and November 1993, provide that if a retired  
19 member dies, application for the dividend for that year by a  
20 beneficiary or the estate of the member must be made within 2  
21 years after the dividend is payable, and allow years of  
22 membership service to include both protection occupation years  
23 and sheriff or deputy sheriff years of service. These changes  
24 also include intent language concerning proposals by the  
25 department to the public retirement systems committee  
26 concerning increases in the covered wage, annual dividends to  
27 retired members and indexing of earned benefits for terminated  
28 vested members.

29 Section 97B.50 changes specify that members must be vested  
30 to apply for early retirement benefits. These changes also  
31 provides that members who retire due to disability and receive  
32 disability benefits under the United States Railroad  
33 Retirement Act, and have not reached the normal retirement  
34 date, shall receive retirement benefits based upon years of  
35 service, and removes limitations that require eligibility for

1 early retirement and reductions based upon age. These changes  
2 are retroactive to July 1, 1990.

3 Sections 97B.51 and 97B.52 changes provide that a member  
4 may change the member's beneficiary if the beneficiary dies  
5 prior to the death of the member, provide that if the member  
6 dies prior to the issuance of the first month's benefit, the  
7 election of a retirement payment option is null, provide a  
8 time limitation of 2 years for application by a beneficiary,  
9 heirs, or the estate for a member's death benefit, and provide  
10 for payment of the death benefit if the member has not filed a  
11 designation of beneficiary with the department.

12 New section 97B.52A provides that a member must remain out  
13 of employment for 120 days in order for the member's  
14 retirement to be a bona fide retirement. If the member  
15 returns to employment during that period, the member must  
16 return any retirement allowance received plus interest.

17 Section 97B.53 changes provide that membership in the  
18 retirement system ceases when the member receives a refund of  
19 the member's contributions, remove the prohibition against a  
20 member taking a refund based upon prior service credit, and  
21 require members who terminate employment prior to vesting to  
22 file for a refund of contributions.

23 Section 97B.58 change grants the department rulemaking  
24 authority to specify the information required to be provided  
25 to the department by employers.

26 Section 97B.73 changes specify the type of public  
27 employment that can be transferred to IPERS, provide for  
28 credit for a portion of the other public employment, provide  
29 for the department to use an inflation factor for members  
30 buying back service based upon previous service, and state  
31 that both the department and the other public retirement  
32 system must agree to the waiver of service in the other system  
33 for the transfer of service to be valid.

34 Section 97B.80 changes are similar to those made in section  
35 97B.73 and also the changes remove the four-year limit on the

1 buyback of veteran's credit.

2 The bill makes the following changes to the statewide fire  
3 and police retirement system established in chapter 411:

4 Section 411.1 change rewrites the definition of earnable  
5 compensation.

6 Section 411.5 change requires the board of trustees of the  
7 statewide system to submit a certified audit to the auditor of  
8 state annually.

9 Section 411.6, subsection 2, changes clarify provisions  
10 concerning service retirement allowances.

11 Section 411.6, subsection 3, and subsection 5, paragraphs  
12 "a" and "c" changes provide that for persons whose membership  
13 in the system first commenced on or after July 1, 1992, the  
14 member shall not be eligible for benefits with respect to a  
15 disability which would not exist, but for a medical condition  
16 that was known to exist on the date of membership.

17 Section 411.6, subsection 5, paragraph "b", changes provide  
18 that the participating city performs certain functions per-  
19 taining to temporary disability, and that the board of  
20 trustees of the statewide system has no jurisdiction until the  
21 city finds that the disability is likely to be permanent.

22 Section 411.6A changes amend a provision concerning  
23 optional retirement benefits. The changes specify that the  
24 board of trustees shall adopt rules providing for optional  
25 forms of retirement benefits. The changes eliminate  
26 provisions from the current Code pertaining to the death of  
27 members without a beneficiary and the death of the beneficiary  
28 prior to the receipt of benefits.

29 Section 411.8 changes make technical changes to the  
30 calculation of the member's contribution rate commencing July  
31 1, 1996.

32 This bill establishes a state mandate under chapter 25B.

33

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SENATE FILE 2280  
FISCAL NOTE

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A fiscal note for Senate File 2280 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 2280 makes numerous technical and clarifying changes regarding the Iowa Public Employees Retirement System (IPERS) and the Municipal Fire and Police Retirement System of Iowa (MFPRSI). Since there are many changes and most changes do not involve a fiscal impact, the following description includes selective highlights and does not identify every change made in this bill. Each retirement system is discussed separately.

**Iowa Public Employees Retirement System:**

**Description:**

Numerous grammatical changes and clarification of definitions and practices are made, including executing contracts, permitting destruction of records of deceased members 10 years after final payment to a third party, refunds to employees and employers, contributions by employers and employees, payment to minors, crediting elected officials with wages in every quarter regardless of the payment plan chosen, clarification as to when notice of normal retirement is given, a change in the amount of remuneration constituting reemployment to be consistent with Social Security definitions, and other such changes.

The number of FTE positions within the IPERS Division can be adjusted only by the General Assembly. Any appropriations reductions by the Governor under Section 8.31 are offset by an equivalent appropriation to the IPERS Division from the IPERS Trust Fund.

Language is added to reflect the current practice of having an Administrative Law Judge in the Department of Inspections and Appeals hold hearings on appeals for IPERS decisions.

IPERS is permitted to adopt rules for making payments to representatives if it is in the best interest of member. For example, if a retiree is no longer capable of managing his or her affairs, payment may be made to the retiree's caregiver.

The minimum remuneration to qualify as an active member is removed.

Temporary employees are persons employed for 6 months or less or who work less than 1,040 hours in a calendar year. These persons, unless otherwise specified, are not eligible for IPERS membership.

The final quarter of employment is excluded from the calculation of 3-year average covered wage when it reduces the member's benefit. (This reflects

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current practice. The situation occurs when a member's retirement begins early in a quarter, thus receiving no wages through the end of the quarter. Including this quarter artificially reduces the covered wage.)

Beginning July 1, 1994, community college employees are permitted to withdraw the member's contributions when they elect to participate in an alternative retirement system.

The retirement dividend is updated to continue at the current level.

Bona fide retirement is increased from 30 days out of covered employment to 120 days.

Members who terminate employment before becoming vested are required to take a refund of the employees' accumulated contributions.

The 4-year limit on purchase of veteran's credit is removed. The member continues to purchase credit by making both employer's and employee's contribution based on current covered wages. Credit may be purchased in quarter increments for part or all of military service.

**Assumptions:**

1. Most of these changes are technical or revenue neutral.
2. The number of previously temporary employees that will be brought into the system is unknown.
3. The actuarial calculation for contribution rates will continue to be valid.
4. Purchasing of veteran's credit at current wage rates approximately offsets interest earnings for those previous years and continues to be revenue neutral.
5. IPERS notifies persons terminating their employment of their rights, including an explanation that funds left in IPERS by nonvested members will not accrue interest and that they are not entitled to retirement benefits. Very few nonvested terminating employees leave their contributions in IPERS after receiving notice.

**Fiscal Impact:**

The technical and clarifying changes have little or no impact.

The Department of Inspections and Appeals currently holds the hearings on appeals as required in this bill and will experience no additional costs.

The change of status of workers currently treated as temporary employees to covered employees will have no negative effect on the IPERS Trust Fund since contribution rates are actuarially set to maintain a solvent fund. The costs to employers and to employees who switch from temporary to regular employment will increase to pay the required contributions. No estimate is available as to how many currently temporary employees will be affected.

Beginning July 1, 1994, community college members will be able to withdraw their contributions when switching to an alternative retirement system. The

State's contribution for each withdrawing member will remain in the IPERS Trust Fund for benefit the remaining members. These employers' contributions will no longer be obligated for future benefits and will represent a gain for the IPERS Trust Fund.

The update to the IPERS retirement dividend is a continuation of current practices and was included in IPERS anticipated expenditures. It will have no negative impact on the IPERS Fund.

The required withdrawal of the employees' contributions upon termination before vesting will benefit the IPERS Trust Fund. The Trust Fund will retain the employers' contributions for the terminated employees and be able to use the monies for the benefit of the retirement system and its members. The employers' contributions will no longer be obligated to the terminated employee upon withdrawal of his or her contributions. In recent years, few terminating employees have left their contributions in the system, so the impact of this change, while favorable to the IPERS system, is minimal.

The removal of the limit on veteran's credit will be consistent with federal requirements and eliminates the possibility of a lawsuit over the limitation. The costs to the system are expected to be minimal for purchase of additional credit.

#### **Municipal Fire and Police Retirement System of Iowa:**

Earnable compensation is defined. Deferred compensation is included as earnable compensation.

The Board of Trustees is required to submit a certified audit to the State annually.

The ordinary disability retirement benefit and the accidental disability benefit are amended to exclude disabilities resulting from medical conditions known to exist at the time of commencing membership. This change becomes effective July 1, 1992.

The Statewide System's jurisdiction for disability cases is defined. The System has jurisdiction after the city determines the disability is likely to be permanent.

Other clarifications are made.

#### **Assumptions:**

The change concerning pre-existing medical conditions is consistent with the federal Americans with Disabilities Act.

#### **Fiscal Impact:**

The definition of earnable compensation standardizes the definition across the member cities. This may alter the definition of covered wage in some cities, but there is no information available as to how the amounts cities and

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employees pay will be affected.

The other changes do not have an identifiable impact.

**Overall Fiscal Impact:**

In general, these changes clarify responsibilities and obligations and improve administration. There is no significant monetary impact on the IPERS Trust Fund or the Municipal Fire and Police Retirement System of Iowa.

**Sources:**

IPERS Division, Iowa Department of Personnel  
Municipal Fire and Police Retirement System of Iowa  
Department of Inspections and Appeals  
Department of Education

(LSB 5743sv, MDF)

FILED MARCH 20, 1992

BY DENNIS PROUTY, FISCAL DIRECTOR

## SENATE FILE 2280

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1 Amend Senate File 2280 as follows:

2 1. By striking everything after the enacting  
3 clause and inserting the following:

4 "Section 1. Section 97.51, Code 1991, is amended  
5 by adding the following new subsection:

6 NEW SUBSECTION. 10. Effective July 1, 1992, a  
7 person receiving benefits, on or after July 1, 1992,  
8 under this chapter, shall receive a monthly increase  
9 in benefits of ten dollars per month. A person who  
10 becomes eligible for benefits under chapter 97, Code  
11 1950, on or after July 1, 1992, shall receive the ten  
12 dollar increase.

13 There is appropriated annually from the general  
14 fund of the state to the Iowa old-age and survivors'  
15 insurance liquidation fund from funds not otherwise  
16 appropriated an amount sufficient to pay the benefit  
17 increases provided in this subsection.

18 Sec. 2. Section 97A.6, subsections 3 through 5,  
19 Code Supplement 1991, are amended to read as follows:

20 3. ORDINARY DISABILITY RETIREMENT BENEFIT. Upon  
21 the application of a member in service or of the  
22 commissioner of public safety, any member shall be  
23 retired by the board of trustees, not less than thirty  
24 and not more than ninety days next following the date  
25 of filing such application, on an ordinary disability  
26 retirement allowance, provided, that the medical board  
27 after a medical examination of such member shall  
28 certify that said member is mentally or physically  
29 incapacitated for further performance of duty, that  
30 such incapacity is likely to be permanent and that  
31 such member should be retired. However, if a person's  
32 membership in the system first commenced on or after  
33 July 1, 1992, the member shall not be eligible for  
34 benefits with respect to a disability which would not  
35 exist, but for a medical condition that was known to  
36 exist on the date that membership commenced.

37 4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT.  
38 Upon retirement for ordinary disability a member shall  
39 receive an ordinary disability retirement allowance  
40 which shall consist of a pension which shall equal  
41 fifty percent of the member's average final  
42 compensation except-if unless either of the following  
43 conditions exist:

44 a. If the member has not had five or more years of  
45 membership service, the member shall receive a  
46 disability pension equal to one-fourth of the member's  
47 average final compensation.

48 b. If the member has had twenty-two or more years  
49 of membership service, the member shall receive a  
50 disability retirement allowance that is equal to the

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1 greater of the benefit that the member would receive  
2 under subsection 2 if the member were fifty-five years  
3 of age or the disability pension otherwise calculated  
4 under this subsection.

5 5. ACCIDENTAL DISABILITY BENEFIT.

6 a. Upon application of a member in service or of  
7 the commissioner of public safety, any member who has  
8 become totally and permanently incapacitated for duty  
9 as the natural and proximate result of an injury,  
10 disease or exposure occurring or aggravated while in  
11 the actual performance of duty at some definite time  
12 and place shall be retired by the board of trustees,  
13 provided, that the medical board shall certify that  
14 such member is mentally or physically incapacitated  
15 for further performance of duty, that such incapacity  
16 is likely to be permanent and that such member should  
17 be retired. However, if a person's membership in the  
18 system first commenced on or after July 1, 1992, the  
19 member shall not be eligible for benefits with respect  
20 to a disability which would not exist, but for a  
21 medical condition that was known to exist on the date  
22 that membership commenced.

23 b. Should a member in service become incapacitated  
24 for duty as a natural and proximate result of an  
25 injury, disease, or exposure incurred or aggravated  
26 while in the actual performance of duty at some  
27 definite time or place, the member shall, upon being  
28 found to be temporarily incapacitated following an  
29 examination by the board of trustees, be entitled to  
30 receive the member's fixed pay and allowances until  
31 re-examined by the board and found to be fully  
32 recovered or permanently disabled.

33 c. Disease under this section shall mean heart  
34 disease or any disease of the lungs or respiratory  
35 tract and shall be presumed to have been contracted  
36 while on active duty as a result of strain, exposure,  
37 or the inhalation of noxious fumes, poison, or gases.  
38 However, if a person's membership in the system first  
39 commenced on or after July 1, 1992, and the heart  
40 disease or disease of the lungs or respiratory tract  
41 would not exist, but for a medical condition that was  
42 known to exist on the date that membership commenced,  
43 the presumption established in this paragraph shall  
44 not apply.

45 Sec. 3. Section 97A.6, subsection 6, paragraph b,  
46 Code Supplement 1991, is amended to read as follows:

47 b. Upon retirement for accidental disability on or  
48 after July 1, 1990, a member shall receive an  
49 accidental disability retirement allowance which shall  
50 consist of a pension equal to sixty percent of the

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1 member's average final compensation. However, if the  
2 member has had twenty-two or more years of membership  
3 service, the member shall receive a disability  
4 retirement allowance that is equal to the greater of  
5 the retirement allowance that the member would receive  
6 under subsection 2 if the member were fifty-five years  
7 of age or the disability retirement allowance  
8 calculated under this paragraph.

9 Sec. 4. Section 97A.6, subsection 7, paragraphs a  
10 and b, Code Supplement 1991, are amended to read as  
11 follows:

12 a. Should any beneficiary for either ordinary or  
13 accidental disability, except a beneficiary who is  
14 fifty-five years of age or over and would have  
15 completed twenty-two years of service if the  
16 beneficiary had remained in active service, be engaged  
17 in a gainful occupation paying more than the  
18 difference between the member's retirement allowance  
19 and one and one-half times the current earnable  
20 compensation of an active member at the same position  
21 on the salary scale within the member's rank as the  
22 member held at retirement, then the amount of the  
23 retirement allowance shall be reduced to an amount  
24 which together with the amount earned by the member  
25 shall equal one and one-half times the amount of the  
26 current earnable compensation of an active member at  
27 the same position on the salary scale within the  
28 member's rank as the member held at retirement.  
29 Should the member's earning capacity be later changed,  
30 the amount of the retirement allowance may be further  
31 modified, provided, that the new retirement allowance  
32 shall not exceed the amount of the retirement  
33 allowance originally granted adjusted by annual  
34 readjustments of pensions pursuant to subsection ~~15~~ 14  
35 of this section nor an amount which, when added to the  
36 amount earned by the beneficiary, equals one and one-  
37 half times the amount of the current earnable  
38 compensation of an active member at the same position  
39 on the salary scale within the member's rank as the  
40 member held at retirement. A beneficiary restored to  
41 active service at a salary less than the average final  
42 compensation upon the basis of which the member was  
43 retired at age fifty-five or greater, shall not again  
44 become a member of the retirement system and shall  
45 have the member's retirement allowance suspended while  
46 in active service. If the rank or position held by  
47 the retired member is subsequently abolished,  
48 adjustments to the allowable limit on the amount of  
49 income which can be earned in a gainful occupation  
50 shall be computed in the same manner as provided in

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1 subsection 14, paragraph "d" "c", of this section  
2 for readjustment of pensions when a rank or position  
3 has been abolished. If the salary scale associated  
4 with a member's rank at retirement is changed after  
5 the member retires, earnable compensation for purposes  
6 of this section shall be based upon the salary an  
7 active member currently would receive at the same rank  
8 and with seniority equal to that of the retired member  
9 at the time of retirement.

10 A beneficiary retired under the provisions of this  
11 paragraph in order to be eligible for continued  
12 receipt of retirement benefits shall no later than May  
13 15 of each year submit to the board of trustees a copy  
14 of the beneficiary's state income tax return for the  
15 preceding year.

16 Retroactive to July 1, 1976, the limitations on pay  
17 of a member engaged in a gainful occupation who is  
18 retired under accidental disability prescribed in this  
19 paragraph shall not apply to a member who retired  
20 before July 1, 1976.

21 b. Should a disability beneficiary under age  
22 fifty-five be restored to active service at a  
23 compensation not less than the disability  
24 beneficiary's average final compensation, the  
25 disability beneficiary's retirement allowance shall  
26 cease, the disability beneficiary shall again become a  
27 member and shall contribute thereafter at the same  
28 rate paid-prior-to-disability payable by other members  
29 of comparable rank, seniority, and age, and former  
30 service on the basis of which the disability  
31 beneficiary's service was computed at the time of  
32 retirement shall be restored to full force and effect  
33 and-upon. Upon subsequent retirement the disability  
34 beneficiary shall be credited with all service as a  
35 member, and also with the period of disability  
36 retirement.

37 Sec. 5. Section 97A.6, subsection 9, unnumbered  
38 paragraph 1, Code Supplement 1991, is amended to read  
39 as follows:

40 If, upon the receipt of evidence and proof that the  
41 death of a member in service was the natural and  
42 proximate result of an accident, disease, or exposure  
43 occurring or aggravated at some definite time and  
44 place while the member was in the actual performance  
45 of duty, the board of trustees shall decide that death  
46 was so caused in the performance of duty there shall  
47 be paid, in lieu of the ordinary death benefit  
48 provided in subsection 8 of this section, to the  
49 member's estate or to such person having an insurable  
50 interest in the member's life as the member shall have

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1 nominated by written designation duly executed and  
2 filed with the board of trustees:

3 Sec. 6. Section 97B.1, subsection 2, paragraph a,  
4 Code 1991, is amended by striking the paragraph.

5 Sec. 7. Section 97B.4, unnumbered paragraph 1,  
6 Code 1991, is amended to read as follows:

7 The department, through the administrator chief  
8 investment officer and chief benefits officer, shall  
9 administer this chapter. The department may adopt,  
10 amend, or rescind rules, employ persons, execute  
11 contracts with outside parties, make expenditures,  
12 require reports, make investigations, and take other  
13 action it deems necessary for the administration of  
14 the system. The rules shall be effective upon  
15 compliance with chapter 17A. Not later than the  
16 fifteenth day of December of each year, the department  
17 shall submit to the governor a report covering the  
18 administration and operation of this chapter during  
19 the preceding fiscal year and shall make  
20 recommendations for amendments to this chapter. The  
21 report shall include a balance sheet of the moneys in  
22 the Iowa public employees' retirement fund.

23 Sec. 8. Section 97B.5, Code 1991, is amended to  
24 read as follows:

25 97B.5 STAFF.

26 Subject to other provisions of this chapter, the  
27 department may employ personnel as necessary for the  
28 administration of the system, including but not  
29 limited to a chief investment officer and a chief  
30 benefits officer. The maximum number of full-time  
31 equivalent employees specified by the general assembly  
32 for the department for administration of the system  
33 for a fiscal year shall not be reduced by any  
34 authority other than the general assembly. The staff  
35 shall be appointed pursuant to chapter 19A. The  
36 department shall not appoint or employ a person who is  
37 an officer or committee member of a political party  
38 organization or who holds or is a candidate for an  
39 elective public office. The department may employ  
40 attorneys and contract with attorneys and legal firms  
41 for the provision of legal counsel and advice in the  
42 administration of this chapter, chapter 97C, and  
43 chapter 12A. The department may execute contracts  
44 with investment advisors, consultants, and managers  
45 outside state government in the administration of this  
46 chapter and chapter 12A. The department may delegate  
47 to any person such authority as it deems reasonable  
48 and proper for the effective administration of this  
49 chapter, and may bond any person handling moneys or  
50 signing checks under this chapter.

