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FILED FEB 29 1996

SENATE FILE 2365

BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 2315)

Passed Senate, Date 3/18/96 ^(P. 832) Passed House, Date _____
 Vote: Ayes 43 Nays 6 Vote: Ayes _____ Nays _____
 Approved _____

A BILL FOR

- 1 An Act relating to state government personnel procedures
- 2 including deferred compensation, the phased retirement
- 3 program, and compensation for certain election officials.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SENATE FILE 2365

S-5307

- 1 Amend Senate File 2365 as follows:
- 2 1. Page 2, line 14, by inserting after the word
- 3 "funds" the following: "of a state government
- 4 deferred compensation plan".
- 5 2. Page 2, lines 15 and 16, by striking the words
- 6 "concerning the state's deferred compensation plan".

By MICHAEL E. GRONSTAL

S-5307 FILED MARCH 12, 1996
adopted 3-18-96 (P. 831)

SENATE FILE 2365

S-5367

- 1 Amend Senate File 2365 as follows:
- 2 1. Page 2, line 24, by striking the words "three
- 3 dollars and fifty cents per hour" and inserting the
- 4 following: "three-dollars-and-fifty-cents-per-hour
- 5 the minimum wage provided by section 91D.1, subsection
- 6 1, paragraph "b"".

By TONY BISIGNANO

S-5367 FILED MARCH 18, 1996
 ADOPTED *3-18-96 (P. 832)*

22
23

S.F. 2365

RECEIVED

1 Section 1. Section 12B.10, subsection 6, Code 1995, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. g. Investments under the deferred
4 compensation plan established by the executive council
5 pursuant to section 509A.12.

6 Sec. 2. Section 12B.10A, subsection 6, Code 1995, is
7 amended by adding the following new paragraph:

8 NEW PARAGRAPH. g. The deferred compensation plan
9 established by the executive council pursuant to section
10 509A.12.

11 Sec. 3. Section 12B.10B, subsection 3, Code 1995, is
12 amended by adding the following new paragraph:

13 NEW PARAGRAPH. g. The deferred compensation plan
14 established by the executive council pursuant to section
15 509A.12.

16 Sec. 4. Section 12B.10C, Code 1995, is amended by adding
17 the following new subsection:

18 NEW SUBSECTION. 6.. The deferred compensation plan
19 established by the executive council pursuant to section
20 509A.12.

21 Sec. 5. Section 12C.1, subsection 1, Code 1995, is amended
22 to read as follows:

23 1. All funds held in the hands of the following officers
24 or institutions shall be deposited in one or more depositories
25 first approved by the appropriate governing body as indicated:
26 For the treasurer of state, by the executive council; for
27 judicial officers and court employees, by the supreme court;
28 for the county treasurer, recorder, auditor, and sheriff, by
29 the board of supervisors; for the city treasurer or other
30 designated financial officer of a city, by the city council;
31 for the county public hospital or merged area hospital, by the
32 board of hospital trustees; for a memorial hospital, by the
33 memorial hospital commission; for a school corporation, by the
34 board of school directors; for a city utility or combined
35 utility system established under chapter 388, by the utility

1 board; for a regional library established under chapter 256,
2 by the regional board of library trustees; and for an electric
3 power agency as defined in section 28F.2, by the governing
4 body of the electric power agency. However, the treasurer of
5 state and the treasurer of each political subdivision or the
6 designated financial officer of a city shall invest all funds
7 not needed for current operating expenses in time certificates
8 of deposit in approved depositories pursuant to this chapter
9 or in investments permitted by section 12B.10. The list of
10 public depositories and the amounts severally deposited in the
11 depositories are matters of public record. This subsection
12 does not limit the definition of "public funds" contained in
13 subsection 2. Notwithstanding provisions of this section to
14 the contrary, public funds may also be invested in investments
15 authorized under section 509A.12 concerning the state's
16 deferred compensation plan.

17 Sec. 6. Section 49.20, Code 1995, is amended to read as
18 follows:

19 49.20 COMPENSATION OF MEMBERS.

20 The members of election boards shall be deemed temporary
21 ~~state county employees who are compensated by the county in~~
22 ~~which they serve,~~ and shall receive compensation at a rate
23 established by the county board of supervisors, which shall be
24 not less than three dollars and fifty cents per hour, while
25 engaged in the discharge of their duties and shall be
26 reimbursed for actual and necessary travel expense, except
27 that persons who have advised the commissioner prior to their
28 appointment to the election board that they are willing to
29 serve without pay at elections conducted for any school
30 district or a city of three thousand five hundred or less
31 population, shall receive no compensation for service at those
32 elections. Compensation shall be paid to members of election
33 boards only after the vote has been canvassed and it has been
34 determined in the course of the canvass that the election
35 record certificate has been properly executed by the election

1 board.

2 Sec. 7. Section 70A.31, Code 1995, is amended to read as
3 follows:

4 70A.31 ELIGIBILITY.

5 The phased retirement incentive program requires that
6 participants work a maximum of thirty-two hours per week and a
7 minimum of twenty hours per week for the first year four years
8 after entering the program. After the fourth year of
9 participation in the program, participants shall work a
10 maximum of twenty hours per week. After the fifth year of
11 participation in the program, participants shall retire from
12 state government service or employment.

13 Sec. 8. Section 70A.33, unnumbered paragraph 1, Code 1995,
14 is amended to read as follows:

15 A state employee meeting the requirements of section 70A.31
16 may file a request to participate in the program with the head
17 of the employee's state department, agency, or commission.
18 The employee shall specify the number of hours per week the
19 employee intends to work for each of the five years of
20 participation, subject to the requirements of section 70A.31.
21 Participation in the program is dependent upon the approval of
22 the head of the department, agency, or commission. The cost
23 to the state department, agency, or commission shall be paid
24 from the funds appropriated to the department, agency, or
25 commission for salaries, support, maintenance, and
26 miscellaneous purposes.

27 Sec. 9. Section 509A.12, unnumbered paragraph 1, Code
28 Supplement 1995, is amended to read as follows:

29 ~~At the request of an employee, the governing body or the~~
30 ~~county board of supervisors shall by contractual agreement~~
31 ~~acquire an individual or group life insurance contract,~~
32 ~~annuity contract, interest in a mutual fund, security, or any~~
33 ~~other deferred payment contract for the purpose of funding a~~
34 ~~deferred compensation program.~~ A governing body or county
35 board of supervisors may establish a deferred compensation

1 program under this section. The contributions made on behalf
2 of an employee who chooses to participate in the program shall
3 be invested at the direction of the employee in a life
4 insurance contract, annuity contract, mutual fund, security,
5 or any other deferred payment contract offered as an
6 investment option under the program. The contract acquired
7 for an employee shall be in accordance with the plan document
8 and from any a company, or a salesperson for that company,
9 that is authorized to do business in this state, ~~or through an~~
10 ~~Iowa-licensed-salesperson-that-the-employee-selects-on-a-group~~
11 ~~or-individual-basis.~~ When the state of Iowa acquires an
12 investment product pursuant to the plan document, the state
13 does not become a shareholder, stockholder, or owner of a
14 corporation in violation of Article VIII, section 3, of the
15 Constitution of the State of Iowa or any other provision of
16 law.

17

EXPLANATION

18 Sections 1 through 4 add a deferred compensation plan
19 established by the executive council to the list of entities
20 that include several state employee retirement plans exempt
21 from certain investment policy requirements of chapter 12B.

22 The bill also provides that public funds invested for
23 purposes of a state deferred compensation plan can be invested
24 as provided in section 509A.12. Section 509A.12, dealing with
25 the deferred compensation program for government employees, is
26 amended concerning the investment options available to an
27 employee.

28 Section 49.20 is amended to provide that members of the
29 local election boards be deemed temporary county employees
30 rather than state employees.

31 The bill also provides that employees who participate in
32 the phased retirement program must retire after the fifth year
33 in the program.

34

35

SENATE FILE 2365

S-5372

1 Amend Senate File 2365 as follows:
2 1. Page 2, by inserting after line 16 the
3 following:
4 "Sec. ____ . Section 19A.1, subsection 3, paragraph
5 a, Code 1995, is amended by striking the paragraph.
6 Sec. ____ . Section 19A.2, subsection 2, Code 1995,
7 is amended by striking the subsection.
8 Sec. ____ . Section 19A.2A, Code 1995, is amended to
9 read as follows:

10 19A.2A PURPOSE AND APPLICABILITY OF CHAPTER.
11 The general purpose of this chapter is to establish
12 for the state of Iowa a system of personnel
13 administration based on merit principles and
14 scientific methods to govern the appointment,
15 promotion, welfare, transfer, layoff, removal, and
16 discipline of its civil employees, and other incidents
17 of state employment. It is also the purpose of this
18 chapter to promote the coordination of personnel rules
19 and policies with collective bargaining agreements
20 negotiated under chapter 20.

21 All appointments and promotions to positions in the
22 state merit system shall be made solely on the basis
23 of merit and fitness, to be ascertained by competitive
24 examinations, except as otherwise specified in this
25 chapter.

26 Provisions of this chapter pertaining to
27 qualifications, examination, competitive appointment,
28 probation, and just cause hearings apply only to
29 employees covered by the merit system.

30 This chapter does not apply to persons who are paid
31 a fee on a contract-for-services basis.

32 Sec. ____ . Section 19A.3, subsection 8, Code
33 Supplement 1995, is amended by striking the
34 subsection.

35 Sec. ____ . Section 19A.9, unnumbered paragraph 1,
36 and subsections 1, 2, 14, and 23, Code 1995, are
37 amended to read as follows:

38 The ~~personnel-commission~~ director shall adopt and
39 may amend rules for the administration and
40 implementation of this chapter in accordance with
41 chapter 17A. ~~The director shall prepare and submit~~
42 ~~proposed rules to the commission.~~ Rulemaking shall be
43 carried out with due regard to the terms of collective
44 bargaining agreements. A rule shall not supersede a
45 provision of a collective bargaining agreement
46 negotiated under chapter 20. The rules shall provide:

47 1. For the preparation, maintenance, and revision
48 of a position job classification plan from a schedule
49 by separate department for each position and type of
50 employment not otherwise provided for by law in state

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~~1 government-for-all-positions that encompasses each job~~
~~2 in the executive branch, excluding positions job~~
~~3 classifications under the state board of regents,~~
~~4 based upon assigned duties performed and~~
~~5 responsibilities assumed, so that the same general~~
~~6 qualifications may reasonably be required for and the~~
~~7 same schedule-of pay plan may be equitably applied to~~
~~8 all positions jobs in the same class,-in-the-same~~
~~9 geographical-area job classification. After-the~~
~~10 classification-has-been-approved-by-the-commission,~~
11 The director shall allocate classify the position
12 of every employee in the executive branch, excluding
13 employees of the state board of regents, to into one
14 of the classes in the plan. Any employee or agency
15 officials appointing authority adversely affected by
16 the allocation classification or reclassification of a
17 position to a class shall,-after-filing may file a
18 request for reconsideration with the director a
19 written-request-for-reconsideration-in-the-manner-and
20 form-the-director-prescribes, and shall be given a
21 reasonable opportunity to be heard by the director or
22 the director's designee. An appeal may be made to the
23 commission-or-to a qualified classification committee
24 appointed by the commission director. An allocation
25 The classification or reallocation reclassification of
26 a position by-the-director-to-a-different
27 classification that would cause the expenditure of
28 additional salary funds shall not become effective, if
29 the allocation-or-reallocation-may-result-in-the
30 expenditure of funds is in excess of the total amount
31 budgeted for the department of the appointing
32 authority, until budgetary approval has been obtained
33 from the director of the department of management.

34 When the public interest requires a diminution or
35 increase of employees in any position or type of
36 employment not otherwise provided by law, or the
37 creation or abolishment of any position or type of
38 employment, the governor director, acting in good
39 faith, shall so notify the commission governor.
40 Thereafter the position or type of employment shall
41 stand abolished or created and the number of employees
42 therein reduced or increased. Schedules of positions
43 and types of employment not otherwise provided for by
44 law shall be reviewed at least once each year by the
45 governor director.