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1 Sec. 9. Section 97B.6, Code 1991, is amended to  
2 read as follows:

3 97B.6 OLD RECORDS.

4 The department may destroy or dispose of such  
5 original reports or records as have been properly  
6 recorded or summarized in the permanent records of the  
7 department and are deemed by the director ~~and-state~~  
8 ~~records-commission~~ to be no longer necessary to the  
9 proper administration of this chapter. ~~Such~~ The  
10 destruction or disposition shall be made only by order  
11 of the director. Records of deceased members of the  
12 system may be destroyed ten years after the later of  
13 the final payment made to a third party on behalf of  
14 the member or the death of the member. Any moneys  
15 received from the disposition of ~~such~~ these records  
16 shall be deposited to the credit of the public  
17 employees' retirement fund subject to rules  
18 ~~promulgated~~ adopted by the department.

19 Sec. 10. Section 97B.7, subsection 3, Code 1991,  
20 is amended to read as follows:

21 3. All moneys which are paid or deposited into  
22 this fund are ~~hereby~~ appropriated and made available  
23 to the department to be used ~~only-for-the-purposes~~  
24 herein for the exclusive benefit of the members and  
25 their beneficiaries or contingent annuitants as  
26 provided in this chapter:

27 a. ~~To be used by the department for the payment of~~  
28 ~~retirement claims for benefits under this chapter,~~  
29 ~~or~~ ~~such-other-purposes-as-may-be-authorized-by-the~~  
30 ~~general-assembly.~~

31 b. To be used by the department to pay refunds  
32 provided for in this chapter.

33 c. To be used for the costs of administering the  
34 retirement system. If as a result of action under  
35 section 8.31, the governor has reduced the moneys  
36 appropriated from the Iowa public employees'  
37 retirement system fund to the department of personnel  
38 for salaries, support, maintenance, and other  
39 operational purposes to pay the costs of the Iowa  
40 public employees' retirement system for a fiscal year,  
41 it is the intent of the general assembly that the  
42 amount by which the appropriation has been reduced  
43 should be transferred from that fund to the department  
44 of personnel for salaries, support, maintenance, and  
45 other operational purposes to pay the costs of the  
46 Iowa public employees' retirement system for that  
47 fiscal year.

48 Sec. 11. Section 97B.8, unnumbered paragraph 1,  
49 Code Supplement 1991, is amended to read as follows:

50 A board is established to be known as the

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1 "Investment Board of the Iowa Public Employees'  
2 Retirement System", referred to in this chapter as the  
3 "board", whose duties are to establish policy for the  
4 department in matters relating to the investment of  
5 the trust funds of the Iowa public employees'  
6 retirement system. At least annually the board shall  
7 review the investment policies and procedures used by  
8 the department under section 97B.7, subsection 2,  
9 paragraph "b", and shall hold a public meeting on the  
10 investment policies and investment performance of the  
11 fund. Following its review and the public meeting,  
12 the board shall establish an investment policy and  
13 goal statement which shall direct the investment  
14 activities of the department. The development of the  
15 investment policy and goal statement and its  
16 subsequent execution shall be performed cooperatively  
17 between the board and the department. ~~In accordance~~  
18 ~~with section 97B.3, the board shall recommend to the~~  
19 ~~director a set of candidates for selection as the~~  
20 ~~administrator.~~

21 Sec. 12. Section 97B.8, unnumbered paragraph 2,  
22 Code Supplement 1991, is amended to read as follows:  
23 The board consists of nine members. Six of the  
24 members shall be appointed by the governor. One  
25 member shall be an executive of a domestic life  
26 insurance company, one an executive of a state or  
27 national bank operating within the state of Iowa, one  
28 an executive of ~~a major~~ an industrial corporation  
29 located within the state of Iowa, and three shall be  
30 members of the system, one of whom ~~shall be~~ is an  
31 active member who is an employee of a school district,  
32 area education agency, or merged area, one of whom  
33 ~~shall be~~ is an active member who is not an employee of  
34 a school district, area education agency, or merged  
35 area, and one of whom is a retired member of the  
36 system. The president of the senate, after  
37 consultation with the majority leader and the minority  
38 leader of the senate, shall appoint one member from  
39 the membership of the senate and the speaker of the  
40 house of representatives shall appoint one member from  
41 the membership of the house. The two members  
42 appointed by the president of the senate, after  
43 consultation with the majority leader and the minority  
44 leader of the senate, and the speaker of the house of  
45 representatives and the two active members of the  
46 system appointed by the governor are ex officio  
47 members of the board. The director of the department  
48 of personnel is an ex officio, nonvoting member of the  
49 board.

50 Sec. 13. Section 97B.10, Code 1991, is amended to

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1 read as follows:

2 97B.10 REFUNDS.

3 ~~In any case in which~~ If the department finds the  
4 employee or employer has, or both, have erroneously  
5 paid contributions thereon which have been erroneously  
6 paid, and has filed application for an adjustment  
7 thereof, the department shall make such an adjustment,  
8 compromise, or settlement and make such a refund of  
9 such payments to the employee or employer, or both, as  
10 it finds just and equitable in the premises. Refunds  
11 so made shall be charged to the fund to which the  
12 erroneous collections have been credited and shall be  
13 paid to the claimant employee or employer, or both,  
14 without interest. Any A claim of an employee or  
15 employer for such a refund shall be made within three  
16 years of date of payment and not thereafter. However,  
17 the department may make refund payments to employees  
18 or employers after the expiration of the three-year  
19 deadline if the department finds that the payment of  
20 the refund is just and equitable.

21 Sec. 14. Section 97B.11, Code 1991, is amended to  
22 read as follows:

23 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

24 Each employer shall deduct from the wages of each  
25 member of the system a contribution in the amount of  
26 ~~three and six tenths percent of the covered wages paid~~  
27 ~~by the employer through June 30, 1979, and commencing~~  
28 ~~July 1, 1979 in the amount of~~ three and seven tenths  
29 percent of the covered wages paid by the employer,  
30 until the member's termination or retirement from  
31 employment, whichever is earlier. The contributions  
32 of the employer shall be in the amount of ~~three and~~  
33 ~~one half percent of the covered wages of the member~~  
34 ~~for service through December 31, 1975, and in the~~  
35 ~~amount of five and twenty five hundredths percent of~~  
36 ~~the covered wages of the member for service commencing~~  
37 ~~July 1, 1977, through June 30, 1979, and in the amount~~  
38 of five and seventy five hundredths percent of the  
39 covered wages of the member ~~for service commencing~~  
40 July 1, 1979.

41 Sec. 15. Section 97B.17, unnumbered paragraph 1,  
42 Code 1991, is amended to read as follows:

43 The department shall establish and maintain records  
44 of each member, including but not limited to, the  
45 amount of wages of each member, the contribution of  
46 each member with interest, and interest dividends  
47 ~~credited, and these.~~ These records are the basis for  
48 the compilation of the retirement benefits provided  
49 under this chapter. The following records maintained  
50 under this chapter containing personal identifiable

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1 information are not public records for the purposes of  
2 chapter 22:

3 Sec. 16. Section 97B.18, Code 1991, is amended to  
4 read as follows:

5 97B.18 STATEMENT OF ACCUMULATED CREDIT.

6 After the expiration of each calendar year and  
7 prior to July 1 of the succeeding year, the department  
8 shall furnish each member with a statement of the  
9 member's accumulated contributions and benefit credits  
10 accrued under this chapter up to the end of such that  
11 calendar year and additional information the  
12 department deems useful to a member. The department  
13 may furnish an estimate of such the credits as of the  
14 projected normal retirement date of the member under  
15 section 97B.45. The department shall mail such the  
16 statement to each employer not later than June 30 of  
17 the succeeding calendar year. The employer shall  
18 distribute such the statements to its employees, and  
19 the records of the department as shown by said the  
20 statement as to the wages of such each individual  
21 member for such a year and the periods of payment  
22 shall be conclusive for the purpose of this chapter,  
23 except as hereinafter otherwise provided in this  
24 chapter.

25 Effective for the calendar year beginning January  
26 1, 1994, the department may transmit the statements  
27 directly to the members in lieu of mailing them to the  
28 employers.

29 Sec. 17. NEW SECTION. 97B.20A APPEAL PROCEDURE.

30 Members and third-party payees may appeal any  
31 decision made by the department that affects their  
32 rights under this chapter. The appeal shall be filed  
33 with the department within thirty days after the  
34 notification of the decision was mailed to the party's  
35 last known mailing address, or the decision of the  
36 department is final. If the party appeals the  
37 decision of the department, the department shall  
38 conduct an internal review of the decision and the  
39 chief benefits officer shall notify the individual who  
40 has filed the appeal in writing of the department's  
41 decision. The individual who has filed the appeal may  
42 file an appeal of the department's final decision with  
43 the department under chapter 17A by notifying the  
44 department of the appeal in writing within thirty days  
45 after the notification of its final decision was  
46 mailed to the party's last known mailing address.  
47 Once notified, the department shall forward the appeal  
48 to the department of inspections and appeals.

49 Sec. 18. NEW SECTION. 97B.20B HEARING BY  
50 ADMINISTRATIVE LAW JUDGE.

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1 If an appeal is filed and is not withdrawn, an  
2 administrative law judge in the department of  
3 inspections and appeals, after affording the parties  
4 reasonable opportunity for fair hearing, shall affirm,  
5 modify, or reverse the decision of the department.  
6 The hearing shall be recorded by mechanical means and  
7 a transcript of the hearing shall be made. The  
8 transcript shall then be made available for use by the  
9 employment appeal board and by the courts at  
10 subsequent judicial review proceedings under the Iowa  
11 administrative procedure Act, if any. The parties  
12 shall be duly notified of the administrative law  
13 judge's decision, together with the administrative law  
14 judge's reasons. The decision is final unless, within  
15 thirty days after the date of notification or mailing  
16 of the decision, review by the employment appeal board  
17 is initiated pursuant to section 97B.27.

18 Sec. 19. Section 97B.22, Code 1991, is amended to  
19 read as follows:

20 97B.22 WITNESSES AND EVIDENCE.

21 For the purpose of any hearing, investigation, or  
22 other proceeding authorized or directed under this  
23 chapter, or relative to any other matter within its  
24 jurisdiction ~~hereunder~~ under this chapter, the  
25 department or ~~appeal-referee-shall-have-the-power-to~~  
26 administrative law judge may issue subpoenas requiring  
27 the attendance and testimony of witnesses and the  
28 production of any evidence that relates to any matter  
29 under investigation or in question before the  
30 ~~commission department~~. Attendance of  
31 witnesses and production of evidence at the designated  
32 place of ~~such~~ the hearing, investigation, or other  
33 proceedings may be required from any political  
34 subdivision in the state. Subpoenas of the department  
35 shall be served by anyone authorized by it ~~(1)~~ by  
36 delivering a copy ~~thereof~~ of the subpoena to the  
37 individual named ~~therein in it~~, or ~~(2)~~ by certified  
38 mail addressed to ~~such~~ the individual at the  
39 individual's last known dwelling place or principal  
40 place of business. A verified return by the  
41 individual ~~so~~ serving the subpoena setting forth the  
42 manner of service, or, in the case of service by  
43 certified mail, the return post-office receipt  
44 ~~therefor~~ signed by the individual ~~so~~ served, shall be  
45 proof of service. Witnesses ~~so~~ subpoenaed shall be  
46 paid the same fees and mileage as are paid witnesses  
47 in the district courts of the state of Iowa. In the  
48 discharge of the duties imposed by this chapter, the  
49 ~~chairperson-or-an-appeal-referee~~ department or an  
50 administrative law judge and any duly authorized

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1 representative or member of the department ~~shall have~~  
2 ~~power to~~ may administer oaths and affirmations, take  
3 depositions, certify to official acts, and issue  
4 subpoenas to compel the attendance of witnesses and  
5 the production of books, papers, correspondence,  
6 memoranda, and other records deemed necessary as  
7 evidence in connection with the administration of this  
8 chapter.

9 Sec. 20. Section 97B.23, Code 1991, is amended to  
10 read as follows:

11 97B.23 PENALTY FOR CONTUMACY NONCOMPLIANCE.

12 In case of ~~contumacy by~~ ~~or~~ refusal to obey a  
13 subpoena duly served upon any person, any district  
14 court of the state of Iowa for the district in which  
15 ~~said~~ the person charged with ~~contumacy or~~ refusal to  
16 obey is found or resides or transacts business, upon  
17 application by the department, ~~shall have jurisdiction~~  
18 to may issue an order requiring such that person to  
19 appear and give testimony, or to appear and produce  
20 evidence, or both. Any failure to obey ~~such the~~ order  
21 of the court may be punished by ~~said the~~ the court as  
22 contempt ~~thereof~~.

23 Sec. 21. Section 97B.25, Code 1991, is amended to  
24 read as follows:

25 97B.25 APPLICATIONS FOR BENEFITS.

26 A representative designated by the administrator  
27 and referred to in this chapter as a retirement  
28 benefits deputy specialist, shall promptly examine  
29 applications for retirement benefits and on the basis  
30 of facts found shall determine whether or not the  
31 claim is valid and if valid, the month with respect to  
32 which benefits shall commence, the monthly benefit  
33 amount payable, and the maximum duration. The deputy  
34 retirement benefits specialist shall promptly notify  
35 the applicant and any other interested party of the  
36 decision and the reasons. Unless the applicant or  
37 other interested party, within thirty calendar days  
38 after the notification was mailed to the applicant's  
39 or party's last known address, files an appeal ~~to an~~  
40 ~~administrative law judge in the department of~~  
41 ~~inspections and appeals as provided in section~~  
42 97B.20A, the decision is final and benefits shall be  
43 paid or denied in accord with the decision.

44 Sec. 22. Section 97B.34, Code 1991, is amended to  
45 read as follows:

46 97B.34 PAYMENT TO INCOMPETENT REPRESENTATIVES.

47 When it appears to the department that the interest  
48 of an applicant entitled to a payment would be served  
49 ~~thereby~~, certification of payment may be made,  
50 regardless of the legal competency or incompetency of

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1 the individual entitled thereto to the payment, either  
2 for direct payment to such the applicant, or for the  
3 applicant's use and benefit to a relative-or-some  
4 other-person representative of an applicant. The  
5 department may adopt rules under chapter 17A for  
6 making payments to a representative of an applicant if  
7 the department determines that it can sufficiently  
8 safeguard the member's rights under this chapter.

9 Sec. 23. NEW SECTION. 97B.34A PAYMENT TO MINORS.

10 The department may make payments to a minor, as  
11 defined in section 599.1, as follows:

12 1. If the total sum to be paid to the minor is  
13 less than ten thousand dollars, the funds may be paid  
14 to an adult as custodian for the minor. The custodian  
15 must complete the proper forms as determined by the  
16 department.

17 2. If the total sum to be paid to the minor is  
18 equal to or more than ten thousand dollars, the funds  
19 must be paid to a court-established conservator. The  
20 department shall not make payment until the  
21 conservatorship has been established and the  
22 department has received the appropriate documentation.

23 3. Interest shall be paid on the funds, at a rate  
24 determined by the department, until disbursement of  
25 the funds.

26 If the department makes payments to a minor  
27 pursuant to this section, the department may make  
28 payments directly to the person when the person  
29 attains the age of eighteen or is declared to be  
30 emancipated by a court of competent jurisdiction.

31 Sec. 24. Section 97B.41, subsection 1, paragraph  
32 a, unnumbered paragraph 1, Code 1991, is amended to  
33 read as follows:

34 "Wages" means all remuneration for employment,  
35 including the cash value of remuneration paid in a  
36 medium other than cash, but not including the cash  
37 value of remuneration paid in a medium other than cash  
38 as necessitated by the convenience of the employer.  
39 The amount agreed upon by the employer and employee  
40 for remuneration paid in a medium other than cash  
41 shall be reported to the department by the employer  
42 and is conclusive of the value of the remuneration.  
43 ~~However, remuneration which does not equal or exceed~~  
44 ~~the sum of three hundred dollars in a calendar quarter~~  
45 ~~shall be excluded.~~ "Wages" does not include special  
46 lump sum payments made as payment for accrued sick  
47 leave or accrued vacation or payments made as an  
48 incentive for early retirement or as payments made  
49 upon dismissal, severance, or a special bonus payment.  
50 Wages for an elected official means the salary

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1 received by an elected official, exclusive of expense  
2 and travel allowances.

3 Sec. 25. Section 97B.41, subsection 1, paragraph  
4 b, subparagraph (12), Code 1991, is amended to read as  
5 follows:

6 (12) Effective July 1, ~~1988~~ 1992, covered wages  
7 does not include wages to a member on or after the  
8 effective date of the member's retirement unless the  
9 member is reemployed, as provided under section  
10 ~~97B.48, -subsection-3~~ 97B.48A.

11 Sec. 26. Section 97B.41, subsection 2, Code 1991,  
12 is amended to read as follows:

13 2. "Employment for any calendar quarter" means any  
14 service performed under an employer-employee  
15 relationship under ~~the provisions of~~ this chapter ~~if~~  
16 ~~the remuneration equals or exceeds three hundred~~  
17 ~~dollars for which wages are reported in the calendar~~  
18 quarter. For the purposes of this chapter, elected  
19 officials are deemed to be in employment for all  
20 quarters of the elected officials' respective terms of  
21 office, even if the elected officials have selected a  
22 method of payment of wages which results in the  
23 elected officials not being credited with wages every  
24 quarter of a year.

25 Sec. 27. Section 97B.41, subsection 3, paragraph  
26 a, unnumbered paragraph 1, Code 1991, is amended to  
27 read as follows:

28 "Employer" means the state of Iowa, the counties,  
29 municipalities, and agencies, public school districts,  
30 ~~and all of the political subdivisions,~~ and all of  
31 their departments and instrumentalities, including  
32 joint planning commissions created under the  
33 ~~provisions of~~ chapter 28I.

34 Sec. 28. Section 97B.41, subsection 3, paragraph  
35 b, unnumbered paragraph 1, and subparagraphs (1), (2),  
36 (3), (4), (5), and (7), Code 1991, are amended to read  
37 as follows:

38 "Employee" means any an individual who is in  
39 employment employed as defined in this chapter,  
40 except:

41 (1) Elective officials in positions for which the  
42 compensation is on a fee basis, elective officials of  
43 school districts, elective officials of townships, and  
44 elective officials of other political subdivisions who  
45 are in part-time positions, unless the elective  
46 official makes an application to the department to be  
47 covered under this chapter. An elective official who  
48 made an application to the department to be covered  
49 under this chapter may terminate membership under this  
50 chapter by informing the department in writing of the

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1 expiration of the member's termination term of office.  
2 A county attorney is an employee for purposes of this  
3 chapter whether that county attorney is employed on a  
4 full-time or part-time basis.

5 (1A) Individuals who are enrolled as students and  
6 whose primary occupations are as students who are  
7 incidentally employed by employers.

8 (1B) Graduate medical students while serving as  
9 interns or resident doctors in training at any  
10 hospital, or county medical examiners and deputy  
11 county medical examiners under chapter 331, division  
12 V, part 8.

13 (2) Members of the general assembly of Iowa and  
14 temporary employees of the general assembly of Iowa,  
15 unless such members or employees shall make an  
16 application to the department to be covered under the  
17 ~~provisions of this chapter.~~ A member of the general  
18 ~~assembly or temporary employee of the general assembly~~  
19 who made an application to the department to be  
20 covered under this chapter may terminate membership  
21 under this chapter by informing the department in  
22 writing of the member's ~~or temporary employee's~~  
23 ~~termination intent to terminate.~~

24 Temporary employees of the general assembly who  
25 have elected coverage under this chapter may terminate  
26 membership by sending written notification to the  
27 department of their separation from service.

28 (3) ~~Employees Nonvested employees of drainage and~~  
29 ~~levee districts not-vested, unless such drainage and~~  
30 ~~levee districts shall those employees make an~~  
31 application to the department to be covered under the  
32 ~~provisions of this chapter.~~ However, ~~any drainage or~~  
33 ~~levee district which has made contributions against~~  
34 ~~which no application for benefits has been made shall~~  
35 ~~be entitled to withdraw all such contributions by~~  
36 ~~making application to the department prior to December~~  
37 ~~31, 1969. Each drainage or levee district which~~  
38 ~~withdraws its contributions shall refund to its~~  
39 ~~employees contributions deducted from their wages.~~

40 (4) Employees hired for temporary employment of  
41 six months months' or less duration. An employee who  
42 works for an employer for six or more months in a  
43 calendar year or who works for an employer for more  
44 than one thousand forty hours in a calendar year is  
45 not a temporary employee under this subparagraph.

46 (5) Employees of a community action programs  
47 program, determined to be an instrumentality of the  
48 state or a political subdivision, unless such the  
49 employees elect by filing an application with the  
50 department to be covered under the provisions of this

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1 chapter and the department has approved the election.  
2 Coverage will begin when the election has been  
3 approved by the department.

4 (7) Persons employed under the federal Job  
5 Training Partnership Act of 1982, Pub. L. No. 97-300,  
6 unless these employees make an application to the  
7 department to be covered under this chapter and the  
8 department has approved the election. Coverage will  
9 begin when the election has been approved by the  
10 department.

11 Sec. 29. Section 97B.41, subsection 3, paragraph  
12 b, Code 1991, is amended by adding the following new  
13 subparagraph:

14 NEW SUBPARAGRAPH. (16) Persons employed by the  
15 board of trustees for the statewide fire and police  
16 retirement system established in section 411.36,  
17 unless these employees make an application to the  
18 department to be covered under this chapter and the  
19 department has approved the election. Coverage will  
20 begin when the election has been approved by the  
21 department.

22 Sec. 30. Section 97B.41, subsection 7, Code 1991,  
23 is amended to read as follows:

24 7. "Member" means an employee or a former employee  
25 ~~required-to-become-a-member-of-the-system-by-sections~~  
26 ~~97B.42-and-97B.43~~ who maintains the employee's or  
27 former employee's accumulated contributions in the  
28 system. The former employee is not a member if the  
29 former employee has received a refund of the former  
30 employee's accumulated contributions.

31 Sec. 31. Section 97B.41, subsection 10, paragraph  
32 a, unnumbered paragraph 1, Code 1991, is amended to  
33 read as follows:

34 "Vested member" means a member ~~who-meets~~ who has  
35 attained through age or sufficient years of service  
36 eligibility to receive monthly retirement benefits  
37 upon the member's retirement. A vested member must  
38 meet one of the following requirements:

39 Sec. 32. Section 97B.41, subsection 11, Code 1991,  
40 is amended to read as follows:

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

48 Sec. 33. Section 97B.41, Code 1991, is amended by  
49 adding the following new subsection:

50 NEW SUBSECTION. 11A. "Bona fide retirement" means

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1 a retirement by a vested member which meets the  
2 requirements of section 97B.52A, subsection 1, and in  
3 which the member is eligible to receive benefits under  
4 this chapter.

5 Sec. 34. Section 97B.41, subsections 16 and 17,  
6 Code 1991, are amended to read as follows:

7 16. "Beneficiary" means the person or persons who  
8 are entitled to receive any benefits payable under  
9 this chapter at the death of a member payable under  
10 this chapter who has or, if the person or persons have  
11 been designated in writing by the member on a form  
12 provided by the department and filed with the  
13 department, or if. If no such designation is in  
14 effect at the time of death of the member or if no  
15 person so designated is living at that time, then the  
16 beneficiary ~~shall be~~ is the estate of the member.

17 17. "Membership service" means service rendered by  
18 a member after July 4, 1953. Years of membership  
19 service shall be counted to the complete quarter  
20 calendar year. However, membership service for a  
21 calendar year shall not include more than four  
22 quarters.

23 Sec. 35. Section 97B.41, subsection 19, Code 1991,  
24 is amended to read as follows:

25 19. "Three-year average covered wage" means a  
26 member's covered wages averaged for the highest three  
27 years of the member's service, except as otherwise  
28 provided in this subsection. The highest three years  
29 of a member's covered wages shall be determined using  
30 calendar years. However, if a member's final quarter  
31 of a year of employment does not occur at the end of a  
32 calendar year, the department may determine the wages  
33 for the third year by combining the wages from the  
34 highest quarter or quarters not being used in the  
35 selection of the two highest years with the final  
36 quarter or quarters of the member's service to create  
37 a full year. However, the department shall not use  
38 the member's final quarter of wages if using that  
39 quarter would reduce the member's three-year average  
40 covered wage. If the three-year average covered wage  
41 of a member exceeds the highest maximum covered wages  
42 in effect for a calendar year during the member's  
43 period of service, the three-year average covered wage  
44 of the member shall be reduced to the highest maximum  
45 covered wages in effect during the member's period of  
46 service.

47 Sec. 36. Section 97B.42, unnumbered paragraph 1,  
48 Code 1991, is amended to read as follows:

49 Each employee whose employment commences after July  
50 4, 1953, or who has not qualified for credit for prior

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1 service rendered prior to July 4, 1953, or any  
2 publicly elected official of the state or any of its  
3 political subdivisions, ~~other than individuals who are~~  
4 ~~students and who devote their time and efforts chiefly~~  
5 ~~to their studies, rather than to incidental~~  
6 employment, shall become a member upon the first day  
7 in which such employee is employed. The employee  
8 shall continue to be a member so long as the employee  
9 continues in public employment ~~except that the.~~ The  
10 employee shall cease to be a member if ~~after making~~  
11 ~~said election~~ the employee joins another retirement  
12 system in the state which is maintained in whole or in  
13 part by public contributions or payments ~~which has~~  
14 ~~been in operation prior to July 4, 1953, and was~~  
15 ~~subsequently liquidated and may have thereafter been~~  
16 ~~re-established. However, the participation in such~~  
17 ~~other retirement system shall be voluntary and shall~~  
18 ~~not be a condition for continuance of employment.~~

19 Sec. 37. Section 97B.42, unnumbered paragraph 5,  
20 Code 1991, is amended to read as follows:

21 Notwithstanding any other provision of this  
22 section, commencing July 1, 1994, a member who is  
23 employed by a community college may elect coverage  
24 under an alternative retirement benefits system, which  
25 is issued by or through a nonprofit corporation  
26 issuing retirement annuities exclusively to  
27 educational institutions and their employees, in lieu  
28 of continuing or commencing contributions to the Iowa  
29 public employees' retirement system, if the board of  
30 directors of the community college has approved the  
31 alternative system pursuant to section 280A.23.  
32 ~~However, a vested member who elects to participate in~~  
33 ~~the alternative benefits system does not have a right~~  
34 ~~to withdraw funds from the member's Iowa public~~  
35 ~~employees' retirement system account prior to~~  
36 ~~retirement or termination of covered employment. A~~  
37 member employed by a community college who elects  
38 coverage under an alternative retirement benefits  
39 system may withdraw the member's accumulated  
40 contributions effective when coverage under the  
41 alternative benefits system commences. The department  
42 shall cooperate with the boards of directors of the  
43 community colleges to facilitate the implementation of  
44 this unnumbered paragraph provision.

45 Sec. 38. Section 97B.43, unnumbered paragraph 1,  
46 Code 1991, is amended to read as follows:

47 Each member in service on July 4, 1953, who made  
48 contributions under the abolished system, and who has  
49 not applied for and qualified for benefit payments  
50 under the abolished system, shall receive credit for

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1 years of prior service in the determination of  
2 retirement allowance payments under ~~any-of-the~~  
3 ~~provisions-of~~ this chapter, ~~provided-(1)-such~~ if the  
4 member elects to become a member on or before October  
5 1, 1953, ~~(2)-such~~ the member has not made application  
6 for a refund of ~~such~~ the part of the member's  
7 contributions under the abolished system ~~as-is~~ which  
8 ~~are~~ payable under the ~~provisions-of~~ sections 97.50 to  
9 97.53, and ~~(3)-such~~ the member gives written  
10 authorization prior to October 1, 1953, to the  
11 commission to credit to the retirement fund the amount  
12 of the member's contribution which would be subject to  
13 a claim for refund. The amount so credited shall,  
14 after such transfer, be considered as a contribution  
15 to the system made as of July 4, 1953, by the member  
16 and shall be included ~~as-such~~ in the determination of  
17 the amount of ~~any-accumulated-contributions-payable~~  
18 ~~under-this-chapter-in-the-event-of-the-death-prior-to~~  
19 ~~retirement-or-termination-of-employment-of-the-member,~~  
20 ~~but-shall-not-be-included-in-the-accumulated~~  
21 ~~contributions-of-the-member-in-the-determination-of~~  
22 ~~the-amount-of-any-retirement-allowance-payable-under~~  
23 ~~this-chapter~~ moneys payable under this chapter.  
24 ~~Provided,-however~~ However, an employee who was under a  
25 contract of employment as a teacher in the public  
26 schools of the state of Iowa at the end of the school  
27 year 1952-1953, or any person covered by the  
28 ~~provisions-of~~ paragraph "c" or "d", of subsection 13,  
29 of section 97B.41, shall be considered as in service  
30 as of July 4, 1953, if they were members of the  
31 abolished system.

32 Sec. 39. Section 97B.44, Code 1991, is amended to  
33 read as follows:

34 97B.44 BENEFICIARY.

35 Each member shall designate on a form to be  
36 furnished by the department a beneficiary for any  
37 death benefits payable ~~hereunder~~ under this chapter on  
38 the death of ~~such~~ the member. ~~Such~~ The designation  
39 may be changed from time to time by the member by  
40 filing a new designation with the department. ~~The~~  
41 ~~designation of a beneficiary is not applicable if the~~  
42 ~~member receives a refund of all contributions of the~~  
43 ~~member. If a member who has received a refund of~~  
44 ~~contributions returns to employment, the member shall~~  
45 ~~file a new designation with the department.~~

46 ~~If a member has not designated a beneficiary on a~~  
47 ~~form furnished by the department, or if there are no~~  
48 ~~surviving designated beneficiaries of a member, death~~  
49 ~~benefits payable under this chapter shall be paid to~~  
50 ~~the member's estate.~~

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1 Sec. 40. Section 97B.48, subsection 2, Code 1991,  
2 is amended to read as follows:

3 2. The first monthly payment of a normal  
4 retirement allowance shall be paid as of the normal  
5 retirement effective date, which date shall be the  
6 later of the normal retirement date or the first day  
7 of the sixth calendar month preceding the month in  
8 which written notice of normal retirement is submitted  
9 to the department. Written notice under this section  
10 may consist of submission of a completed estimate  
11 request form, a completed application for retirement  
12 form, or a letter from the member requesting  
13 information on retirement benefits, whichever is  
14 received first by the department. However, a letter  
15 requesting information on benefits or submission of a  
16 completed estimate request form is only valid for six  
17 months following the date of its receipt by the  
18 department, unless during that six-month period the  
19 department receives a completed application for  
20 retirement form from the member. A retirement  
21 allowance may only be provided retroactively for a  
22 single six-month period. Payment of an early  
23 retirement allowance or an allowance for retirement  
24 after the normal retirement date shall be paid as of  
25 the effective date of retirement subject to the  
26 provisions of section 97B.45, 97B.46, or 97B.47. The  
27 payments shall be continued thereafter for the  
28 lifetime of the retired member except as provided in  
29 subsection 3 section 97B.48A.

30 Sec. 41. Section 97B.48, subsection 3, Code 1991,  
31 is amended by striking the subsection and inserting in  
32 lieu thereof the following:

33 3. As of the first of the month in which a member  
34 attains the age of seventy years, the member may  
35 commence receiving a retirement allowance regardless  
36 of the member's employment status.

37 Sec. 42. NEW SECTION. 97B.48A REEMPLOYMENT.

38 1. If, after the first day of the month in which  
39 the member attains the age of fifty-five years and  
40 until the member's sixty-fifth birthday, a member who  
41 has a bona fide retirement under this chapter is in  
42 regular full-time employment during a calendar year,  
43 the member's retirement allowance shall be suspended  
44 for as long as the member remains in employment for  
45 the remainder of that calendar year. However,  
46 effective January 1, 1992, employment is not full-time  
47 employment until the member receives remuneration in  
48 an amount in excess of seven thousand four hundred  
49 forty dollars for a calendar year. Effective the  
50 first of the month in which a member attains the age

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1 of sixty-five years, a retired member may receive a  
2 retirement allowance after return to covered  
3 employment regardless of the amount of remuneration  
4 received.

5 2. Effective January 1, 1991, a retired member of  
6 any age may receive a retirement allowance after  
7 return to covered employment, regardless of the amount  
8 of remuneration received, if the covered employment  
9 consists of holding an elective office.

10 3. Upon a retirement after reemployment, a retired  
11 member may have the retired member's retirement  
12 allowance redetermined under this section or section  
13 97B.49 or 97B.50, whichever is applicable, based upon  
14 the addition of credit for the years of membership  
15 service of the employee after reemployment, the  
16 covered wage during reemployment, and the age of the  
17 employee after reemployment. The member shall receive  
18 a single retirement allowance calculated from both  
19 periods of membership service, one based on the  
20 initial retirement and one based on the second  
21 retirement following reemployment. If the total years  
22 of membership service and prior service of a member  
23 who has been reemployed equals or exceeds thirty, the  
24 years of membership service on which the original  
25 retirement allowance was based may be reduced by a  
26 fraction of the years of service equal to the number  
27 of years by which the total years of membership  
28 service and prior service exceeds thirty divided by  
29 thirty, if this reduction in years of service will  
30 increase the total retirement allowance of the member.  
31 The additional retirement allowance calculated for the  
32 period of reemployment shall be added to the  
33 retirement allowance calculated for the initial period  
34 of membership service and prior service, adjusted as  
35 provided in this subsection. The retirement allowance  
36 calculated for the initial period of membership  
37 service and prior service shall not be adjusted for  
38 any other factor than years of service. The retired  
39 member shall not receive a retirement allowance based  
40 upon more than a total of thirty years of service.

41 4. The department shall pay to the member the  
42 accumulated contributions of the member and to the  
43 employer the employer contributions, plus two percent  
44 interest plus interest dividends for all completed  
45 calendar years, compounded annually, on the covered  
46 wages earned by a retired member that are not used in  
47 the recalculation of the retirement allowance of a  
48 member.

49 Sec. 43. Section 97B.49, subsection 5, unnumbered  
50 paragraph 1, Code 1991, is amended to read as follows:

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1 Commencing July 1, 1991, the department shall  
2 increase the percentage multiplier of the three-year  
3 average covered wage by an additional two percent each  
4 July 1 until reaching sixty percent of the three-year  
5 average covered wage if the annual actuarial valuation  
6 of the retirement system indicates for that year that  
7 the cost of this increase in the percentage of the  
8 three-year average covered wage used in computing  
9 retirement benefits can be absorbed within the  
10 employer and employee contribution rates in effect  
11 under section 97B.11. The two percent increase in the  
12 percentage multiplier for a year applies only to the  
13 members retiring on or after July 1 of the respective  
14 year.

15 Sec. 44. Section 97B.49, subsection 5, Code 1991,  
16 is amended by adding the following new unnumbered  
17 paragraph after unnumbered paragraph 2:

18 NEW UNNUMBERED PARAGRAPH. In accordance with  
19 sections 97D.1 and 97D.4, it is the intent of the  
20 general assembly that once the goal of sixty percent  
21 of the three-year average covered wage is attained for  
22 a percentage multiplier, the department shall submit  
23 to the public retirement systems committee a plan for  
24 future benefit enhancements. This plan shall include,  
25 but is not limited to, continuation in the increase in  
26 the covered wage ceiling until reaching fifty-five  
27 thousand dollars for a calendar year, providing for  
28 annual adjustments in the annual dividends paid to  
29 retired members as provided in section 97B.49,  
30 subsection 13, and providing for the indexing of  
31 terminated vested members' earned benefits at a rate  
32 of three percent per year calculated from the date of  
33 termination from covered employment until the date of  
34 retirement.

35 Sec. 45. Section 97B.49, subsection 13, Code 1991,  
36 is amended to read as follows:

37 13. a. A member who retired from the system  
38 between January 1, 1976, and June 30, 1982, or a  
39 contingent annuitant or beneficiary of such a member,  
40 shall receive with the November ~~1990~~ 1992 and the  
41 November ~~1991~~ 1993 monthly benefit payments a  
42 retirement dividend equal to one hundred forty percent  
43 of the monthly benefit payment the member received for  
44 the preceding June, or the most recently received  
45 benefit payment, whichever is greater. The retirement  
46 dividend does not affect the amount of a monthly  
47 benefit payment.

48 b. Each member who retired from the system between  
49 July 4, 1953, and December 31, 1975, or a contingent  
50 annuitant or beneficiary of such a member, shall

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1 receive with the November ~~1990~~ 1992 and the November  
2 ~~1991~~ 1993 monthly benefit payments a retirement  
3 dividend equal to one hundred eighty percent of the  
4 monthly benefit payment the member received for the  
5 preceding June, or the most recently received benefit  
6 payment, whichever is greater. The retirement  
7 dividend does not affect the amount of a monthly  
8 benefit payment.

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

13 d. A member who retired from the system between  
14 July 1, 1982, and June 30, 1986, or a contingent  
15 annuitant or beneficiary of such a member, shall  
16 receive with the November ~~1990~~ 1992 and the November  
17 ~~1991~~ 1993 monthly benefit payments a retirement  
18 dividend equal to twenty-four percent of the monthly  
19 benefit payment the member received for the preceding  
20 June, or the most recently received benefit payment,  
21 whichever is greater. The retirement dividend does  
22 not affect the amount of a monthly benefit payment.

23 e. If the member dies on or after July 1 of the  
24 dividend year but before the payment date, the full  
25 amount of the retirement dividend for that year shall  
26 be paid to the designated beneficiary. If there is no  
27 beneficiary designated by the member, the department  
28 shall pay the dividend to the member's estate. The  
29 beneficiary, or the representative of the member's  
30 estate, must apply for the dividend within two years  
31 after the dividend is payable or the dividend is  
32 forfeited.

33 Sec. 46. Section 97B.49, subsection 16, paragraph  
34 a, Code 1991, is amended by adding the following new  
35 subparagraph:

36 NEW SUBPARAGRAPH. (4) The years of membership  
37 service required under this paragraph include  
38 membership service as a sheriff or deputy sheriff and  
39 membership service as an employee in a protection  
40 occupation under paragraph "d", subparagraph (2).

41 Sec. 47. Section 97B.50, subsection 1, unnumbered  
42 paragraph 1, Code Supplement 1991, is amended to read  
43 as follows:

44 Except as otherwise provided in this section, a  
45 vested member, upon retirement prior to the normal  
46 retirement date, is entitled to receive a monthly  
47 retirement allowance determined in the same manner as  
48 provided for normal retirement in subsections 1, 4,  
49 and 5 of section 97B.49 reduced as follows:

50 Sec. 48. Section 97B.50, subsections 2 and 4, Code

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1 Supplement 1991, are amended to read as follows:

2 2. a. A vested member who retires from the system  
3 due to disability and commences receiving disability  
4 benefits pursuant to the United States Social Security  
5 Act (42 U.S.C.), as amended to July 1, 1978, and who  
6 has not reached the normal retirement date, shall  
7 receive ~~full~~ benefits under section 97B.49 and shall  
8 not have benefits reduced upon retirement as required  
9 under subsection 1 regardless of whether the member  
10 has completed thirty or more years of membership  
11 service. However, the benefits shall be suspended  
12 during any period in which the member returns to  
13 covered employment. This section takes effect July 1,  
14 1990, for a member meeting the requirements of this  
15 paragraph who retired from the system at any time  
16 after July 4, 1953. Eligible members are entitled to  
17 the receipt of retroactive adjustment payments back to  
18 July 1, 1990.

19 b. A vested member who retires from the system due  
20 to disability and commences receiving disability  
21 benefits pursuant to the United States Railroad  
22 Retirement Act (45 U.S.C. § 231 et seq.), and who ~~is~~  
23 ~~eligible-for-early-retirement-but~~ has not reached the  
24 normal retirement date, shall receive ~~full~~ benefits  
25 under section 97B.49 and shall not have benefits  
26 reduced upon retirement as required under subsection 1  
27 regardless of whether the member has completed thirty  
28 or more years of membership service. However, the  
29 benefits shall be suspended during any period in which  
30 the member returns to covered employment. This  
31 section takes effect July 1, 1990, for a member  
32 meeting the requirements of this paragraph who retired  
33 from the system at any time since July 4, 1953.  
34 ~~However, eligible~~ Eligible members are entitled to the  
35 receipt of retroactive adjustment payments ~~for no more~~  
36 ~~than six months immediately preceding the month after~~  
37 ~~back to July 1, 1990, in which written notice was~~  
38 ~~submitted to the department.~~

39 ~~Effective July 1, 1990, for members terminating on~~  
40 ~~or after July 4, 1953, a member who terminates covered~~  
41 ~~employment due to disability and commences receiving~~  
42 ~~disability benefits pursuant to the United States~~  
43 ~~Railroad Retirement Act (45 U.S.C. § 231 et seq.) who~~  
44 ~~has not attained the age of fifty-five years, is~~  
45 ~~eligible to receive benefits under section 97B.49,~~  
46 ~~reduced by twenty-five hundredths of one percent for~~  
47 ~~each month that the retirement date precedes the first~~  
48 ~~day of the month in which the member attains the age~~  
49 ~~of fifty-five. -- However, the benefits shall be~~  
50 ~~suspended during any period in which the member~~

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1 returns-to-covered-employment.--Eligible-members-are  
2 entitled-to-receipt-of-retroactive-adjustment-payments  
3 for-no-more-than-six-months-immediately-preceding-the  
4 month-after-July-17-1990,-in-which-written-notice-was  
5 submitted-to-the-department.