46 2. For pay plans within-the-purview-of-an
47 appropriation-made-by-the-general-assembly-and-not
48 otherwise-provided-by-law-for covering all employees
49 in the executive branch of state government, excluding
50 employees of the state board of regents, after

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1 consultation with the governor and appointing
2 authorities, and consistent with due regard to the
3 terms of collective bargaining agreements negotiated
4 under chapter 20 ~~and after a public hearing held by~~
5 ~~the commission. Review of the pay plan for revisions~~
6 ~~shall be made in the same manner at the discretion of~~
7 ~~the director, but not less than annually. The annual~~
8 ~~review by the director shall be made available to the~~
9 ~~governor a sufficient time in advance of collective~~
10 ~~bargaining negotiations to permit its recommendations~~
11 ~~to be considered during the negotiations. Each~~
12 ~~employee in the executive branch, excluding employees~~
13 ~~of the state board of regents, shall be paid at one of~~
14 ~~the rates set forth in the pay plan for the class of~~
15 ~~position in which employed and, unless otherwise~~
16 ~~designated by the commission, shall begin employment~~
17 ~~at the first step of the established range for the~~
18 ~~employee's class.~~

19 14. For layoffs by reason of lack of funds or
20 work, or organization, and for re-employment the
21 recall of employees so laid off, giving primary
22 consideration in both layoffs and re-employment recall
23 to the performance record and secondary consideration
24 to seniority in length of service. Any employee who
25 has been laid off may keep the employee's name on a
26 preferred-employment recall list for one year, which
27 list shall be exhausted by the agency enforcing the
28 layoff before selection of an employee may be made
29 from the register promotional or nonpromotional list
30 of eligibles in the employee's classification.
31 Employees who are subject to contracts negotiated
32 under chapter 20 which include layoff and recall
33 provisions shall be governed by the contract
34 provisions.

35 23. For the establishment of work test
36 appointments for positions of unskilled labor
37 laborers, attendants, aides, janitors, food service
38 workers, laundry workers, porters, elevator operators,
39 or custodial or similar types of employment when the
40 character of the work makes it impracticable to supply
41 the needs of the service effectively by written or
42 other type of competitive examination. If this
43 subsection conflicts with any other provisions of this
44 chapter, the provisions of this subsection govern the
45 positions to which it applies. All persons appointed
46 to the positions specified in this subsection shall
47 serve a probationary period in accordance with this
48 chapter, may acquire permanent status, and are subject
49 to the same rules as other classified employees. Such
50 persons shall be required to pass promotional

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1 examinations as prescribed by this chapter and the
2 rules adopted by the personnel-commission director
3 before they may be promoted to a higher
4 classification.

5 Sec. _____. Section 19A.15, Code Supplement 1995, is
6 amended by adding the following new unnumbered
7 paragraph:

8 NEW UNNUMBERED PARAGRAPH. The department's records
9 may be maintained in paper, magnetic, or electronic
10 format, including optical disk storage.

11 Sec. _____. Section 19A.16, Code 1995, is amended to
12 read as follows:

13 19A.16 SERVICES TO POLITICAL SUBDIVISIONS.

14 ~~Subject-to-the-rules-approved-by-the-commission,~~
15 The The director may enter into agreements with any
16 municipality or political subdivision of the state to
17 furnish services and facilities of the agency to such
18 the municipality or political subdivision in the
19 administration of its personnel on merit principles.

20 ~~Any-such~~ The agreement shall provide for the
21 reimbursement to the state of the reasonable cost of
22 the services and facilities furnished. All
23 municipalities and political subdivisions of the state
24 are authorized to enter into such agreements.

25 Nothing in this chapter shall affect any municipal
26 civil service programs presently established under and
27 pursuant to ~~the-provisions-of~~ chapter 400.

28 Sec. _____. Section 19A.18, unnumbered paragraph 7,
29 Code 1995, is amended to read as follows:

30 The commission director shall adopt any rules
31 necessary for further restricting political activities
32 of persons holding positions in the classified
33 service, but only to the extent necessary to comply
34 with federal standards. Employees retain the right to
35 vote as they please and to express their opinions on
36 all subjects."

37 2. Page 3, by inserting after line 1 the
38 following:

39 "Sec. _____. Section 70A.1, unnumbered paragraphs 1
40 and 7, Code 1995, are amended to read as follows:

41 Salaries specifically provided for in an
42 appropriation Act of the general assembly shall be in
43 lieu of existing statutory salaries, for the positions
44 provided for in the Act, and all salaries, including
45 longevity where applicable by express provision in the
46 Code, shall be paid according to the provisions of
47 chapter 91A and shall be in full compensation of all
48 services, including any service on committees, boards,
49 commissions or similar duty for Iowa government,
50 except for members of the general assembly. A state

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1 employee on an annual salary shall not be paid for a
2 pay period an amount which exceeds the employee's
3 annual salary transposed into a rate applicable to the
4 pay period by dividing the annual salary by the number
5 of pay periods in the fiscal year. Salaries for state
6 employees ~~other than annual salaries~~ covered by the
7 overtime payment provisions of the federal Fair Labor
8 Standards Act shall be established on an hourly basis.

9 State employees, excluding state board of regents'
10 faculty members with nine-month appointments, and
11 employees covered under a collective bargaining
12 agreement negotiated with the public safety bargaining
13 unit who are eligible for accrued vacation benefits
14 and accrued sick leave benefits, who have accumulated
15 thirty days of sick leave, and who do not use sick
16 leave during a full month of employment may elect to
17 accrue up to one-half day of additional vacation. The
18 accrual of additional vacation time by an employee for
19 not using sick leave during a month is in lieu of the
20 accrual of up to one and one-half days of sick leave
21 for that month. The personnel-commission director of
22 the department of personnel may adopt the necessary
23 rules and procedures for the implementation of this
24 program for all state employees except employees of
25 the state board of regents. The state board of
26 regents may adopt necessary rules for the
27 implementation of this program for its employees.