6 4. A vested member eligible for a retirement  
7 allowance adjusted under this section is entitled to  
8 receipt of retroactive adjustment payments for no more  
9 than six months immediately preceding the month in  
10 which written notice of retirement was submitted to  
11 the department.

12 Sec. 49. Section 97B.51, subsections 2, 5, and 6,  
13 Code 1991, are amended to read as follows:

14 2. The election by a member or the contingent  
15 annuitant of the option stated under subsection 1 of  
16 this section shall be null and void if the member dies  
17 prior to retirement the department issuing payment of  
18 the member's first retirement allowance.

19 5. At retirement, a member may designate that upon  
20 the member's death, a specified amount of money shall  
21 be paid to a named beneficiary, and the member's  
22 monthly retirement allowance ~~will~~ shall be reduced by  
23 an actuarially determined amount to provide for the  
24 lump sum payment. The amount designated by the member  
25 must be in thousand dollar increments, and the amount  
26 designated shall not lower the monthly retirement  
27 allowance of the member by more than one-half the  
28 amount payable under section 97B.49, subsection 1 or

29 5. A member may designate a different beneficiary if  
30 the original named beneficiary predeceases the member.

31 6. A member may elect to receive a decreased  
32 retirement allowance during the member's lifetime with  
33 provision that in event of the member's death during  
34 the first one hundred twenty months of retirement,  
35 monthly payments of the member's decreased retirement  
36 allowance shall be made to the member's beneficiary  
37 until a combined total of one hundred twenty monthly  
38 payments have been made to the member and the member's  
39 beneficiary. A member may designate a different  
40 beneficiary if the original named beneficiary  
41 predeceases the member.

42 Sec. 50. Section 97B.52, subsections 1 and 2, Code  
43 1991, are amended to read as follows:

44 1. If a member dies prior to the date the member's  
45 first retirement allowance is payable ~~under~~ issued by  
46 the system, the accumulated contributions of the  
47 member at the date of death plus the product of an  
48 amount equal to the highest year of covered wages of  
49 the deceased member and the number of years of  
50 membership service divided by thirty shall be paid to

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1 the member's beneficiary in a lump sum payment.  
2 However, a lump sum payment made to a beneficiary  
3 under this subsection due to the death of a member  
4 shall not be less than the amount that would have been  
5 payable on the death of the member on June 30, 1984,  
6 under this subsection as it appeared in the 1983 Code.  
7 Effective July 1, 1978, a method of payment under  
8 this subsection filed with the department by a member  
9 does not apply.

10 2. If a member dies after the date the member's  
11 first retirement allowance is ~~payable-under~~ issued by  
12 the retirement system, the excess, if any, of the  
13 accumulated contributions by the member as of said  
14 date, over the total monthly retirement allowances  
15 received by the member under the retirement system  
16 will be paid to the member's beneficiary unless the  
17 retirement allowance is then being paid in accordance  
18 with subsection 1, 4, 5, or 6 of section 97B.51.

19 Sec. 51. Section 97B.52, subsection 3, paragraph  
20 b, Code 1991, is amended to read as follows:

21 b. If a death benefit is due and payable, interest  
22 shall continue to accumulate through the month  
23 preceding the month in which payment is made to the  
24 designated beneficiary, heirs at law, or to the estate  
25 unless the payment of the death benefit is delayed  
26 because of a dispute between alleged heirs, in which  
27 case the benefit due and payable shall be placed in a  
28 noninterest bearing escrow account until the  
29 beneficiary is determined in accordance with this  
30 section. In order to receive the death benefit, the  
31 beneficiary, heirs at law, or the estate, or any other  
32 third-party payee, must apply to the department within  
33 two years of the member's death.

34 Sec. 52. Section 97B.52, subsection 4, Code 1991,  
35 is amended to read as follows:

36 4. If the department cannot locate the beneficiary  
37 within eighteen months following the member's death  
38 and receipt of verification that a certified letter  
39 with return receipt requested, addressee only, has  
40 been delivered mailed to the beneficiary, the  
41 department shall pay to the estate of the deceased  
42 member the amount otherwise designated to be received  
43 by the beneficiary. If a beneficiary is known to  
44 exist but cannot be notified, the department shall not  
45 pay the death benefits to the estate.

46 Sec. 53. Section 97B.52, Code 1991, is amended by  
47 adding the following new subsection:

48 NEW SUBSECTION. 6. If a member has not filed a  
49 designation of beneficiary with the department, the  
50 death benefit is payable to the member's estate. If

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1 no designation has been filed and an estate is not  
2 probated, the death benefit shall be paid to the  
3 surviving spouse, if any. If no designation has been  
4 filed, no estate has been probated, and there is no  
5 surviving spouse, the death benefit shall be paid to  
6 the heirs. Otherwise, the death benefit shall remain  
7 in the fund.

8 Sec. 54. NEW SECTION. 97B.52A ELIGIBILITY FOR  
9 BENEFITS --BONA FIDE RETIREMENT.

10 1. A member has a bona fide retirement when the  
11 member terminates employment and remains out of  
12 employment for at least one hundred twenty consecutive  
13 days, files an application for benefits form with the  
14 department, and does not return to employment as  
15 defined in this chapter until the member has qualified  
16 for no fewer than four calendar month's retirement  
17 benefits.

18 2. A member may commence receiving retirement  
19 benefits under this chapter upon satisfying  
20 eligibility requirements and remaining out of covered  
21 employment for one calendar month. However, a retired  
22 member who commences receiving a retirement allowance  
23 but returns to employment before the expiration of the  
24 one hundred twenty consecutive day period, does not  
25 have a bona fide retirement and any retirement  
26 allowance received by such a member must be returned  
27 to the system together with interest earned on the  
28 retirement allowance calculated at a rate determined  
29 by the department. Until the member has repaid the  
30 retirement allowance and interest, the department may  
31 withhold any future retirement allowance for which the  
32 member may qualify.

33 Sec. 55. Section 97B.53, Code 1991, is amended to  
34 read as follows:

35 97B.53 TERMINATION OF EMPLOYMENT -- REFUND  
36 OPTIONS.

37 All-rights-to-all-benefits-under Membership in the  
38 retirement system, and all rights to the benefits  
39 under the system, will cease upon a member's  
40 termination of employment with the employer prior to  
41 the member's retirement, other than by death, except  
42 as-provided-hereafter: and upon receipt by the member  
43 of the member's accumulated contributions.

44 1. Upon the termination of employment with the  
45 employer prior to retirement other than by death of a  
46 member, the accumulated contributions by the member at  
47 the date of such the termination will may be paid to  
48 such the member upon application, except as may-be  
49 provided in subsection subsections 2, subsection 5,  
50 and subsection 6 of-this-section.

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1 2. If a vested member's employment is terminated  
2 prior to the member's retirement, other than by death,  
3 the member ~~shall~~ may receive a monthly retirement  
4 allowance commencing on the first day of the month in  
5 which the member attains the age of sixty-five years,  
6 if the member is then alive, or, if the member so  
7 elects in accordance with section 97B.47, commencing  
8 on the first day of the month in which the member  
9 attains the age of fifty-five or any month thereafter  
10 prior to the date the member attains the age of sixty-  
11 five years, and continuing on the first day of each  
12 month thereafter during the member's lifetime,  
13 provided the member does not receive prior to the date  
14 the member's retirement allowance is to commence a  
15 refund of accumulated contributions under any of the  
16 provisions of this chapter. The amount of each such  
17 monthly retirement allowance shall be determined as  
18 provided in either section 97B.49 or in section  
19 97B.50, whichever is applicable.

20 3. The accumulated contributions of a terminated,  
21 ~~vested member who is entitled to the benefits of~~  
22 ~~subsection 2 of this section~~ shall be credited with  
23 interest, including interest dividends.

24 4. A ~~terminated, vested member who is entitled to~~  
25 ~~the benefits of subsection 2 of this section shall~~  
26 ~~have~~ has the right, prior to the commencement of the  
27 member's retirement allowance, to receive a refund of  
28 the member's accumulated contributions, and in the  
29 event of the death of the member prior to the  
30 commencement of the member's retirement allowance and  
31 prior to the receipt of any such refund the benefits  
32 of subsection 1 of section 97B.52 shall be paid. ~~No~~  
33 ~~member shall be entitled to any refund based upon any~~  
34 ~~credit for prior service as determined under the~~  
35 ~~provisions of section 97B.43 or for any portion of any~~  
36 ~~contribution made by an employer unless otherwise~~  
37 ~~provided by this chapter.~~

38 5. A member has not terminated employment if the  
39 member accepts other covered employment ~~in the state~~  
40 ~~of Iowa under which the member is eligible to~~  
41 ~~membership in the Iowa public employees' retirement~~  
42 ~~system~~, within thirty days after ~~the member has left~~  
43 ~~public employment.~~

44 5A. Within sixty days after a member has been  
45 issued payment for a refund of the member's  
46 accumulated contributions, the member may repay the  
47 accumulated contributions plus interest that would  
48 have accrued, as determined by the department, and  
49 receive credit for membership service for the period  
50 covered by the refund payment.

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1 5B. Any A member who does not withdraw the  
2 member's accumulated contributions upon termination of  
3 employment may at any time request the return of the  
4 member's accumulated contributions, but if the member  
5 receives such a return of contributions the member  
6 ~~shall-be-deemed-to-have~~ has waived all claims for any  
7 other benefits and membership rights from the fund.

8 6. Any A member who terminates employment before  
9 the member ~~is entitled-to-the-benefits-of-subsection-2~~  
10 ~~of-this-section~~ vested and who does not claim and  
11 receive a refund of the member's accumulated  
12 contributions within five years of the date of  
13 termination shall, ~~in-event if~~ if the member makes claim  
14 for such a refund more than five years after the date  
15 of termination, be required to submit proof  
16 satisfactory to the department of the member's  
17 entitlement to such the refund, but in no case shall  
18 interest be allowed upon the accumulated contributions  
19 for any period in which the member is not an employee.  
20 The department ~~shall-be~~ is under no obligation to  
21 maintain the accumulated contribution accounts of such  
22 former members for more than five years after their  
23 dates of termination.

24 Any A person who made contributions to the  
25 abolished system, who is entitled to a refund in  
26 accordance with the provisions of this chapter, and  
27 who has not claimed and received such a refund prior  
28 to January 1, 1964, shall, ~~in-event if~~ if the person  
29 makes a claim for such refund after January 1, 1964,  
30 be required to submit proof satisfactory to the  
31 department of the person's entitlement to such the  
32 refund. The department ~~shall-be~~ is under no  
33 obligation to maintain the contribution accounts of  
34 such persons after January 1, 1964.

35 7. Any member whose employment is terminated after  
36 one year of employment but before the member has  
37 accumulated four or more years of employment, either  
38 under the provisions of this chapter or as a result of  
39 prior service credits, may elect to leave the member's  
40 accumulated contributions in the retirement fund. In  
41 the event the member returns to public employment at  
42 any time within four years after this termination of  
43 employment, the member shall be entitled to resume  
44 membership in the system with the same credits for  
45 prior service and accumulated contributions that the  
46 member had earned when the member's original  
47 employment was terminated. No interest shall be  
48 credited on the member's accumulated contributions nor  
49 on the member's employer's accumulated contributions  
50 during the period from the time of the member's

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1 termination of employment to the member's resumption  
2 of employment.

3 Any member who has resumed employment under the  
4 provisions of this subsection shall not be eligible  
5 for any second period of absence from membership as a  
6 result of termination of service.

7 8. If an employee hired to fill a permanent  
8 position terminates the employee's employment within  
9 six months from the date of employment, the employer  
10 may file a claim with the department for a refund of  
11 the funds contributed to the department by the  
12 employer for the employee.

13 ~~9. The department shall refund employee and  
14 employer contributions on the covered wages earned by  
15 a retired member that are not used in the  
16 recomputation of monthly benefits of that member.~~

17 Sec. 56. Section 97B.58, Code 1991, is amended to  
18 read as follows:

19 97B.58 INFORMATION FURNISHED BY EMPLOYER.

20 To enable the department to perform its functions,  
21 the employer shall, upon the request of and in the  
22 manner provided by the department, supply full and  
23 timely information to the department of all matters  
24 relating to the pay of all members, date of birth,  
25 their retirement, death, or other cause for  
26 termination of employment, and such other pertinent  
27 facts as the department may require in the manner  
28 provided by the department.

29 Sec. 57. Section 97B.73, Code 1991, is amended to  
30 read as follows:

31 97B.73 MEMBERS FROM OTHER PUBLIC SYSTEMS.

32 A vested or retired member who was in public  
33 employment comparable to employment covered under this  
34 chapter in another state or in the federal government,  
35 or who was a member of another public retirement  
36 system in this state, including but not limited to the  
37 teachers insurance annuity association-college  
38 retirement equities fund, but who was not retired  
39 under that system, upon submitting verification of  
40 membership and service in the other public retirement  
41 system to the department, including proof that the  
42 member has no further claim upon a retirement benefit  
43 from that other public system, may make employer and  
44 employee contributions to the system for the period of  
45 service in the other public retirement system and  
46 receive credit for membership service in this system  
47 equivalent to the number of years of service in  
48 transferred from the other public retirement system.  
49 The contribution payable shall be based upon the  
50 member's covered wages for the most recent full

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1 calendar year at the applicable rates in effect for  
2 that calendar year under sections 97B.11 and 97B.49  
3 and multiplied by the member's years of service in  
4 other public employment. If the member's most recent  
5 covered wages were earned prior to the most recent  
6 calendar year, the member's covered wages shall be  
7 adjusted by the department by an inflation factor to  
8 reflect changes in the economy since the covered wages  
9 were earned.

10 This section is applicable to a vested or retired  
11 member who was a member of a public retirement system  
12 established in sections 294.8, 294.9, and 294.10 but  
13 was not retired under that system.

14 A member vested-under entitled to a benefit from  
15 another public system must waive, on a form provided  
16 by the Iowa public employees' retirement system, all  
17 rights to a retirement benefit under that the other  
18 public system before receiving credit in this system  
19 for those the years of service in the other public  
20 system. The waiver must be accepted by the other  
21 public system.

22 Effective July 1, 1988, a member eligible for an  
23 increased retirement allowance because of the payment  
24 of contributions under this section is entitled to  
25 receipt of retroactive adjustment payments for no more  
26 than six months immediately preceding the month in  
27 which written notice was submitted to the department.

28 Sec. 58. Section 97B.80, Code 1991, is amended to  
29 read as follows:

30 97B.80 VETERAN'S CREDIT.

31 Effective July 1, 1990 1992, a vested or retired  
32 member with-reportable-wages-in-the-most-recent  
33 calendar-year, who at any time served on active duty  
34 in the armed forces of the United States, upon  
35 submitting verification of the dates of the active  
36 duty service, may make employer and employee  
37 contributions to the system based upon the member's  
38 covered wages for the most recent full calendar year  
39 in which the member had reportable wages at the  
40 applicable rates in effect for that year under  
41 sections 97B.11 and 97B.49, for the period of time of  
42 the active duty service, in one-year increments but  
43 not-to-exceed-four-years of no greater than one year  
44 and not less than one calendar quarter, and receive  
45 credit for membership service and prior service for  
46 the period of time for which the contributions are  
47 made. However, the member may not make contributions  
48 in an increment of less than one year more than once.  
49 The member may also make one lump sum contribution to  
50 the system which represents the period of time of the

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1 active duty service, even if the period of time  
2 exceeds one year. If the member's most recent covered  
3 wages were earned prior to the most recent calendar  
4 year, the member's covered wages shall be adjusted by  
5 the department by an inflation factor to reflect  
6 changes in the economy. The department shall adjust  
7 benefits for a six-month period prior to the date the  
8 member pays contributions under this section if the  
9 member is receiving a retirement allowance at the time  
10 the contribution payment is made. Verification of  
11 active duty service and payment of contributions shall  
12 be made to the department. However, a member is not  
13 eligible to make contributions under this section if  
14 the member is receiving, or is eligible to receive, or  
15 may in the future be eligible to receive retirement  
16 pay from the United States government for active duty  
17 in the armed forces, except for retirement pay granted  
18 by the United States government under retired pay for  
19 nonregular service (10 U.S.C. § 1331, et seq.). A  
20 member receiving retired pay for nonregular service  
21 who makes contributions under this section shall  
22 provide information required by the department  
23 documenting time periods covered under retired pay for  
24 nonregular service.

25 Sec. 59. Section 294.15, unnumbered paragraphs 1  
26 and 2, Code 1991, are amended to read as follows:  
27 A person attaining the age of sixty-five who was an  
28 employee, holding a valid teaching certificate, in the  
29 public schools of this state with a record of service  
30 of twenty-five years or more, including a maximum of  
31 five years' out-of-state service followed by at least  
32 ten years' service in this state prior to retirement  
33 and who retired prior to July 4, 1953, may receive,  
34 effective July 1, ~~1984~~ 1992, retirement allowance  
35 payments from the state of Iowa equal to two hundred  
36 twenty thirty dollars per month. An amount necessary  
37 to meet this requirement shall be added to the  
38 retirement allowance payments, if any, now being  
39 received from the state of Iowa by individuals covered  
40 under this section. No such person shall receive  
41 retirement benefits from the state of more than two  
42 hundred twenty thirty dollars per month. The word  
43 "employee" as used in this section includes persons  
44 who were state superintendents, county  
45 superintendents, or deputy county superintendents.  
46 However, a person receiving retirement allowance  
47 payments under this section may elect in writing to  
48 the department of personnel to continue to receive two  
49 hundred dollars or two hundred twenty dollars per  
50 month.

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1 Sec. 60. Section 411.1, subsection 11, Code  
2 Supplement 1991, is amended by striking the subsection  
3 and inserting in lieu thereof the following:

4 11. "Earnable compensation" or "compensation  
5 earnable" shall mean the annual compensation which a  
6 member receives for services rendered as a police  
7 officer or fire fighter in the course of employment  
8 with a participating city. However, the term  
9 "earnable compensation" or "compensation earnable"  
10 shall not include amounts received for overtime  
11 compensation, meal or travel expenses, uniform  
12 allowances, fringe benefits, severance pay, or any  
13 amount received upon termination or retirement in  
14 payment for accumulated sick leave or vacation.  
15 Contributions made by a member from the member's  
16 earnable compensation to a plan of deferred  
17 compensation shall be included in earnable  
18 compensation. Other contributions made to a plan of  
19 deferred compensation shall not be included except to  
20 the extent provided in rules adopted by the board of  
21 trustees pursuant to section 411.5, subsection 3.

22 Sec. 61. Section 411.5, subsection 6, Code  
23 Supplement 1991, is amended to read as follows:

24 6. RECORDS -- REPORTS. The board of trustees  
25 shall keep a record of all its proceedings, which  
26 record shall be open to public inspection. It shall  
27 submit an annual report to the governor, the general  
28 assembly, and the city council of each participating  
29 city concerning the financial condition of the  
30 retirement system, its current and future liabilities,  
31 and the actuarial valuation of the system. The board  
32 of trustees shall submit a certified audit report  
33 prepared by a certified public accountant to the  
34 auditor of state annually. The system shall comply  
35 with the filing fee requirement of section 11.6,  
36 subsection 10.

37 Sec. 62. Section 411.6, subsection 2, paragraphs a  
38 through c, Code Supplement 1991, are amended to read  
39 as follows:

40 a. ~~Upon retirement from service, prior to July 1,~~  
41 ~~1990, a member shall receive a~~ The service retirement  
42 allowance which for a member who terminates service,  
43 other than by death or disability, prior to July 1,  
44 1990, shall consist of a pension given by the city  
45 which equals fifty percent of the member's average  
46 final compensation.

47 b. ~~Upon retirement from service on or after July~~  
48 ~~17, 1990, but before July 17, 1992, a member shall~~  
49 ~~receive a~~ The service retirement allowance which for a  
50 member who terminates service, other than by death or

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1 disability, on or after July 1, 1990, but before July  
2 1, 1992, shall consist of a pension which equals  
3 fifty-four percent of the member's average final  
4 compensation.

5 c. Commencing July 1, 1992, for members who  
6 terminate service, other than by death or disability,  
7 on or after that date, the system shall increase the  
8 percentage multiplier of the member's average final  
9 compensation by an additional two percent each July 1  
10 until reaching sixty percent of the member's average  
11 final compensation. The applicable percentage  
12 multiplier shall be the rate in effect on the date of  
13 the member's termination from service.

14 Sec. 63. Section 411.6, subsection 3, Code  
15 Supplement 1991, is amended to read as follows:

16 3. ORDINARY DISABILITY RETIREMENT BENEFIT. Upon  
17 application to the system, of a member in service or  
18 of the chief of the police or fire departments,  
19 respectively, any member shall be retired by the  
20 system, not less than thirty and not more than ninety  
21 days next following the date of filing the  
22 application, on an ordinary disability retirement  
23 allowance, if the medical board after a medical  
24 examination of the member certifies that the member is  
25 mentally or physically incapacitated for further  
26 performance of duty, that the incapacity is likely to  
27 be permanent, and that the member should be retired.  
28 However, if a person's membership in the system first  
29 commenced on or after July 1, 1992, the member shall  
30 not be eligible for benefits with respect to a  
31 disability which would not exist, but for a medical  
32 condition that was known to exist on the date that  
33 membership commenced.

34 Sec. 64. Section 411.6, subsection 4, Code  
35 Supplement 1991, is amended to read as follows;

36 4. Allowance on ordinary disability retirement.  
37 Upon retirement for ordinary disability a member shall  
38 receive an ordinary disability retirement allowance  
39 which shall consist of a pension which shall equal  
40 fifty percent of the member's average final  
41 compensation ~~except-if~~ unless either of the following  
42 conditions exist:

43 a. If the member has not had five or more years of  
44 membership service the member shall receive a pension  
45 equal to one-fourth of the member's average final  
46 compensation.

47 b. If the member has had twenty-two or more years  
48 of membership service, the member shall receive a  
49 disability retirement allowance that is equal to the  
50 greater of the benefit that the member would receive

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1 under subsection 2 if the member were fifty-five years  
2 of age or the disability pension otherwise calculated  
3 under this subsection.

4 Sec. 65. Section 411.6, subsection 5, Code  
5 Supplement 1991, is amended to read as follows:

6 5. ACCIDENTAL DISABILITY BENEFIT.

7 a. Upon application to the system, of a member in  
8 service or of the chief of the police or fire  
9 departments, respectively, any member who has become  
10 totally and permanently incapacitated for duty as the  
11 natural and proximate result of an injury or disease  
12 incurred in or aggravated by the actual performance of  
13 duty at some definite time and place, or while acting  
14 pursuant to order, outside of the city by which the  
15 member is regularly employed, shall be retired by the  
16 system, if the medical board certifies that the member  
17 is mentally or physically incapacitated for further  
18 performance of duty, that the incapacity is likely to  
19 be permanent, and that the member should be retired.  
20 However, if a person's membership in the system first  
21 commenced on or after July 1, 1992, the member shall  
22 not be eligible for benefits with respect to a  
23 disability which would not exist, but for a medical  
24 condition that was known to exist on the date that  
25 membership commenced.

26 b. If a member in service or the chief of the  
27 police or fire departments becomes incapacitated for  
28 duty as a natural or proximate result of an injury or  
29 disease incurred in or aggravated by the actual  
30 performance of duty at some definite time or place or  
31 while acting, pursuant to order, outside the city by  
32 which the member is regularly employed, the member,  
33 upon being found to be temporarily incapacitated  
34 following a medical examination as directed by the  
35 system city, is entitled to receive the member's full  
36 pay and allowances from the city's general fund until  
37 re-examined as directed by the system city and found  
38 to be fully recovered or until the city determines  
39 that the member is likely to be permanently disabled.  
40 The board of trustees of the statewide system has no  
41 jurisdiction over these matters until the city  
42 determines that the disability is likely to be  
43 permanent.

44 c. Disease under this section shall mean heart  
45 disease or any disease of the lungs or respiratory  
46 tract and shall be presumed to have been contracted  
47 while on active duty as a result of strain or the  
48 inhalation of noxious fumes, poison or gases.  
49 However, if a person's membership in the system first  
50 commenced on or after July 1, 1992, and the heart

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1 disease or disease of the lungs or respiratory tract  
2 would not exist, but for a medical condition that was  
3 known to exist on the date that membership commenced,  
4 the presumption established in this paragraph shall  
5 not apply.

6 Sec. 66. Section 411.6, subsection 6, paragraph b,  
7 Code Supplement 1991, is amended to read as follows:

8 b. Upon retirement for accidental disability on or  
9 after July 1, 1990, a member shall receive an  
10 accidental disability retirement allowance which shall  
11 consist of a pension equal to sixty percent of the  
12 member's average final compensation. However, if the  
13 member has had twenty-two or more years of membership  
14 service, the member shall receive a disability  
15 retirement allowance that is equal to the greater of  
16 the retirement allowance that the member would receive  
17 under subsection 2 if the members were fifty-five  
18 years of age or the disability retirement allowance  
19 calculated under this paragraph.

20 Sec. 67. Section 411.6A, Code 1991, is amended by  
21 striking the section and inserting in lieu thereof the  
22 following:

23 411.6A OPTIONAL RETIREMENT BENEFITS.

24 1. In lieu of the payment of a service retirement  
25 allowance under section 411.6, subsection 2, and the  
26 payment of a pension to the spouse of a deceased  
27 pensioned member under section 411.6, subsection 11, a  
28 member may select an option provided under this  
29 section. The board of trustees shall adopt rules  
30 under section 411.5, subsection 3, providing the  
31 optional forms of payment that may be selected by the  
32 member. The optional forms of payment may provide  
33 adjustments to the amount of the retirement allowance  
34 paid to the member, may alter the pension amount and  
35 period of payment to the member's spouse after the  
36 death of the member, and may provide for payments to a  
37 designated recipient other than the member's spouse  
38 for a designated period of time or an unlimited period  
39 of time.

40 2. Prior to the member's retirement and as a part  
41 of the application for a service retirement allowance,  
42 the member shall elect, in writing, either the  
43 benefits provided under section 411.6, subsections 2  
44 and 11, or one of the optional forms adopted by the  
45 board of trustees. If the member is married at the  
46 time of application and the member elects an optional  
47 form, the member's spouse must consent in writing to  
48 the optional form selected and to the receipt of  
49 payments to a designated recipient, if applicable.  
50 Upon acceptance by a member of an initial retirement

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1 benefit paid in accordance with the election under  
2 this section, the election of the member is  
3 irrevocable.

4 3. The optional forms of payment determined by the  
5 board of trustees under this section, shall be the  
6 actuarial equivalent of the amount of retirement  
7 benefits payable to the member and the member's spouse  
8 pursuant to section 411.6, subsections 2 and 11. The  
9 actuarial equivalent shall be based upon the actuarial  
10 assumptions adopted for this purpose pursuant to  
11 section 411.5. Election of an optional form adopted  
12 by the board of trustees shall not affect the  
13 benefits, if any, payable to the member's child or  
14 children pursuant to section 411.6, subsection 11.

15 Sec. 68. Section 411.8, subsection 1, paragraph f,  
16 subparagraph (8), and unnumbered paragraphs 2 and 3,  
17 Code Supplement 1991, are amended to read as follows:

18 (8) Beginning July 1, 1996, and each fiscal year  
19 thereafter, an amount equal to the member's  
20 contribution rate times each member's compensation  
21 shall be paid to the fund from the earnable  
22 compensation of the member. For the purposes of this  
23 subparagraph, the member's contribution rate shall be  
24 the rate percent of the earnable compensation of all  
25 members obtained by deducting from the total  
26 liabilities of the fund the amount of the funds in  
27 hand to the credit of the fund and dividing the  
28 remainder by one percent of the present value of the  
29 prospective future compensation of all members as  
30 computed on the basis of the rate of interest and of  
31 mortality and service tables adopted, multiplied by  
32 four tenths, or nine and one-tenth percent, whichever  
33 is greater. However, the system shall increase this  
34 percentage for its members the member's contribution  
35 rate as necessary to cover any increase in cost to the  
36 system resulting from statutory changes which are  
37 enacted by any session of the general assembly meeting  
38 after January 1, 1991, if the increase cannot be  
39 absorbed within the contribution rates otherwise  
40 established pursuant to this paragraph, but subject to  
41 a maximum employee contribution rate of eleven and  
42 three-tenths percent. After the employee contribution  
43 reaches the maximum rate specified in this  
44 subparagraph eleven and three-tenths percent, sixty  
45 percent of the additional cost of such statutory  
46 changes shall be paid by employers under paragraph "c"  
47 and forty percent of the additional cost shall be paid  
48 by employees under this paragraph.

49 ~~Beginning July 1, 1996, and each fiscal year~~  
50 ~~thereafter, an amount equal to the member's~~

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~~1 contribution-rate-times-each-member's-compensation~~  
~~2 shall-be-paid-to-the-fund-from-the-earnable~~  
~~3 compensation-of-the-member.~~  
~~4 The-total-amount-to-be-contributed-by-the-member~~  
~~5 shall-be-determined-by-the-actuary-after-each~~  
~~6 valuation.~~

7 Sec. 69. Section 602.9204, Code 1991, is amended  
8 by adding the following new unnumbered paragraph:  
9 NEW UNNUMBERED PARAGRAPHE. Effective with the  
10 fiscal year commencing July 1, 1993, and for each  
11 subsequent fiscal year, there is appropriated annually  
12 from the general fund of the state to the judicial  
13 retirement fund from funds not otherwise appropriated  
14 an amount sufficient to pay the annual costs of this  
15 part 2 of chapter 602, article 9, the Iowa senior  
16 judge Act, which shall include the costs of all  
17 additional benefits paid as a result of the Iowa  
18 senior judge Act.

19 Sec. 70. MEMBERSHIP IN FIRE AND POLICE RETIREMENT  
20 SYSTEMS.

21 1. As used in this section, unless the context  
22 otherwise requires, "qualified member" means a person  
23 who meets each of the following conditions:

24 a. Was a member of the retirement system  
25 established in chapter 411 with four or more but fewer  
26 than fifteen years of membership service as of July 1,  
27 1989.

28 b. Terminated employment with the city which  
29 employed the member as of July 1, 1989, before the  
30 member attained the age of fifty-five and twenty-two  
31 years of service.

32 c. Was subsequently employed as a police officer  
33 or fire fighter as of July 1, 1990, by a city which  
34 attained a population of eight thousand or more as a  
35 result of the federal census conducted in 1990 and  
36 which was not a participating city subject to this  
37 chapter on July 1, 1990, and has not subsequently  
38 joined the statewide system established in chapter  
39 411.

40 2. Notwithstanding any other provision of law to  
41 the contrary, a qualified member shall receive  
42 benefits under chapter 411 pursuant to this section.  
43 Unless in conflict with this section, the provisions  
44 of chapter 411 pertaining to members shall also  
45 pertain to qualified members. Upon attaining  
46 retirement age, a qualified member shall receive a  
47 service retirement allowance of one twenty-second of  
48 the retirement allowance the qualified member would  
49 have received if the qualified member had qualified  
50 for full benefits pursuant to section 411.6,

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1 subsection 1, paragraph "a", 1989 Code of Iowa, for  
2 each year of service the qualified member had served.

3 3. A qualified member must submit an application  
4 for coverage pursuant to this section to the board of  
5 trustees for membership in the system no later than  
6 September 1, 1992. The board of trustees shall notify  
7 the city which employed the member as of July 1, 1989,  
8 that it must transfer to the board of trustees an  
9 amount sufficient to cover the accrued liability of  
10 the member, including interest on the accrued  
11 liability from December 31, 1991, through the date of  
12 payment. The participating city shall transfer that  
13 amount to the statewide system.

14 Sec. 71. SENIOR JUDGES -- IMPLEMENTATION.  
15 Notwithstanding the amendments to section 602.9204  
16 contained in this Act, all judges whose names are  
17 entered on the roster of senior judges pursuant to  
18 section 602.9203, subsection 3, as of June 30, 1992,  
19 and all persons who are retired senior judges as of  
20 June 30, 1992, shall continue to receive an annuity  
21 calculated pursuant to section 602.9204, 1991 Code of  
22 Iowa, and shall not be subject to the amendments to  
23 that section contained in this Act. This Act shall  
24 not be construed in a manner which reduces benefits to  
25 persons who participated as senior judges prior to  
26 July 1, 1992.

27 Sec. 72. Sections 97B.3, 97B.26, 97B.66, and  
28 97B.71, Code 1991, are repealed.

29 Sec. 73. EFFECTIVE AND RETROACTIVE APPLICABILITY  
30 DATES.

31 1. The portion of this Act which amends section  
32 97B.41, subsection 3, paragraph "b", by adding a new  
33 subparagraph (16), being deemed of immediate  
34 importance, takes effect upon enactment and applies  
35 retroactively to January 1, 1992.

36 2. The portion of this Act which amends section  
37 97B.50, subsection 2, being deemed of immediate  
38 importance, takes effect upon enactment and applies  
39 retroactively to July 1, 1990.

40 3. The section of this Act which amends section  
41 411.6, subsection 2, being deemed of immediate  
42 importance, takes effect upon enactment and applies  
43 retroactively to January 1, 1992."

44 2. Title page, line 3, by inserting after the  
45 word "penalties," the following: "making an  
46 appropriation,".

By JOHN KIBBIE

S-5415 FILED MARCH 26, 1992

*Adopted (p. 1041)*

## SENATE FILE 2280

S-5593

1 Amend Senate File 2280 as follows:

2 1. Page 10, by inserting after line 11 the  
3 following:

4 "Sec. \_\_\_\_ . Section 97B.41, subsection 1, paragraph  
5 b, subparagraph (11), Code 1991, is amended to read as  
6 follows:

7 (11) (a) Commencing January 1, ~~1991~~ 1993, for  
8 each calendar year, the department shall increase the  
9 covered wages limitation from the previous calendar  
10 year by three thousand dollars if the annual actuarial  
11 valuation of the assets and liabilities of the  
12 retirement system indicates that the cost of the  
13 increase in covered wages can be absorbed within the  
14 employer and employee contribution rates in effect  
15 under section 97B.11, subject to the restrictions in  
16 subparagraph subdivision (b). However, covered wages  
17 shall not exceed fifty-five thousand dollars for a  
18 calendar year.

19 (b) Commencing January 1, 1993, an increase in the  
20 covered wage limitation pursuant to this subparagraph  
21 shall not take effect unless and until retired members  
22 receive a cost-of-living adjustment for the same  
23 calendar year, pursuant to section 97B.49, subsection  
24 17. If a cost-of-living adjustment has gone into  
25 effect and the annual actuarial valuation of the  
26 retirement system in any year indicates that the cost  
27 of the increase in the covered wage limitation  
28 provided under this subparagraph and the increase in  
29 the monthly benefit formula provided in section  
30 97B.49, subsection 5, paragraph "b", cannot be  
31 absorbed within the employer and employee contribution  
32 rates in effect under section 97B.11, the department  
33 shall reduce the increase provided in this  
34 subparagraph by an amount sufficient to pay for the  
35 increase in the benefit percent. If a cost-of-living  
36 adjustment has gone into effect and the annual  
37 actuarial valuation of the retirement system indicates  
38 that the cost of the increase in the covered wage  
39 limitation and the increase in the monthly benefit  
40 formula can be absorbed within existing contribution  
41 rates, the department shall increase the covered wage  
42 limitation as provided in subparagraph subdivision  
43 (a)."

44 2. Page 21, lines 22 and 23, by striking the  
45 words and figure "unnumbered paragraph 1" and  
46 inserting the following: "paragraph b".

47 3. Page 21, by inserting before line 24 the  
48 following:

49 "b. (1) For each active or inactive vested member  
50 retiring on or after July 1, 1990, with four or more

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1 complete years of service, a monthly benefit shall be  
2 computed which is equal to one-twelfth of an amount  
3 equal to fifty-two percent of the three-year average  
4 covered wage multiplied by a fraction of years of  
5 service.

6 (2)".

7 4. Page 21, line 32, by inserting after the  
8 figure "97B.11" the following: "subject to the  
9 restrictions contained in subparagraph (3)".

10 5. Page 21, by inserting after line 35 the  
11 following:

12 "(3) Commencing January 1, 1993, an increase in  
13 the percentage multiplier pursuant to this paragraph  
14 shall not go into effect unless and until retired  
15 members receive a cost-of-living adjustment for the  
16 same calendar year, pursuant to subsection 17. If a  
17 cost-of-living adjustment has gone into effect and the  
18 annual actuarial valuation of the retirement system in  
19 any year indicates that the full cost of the increase  
20 provided under this paragraph cannot be absorbed  
21 within the employer and employee contribution rates in  
22 effect under section 97B.11, the department shall  
23 reduce the increase to a level which the department  
24 determines can be so absorbed. If a cost-of-living  
25 adjustment has gone into effect and the annual  
26 actuarial valuation of the retirement system indicates  
27 that the increase in the percentage multiplier can be  
28 absorbed within existing contribution rates, the  
29 department shall increase the percentage multiplier as  
30 provided in subparagraph (2)."

31 6. Page 22, line 1, by inserting before the word  
32 "Code" the following: "paragraph b,".

33 7. Page 22, lines 2 and 3, by striking the words  
34 "after new unnumbered paragraph 2".

35 8. Page 23, by inserting after line 32 the  
36 following:

37 "Sec. \_\_\_\_ . Section 97B.49, Code 1991, is amended  
38 by adding the following new subsection:

39 NEW SUBSECTION. 17. Commencing January 1, 1993,  
40 the department shall provide, in addition to any other  
41 benefits provided in this section, a cost-of-living  
42 adjustment for retired members, if the annual  
43 actuarial valuation of the retirement system for the  
44 year indicates that the cost of the adjustment or some  
45 portion thereof can be absorbed within the employer  
46 and employee contribution rates in effect under  
47 section 97B.11. The department shall select an  
48 appropriate method for calculating the cost-of-living  
49 adjustment. A cost-of-living adjustment under this  
50 subsection must take effect before any increase in the

1 covered wage limitation pursuant to section 97B.41,  
2 subsection 1, paragraph "b", subparagraph (11), or any  
3 increase in the percentage multiplier pursuant to  
4 section 97B.49, subsection 5, paragraph "b", is  
5 implemented."

6 9. By renumbering and correcting internal  
7 references as necessary.

By RICHARD RUNNING

KIBBIE, CH.  
DIELEMAN  
HORN  
DRAKE  
RIFE

SSB 2241

STATE GOVERNMENT  
Now

SENATE FILE 2280

BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL BY  
CHAIRPERSON KIBBIE)

Passed Senate, Date \_\_\_\_\_

Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

### A BILL FOR

1 An Act relating to administration and benefits of the Iowa public  
2 employees' retirement system, including penalties.

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

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1 Section 1. Section 97B.4, unnumbered paragraph 1, Code  
2 1991, is amended to read as follows:

3 The department, through the administrator, shall administer  
4 this chapter. The department may adopt, amend, or rescind  
5 rules, employ persons, execute contracts with outside parties,  
6 make expenditures, require reports, make investigations, and  
7 take other action it deems necessary for the administration of  
8 the system. The rules shall be effective upon compliance with  
9 chapter 17A. Not later than the fifteenth day of December of  
10 each year, the department shall submit to the governor a  
11 report covering the administration and operation of this  
12 chapter during the preceding fiscal year and shall make  
13 recommendations for amendments to this chapter. The report  
14 shall include a balance sheet of the moneys in the Iowa public  
15 employees' retirement fund.

16 Sec. 2. Section 97B.5, Code 1991, is amended to read as  
17 follows:

18 97B.5 STAFF.

19 Subject to other provisions of this chapter, the department  
20 may employ personnel as necessary for the administration of  
21 the system. The staff shall be appointed pursuant to chapter  
22 19A. The department shall not appoint or employ a person who  
23 is an officer or committee member of a political party  
24 organization or who holds or is a candidate for an elective  
25 public office. The department may employ attorneys and  
26 contract with attorneys and legal firms for the provision of  
27 legal counsel and advice in the administration of this  
28 chapter, chapter 97C, and chapter 12A. The department may  
29 execute contracts with investment advisors, consultants, and  
30 managers outside state government in the administration of  
31 this chapter and chapter 12A. The department may delegate to  
32 any person such authority as it deems reasonable and proper  
33 for the effective administration of this chapter, and may bond  
34 any person handling moneys or signing checks under this  
35 chapter.