28 Sec. _____. Section 70A.16, subsection 2, unnumbered
29 paragraph 1, Code 1995, is amended to read as follows:

30 A state employee who is reassigned shall be
31 reimbursed for moving expenses incurred in accordance
32 with rules adopted by the personnel-commission
33 director of the department of personnel when all of
34 the following circumstances exist:"

35 3. Page 3, by inserting after line 26 the
36 following:

37 "Sec. _____. Section 137.6, subsection 4, Code 1995,
38 is amended to read as follows:

39 4. Employ persons as necessary for the efficient
40 discharge of its duties. Employment practices shall
41 meet the requirements of the personnel-commission
42 director of the department of personnel or any civil
43 service provision adopted under chapter 400."

44 4. Page 4, by inserting after line 16 the
45 following:

46 "Sec. _____. REPEAL. Sections 19A.4, 19A.6, and
47 19A.7, Code 1995, are repealed."

48 5. Title page, line 3, by inserting after the
49 word "program," the following: "job classifications,
50 pay plans, recall from layoff, the personnel

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1 commission,".

2 6. By renumbering as necessary.

By MICHAEL E. GRONSTAL

S-5372 FILED MARCH 18, 1996

ADOPTED

(P. 831)

SENATE FILE 2365

S-5375

1 Amend Senate File 2365 as follows:

2 1. Page 2, by inserting after line 16 the
3 following:4 "Sec. ____ . Section 19A.23, Code 1995, is amended
5 by striking the section and inserting in lieu thereof
6 the following:7 19A.23 LONGEVITY PAY PERMITTED. All state
8 employees, including employees of the department of
9 public safety, covered by this chapter or chapter 80,
10 shall be entitled to longevity pay as negotiated
11 pursuant to chapter 20 if the employed are covered by
12 a collective bargaining agreement. For state
13 employees not covered by a collective bargaining
14 agreement, longevity pay shall be determined by the
15 department."16 2. Page 3, by inserting after line 26 the
17 following:18 "Sec. ____ . Section 80.8, unnumbered paragraph 4,
19 Code 1995, is amended by striking the unnumbered
20 paragraph."21 3. Page 4, by inserting after line 16 the
22 following:23 "Sec. ____ . REPEAL. Section 307.48, Code 1995, is
24 repealed."25 4. Title page, line 2, by inserting after the
26 word "compensation," the following: "longevity pay,".

27 5. By renumbering as necessary.

By MICHAEL E. GRONSTAL

S-5375 FILED MARCH 18, 1996

ADOPTED

(P. 831)

1 Section 1. Section 12B.10, subsection 6, Code 1995, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. g. Investments under the deferred
4 compensation plan established by the executive council
5 pursuant to section 509A.12.

6 Sec. 2. Section 12B.10A, subsection 6, Code 1995, is
7 amended by adding the following new paragraph:

8 NEW PARAGRAPH. g. The deferred compensation plan
9 established by the executive council pursuant to section
10 509A.12.

11 Sec. 3. Section 12B.10B, subsection 3, Code 1995, is
12 amended by adding the following new paragraph:

13 NEW PARAGRAPH. g. The deferred compensation plan
14 established by the executive council pursuant to section
15 509A.12.

16 Sec. 4. Section 12B.10C, Code 1995, is amended by adding
17 the following new subsection:

18 NEW SUBSECTION. 6. The deferred compensation plan
19 established by the executive council pursuant to section
20 509A.12.

21 Sec. 5. Section 12C.1, subsection 1, Code 1995, is amended
22 to read as follows:

23 1. All funds held in the hands of the following officers
24 or institutions shall be deposited in one or more depositories
25 first approved by the appropriate governing body as indicated:
26 For the treasurer of state, by the executive council; for
27 judicial officers and court employees, by the supreme court;
28 for the county treasurer, recorder, auditor, and sheriff, by
29 the board of supervisors; for the city treasurer or other
30 designated financial officer of a city, by the city council;
31 for the county public hospital or merged area hospital, by the
32 board of hospital trustees; for a memorial hospital, by the
33 memorial hospital commission; for a school corporation, by the
34 board of school directors; for a city utility or combined
35 utility system established under chapter 388, by the utility

1 board; for a regional library established under chapter 256,
2 by the regional board of library trustees; and for an electric
3 power agency as defined in section 28F.2, by the governing
4 body of the electric power agency. However, the treasurer of
5 state and the treasurer of each political subdivision or the
6 designated financial officer of a city shall invest all funds
7 not needed for current operating expenses in time certificates
8 of deposit in approved depositories pursuant to this chapter
9 or in investments permitted by section 12B.10. The list of
10 public depositories and the amounts severally deposited in the
11 depositories are matters of public record. This subsection
12 does not limit the definition of "public funds" contained in
13 subsection 2. Notwithstanding provisions of this section to
14 the contrary, public funds of a state government deferred
15 compensation plan may also be invested in investments
16 authorized under section 509A.12.

* 17 Sec. 6. Section 19A.1, subsection 3, paragraph a, Code
18 1995, is amended by striking the paragraph.

19 Sec. 7. Section 19A.2, subsection 2, Code 1995, is amended
20 by striking the subsection.

21 Sec. 8. Section 19A.2A, Code 1995, is amended to read as
22 follows:

23 19A.2A PURPOSE AND APPLICABILITY OF CHAPTER.

24 The general purpose of this chapter is to establish for the
25 state of Iowa a system of personnel administration based on
26 merit principles and scientific methods to govern the
27 appointment, promotion, welfare, transfer, layoff, removal,
28 and discipline of its civil employees, and other incidents of
29 state employment. It is also the purpose of this chapter to
30 promote the coordination of personnel rules and policies with
31 collective bargaining agreements negotiated under chapter 20.

32 All appointments and promotions to positions in the state
33 merit system shall be made solely on the basis of merit and
34 fitness, to be ascertained by competitive examinations, except
35 as otherwise specified in this chapter.