1 Sec. 3. Section 97B.6, Code 1991, is amended to read as  
2 follows:

3 97B.6 OLD RECORDS.

4 The department may destroy or dispose of such original  
5 reports or records as have been properly recorded or  
6 summarized in the permanent records of the department and are  
7 deemed by the director ~~and state records commission~~ to be no  
8 longer necessary to the proper administration of this chapter.  
9 ~~Such~~ The destruction or disposition shall be made only by  
10 order of the director. Records of deceased members of the  
11 system may be destroyed ten years after the later of the final  
12 payment made to a third party on behalf of the member or the  
13 death of the member. Any moneys received from the disposition  
14 of ~~such~~ these records shall be deposited to the credit of the  
15 public employees' retirement fund subject to rules promulgated  
16 adopted by the department.

17 Sec. 4. Section 97B.7, subsection 3, unnumbered paragraph  
18 1, Code 1991, is amended to read as follows:

19 All moneys which are paid or deposited into this fund are  
20 hereby appropriated and made available to the department to be  
21 used ~~only for the purposes herein~~ for the exclusive benefit of  
22 the members and their beneficiaries or contingent annuitants  
23 as provided in this chapter:

24 Sec. 5. Section 97B.7, subsection 3, Code 1991, is amended  
25 by adding the following new paragraph:

26 NEW PARAGRAPH. c. To be used for the costs of  
27 administering the retirement system.

28 Sec. 6. Section 97B.8, unnumbered paragraph 2, Code  
29 Supplement 1991, is amended to read as follows:

30 The board consists of nine members. Six of the members  
31 shall be appointed by the governor. One member shall be an  
32 executive of a domestic life insurance company, one an  
33 executive of a state or national bank operating within the  
34 state of Iowa, one an executive of ~~a major~~ an industrial  
35 corporation located within the state of Iowa, and three shall

1 be members of the system, one of whom ~~shall be~~ is an active  
2 member who is an employee of a school district, area education  
3 agency, or merged area, one of whom ~~shall be~~ is an active  
4 member who is not an employee of a school district, area  
5 education agency, or merged area, and one of whom is a retired  
6 member of the system. The president of the senate, after  
7 consultation with the majority leader and the minority leader  
8 of the senate, shall appoint one member from the membership of  
9 the senate and the speaker of the house of representatives  
10 shall appoint one member from the membership of the house.  
11 The two members appointed by the president of the senate,  
12 after consultation with the majority leader and the minority  
13 leader of the senate, and the speaker of the house of  
14 representatives and the two active members of the system  
15 appointed by the governor are ex officio members of the board.  
16 The director of the department of personnel is an ex officio,  
17 nonvoting member of the board.

18 Sec. 7. Section 97B.10, Code 1991, is amended to read as  
19 follows:

20 97B.10 REFUNDS.

21 ~~In-any-case-in-which~~ If the department finds the employee  
22 or employer has, or both, have erroneously paid contributions  
23 ~~thereon-which-have-been-erroneously-paid,-and-has-filed~~  
24 ~~application-for-an-adjustment-thereof,~~ the department shall  
25 make such an adjustment, compromise, or settlement and make  
26 such a refund of such payments to the employee or employer, or  
27 both, as it finds just and equitable ~~in-the-premises~~. Refunds  
28 so made shall be charged to the fund to which the erroneous  
29 collections have been credited and shall be paid to the  
30 claimant employee or employer, or both, without interest. Any  
31 A claim of an employee or employer for such a refund shall be  
32 made within three years of date of payment ~~and-not-thereafter~~.  
33 However, the department may make refund payments to employees  
34 or employers after the expiration of the three-year deadline  
35 if the department finds that the payment of the refund is just

1 and equitable.

2 Sec. 8. Section 97B.11, Code 1991, is amended to read as  
3 follows:

4 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

5 Each employer shall deduct from the wages of each member of  
6 the system a contribution in the amount of ~~three-and-six-~~  
7 ~~tenths-percent-of-the-covered-wages-paid-by-the-employer~~  
8 ~~through-June-30,1979,-and-commencing-July-1,1979-in-the~~  
9 amount of three and seven-tenths percent of the covered wages  
10 paid by the employer, until the member's termination or  
11 retirement from employment, whichever is earlier. The  
12 contributions of the employer shall be in the amount of three  
13 ~~and-one-half-percent-of-the-covered-wages-of-the-member-for~~  
14 ~~service-through-December-31,1975,-and-in-the-amount-of-five~~  
15 ~~and-twenty-five-hundredths-percent-of-the-covered-wages-of-the~~  
16 ~~member-for-service-commencing-July-1,1977,-through-June-30,~~  
17 ~~1979,-and-in-the-amount-of~~ five and seventy-five hundredths  
18 percent of the covered wages of the member ~~for-service~~  
19 ~~commencing-July-1,1979.~~

20 Sec. 9. Section 97B.17, unnumbered paragraph 1, Code 1991,  
21 is amended to read as follows:

22 The department shall establish and maintain records of each  
23 member, including but not limited to, the amount of wages of  
24 each member, and the contribution of each member with  
25 interest, and interest dividends credited, ~~and these.~~ These  
26 records are the basis for the compilation of the retirement  
27 benefits provided under this chapter. The following records  
28 maintained under this chapter containing personal identifiable  
29 information are not public records for the purposes of chapter  
30 22:

31 Sec. 10. Section 97B.18, Code 1991, is amended to read as  
32 follows:

33 97B.18 STATEMENT OF ACCUMULATED CREDIT.

34 After the expiration of each calendar year and prior to  
35 July 1 of the succeeding year, the department shall furnish

1 each member with a statement of the member's accumulated  
2 contributions and benefit credits accrued under this chapter  
3 up to the end of such that calendar year and additional  
4 information the department deems useful to a member. The  
5 department may furnish an estimate of such the credits as of  
6 the projected normal retirement date of the member under  
7 section 97B.45. The department shall mail such the statement  
8 to each employer not later than June 30 of the succeeding  
9 calendar year. The employer shall distribute such the  
10 statements to its employees, and the records of the department  
11 as shown by said the statement as to the wages of such each  
12 individual member for such a year and the periods of payment  
13 shall be conclusive for the purpose of this chapter, except as  
14 hereinafter otherwise provided in this chapter.

15 Effective for the calendar year beginning January 1, 1994,  
16 the department may transmit the statements directly to the  
17 members in lieu of mailing them to the employers.

18 Sec. 11. NEW SECTION. 97B.20A APPEAL PROCEDURE.

19 Members and third-party payees may appeal any decision made  
20 by the department that affects their rights under this  
21 chapter. The appeal shall be filed with the department within  
22 thirty days after the notification of the decision was mailed  
23 to the party's last known mailing address, or the decision of  
24 the department is final. If the party appeals the decision of  
25 the department, the department shall conduct an internal  
26 review of the decision and the retirement benefits  
27 administrator shall notify the individual who has filed the  
28 appeal in writing of the department's decision. The  
29 individual who has filed the appeal may file a further appeal  
30 with the department of inspections and appeals under chapter  
31 17A by notifying the department of the appeal in writing  
32 within thirty days after the notification of its final  
33 decision was mailed to the party's last known mailing address.  
34 Once notified, the department shall forward the appeal to the  
35 department of inspections and appeals.

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1 Sec. 12. NEW SECTION. 97B.20B HEARING BY ADMINISTRATIVE  
2 LAW JUDGE.

3 If an appeal is filed and is not withdrawn, an  
4 administrative law judge in the department of inspections and  
5 appeals, after affording the parties reasonable opportunity  
6 for fair hearing, shall affirm, modify, or reverse the  
7 findings of fact and decision of the department. The hearing  
8 shall be recorded by mechanical means and a transcript of the  
9 hearing shall be made. The transcript shall then be made  
10 available for use by the employment appeal board and by the  
11 courts at subsequent judicial review proceedings under the  
12 Iowa administrative procedure Act, if any. The parties shall  
13 be duly notified of the administrative law judge's decision,  
14 together with the administrative law judge's reasons. The  
15 decision is final unless, within thirty days after the date of  
16 notification or mailing of the decision, review by the  
17 employment appeal board is initiated pursuant to section  
18 97B.27.

19 Sec. 13. Section 97B.22, Code 1991, is amended to read as  
20 follows:

21 97B.22 WITNESSES AND EVIDENCE.

22 For the purpose of any hearing, investigation, or other  
23 proceeding authorized or directed under this chapter, or  
24 relative to any other matter within its jurisdiction hereunder  
25 under this chapter, the department or ~~appeal-referee-shall~~  
26 ~~have-the-power-to~~ administrative law judge may issue subpoenas  
27 requiring the attendance and testimony of witnesses and the  
28 production of any evidence that relates to any matter under  
29 investigation or in question before the ~~commission~~ department.  
30 ~~Such-attendance~~ Attendance of witnesses and production of  
31 evidence at the designated place of ~~such~~ the hearing,  
32 investigation, or other proceedings may be required from any  
33 political subdivision in the state. Subpoenas of the  
34 department shall be served by anyone authorized by it ~~(†)~~ by  
35 delivering a copy ~~thereof~~ of the subpoena to the individual

1 named ~~therein~~ in it, or ~~(2)~~ by certified mail addressed to  
2 ~~such~~ the individual at the individual's last dwelling place or  
3 principal place of business. A verified return by the  
4 individual ~~so~~ serving the subpoena setting forth the manner of  
5 service, or, in the case of service by certified mail, the  
6 return post-office receipt ~~therefor~~ signed by the individual  
7 ~~so~~ served, shall be proof of service. Witnesses ~~so~~ subpoenaed  
8 shall be paid the same fees and mileage as are paid witnesses  
9 in the district courts of the state of Iowa. In the discharge  
10 of the duties imposed by this chapter, the ~~chairperson-or-an~~  
11 ~~appeal-referee~~ department or an administrative law judge and  
12 any duly authorized representative or member of the department  
13 ~~shall-have-power-to~~ may administer oaths and affirmations,  
14 take depositions, certify to official acts, and issue  
15 subpoenas to compel the attendance of witnesses and the  
16 production of books, papers, correspondence, memoranda, and  
17 other records deemed necessary as evidence in connection with  
18 the administration of this chapter.

19 Sec. 14. Section 97B.23, Code 1991, is amended to read as  
20 follows:

21 97B.23 PENALTY FOR ~~CONTUMACY~~ NONCOMPLIANCE.

22 In case of ~~contumacy-by,~~ ~~or~~ refusal to obey a subpoena duly  
23 served upon any person, any district court of the state of  
24 Iowa for the district in which ~~said~~ the person charged with  
25 ~~contumacy-or~~ refusal to obey is found or resides or transacts  
26 business, upon application by the department, ~~shall-have~~  
27 ~~jurisdiction-to~~ may issue an order requiring ~~such~~ that person  
28 to appear and give testimony, or to appear and produce  
29 evidence, or both. Any failure to obey ~~such~~ the order of the  
30 court may be punished by ~~said~~ the court as contempt thereof.

31 Sec. 15. Section 97B.25, Code 1991, is amended to read as  
32 follows:

33 97B.25 APPLICATIONS FOR BENEFITS.

34 A representative designated by the administrator and  
35 referred to in this chapter as a benefits deputy, shall

1 promptly examine applications for retirement benefits and on  
2 the basis of facts found shall determine whether or not the  
3 claim is valid and if valid, the month with respect to which  
4 benefits shall commence, the monthly benefit amount payable,  
5 and the maximum duration. The deputy shall promptly notify  
6 the applicant and any other interested party of the decision  
7 and the reasons. Unless the applicant or other interested  
8 party, within thirty calendar days after the notification was  
9 mailed to the applicant's or party's last known address, files  
10 an appeal ~~to an administrative law judge in the department of~~  
11 ~~inspections and appeals~~ as provided in section 97B.20A, the  
12 decision is final and benefits shall be paid or denied in  
13 accord with the decision.

14 Sec. 16. Section 97B.34, Code 1991, is amended to read as  
15 follows:

16 97B.34 PAYMENT TO INCOMPETENT'S REPRESENTATIVES.

17 When it appears to the department that the interest of an  
18 applicant entitled to a payment would be served thereby,  
19 certification of payment may be made, regardless of the legal  
20 competency or incompetency of the individual entitled thereto  
21 to the payment, either for direct payment to such the  
22 applicant, or for the applicant's use and benefit to a  
23 relative or some other person representative of an applicant.  
24 The department may adopt rules under chapter 17A for making  
25 payments to a representative of an applicant if the department  
26 determines that it can sufficiently safeguard the member's  
27 rights under this chapter.

28 Sec. 17. NEW SECTION. 97B.34A PAYMENT TO MINORS.

29 The department may make payments to a minor, as defined in  
30 section 599.1, as follows:

31 1. If the total sum to be paid to the minor is less than  
32 ten thousand dollars, the funds may be paid to an adult as  
33 custodian for the minor. The custodian must complete the  
34 proper forms as determined by the department.

35 2. If the total sum to be paid to the minor is equal to or

1 more than ten thousand dollars, the funds must be paid to a  
2 court-established conservator. The department shall not make  
3 payment until the conservatorship has been established and the  
4 department has received the appropriate documentation.

5 3. Interest shall be paid on the funds, at a rate  
6 determined by the department, until disbursement of the funds.

7 Sec. 18. ~~Section 97B.41~~, subsection 1, paragraph a,  
8 unnumbered paragraph 1, Code 1991, is amended to read as  
9 follows:

10 "Wages" means all remuneration for employment, including  
11 the cash value of remuneration paid in a medium other than  
12 cash, but not including the cash value of remuneration paid in  
13 a medium other than cash as necessitated by the convenience of  
14 the employer. The amount agreed upon by the employer and  
15 employee for remuneration paid in a medium other than cash  
16 shall be reported to the department by the employer and is  
17 conclusive of the value of the remuneration. However;

18 ~~remuneration-which-does-not-equal-or-exceed-the-sum-of-three~~  
19 ~~hundred-dollars-in-a-calendar-quarter-shall-be-excluded.~~

20 "Wages" does not include special lump sum payments made as  
21 payment for accrued sick leave or accrued vacation or payments  
22 made as an incentive for early retirement or as payments made  
23 upon dismissal, severance, or a special bonus payment. Wages  
24 for an elected official means the salary received by an  
25 elected official, exclusive of expense and travel allowances.

26 Sec. 19. Section 97B.41, subsection 1, paragraph b,  
27 subparagraph (12), Code 1991, is amended to read as follows:

28 (12) Effective July 1, ~~1988~~ 1992, covered wages does not  
29 include wages to a member on or after the effective date of  
30 the member's retirement unless the member is reemployed, as  
31 provided under section ~~97B:487--subsection-3~~ 97B.48A.

32 Sec. 20. Section 97B.41, subsection 2, Code 1991, is  
33 amended to read as follows:

34 2. "Employment for any calendar quarter" means any service  
35 performed under an employer-employee relationship under the

1 ~~provisions of~~ this chapter ~~if the remuneration equals or~~  
2 ~~exceeds three hundred dollars~~ for which wages are reported in  
3 the calendar quarter. For the purposes of this chapter,  
4 elected officials are deemed to be in employment.

5 Sec. 21. Section 97B.41, subsection 3, paragraph a,  
6 unnumbered paragraph 1, Code 1991, is amended to read as  
7 follows:

8 "Employer" means the state of Iowa, the counties,  
9 municipalities, and agencies, public school districts, and all  
10 ~~of the~~ political subdivisions, and all of their departments  
11 and instrumentalities, including joint planning commissions  
12 ~~created under the provisions of~~ chapter 28I.

13 Sec. 22. Section 97B.41, subsection 3, paragraph b,  
14 unnumbered paragraph 1, and subparagraphs 1, 2, 3, 4, 5, and  
15 7, Code 1991, are amended to read as follows:

16 "Employee" means any an individual who is ~~in-employment~~  
17 employed as defined in this chapter, except:

18 (1) Elective officials in positions for which the  
19 compensation is on a fee basis, elective officials of school  
20 districts, elective officials of townships, and elective  
21 officials of other political subdivisions who are in part-time  
22 positions, unless the elective official makes an application  
23 to the department to be covered under this chapter. An  
24 elective official who made an application to the department to  
25 be covered under this chapter may terminate membership under  
26 this chapter by informing the department in writing of the  
27 expiration of the member's termination term of office. A  
28 county attorney is an employee for purposes of this chapter  
29 whether that county attorney is employed on a full-time or  
30 part-time basis.

31 (1A) Individuals who are enrolled as students and whose  
32 primary occupations are as students who are incidentally  
33 employed by employers.

34 (1B) Graduate medical students while serving as interns or  
35 resident doctors in training at any hospital, or county

1 medical examiners and deputy county medical examiners under  
2 chapter 331, division V, part 8.

3 (2) Members of the general assembly of Iowa and temporary  
4 employees of the general assembly of Iowa, unless such members  
5 or employees shall make an application to the department to be  
6 covered under the-provisions-of this chapter. A member of the  
7 general assembly or-temporary-employee-of-the-general-assembly  
8 who made an application to the department to be covered under  
9 this chapter may terminate membership under this chapter by  
10 informing the department in writing of the member's or  
11 temporary-employee's-termination intent to terminate.

12 Temporary employees of the general assembly who have been  
13 covered under this chapter may terminate membership by sending  
14 written notification to the department of their separation  
15 from service.

16 (3) Employees Nonvested employees of drainage and levee  
17 districts not-vested, unless such-drainage-and-levee-districts  
18 shall those employees make an application to the department to  
19 be covered under the-provisions-of this chapter. However,-any  
20 drainage-or-levee-district-which-has-made-contributions  
21 against-which-no-application-for-benefits-has-been-made-shall  
22 be-entitled-to-withdraw-all-such-contributions-by-making  
23 application-to-the-department-prior-to-December-31,-1969.  
24 Each-drainage-or-levee-district-which-withdraws-its  
25 contributions-shall-refund-to-its-employees-contributions  
26 deducted-from-their-wages.

27 (4) Employees hired for temporary employment of six months  
28 months' or less duration. An employee who works for an  
29 employer for six or more months in a calendar year or who  
30 works for an employer for more than one thousand forty hours  
31 in a calendar year is not a temporary employee under this sub-  
32 paragraph.

33 (5) Employees of a community action programs program,  
34 determined to be an instrumentality of the state or a  
35 political subdivision, unless such the employees elect by

1 filing an application with the department to be covered under  
2 ~~the-provisions-of~~ this chapter and the department has approved  
3 the election.

4 (7) Persons employed under the federal Job Training  
5 Partnership Act of 1982, Pub. L. No. 97-300, unless these  
6 employees make an application to the department to be covered  
7 under this chapter and the department has approved the  
8 election.

9 Sec. 23. Section 97B.41, subsection 7, Code 1991, is  
10 amended to read as follows:

11 7. "Member" means an employee or a former employee  
12 ~~required-to-become-a-member-of-the-system-by-sections-97B-42~~  
13 ~~and-97B-43~~ who maintains the employee's or former employee's  
14 accumulated contributions in the system. The employee or  
15 former employee is not a member if the employee or former  
16 employee has received a refund of the employee's or former  
17 employee's accumulated contributions.

18 Sec. 24. Section 97B.41, subsection 10, paragraph a,  
19 unnumbered paragraph 1, Code 1991, is amended to read as  
20 follows:

21 "Vested member" means a member ~~who-meets~~ who has attained  
22 through age or sufficient years of service eligibility to  
23 receive monthly retirement benefits upon the member's  
24 retirement. A vested member must meet one of the following  
25 requirements:

26 Sec. 25. Section 97B.41, subsection 11, Code 1991, is  
27 amended to read as follows:

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

34 Sec. 26. Section 97B.41, Code 1991, is amended by adding  
35 the following new subsection:

1 NEW SUBSECTION. 11A. "Bona fide retirement" means a  
2 retirement by a vested member in which the member is eligible  
3 to receive benefits under this chapter.

4 Sec. 27. Section 97B.41, subsections 16 and 17, Code 1991,  
5 are amended to read as follows:

6 16. "Beneficiary" means the person or persons who are  
7 entitled to receive any benefits payable under this chapter at  
8 the death of a member ~~payable-under-this-chapter-who-has-or,~~  
9 if the person or persons have been designated in a writing by  
10 the member ~~and~~ filed with the department, ~~or-if.~~ If no such  
11 designation is in effect at the time of death of the member or  
12 if no person so designated is living at that time, then the  
13 beneficiary ~~shall-be~~ is the estate of the member.

14 17. "Membership service" means service rendered by a  
15 member after July 4, 1953. Years of membership service shall  
16 be counted to the complete quarter calendar year. However,  
17 membership service for a calendar year shall not include more  
18 than four quarters.

19 Sec. 28. Section 97B.41, subsection 19, Code 1991, is  
20 amended to read as follows:

21 19. "Three-year average covered wage" means a member's  
22 covered wages averaged for the highest three years of the  
23 member's service, except as otherwise provided in this  
24 subsection. The highest three years of a member's covered  
25 wages shall be determined using calendar years. However, if a  
26 member's final quarter of a year of employment does not occur  
27 at the end of a calendar year, the department may determine  
28 the wages for the third year by combining the wages from the  
29 highest quarter or quarters not being used in the selection of  
30 the two highest years with the final quarter or quarters of  
31 the member's service to create a full year. However, the  
32 department shall not use the member's final quarter of wages  
33 if using that quarter would reduce the member's three-year  
34 average covered wage. If the three-year average covered wage  
35 of a member exceeds the highest maximum covered wages in

1 effect for a calendar year during the member's period of  
2 service, the three-year average covered wage of the member  
3 shall be reduced to the highest maximum covered wages in  
4 effect during the member's period of service.

5 Sec. 29. Section 97B.42, unnumbered paragraph 1, Code  
6 1991, is amended to read as follows:

7 Each Effective July 1, 1992, each employee whose employment  
8 commences after July 4, 1953, or who has not qualified for  
9 credit for prior service rendered prior to July 4, 1953, or  
10 any publicly elected official of the state or any of its  
11 political subdivisions, ~~other than individuals who are~~  
12 ~~students and who devote their time and efforts chiefly to~~  
13 ~~their studies, rather than to incidental employment,~~ shall  
14 become a member upon the first day in which such employee is  
15 employed. The employee shall continue to be a member so long  
16 as the employee continues in public employment ~~except that~~  
17 the. The employee shall cease to be a member if ~~after making~~  
18 ~~said election~~ the employee joins another retirement system in  
19 the state which is maintained in whole or in part by public  
20 contributions or payments, which has been in operation prior  
21 to July 4, 1953, and was subsequently liquidated, and which  
22 may have thereafter been re-established. ~~However, the~~  
23 ~~participation in such other retirement system shall be~~  
24 ~~voluntary and shall not be a condition for continuance of~~  
25 ~~employment.~~

26 Sec. 30. Section 97B.42, unnumbered paragraph 5, Code  
27 1991, is amended to read as follows:

28 Notwithstanding any other provision of this section,  
29 commencing July 1, 1994, a member who is employed by a  
30 community college may elect coverage under an alternative  
31 retirement benefits system, which is issued by or through a  
32 nonprofit corporation issuing retirement annuities exclusively  
33 to educational institutions and their employees, in lieu of  
34 continuing or commencing contributions to the Iowa public  
35 employees' retirement system, if the board of directors of the

1 community college has approved the alternative system pursuant  
2 to section 280A.23. However, ~~a vested member who elects to~~  
3 ~~participate in the alternative benefits system does not have a~~  
4 ~~right to withdraw funds from the member's Iowa public~~  
5 ~~employees' retirement system account prior to retirement or~~  
6 ~~termination of covered employment~~ A member employed by a  
7 community college who elects coverage under an alternative  
8 retirement benefits system may withdraw the member's  
9 accumulated contributions effective when coverage under the  
10 alternative benefits system commences. The department shall  
11 cooperate with the boards of directors of the community  
12 colleges to facilitate the implementation of this unnumbered  
13 paragraph transfer of coverage.

14 Sec. 31. Section 97B.43, unnumbered paragraph 1, Code  
15 1991, is amended to read as follows:

16 Each member in service on July 4, 1953, who made  
17 contributions under the abolished system, and who has not  
18 applied for and qualified for benefit payments under the  
19 abolished system, shall receive credit for years of prior  
20 service in the determination of retirement allowance payments  
21 ~~under any of the provisions of this chapter, provided (1) such~~  
22 if the member elects to become a member on or before October  
23 1, 1953, (2) such the member has not made application for a  
24 refund of such the part of the member's contributions under  
25 the abolished system as is which are payable under the  
26 ~~provisions of sections 97.50 to 97.53, and (3) such the member~~  
27 gives written authorization prior to October 1, 1953, to the  
28 commission to credit to the retirement fund the amount of the  
29 member's contribution which would be subject to a claim for  
30 refund. The amount so credited shall, after such transfer, be  
31 considered as a contribution to the system made as of July 4,  
32 1953, by the member and shall be included as such in the  
33 determination of the amount of ~~any accumulated contributions~~  
34 ~~payable under this chapter in the event of the death prior to~~  
35 ~~retirement or termination of employment of the member, but~~

1 ~~shall not be included in the accumulated contributions of the~~  
2 ~~member in the determination of the amount of any retirement~~  
3 ~~allowance payable under this chapter~~ moneys payable under this  
4 chapter. ~~Provided, however~~ However, an employee who was under  
5 a contract of employment as a teacher in the public schools of  
6 the state of Iowa at the end of the school year 1952-1953, or  
7 any person covered by ~~the provisions of~~ paragraph "c" or "d",  
8 ~~of subsection 13, of section 97B.41,~~ shall be considered as in  
9 service as of July 4, 1953, if they were members of the  
10 abolished system.

11 Sec. 32. Section 97B.43, unnumbered paragraph 3, Code  
12 1991, is amended to read as follows:

13 ~~Each~~ An individual who, on or after July 1, 1978, was an  
14 active, vested, or retired member and who ~~{1}~~ made application  
15 for and received a refund of contributions made under the  
16 abolished system or ~~{2}~~ has on deposit with the retirement  
17 fund contributions made under the abolished system ~~shall be,~~  
18 is entitled to credit for years of prior service in the  
19 determination of retirement allowance payments by filing a  
20 written election with the department on or after July 1, 1978,  
21 and by redepositing any withdrawn contributions under the  
22 abolished system together with interest as stated in this  
23 paragraph. ~~Any~~ An individual who, on or after July 1, 1978,  
24 is a retired member and who made application for and received  
25 a refund of contributions made under the abolished system,  
26 may, by filing a written election with the department on or  
27 after July 1, 1978, have the department retain fifty percent  
28 of the monthly increase in retiree benefits that will accrue  
29 to the individual because of prior service. If the monthly  
30 increase in retirement benefits is less than ten dollars, the  
31 department shall retain five dollars of the scheduled  
32 increase, and if the monthly increase is less than five  
33 dollars, ~~the provisions of this paragraph shall~~ increase does  
34 not apply. The department shall continue to retain such funds  
35 until the withdrawn contributions, together with interest

1 accrued to the month in which the written election is filed,  
2 have been repaid. Due notice of this provision shall be sent  
3 to all retired members on or after July 1, 1978. However,  
4 ~~this-paragraph-shall-not-apply-to-any-person-who-received-a~~  
5 ~~refund-of-any-membership-service-contributions-unless-the~~  
6 ~~person-repaid-the-membership-service-contributions-pursuant-to~~  
7 ~~section-97B.74;-but-a-refund-of-contributions-remitted-for-the~~  
8 ~~calendar-quarter-ending-September-30,-1953-which-was-based~~  
9 ~~entirely-upon-employment-which-terminated-prior-to-July-4,~~  
10 ~~1953-shall-not-be-considered-as-a-refund-of-membership-service~~  
11 ~~contributions.~~ The interest to be paid into the fund shall be  
12 compounded at the rates credited to member accounts from the  
13 date of payment of the refund of contributions under the  
14 abolished system to the date the member redeposits the  
15 refunded amount. The provisions of ~~the-first-paragraph-of~~  
16 this section relating to the consideration given to credited  
17 amounts ~~shall~~ for members in service on July 4, 1953, apply to  
18 the redeposited amounts or to amounts left on deposit.  
19 Effective July 1, 1978, ~~the-provisions-of~~ this paragraph ~~shall~~  
20 apply ~~section applies~~ to each individual who on or after July  
21 1, 1978, was an active, vested, or retired member, but who was  
22 not in service on July 4, 1953. The period for filing the  
23 written election with the department and redepositing any  
24 withdrawn contributions together with interest accrued shall  
25 commence July 1, 1978. A member who is a retired member on or  
26 after July 1, 1978, may file a written election with the  
27 department on or after July 1, 1978, to have the department  
28 retain fifty percent of the monthly increase as provided in  
29 ~~this-paragraph~~ retiree benefits in the manner provided in this  
30 section.

31 Sec. 33. Section 97B.44, Code 1991, is amended to read as  
32 follows:

33 97B.44 BENEFICIARY.

34 Each member shall designate on a form to be furnished by  
35 the department a beneficiary for any death benefits payable

1 hereunder under this chapter on the death of such the member.  
2 Such The designation may be changed from time to time by the  
3 member by filing a new designation with the department. The  
4 designation of a beneficiary is not applicable if the member  
5 receives a refund of all contributions of the member. If a  
6 member who has received a refund of contributions returns to  
7 employment, the member shall file a new designation with the  
8 department.

9 If a member has not designated a beneficiary on a form  
10 furnished by the department, or if there are no surviving  
11 designated beneficiaries of a member, death benefits payable  
12 under this chapter shall be paid to the member's estate.

13 Sec. 34. Section 97B.48, subsection 2, Code 1991, is  
14 amended to read as follows:

15 2. The first monthly payment of a normal retirement  
16 allowance shall be paid as of the normal retirement effective  
17 date, which date shall be the later of the normal retirement  
18 date or the first day of the sixth calendar month preceding  
19 the month in which written notice of normal retirement is  
20 submitted to the department. Written notice under this  
21 section may consist of submission of a completed estimate  
22 request form, a completed application for retirement form, or  
23 a letter from the member requesting information on retirement  
24 benefits, whichever is received first by the department.  
25 However, a letter requesting information on benefits or  
26 submission of a completed estimate request form is only valid  
27 for six months following the date of its receipt by the  
28 department, unless during that six-month period the department  
29 receives a completed application for retirement form from the  
30 member. A retirement allowance may only be provided  
31 retroactively for a single six-month period. Payment of an  
32 early retirement allowance or an allowance for retirement  
33 after the normal retirement date shall be paid as of the  
34 effective date of retirement subject to the-provisions-of  
35 section 97B.45, 97B.46, or 97B.47. The payments shall be

1 continued thereafter for the lifetime of the retired member  
2 except as provided in subsection 3.

3 Sec. 35. Section 97B.48, subsection 3, Code 1991, is  
4 amended by striking the subsection.

5 Sec. 36. NEW SECTION. 97B.48A REEMPLOYMENT.

6 1. If, after the first day of the month in which the  
7 member attains the age of fifty-five years and until the  
8 member's sixty-fifth birthday, a member who has a bona fide  
9 retirement under this chapter is in regular full-time  
10 employment, the member's retirement allowance shall be  
11 suspended for as long as the member remains in employment.  
12 However, effective January 1, 1992, employment is not full-  
13 time employment until the member receives remuneration in an  
14 amount in excess of seven thousand four hundred forty dollars  
15 for a calendar year. Effective the first of the month in  
16 which a member attains the age of sixty-five years, a retired  
17 member may receive a retirement allowance after return to  
18 covered employment regardless of the amount of remuneration  
19 received.

20 2. Effective January 1, 1991, a retired member of any age  
21 may receive a retirement allowance after return to covered  
22 employment, regardless of the amount of remuneration received,  
23 if the covered employment consists of holding an elective  
24 office.

25 3. Upon a retirement after reemployment, a retired member  
26 may have the retired member's retirement allowance  
27 redetermined under this section or section 97B.49 or 97B.50,  
28 whichever is applicable, based upon the addition of credit for  
29 the years of membership service of the employee after  
30 reemployment, the covered wage during reemployment, and the  
31 age of the employee after reemployment. The member shall  
32 receive a single retirement allowance calculated from both  
33 periods of membership service, one based on the initial  
34 retirement and one based on the second retirement following  
35 reemployment. If the total years of membership service and

1 prior service of a member who has been reemployed equals or  
2 exceeds thirty, the years of membership service on which the  
3 original retirement allowance was based may be reduced by a  
4 fraction of the years of service equal to the number of years  
5 by which the total years of membership service and prior  
6 service exceeds thirty divided by thirty, if this reduction in  
7 years of service will increase the total retirement allowance  
8 of the member. The additional retirement allowance calculated  
9 for the period of reemployment shall be added to the  
10 retirement allowance calculated for the initial period of  
11 membership service and prior service, adjusted as provided in  
12 this subsection. The retirement allowance calculated for the  
13 initial period of membership service and prior service shall  
14 not be adjusted for any other factor than years of service.  
15 The retired member shall not receive a retirement allowance  
16 based upon more than a total of thirty years of service.

17 4. The department shall pay to the member the accumulated  
18 contributions of the member and to the employer the employer  
19 contributions, plus two percent interest plus interest  
20 dividends for all completed calendar years, compounded  
21 annually, on the covered wages earned by a retired member that  
22 are not used in the recalculation of the retirement allowance  
23 of a member.

24 Sec. 37. Section 97B.49, subsection 5, unnumbered  
25 paragraph 1, Code 1991, is amended to read as follows:

26 Commencing July 1, 1991, the department shall increase the  
27 percentage multiplier of the three-year average covered wage  
28 by an additional two percent each July 1 until reaching sixty  
29 percent of the three-year average covered wage if the annual  
30 actuarial valuation of the retirement system indicates for  
31 that year that the cost of this increase in the percentage of  
32 the three-year average covered wage used in computing  
33 retirement benefits can be absorbed within the employer and  
34 employee contribution rates in effect under section 97B.11.  
35 The two percent increase in the percentage multiplier for a

1 year applies only to the members retiring on or after July 1  
2 of the respective year.

3 Sec. 38. Section 97B.49, subsection 13, Code 1991, is  
4 amended to read as follows:

5 13. a. A member who retired from the system between  
6 January 1, 1976, and June 30, 1982, or a contingent annuitant  
7 or beneficiary of such a member, shall receive with the  
8 November ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit  
9 payments a retirement dividend equal to one hundred forty  
10 percent of the monthly benefit payment the member received for  
11 the preceding June, or the most recently received benefit  
12 payment, whichever is greater. The retirement dividend does  
13 not affect the amount of a monthly benefit payment.

14 b. Each member who retired from the system between July 4,  
15 1953, and December 31, 1975, or a contingent annuitant or  
16 beneficiary of such a member, shall receive with the November  
17 ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit payments  
18 a retirement dividend equal to one hundred eighty percent of  
19 the monthly benefit payment the member received for the  
20 preceding June, or the most recently received benefit payment,  
21 whichever is greater. The retirement dividend does not affect  
22 the amount of a monthly benefit payment.

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

27 d. A member who retired from the system between July 1,  
28 1982, and June 30, 1986, or a contingent annuitant or  
29 beneficiary of such a member, shall receive with the November  
30 ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit payments  
31 a retirement dividend equal to twenty-four percent of the  
32 monthly benefit payment the member received for the preceding  
33 June, or the most recently received benefit payment, whichever  
34 is greater. The retirement dividend does not affect the  
35 amount of a monthly benefit payment.

1 e. If the member dies on or after July 1 of the dividend  
2 year but before the payment date, the full amount of the  
3 retirement dividend for that year shall be paid to the  
4 designated beneficiary. If there is no beneficiary designated  
5 by the member, the department shall pay the dividend to the  
6 member's estate. The beneficiary, or the representative of  
7 the member's estate, must apply for the dividend within two  
8 years after the dividend is payable or the dividend is  
9 forfeited.

10 Sec. 39. Section 97B.49, subsection 16, paragraph a, Code  
11 1991, is amended by adding the following new subparagraph:

12 NEW SUBPARAGRAPH. (4) The years of membership service  
13 required under this paragraph include membership service as a  
14 sheriff or deputy sheriff and membership service as an  
15 employee in a protection occupation under paragraph "d",  
16 subparagraph 2.

17 Sec. 40. Section 97B.49, subsection 16, paragraph c,  
18 unnumbered paragraph 3, Code 1991, is amended to read as  
19 follows:

20 For the purpose of this subsection, "fraction of years of  
21 service" means a number, not to exceed one, equal to the sum  
22 of the years of membership service for a member retiring in a  
23 protection occupation, divided by twenty-five years, or the  
24 sum of the years of membership service for a member retiring  
25 as a sheriff or deputy sheriff divided by twenty-two years.  
26 However, in addition, "fraction of years of service" includes  
27 a member's years of membership service outside the service as  
28 a sheriff or deputy sheriff or protection occupation group  
29 divided by thirty. The three-year average covered wage for  
30 purposes of this subsection is the highest three-year average  
31 covered wage in each category. The formula multiplier used  
32 under this determination of fraction of years of service is  
33 the formula multiplier in effect under subsection 5 for the  
34 applicable year.

35 Sec. 41. Section 97B.50, subsection 1, unnumbered

1 paragraph 1, Code Supplement 1991, is amended to read as  
2 follows:

3 Except as otherwise provided in this section, a vested  
4 member, upon retirement prior to the normal retirement date,  
5 is entitled to receive a monthly retirement allowance  
6 determined in the same manner as provided for normal  
7 retirement in subsections 1, 4, and 5 of section 97B.49  
8 reduced as follows:

9 Sec. 42. Section 97B.50, subsections 2 and 4, Code  
10 Supplement 1991, are amended to read as follows:

11 2. a. A vested member who retires from the system due to  
12 disability and commences receiving disability benefits  
13 pursuant to the United States Social Security Act (42 U.S.C.),  
14 as amended to July 1, 1978, and who has not reached the normal  
15 retirement date, shall receive full benefits under section  
16 97B.49 and shall not have benefits reduced upon retirement as  
17 required under subsection 1 regardless of whether the member  
18 has completed thirty or more years of membership service.  
19 However, the benefits shall be suspended during any period in  
20 which the member returns to covered employment. This section  
21 takes effect July 1, 1990, for a member meeting the  
22 requirements of this paragraph who retired from the system at  
23 any time after July 4, 1953. Eligible members are entitled to  
24 the receipt of retroactive adjustment payments back to July 1,  
25 1990.

26 b. A vested member who retires from the system due to  
27 disability and commences receiving disability benefits  
28 pursuant to the United States Railroad Retirement Act (45  
29 U.S.C. § 231 et seq.), and who is eligible for early  
30 retirement but has not reached the normal retirement date,  
31 shall receive full benefits under section 97B.49 and shall not  
32 have benefits reduced upon retirement as required under  
33 subsection 1 regardless of whether the member has completed  
34 thirty or more years of membership service. This section  
35 takes effect July 1, 1990, for a member meeting the

1 requirements of this paragraph who retired from the system at  
2 any time since July 4, 1953. However, eligible members are  
3 entitled to receipt of retroactive adjustment payments for no  
4 more than six months immediately preceding the month after  
5 July 1, 1990, in which written notice was submitted to the  
6 department.

7 Effective July 1, 1990, for vested members terminating on  
8 or after July 4, 1953, a member who terminates covered  
9 employment due to disability and commences receiving  
10 disability benefits pursuant to the United States Railroad  
11 Retirement Act (45 U.S.C. § 231 et seq.), and who has not  
12 attained the age of fifty-five years, is eligible to receive  
13 benefits under section 97B.49, reduced by twenty-five  
14 hundredths of one percent for each month that the retirement  
15 date precedes the first day of the month in which the member  
16 attains the age of fifty-five. However, the benefits shall be  
17 suspended during any period in which the member returns to  
18 covered employment. Eligible members are entitled to receipt  
19 of retroactive adjustment payments for no more than six months  
20 immediately preceding the month after July 1, 1990, in which  
21 written notice was submitted to the department.

22 4. A vested member eligible for a retirement allowance  
23 adjusted under this section is entitled to receipt of  
24 retroactive adjustment payments for no more than six months  
25 immediately preceding the month in which written notice of  
26 retirement was submitted to the department.

27 Sec. 43. Section 97B.51, subsections 2, 5, and 6, Code  
28 1991, are amended to read as follows:

29 2. The election by a member or the contingent annuitant of  
30 the option stated under subsection 1 of this section shall be  
31 null and void if the member dies prior to retirement payment  
32 of the member's first retirement allowance.

33 5. At retirement, a member may designate that upon the  
34 member's death, a specified amount of money shall be paid to a  
35 named beneficiary, and the member's monthly retirement

1 allowance ~~will~~ shall be reduced by an actuarially determined  
2 amount to provide for the lump sum payment. The amount  
3 designated by the member must be in thousand dollar  
4 increments, and the amount designated shall not lower the  
5 monthly retirement allowance of the member by more than one-  
6 half the amount payable under section 97B.49, subsection 1 or  
7 5. A member may designate a different beneficiary if the  
8 original named beneficiary predeceases the member.