1 Provisions of this chapter pertaining to qualifications,
2 examination, competitive appointment, probation, and just
3 cause hearings apply only to employees covered by the merit
4 system.

5 This chapter does not apply to persons who are paid a fee
6 on a contract-for-services basis.

7 Sec. 9. Section 19A.3, subsection 8, Code Supplement 1995,
8 is amended by striking the subsection.

9 Sec. 10. Section 19A.9, unnumbered paragraph 1, and
10 subsections 1, 2, 14, and 23, Code 1995, are amended to read
11 as follows:

12 The ~~personnel-commission~~ director shall adopt and may amend
13 rules for the administration and implementation of this
14 chapter in accordance with chapter 17A. ~~The director shall~~
15 ~~prepare and submit proposed rules to the commission.~~
16 Rulemaking shall be carried out with due regard to the terms
17 of collective bargaining agreements. A rule shall not
18 supersede a provision of a collective bargaining agreement
19 negotiated under chapter 20. The rules shall provide:

20 1. For the preparation, maintenance, and revision of a
21 ~~position job~~ classification plan ~~from a schedule by separate~~
22 ~~department for each position and type of employment not~~
23 ~~otherwise provided for by law in state government for all~~
24 ~~positions~~ that encompasses each job in the executive branch,
25 excluding ~~positions~~ job classifications under the state board
26 of regents, based upon assigned duties performed and
27 responsibilities assumed, so that the same general
28 qualifications may reasonably be required for and the same
29 ~~schedule of~~ pay plan may be equitably applied to all positions
30 ~~jobs~~ in the same ~~class, in the same geographical area~~ job
31 ~~classification.~~ After the classification has been approved by
32 ~~the commission,~~ the The director shall ~~allocate~~ classify the
33 position of every employee in the executive branch, excluding
34 employees of the state board of regents, ~~to~~ into one of the
35 classes in the plan. Any employee or ~~agency officials~~

1 appointing authority adversely affected by the allocation
2 classification or reclassification of a position to a class
3 shall, after filing may file a request for reconsideration
4 with the director a written request for reconsideration in the
5 manner and form the director prescribes, and shall be given a
6 reasonable opportunity to be heard by the director or the
7 director's designee. An appeal may be made to the commission
8 or to a qualified classification committee appointed by the
9 commission director. An allocation The classification or
10 reallocation reclassification of a position by the director to
11 a different classification that would cause the expenditure of
12 additional salary funds shall not become effective, if the
13 allocation or reallocation may result in the expenditure of
14 funds is in excess of the total amount budgeted for the
15 department of the appointing authority, until budgetary
16 approval has been obtained from the director of the department
17 of management.

18 When the public interest requires a diminution or increase
19 of employees in any position or type of employment not
20 otherwise provided by law, or the creation or abolishment of
21 any position or type of employment, the governor director,
22 acting in good faith, shall so notify the commission governor.
23 Thereafter the position or type of employment shall stand
24 abolished or created and the number of employees therein
25 reduced or increased. Schedules of positions and types of
26 employment not otherwise provided for by law shall be reviewed
27 at least once each year by the governor director.

28 2. For pay plans within the purview of an appropriation
29 made by the general assembly and not otherwise provided by law
30 for covering all employees in the executive branch of state
31 government, excluding employees of the state board of regents,
32 after consultation with the governor and appointing
33 authorities, and consistent with due regard to the terms of
34 collective bargaining agreements negotiated under chapter 20
35 and after a public hearing held by the commission. Review of

1 the pay plan for revisions shall be made in the same manner at
2 the discretion of the director, but not less than annually.
3 The annual review by the director shall be made available to
4 the governor a sufficient time in advance of collective
5 bargaining negotiations to permit its recommendations to be
6 considered during the negotiations.--Each employee in the
7 executive branch, excluding employees of the state board of
8 regents, shall be paid at one of the rates set forth in the
9 pay plan for the class of position in which employed and,
10 unless otherwise designated by the commission, shall begin
11 employment at the first step of the established range for the
12 employee's class.

13 14. For layoffs by reason of lack of funds or work, or
14 organization, and for re-employment the recall of employees so
15 laid off, giving primary consideration in both layoffs and re-
16 employment recall to the performance record and secondary
17 consideration to seniority in length of service. Any employee
18 who has been laid off may keep the employee's name on a
19 preferred-employment recall list for one year, which list
20 shall be exhausted by the agency enforcing the layoff before
21 selection of an employee may be made from the register
22 promotional or nonpromotional list of eligibles in the
23 employee's classification. Employees who are subject to
24 contracts negotiated under chapter 20 which include layoff and
25 recall provisions shall be governed by the contract
26 provisions.

27 23. For the establishment of work test appointments for
28 positions of unskilled-labor laborers, attendants, aides,
29 janitors, food service workers, laundry workers, porters,
30 elevator operators, or custodial or similar types of
31 employment when the character of the work makes it
32 impracticable to supply the needs of the service effectively
33 by written or other type of competitive examination. If this
34 subsection conflicts with any other provisions of this
35 chapter, the provisions of this subsection govern the

1 positions to which it applies. All persons appointed to the
2 positions specified in this subsection shall serve a
3 probationary period in accordance with this chapter, may
4 acquire permanent status, and are subject to the same rules as
5 other classified employees. Such persons shall be required to
6 pass promotional examinations as prescribed by this chapter
7 and the rules adopted by the ~~personnel-commission~~ director
8 before they may be promoted to a higher classification.

9 Sec. 11. Section 19A.15, Code Supplement 1995, is amended
10 by adding the following new unnumbered paragraph:

11 NEW UNNUMBERED PARAGRAPH. The department's records may be
12 maintained in paper, magnetic, or electronic format, including
13 optical disk storage.

14 Sec. 12. Section 19A.16, Code 1995, is amended to read as
15 follows:

16 19A.16 SERVICES TO POLITICAL SUBDIVISIONS.