9 6. A member may elect to receive a decreased retirement  
10 allowance during the member's lifetime with provision that in  
11 event of the member's death during the first one hundred  
12 twenty months of retirement, monthly payments of the member's  
13 decreased retirement allowance shall be made to the member's  
14 beneficiary until a combined total of one hundred twenty  
15 monthly payments have been made to the member and the member's  
16 beneficiary. A member may designate a different beneficiary  
17 if the original named beneficiary predeceases the member.

18 Sec. 44. Section 97B.52, subsections 1 and 2, Code 1991,  
19 are amended to read as follows:

20 1. If a member dies prior to the date the member's first  
21 retirement allowance is ~~payable-under~~ issued by the system,  
22 the accumulated contributions of the member at the date of  
23 death plus the product of an amount equal to the highest year  
24 of covered wages of the deceased member and the number of  
25 years of membership service divided by thirty shall be paid to  
26 the member's beneficiary in a lump sum payment. However, a  
27 lump sum payment made to a beneficiary under this subsection  
28 due to the death of a member shall not be less than the amount  
29 that would have been payable on the death of the member on  
30 June 30, 1984, under this subsection as it appeared in the  
31 1983 Code.

32 Effective July 1, 1978, a method of payment under this  
33 subsection filed with the department by a member does not  
34 apply.

35 2. If a member dies after the date the member's first

1 retirement allowance is payable-under issued by the retirement  
2 system, the excess, if any, of the accumulated contributions  
3 by the member as of said date, over the total monthly  
4 retirement allowances received by the member under the  
5 retirement system will be paid to the member's beneficiary  
6 unless the retirement allowance is then being paid in  
7 accordance with subsection 1, 4, 5, or 6 of section 97B.51.

8 Sec. 45. Section 97B.52, subsection 3, paragraph b, Code  
9 1991, is amended to read as follows:

10 b. If a death benefit is due and payable, interest shall  
11 continue to accumulate through the month preceding the month  
12 in which payment is made to the designated beneficiary, heirs  
13 at law, or to the estate unless the payment of the death  
14 benefit is delayed because of a dispute between alleged heirs,  
15 in which case the benefit due and payable shall be placed in a  
16 noninterest bearing escrow account until the beneficiary is  
17 determined in accordance with this section. In order to  
18 receive the death benefit, the beneficiary, heirs at law, or  
19 the estate, or any other third-party payee, must apply to the  
20 department within two years of the member's death.

21 Sec. 46. Section 97B.52, subsection 4, Code 1991, is  
22 amended to read as follows:

23 4. If the department cannot locate the beneficiary within  
24 eighteen months following the member's death and receipt of  
25 verification that a certified letter with return receipt  
26 requested, addressee only, has been ~~delivered~~ mailed to the  
27 beneficiary, the department shall pay to the estate of the  
28 deceased member the amount otherwise designated to be received  
29 by the beneficiary. If a beneficiary is known to exist but  
30 cannot be notified, the department shall not pay the death  
31 benefits to the estate.

32 Sec. 47. Section 97B.52, Code 1991, is amended by adding  
33 the following new subsection:

34 NEW SUBSECTION. 6. If a member has not filed a  
35 designation of beneficiary with the department, the death

1 benefit is payable to the member's estate. If no designation  
2 has been filed and an estate is not probated, the death  
3 benefit shall be paid to the surviving spouse, if any. If no  
4 designation has been filed, no estate has been probated, and  
5 there is no surviving spouse, the death benefit shall remain  
6 in the fund.

7 Sec. 48. NEW SECTION. 97B.52A ELIGIBILITY FOR BENEFITS -  
8 - BONA FIDE RETIREMENT.

9 A member has a bona fide retirement when the member  
10 terminates employment and remains out of employment for at  
11 least one hundred twenty consecutive days, files an  
12 application for benefits form with the department, and does  
13 not return to employment as defined in this chapter until the  
14 member has qualified for no fewer than four calendar month's  
15 retirement benefits.

16 A retired member who commences receiving a retirement  
17 allowance but returns to employment before the expiration of  
18 the one hundred twenty consecutive day period, does not have a  
19 bona fide retirement and any retirement allowance received by  
20 such a member must be returned to the system together with  
21 interest earned on the retirement allowance calculated at a  
22 rate determined by the department. Until the member has  
23 repaid the retirement allowance and interest, the department  
24 may withhold any future retirement allowance for which the  
25 member may qualify.

26 Sec. 49. Section 97B.53, Code 1991, is amended to read as  
27 follows:

28 97B.53 TERMINATION OF EMPLOYMENT -- REFUND OPTIONS.

29 ~~All-rights-to-all-benefits-under~~ Membership in the  
30 retirement system, and all rights to the benefits under the  
31 system, will cease upon a member's termination of employment  
32 with the employer prior to the member's retirement, other than  
33 by death, ~~except-as-provided-hereafter:~~ and upon receipt by  
34 the member of the member's accumulated contributions.

35 1. Upon the termination of employment with the employer

1 prior to retirement other than by death of a member, the  
2 accumulated contributions by the member at the date of such  
3 the termination will may be paid to such the member upon  
4 application, except as may-be provided in subsection  
5 subsections 2, subsection 5, and subsection 6 of this-section.

6 2. If a vested member's employment is terminated prior to  
7 the member's retirement, other than by death, the member shall  
8 may receive a monthly retirement allowance commencing on the  
9 first day of the month in which the member attains the age of  
10 sixty-five years, if the member is then alive, or, if the  
11 member so elects in accordance with section 97B.47, commencing  
12 on the first day of the month in which the member attains the  
13 age of fifty-five or any month thereafter prior to the date  
14 the member attains the age of sixty-five years, and continuing  
15 on the first day of each month thereafter during the member's  
16 lifetime, provided the member does not receive prior to the  
17 date the member's retirement allowance is to commence a refund  
18 of accumulated contributions under any of the provisions of  
19 this chapter. The amount of each such monthly retirement  
20 allowance shall be determined as provided in either section  
21 97B.49 or in section 97B.50, whichever is applicable.

22 3. The accumulated contributions of a terminated, vested  
23 member who-is-entitled-to-the-benefits-of-subsection-2-of-this  
24 section shall be credited with interest, including interest  
25 dividends.

26 4. A terminated, vested member who-is-entitled-to-the  
27 benefits-of-subsection-2-of-this-section-shall-have has the  
28 right, prior to the commencement of the member's retirement  
29 allowance, to receive a refund of the member's accumulated  
30 contributions, and in the event of the death of the member  
31 prior to the commencement of the member's retirement allowance  
32 and prior to the receipt of any such refund the benefits of  
33 subsection 1 of section 97B.52 shall be paid. No-member-shall  
34 be-entitled-to-any-refund-based-upon-any-credit-for-prior  
35 service-as-determined-under-the-provisions-of-section-97B-43

1 ~~or-for-any-portion-of-any-contribution-made-by-an-employer~~  
2 ~~unless-otherwise-provided-by-this-chapter-~~

3 5. A member has not terminated employment if the member  
4 accepts other employment in the state of Iowa under which the  
5 member is eligible to membership in the Iowa public employees'  
6 retirement system, within thirty days after the member has  
7 left public covered employment.

8 5A. Within sixty days after a member has been issued  
9 payment for a refund of the member's accumulated  
10 contributions, the member may repay the accumulated  
11 contributions plus interest that would have accrued, as  
12 determined by the department, and receive credit for  
13 membership service for the period covered by the refund  
14 payment.

15 5B. Any A member who does not withdraw the member's  
16 accumulated contributions upon termination of employment may  
17 at any time request the return of the member's accumulated  
18 contributions, but if the member receives such a return of  
19 contributions the member ~~shall-be-deemed-to-have~~ has waived  
20 all claims for any other benefits and membership rights from  
21 the fund.

22 6. Any A member who terminates employment before the  
23 member is ~~entitled-to-the-benefits-of-subsection-2-of-this~~  
24 ~~section~~ vested and who does not claim and receive a refund of  
25 the member's accumulated contributions within five years of  
26 the date of termination shall, ~~in-event~~ if the member makes  
27 claim for such a refund more than five years after the date of  
28 termination, be required to submit proof satisfactory to the  
29 department of the member's entitlement to ~~such~~ the refund, but  
30 in no case shall interest be allowed upon the accumulated  
31 contributions for any period in which the member is not an  
32 employee. The department ~~shall-be~~ is under no obligation to  
33 maintain the accumulated contribution accounts of such former  
34 members for more than five years after their dates of  
35 termination.

1 Any A person who made contributions to the abolished  
2 system, who is entitled to a refund in accordance with the  
3 provisions of this chapter, and who has not claimed and  
4 received such a refund prior to January 1, 1964, shall, in  
5 event if the person makes a claim for such refund after  
6 January 1, 1964, be required to submit proof satisfactory to  
7 the department of the person's entitlement to such the refund.  
8 The department ~~shall be~~ is under no obligation to maintain the  
9 contribution accounts of such persons after January 1, 1964.

10 7. Any Effective July 1, 1992, a member whose employment  
11 is terminated ~~after one year of employment but~~ before the  
12 member has ~~accumulated four or more years of employment,~~  
13 ~~either under the provisions of this chapter or as a result of~~  
14 ~~prior service credits, may elect to leave the member's~~  
15 ~~accumulated contributions in the retirement fund~~ attained  
16 vested status shall be paid a refund of the member's  
17 accumulated contributions. ~~In the event the member returns to~~  
18 ~~public employment at any time within four years after this~~  
19 ~~termination of employment, the member shall be entitled to~~  
20 ~~resume membership in the system with the same credits for~~  
21 ~~prior service and accumulated contributions that the member~~  
22 ~~had earned when the member's original employment was~~  
23 ~~terminated. No interest shall be credited on the member's~~  
24 ~~accumulated contributions nor on the member's employer's~~  
25 ~~accumulated contributions during the period from the time of~~  
26 ~~the member's termination of employment to the member's~~  
27 ~~resumption of employment. The employer shall notify the~~  
28 department of a member's termination and upon receipt of a  
29 signed application for refund, the department shall refund the  
30 member's accumulated contributions.

31 Any member who has resumed employment under the provisions  
32 of this subsection shall not be eligible for any second period  
33 of absence from membership as a result of termination of  
34 service.

35 8. If an employee hired to fill a permanent position

1 terminates the employee's employment within six months from  
2 the date of employment, the employer may file a claim with the  
3 department for a refund of the funds contributed to the  
4 department by the employer for the employee.

5 ~~9.--The-department-shall-refund-employee-and-employer~~  
6 ~~contributions-on-the-covered-wages-earned-by-a-retired-member~~  
7 ~~that-are-not-used-in-the-recomputation-of-monthly-benefits-of~~  
8 ~~that-member.~~

9 Sec. 50. Section 97B.58, Code 1991, is amended to read as  
10 follows:

11 97B.58 INFORMATION FURNISHED BY EMPLOYER.

12 To enable the department to perform its functions, the  
13 employer shall, upon the request of and in the manner provided  
14 by the department, supply full and timely information to the  
15 department of all matters relating to the pay of all members,  
16 date of birth, their retirement, death, or other cause for  
17 termination of employment, and such other pertinent facts as  
18 the department may require in the manner provided by the  
19 department.

20 Sec. 51. Section 97B.73, Code 1991, is amended to read as  
21 follows:

22 97B.73 MEMBERS FROM OTHER PUBLIC SYSTEMS.

23 A vested or retired member who was in public employment  
24 comparable to employment covered under this chapter in another  
25 state or in the federal government, or who was a member of  
26 another public retirement system in this state, including but  
27 not limited to the teachers insurance annuity association-  
28 college retirement equities fund, but who was not retired  
29 under that system, upon submitting verification of membership  
30 and service in the other public retirement system to the  
31 department, including proof that the member has no further  
32 claim upon a retirement benefit from that other public system,  
33 may make employer and employee contributions to the system  
34 either for the entire period of service in the other public  
35 retirement system and, or for partial service in the other

1 public system in increments of no greater than one year or  
2 less than one calendar quarter. If the member wishes to  
3 transfer only a portion of the service value of another public  
4 system to this system and the other public system allows a  
5 partial withdrawal of a member's system credits, the member  
6 shall receive credit for membership service in this system  
7 equivalent to the number of years of service in transferred  
8 from the other public retirement system. The contribution  
9 payable shall be based upon the member's covered wages for the  
10 most recent full calendar year at the applicable rates in  
11 effect for that calendar year under sections 97B.11 and 97B.49  
12 and multiplied by the member's years of service in other  
13 public employment. If the member's most recent covered wages  
14 were earned prior to the most recent calendar year, the  
15 member's covered wages shall be adjusted by the department by  
16 an inflation factor to reflect changes in the economy since  
17 the covered wages were earned.

18 This section is applicable to a vested or retired member  
19 who was a member of a public retirement system established in  
20 sections 294.8, 294.9, and 294.10 but was not retired under  
21 that system.

22 A member vested-under entitled to a benefit from another  
23 public system must waive, on a form provided by the Iowa  
24 public employees' retirement system, all rights to a  
25 retirement benefit under that the other public system before  
26 receiving credit in this system for those the years of service  
27 in the other public system. The waiver must be accepted by  
28 the other public system.

29 Effective July 1, 1988, a member eligible for an increased  
30 retirement allowance because of the payment of contributions  
31 under this section is entitled to receipt of retroactive  
32 adjustment payments for no more than six months immediately  
33 preceding the month in which written notice was submitted to  
34 the department.

35 Sec. 52. Section 97B.80, Code 1991, is amended to read as

1 follows:

2 97B.80 VETERAN'S CREDIT.

3 Effective July 1, ~~1990~~ 1992, a vested or retired member  
4 ~~with-reportable-wages-in-the-most-recent-calendar-year~~, who at  
5 any time served on active duty in the armed forces of the  
6 United States, upon submitting verification of the dates of  
7 the active duty service, may make employer and employee  
8 contributions to the system based upon the member's covered  
9 wages for the most recent full calendar year in which the  
10 member had reportable wages at the applicable rates in effect  
11 for that year under sections 97B.11 and 97B.49, for the period  
12 of time of the active duty service, either for the entire  
13 service period or in one-year increments but-not-to-exceed  
14 four-years of no greater than one year and not less than one  
15 calendar quarter, and receive credit for membership service  
16 and prior service for the period of time for which the  
17 contributions are made. If the member's most recent covered  
18 wages were earned prior to the most recent calendar year, the  
19 member's covered wages shall be adjusted by the department by  
20 an inflation factor to reflect changes in the economy. The  
21 department shall adjust benefits for a six-month period prior  
22 to the date the member pays contributions under this section  
23 if the member is receiving a retirement allowance at the time  
24 the contribution payment is made. Verification of active duty  
25 service and payment of contributions shall be made to the  
26 department. However, a member is not eligible to make  
27 contributions under this section if the member is receiving,  
28 or is eligible to receive, or may in the future be eligible to  
29 receive retirement pay from the United States government for  
30 active duty in the armed forces, except for retirement pay  
31 granted by the United States government under retired pay for  
32 nonregular service (10 U.S.C. § 1331, et seq.). A member  
33 receiving retired pay for nonregular service who makes  
34 contributions under this section shall provide information  
35 required by the department documenting time periods covered

1 under retired pay for nonregular service.

2 Sec. 53. Sections 97B.26, 97B.66, and 97B.71, Code 1991,  
3 are repealed.

4 EXPLANATION

5 This bill makes the following changes to the Iowa public  
6 employees' retirement system in chapter 97B:

7 Sections 97B.4 and 97B.5 changes add authority for the  
8 department of personnel to contract with outside parties for  
9 various purposes.

10 Section 97B.6 change establishes a policy for destruction  
11 of old records of deceased members.

12 Section 97B.7 changes specify that the fund is for the  
13 benefit of the members and to be used for administration of  
14 the retirement system.

15 Section 97B.8 change allows a member of the investment  
16 board to be an executive of any industrial corporation rather  
17 than a major industrial corporation.

18 Section 97B.10 change allows refunds of contributions to be  
19 made to employers and employees after the three-year deadline  
20 specified for just and equitable refunds.

21 Section 97B.11 change deletes obsolete contribution  
22 percentages.

23 Section 97B.17 change makes grammatical changes.

24 Section 97B.18 change allows the department to provide  
25 additional information concerning the members' contributions  
26 and benefit credits.

27 New sections 97B.20A and 97B.20B relate to the appeal  
28 procedure, including the departmental review and appeal to an  
29 administrative law judge from the department of inspections  
30 and appeals.

31 Section 97B.22 updates references to the old employment  
32 security commission and from appeal referee to administrative  
33 law judge.

34 Section 97B.23 change revises archaic language.

35 Section 97B.25 change adds a reference to the appeal

1 procedure provided in the new section 97B.20A.

2 Section 97B.34 change allows the department to adopt rules  
3 for making payments to a representative of an applicant for  
4 benefits.

5 New section 97B.34A provides procedures for payment of  
6 benefits to minors.

7 Section 97B.41 changes allow calendar quarters to be  
8 counted regardless of remuneration received by a member during  
9 the quarter, add agencies to the definition of employer,  
10 define termination under the system for an elected member, and  
11 make technical changes regarding coverage of students,  
12 drainage district employees, temporary employees, and  
13 employees of community action programs. The changes expand  
14 the definitions of member, vested member, and retired member,  
15 and define bona fide retirement. The changes provide that the  
16 final quarter of a member's wages not be used in calculating  
17 the member's retirement allowance if it would reduce the  
18 retirement allowance.

19 Section 97B.42 changes make technical Code changes and also  
20 allow community college employees who join TIAA-CREF to  
21 withdraw their IPERS contributions.

22 Section 97B.43 changes allow prior service credit to be  
23 used in computation of a member's retirement benefits.

24 Section 97B.44 changes clarify that a member who takes a  
25 refund of contributions also cancels a designation of  
26 beneficiary.

27 Section 97B.48 changes relate to the notification required  
28 for retirement and establish a policy that benefits will not  
29 be figured to start retroactively beyond six months prior to  
30 the time the member notifies the department of the member's  
31 wish to retire.

32 New section 97B.48A adjusts to match the social security  
33 level the amount which a reemployed retired member can earn  
34 without having benefit payments suspended, outlines the  
35 procedure for calculating benefits if a member retires,

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1 returns to employment, and retires a second time, and provides  
2 for refund with interest of employer and employee  
3 contributions not used in calculating the retirement benefit.

4 Section 97B.49 changes specify that the 2 percent annual  
5 increases in the percentage multiplier apply only to members  
6 retiring during the specific year in which the 2 percent  
7 increase is applied, provide for payment of dividends in  
8 November 1992 and November 1993, provide that if a retired  
9 member dies, application for the dividend for that year by a  
10 beneficiary or the estate of the member must be made within 2  
11 years after the dividend is payable, allow years of membership  
12 service to include both protection occupation years and  
13 sheriff or deputy sheriff years of service, and specify the  
14 calculation of the shared service years including years in  
15 which a member is not employed in a protection occupation.

16 Section 97B.50 changes specify that members must be vested  
17 to apply for early retirement benefits.

18 Sections 97B.51 and 97B.52 changes provide that a member  
19 may change the member's beneficiary if the beneficiary dies  
20 prior to the death of the member, provide that if the member  
21 dies prior to the issuance of the first month's benefit, the  
22 election of a retirement payment option is null, provide a  
23 time limitation of 2 years for application by a beneficiary,  
24 heirs, or the estate for a member's death benefit, and provide  
25 for payment of the death benefit if the member has not filed a  
26 designation of beneficiary with the department.

27 New section 97B.52A provides that a member must remain out  
28 of employment for 120 days in order for the member's  
29 retirement to be a bona fide retirement. If the member  
30 returns to employment during that period, the member must  
31 return any retirement allowance received plus interest.

32 Section 97B.53 changes provide that membership in the  
33 retirement system ceases when the member receives a refund of  
34 the member's contributions, remove the prohibition against a  
35 member taking a refund based upon prior service credit, and

1 require members who terminate employment prior to vesting to  
2 file for a refund of contributions.

3 Section 97B.58 change grants the department rulemaking  
4 authority to specify the information required to be provided  
5 to the department by employers.

6 Section 97B.73 changes specify the type of public  
7 employment that can be transferred to IPERS, provide for  
8 credit for a portion of the other public employment, provide  
9 for the department to use an inflation factor for members  
10 buying back service based upon previous service, and state  
11 that both the department and the other public retirement  
12 system must agree to the waiver of service in the other system  
13 for the transfer of service to be valid.

14 Section 97B.80 changes are similar to those made in section  
15 97B.73 and also the changes remove the four-year limit on the  
16 buyback of veteran's credit.

17 This bill may create a state mandate under chapter 25B.

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