17 ~~Subject to the rules approved by the commission, the~~ The
18 director may enter into agreements with any municipality or
19 political subdivision of the state to furnish services and
20 facilities of the agency to ~~such~~ the municipality or political
21 subdivision in the administration of its personnel on merit
22 principles. ~~Any such~~ The agreement shall provide for the
23 reimbursement to the state of the reasonable cost of the
24 services and facilities furnished. All municipalities and
25 political subdivisions of the state are authorized to enter
26 into ~~such~~ agreements.

27 Nothing in this chapter shall affect any municipal civil
28 service programs presently established under and pursuant to
29 ~~the provisions of~~ chapter 400.

30 Sec. 13. Section 19A.18, unnumbered paragraph 7, Code
31 1995, is amended to read as follows:

32 The ~~commission~~ director shall adopt any rules necessary for
33 further restricting political activities of persons holding
34 positions in the classified service, but only to the extent
35 necessary to comply with federal standards. Employees retain

1 the right to vote as they please and to express their opinions
2 on all subjects.

3 Sec. 14. Section 19A.23, Code 1995, is amended by striking
4 the section and inserting in lieu thereof the following:

5 19A.23 LONGEVITY PAY PERMITTED. All state employees,
6 including employees of the department of public safety,
7 covered by this chapter or chapter 80, shall be entitled to
8 longevity pay as negotiated pursuant to chapter 20 if the
9 employed are covered by a collective bargaining agreement.
10 For state employees not covered by a collective bargaining
11 agreement, longevity pay shall be determined by the
12 department.

13 Sec. 15. Section 49.20, Code 1995, is amended to read as
14 follows:

15 49.20 COMPENSATION OF MEMBERS.

16 The members of election boards shall be deemed temporary
17 ~~state county employees who are compensated by the county in~~
18 ~~which they serve,~~ and shall receive compensation at a rate
19 established by the county board of supervisors, which shall be
20 not less than three-dollars-and-fifty-cents-per-hour the
21 minimum wage provided by section 91D.1, subsection 1,
22 paragraph "b", while engaged in the discharge of their duties
23 and shall be reimbursed for actual and necessary travel
24 expense, except that persons who have advised the commissioner
25 prior to their appointment to the election board that they are
26 willing to serve without pay at elections conducted for any
27 school district or a city of three thousand five hundred or
28 less population, shall receive no compensation for service at
29 those elections. Compensation shall be paid to members of
30 election boards only after the vote has been canvassed and it
31 has been determined in the course of the canvass that the
32 election record certificate has been properly executed by the
33 election board.

34 Sec. 16. Section 70A.1, unnumbered paragraphs 1 and 7,
35 Code 1995, are amended to read as follows:

1 Salaries specifically provided for in an appropriation Act
2 of the general assembly shall be in lieu of existing statutory
3 salaries, for the positions provided for in the Act, and all
4 salaries, including longevity where applicable by express
5 provision in the Code, shall be paid according to the
6 provisions of chapter 91A and shall be in full compensation of
7 all services, including any service on committees, boards,
8 commissions or similar duty for Iowa government, except for
9 members of the general assembly. A state employee on an
10 annual salary shall not be paid for a pay period an amount
11 which exceeds the employee's annual salary transposed into a
12 rate applicable to the pay period by dividing the annual
13 salary by the number of pay periods in the fiscal year.

14 Salaries for state employees other-than-annual-salaries
15 covered by the overtime payment provisions of the federal Fair
16 Labor Standards Act shall be established on an hourly basis.

17 State employees, excluding state board of regents' faculty
18 members with nine-month appointments, and employees covered
19 under a collective bargaining agreement negotiated with the
20 public safety bargaining unit who are eligible for accrued
21 vacation benefits and accrued sick leave benefits, who have
22 accumulated thirty days of sick leave, and who do not use sick
23 leave during a full month of employment may elect to accrue up
24 to one-half day of additional vacation. The accrual of
25 additional vacation time by an employee for not using sick
26 leave during a month is in lieu of the accrual of up to one
27 and one-half days of sick leave for that month. The personnel
28 commission director of the department of personnel may adopt
29 the necessary rules and procedures for the implementation of
30 this program for all state employees except employees of the
31 state board of regents. The state board of regents may adopt
32 necessary rules for the implementation of this program for its
33 employees.

34 Sec. 17. Section 70A.16, subsection 2, unnumbered
35 paragraph 1, Code 1995, is amended to read as follows:

1 A state employee who is reassigned shall be reimbursed for
2 moving expenses incurred in accordance with rules adopted by
3 the personnel-commission director of the department of
4 personnel when all of the following circumstances exist:

5 Sec. 18. Section 70A.31, Code 1995, is amended to read as
6 follows:

7 70A.31 ELIGIBILITY.

8 The phased retirement incentive program requires that
9 participants work a maximum of thirty-two hours per week and a
10 minimum of twenty hours per week for the first year four years
11 after entering the program. After the fourth year of
12 participation in the program, participants shall work a
13 maximum of twenty hours per week. After the fifth year of
14 participation in the program, participants shall retire from
15 state government service or employment.

16 Sec. 19. Section 70A.33, unnumbered paragraph 1, Code
17 1995, is amended to read as follows:

18 A state employee meeting the requirements of section 70A.31
19 may file a request to participate in the program with the head
20 of the employee's state department, agency, or commission.
21 The employee shall specify the number of hours per week the
22 employee intends to work for each of the five years of
23 participation, subject to the requirements of section 70A.31.
24 Participation in the program is dependent upon the approval of
25 the head of the department, agency, or commission. The cost
26 to the state department, agency, or commission shall be paid
27 from the funds appropriated to the department, agency, or
28 commission for salaries, support, maintenance, and
29 miscellaneous purposes.

30 Sec. 20. Section 80.8, unnumbered paragraph 4, Code 1995,
31 is amended by striking the unnumbered paragraph.

32 Sec. 21. Section 137.6, subsection 4, Code 1995, is
33 amended to read as follows:

34 4. Employ persons as necessary for the efficient discharge
35 of its duties. Employment practices shall meet the

1 requirements of the personnel-commission director of the
2 department of personnel or any civil service provision adopted
3 under chapter 400.

4 Sec. 22. Section 509A.12, unnumbered paragraph 1, Code
5 Supplement 1995, is amended to read as follows:

6 ~~At the request of an employee, the governing body or the~~
7 ~~county board of supervisors shall by contractual agreement~~
8 ~~acquire an individual or group life insurance contract,~~
9 ~~annuity contract, interest in a mutual fund, security, or any~~
10 ~~other deferred payment contract for the purpose of funding a~~
11 ~~deferred compensation program. A governing body or county~~
12 ~~board of supervisors may establish a deferred compensation~~
13 ~~program under this section. The contributions made on behalf~~
14 ~~of an employee who chooses to participate in the program shall~~
15 ~~be invested at the direction of the employee in a life~~
16 ~~insurance contract, annuity contract, mutual fund, security,~~
17 ~~or any other deferred payment contract offered as an~~
18 ~~investment option under the program. The contract acquired~~
19 ~~for an employee shall be in accordance with the plan document~~
20 ~~and from any a company, or a salesperson for that company,~~
21 ~~that is authorized to do business in this state, or through an~~
22 ~~Iowa licensed salesperson that the employee selects on a group~~
23 ~~or individual basis. When the state of Iowa acquires an~~
24 ~~investment product pursuant to the plan document, the state~~
25 ~~does not become a shareholder, stockholder, or owner of a~~
26 ~~corporation in violation of Article VIII, section 3, of the~~
27 ~~Constitution of the State of Iowa or any other provision of~~
28 ~~law.~~

29 Sec. 23. REPEAL. Sections 19A.4, 19A.6, and 19A.7, Code
30 1995, are repealed.

31 Sec. 24. REPEAL. Section 307.48, Code 1995, is repealed.

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**SENATE FILE 2365
FISCAL NOTE**

A fiscal note for Senate File 2365 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.

Senate File 2365 makes changes in State government personnel procedures including deferred compensation, longevity pay, the phased retirement program, job classifications, pay plans, recall from layoff, the personnel commission, and compensation for certain elected officials.

Assumptions

The potential costs of SF 2365 result from Amendment S-5375 which could extend longevity pay to additional State employees.

1. Unions will successfully negotiate application of current longevity plans to all employees not currently eligible, including non-contract employees.
2. Current longevity plans established in the Code of Iowa or through standard policy would be extended to all employees who do not now receive longevity pay.
3. Estimates are based on the average amount of longevity pay currently received by eligible employees without adjustments for demographics of the work force.
4. Estimates include longevity pay, FICA, and IPERS.

Fiscal Impact

The estimated FY 1997 cost impact of Senate File 2365 to the State General Fund is \$12.0 million.

(LSB 3364sv, VMT)

FILED APRIL 17, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 2365

H-6047

1 Amend Senate File 2365, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 9, by inserting before line 32 the
4 following:

5 "Sec. ____ . NEW SECTION. 97B.50A DISABILITY
6 BENEFITS FOR AIRPORT FIRE FIGHTERS.

7 1. DEFINITIONS. For purposes of this section,
8 unless the context otherwise provides, "member" means
9 a vested member who is classified as an airport fire
10 fighter under section 97B.49, subsection 16, at the
11 time of the alleged disability.

12 2. ACCIDENTAL DISABILITY RETIREMENT ALLOWANCE.

13 a. Effective July 1, 1997, a member who is injured
14 in the performance of the member's duties, and
15 otherwise meets the requirements of this subsection
16 shall receive an accidental disability retirement
17 allowance under the provisions of this subsection, in
18 lieu of a monthly retirement allowance as provided in
19 section 97B.49 or benefits calculated as provided in
20 section 97B.50, subsection 2.

21 b. Upon application of a member, a member who has
22 become totally and permanently incapacitated for duty
23 as the natural and proximate result of an injury,
24 disease, or exposure occurring or aggravated while in
25 the actual performance of duty shall be retired by the
26 department, provided that the medical board shall
27 certify that the member is mentally or physically
28 incapacitated for further performance of duty, that
29 the incapacity is likely to be permanent, and that the
30 member should be retired. The department shall make
31 the final determination, based on the medical evidence
32 received, of a member's total and permanent
33 disability. However, if a person's membership in the
34 system first commenced on or after July 1, 1997, the
35 member shall not be eligible for benefits with respect
36 to a disability which would not exist, but for a
37 medical condition that was known to exist on the date
38 that membership commenced.

39 c. Disease under this subsection shall mean heart
40 disease or any disease of the lungs or respiratory
41 tract and shall be presumed to have been contracted
42 while on active duty as a result of strain, exposure,
43 or the inhalation of noxious fumes, poison, or gases.
44 However, if a person's membership in the system first
45 commenced on or after July 1, 1997, and the heart
46 disease or disease of the lungs or respiratory tract
47 would not exist, but for a medical condition that was
48 known to exist on the date that membership commenced,
49 the presumption established in this paragraph shall
50 not apply.

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1 d. Upon retirement for an accidental disability as
2 provided by this subsection, a member shall receive
3 the greater of a monthly accidental disability
4 retirement allowance calculated under this subsection
5 or a disability retirement allowance calculated under
6 section 97B.50, subsection 2. The monthly accidental
7 disability allowance calculated under this subsection
8 shall consist of an allowance equal to one-twelfth of
9 sixty percent of the member's three-year average
10 covered wage at the time of disability.

11 3. ORDINARY DISABILITY RETIREMENT ALLOWANCE.

12 a. Effective July 1, 1997, a member who otherwise
13 meets the requirements of this subsection shall
14 receive an ordinary disability retirement allowance
15 under the provisions of this subsection, in lieu of a
16 monthly retirement allowance as provided in section
17 97B.49 or benefits calculated as provided in section
18 97B.50, subsection 2.

19 b. Upon application of a member, a member who has
20 become totally and permanently incapacitated for duty
21 shall be retired by the department, provided that the
22 medical board shall certify that the member is
23 mentally or physically incapacitated for further
24 performance of duty, that the incapacity is likely to
25 be permanent, and that the member should be retired.
26 The department shall make the final determination,
27 based on the medical evidence received, of a member's
28 total and permanent disability. However, if a
29 person's membership in the system first commenced on
30 or after July 1, 1997, the member shall not be
31 eligible for benefits with respect to a disability
32 which would not exist, but for a medical condition
33 that was known to exist on the date that membership
34 commenced.

35 c. Upon retirement for an ordinary disability as
36 provided by this subsection, a member shall receive
37 the greater of a monthly ordinary disability
38 retirement allowance calculated under this subsection
39 or a disability retirement allowance calculated under
40 section 97B.50, subsection 2. The monthly ordinary
41 disability allowance calculated under this subsection
42 shall consist of an allowance equal to one-twelfth of
43 fifty percent of the member's three-year average
44 covered wage at the time of disability.

45 4. OFFSET TO ALLOWANCE. Any amounts which may be
46 paid or payable by the employer under the provisions
47 of any workers' compensation or other law to a member,
48 or to the dependents of a member on account of any
49 disability, shall be offset against and payable in
50 lieu of any retirement allowance payable pursuant to

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1 this section on account of the same disability.

2 5. REEXAMINATION -- REEMPLOYMENT OF MEMBERS

3 RETIRED ON ACCOUNT OF AN ACCIDENTAL DISABILITY.

4 a. Once each year during the first five years

5 following the retirement of a member under this

6 section, and once in every three-year period

7 thereafter, the department may, and upon the member's

8 application shall, require any member receiving an

9 accidental or ordinary disability retirement allowance

10 who has not yet attained the age of fifty-five years

11 to undergo a medical examination as arranged by the

12 medical board. The examination shall be made by the

13 medical board or by an additional physician or

14 physicians designated by the board. If any member

15 receiving an accidental or ordinary disability

16 retirement allowance who has not attained the age of

17 fifty-five years refuses to submit to the medical

18 examination, the allowance may be discontinued until

19 the member's withdrawal of the refusal, and should the

20 member's refusal continue for one year, all rights in

21 and to the member's disability retirement allowance

22 shall be revoked by the department.

23 b. If a member receiving a disability retirement

24 allowance is returned to covered employment, the

25 member's disability retirement allowance shall cease,

26 the member shall again become an active member, and

27 shall contribute thereafter at the same rate payable

28 by similarly classified members. Upon subsequent

29 retirement, the member's retirement allowance shall be

30 calculated as provided in section 97B.48A.

31 6. DEATH BENEFITS. A member who is receiving an

32 accidental or ordinary disability retirement allowance

33 under this section shall be treated as having elected

34 a lifetime monthly retirement allowance with no death

35 benefit unless the member elects an optional form of

36 benefit provided under section 97B.51, which shall be

37 actuarially equivalent to the lifetime monthly

38 retirement allowance provided under this section.

39 7. MEDICAL BOARD. The system shall designate a

40 medical board to be composed of three physicians who

41 shall arrange for and pass upon the medical

42 examinations required under the provisions of this

43 section and shall report in writing to the department

44 the conclusions and recommendations upon all matters

45 duly referred to the medical board. Each report of a

46 medical examination under this section shall include

47 the medical board's findings as to the extent of the

48 member's physical impairment.

49 8. RULES. The department shall adopt rules

50 pursuant to chapter 17A specifying the application

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1 procedure for members pursuant to this section."

2 2. Title page, line 2, by inserting after the
3 word "compensation," the following: "disability

4 retirement for fire fighters,".

5 3. By renumbering as necessary.

By WARNSTADT of Woodbury

H-6047 FILED APRIL 24, 1996

SENATE FILE 2365

H-6049

1 Amend the amendment, H-6036, to Senate File 2365,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 1, by inserting after line 2 the
5 following:

6 " . Page 9, by inserting before line 32 the
7 following:

8 "Sec. . NEW SECTION. 97B.50A DISABILITY
9 BENEFITS FOR AIRPORT FIRE FIGHTERS.

10 1. DEFINITIONS. For purposes of this section,
11 unless the context otherwise provides, "member" means
12 a vested member who is classified as an airport fire
13 fighter under section 97B.49, subsection 16, at the
14 time of the alleged disability.

15 2. ACCIDENTAL DISABILITY RETIREMENT ALLOWANCE.

16 a. Effective July 1, 1997, a member who is injured
17 in the performance of the member's duties, and
18 otherwise meets the requirements of this subsection
19 shall receive an accidental disability retirement
20 allowance under the provisions of this subsection, in
21 lieu of a monthly retirement allowance as provided in
22 section 97B.49 or benefits calculated as provided in
23 section 97B.50, subsection 2.

24 b. Upon application of a member, a member who has
25 become totally and permanently incapacitated for duty
26 as the natural and proximate result of an injury,
27 disease, or exposure occurring or aggravated while in
28 the actual performance of duty shall be retired by the
29 department, provided that the medical board shall
30 certify that the member is mentally or physically
31 incapacitated for further performance of duty, that
32 the incapacity is likely to be permanent, and that the
33 member should be retired. The department shall make
34 the final determination, based on the medical evidence
35 received, of a member's total and permanent
36 disability. However, if a person's membership in the
37 system first commenced on or after July 1, 1997, the
38 member shall not be eligible for benefits with respect
39 to a disability which would not exist, but for a
40 medical condition that was known to exist on the date
41 that membership commenced.

42 c. Disease under this subsection shall mean heart
43 disease or any disease of the lungs or respiratory
44 tract and shall be presumed to have been contracted
45 while on active duty as a result of strain, exposure,
46 or the inhalation of noxious fumes, poison, or gases.
47 However, if a person's membership in the system first
48 commenced on or after July 1, 1997, and the heart
49 disease or disease of the lungs or respiratory tract
50 would not exist, but for a medical condition that was

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1 known to exist on the date that membership commenced,
2 the presumption established in this paragraph shall
3 not apply.

4 d. Upon retirement for an accidental disability as
5 provided by this subsection, a member shall receive
6 the greater of a monthly accidental disability
7 retirement allowance calculated under this subsection
8 or a disability retirement allowance calculated under
9 section 97B.50, subsection 2. The monthly accidental
10 disability allowance calculated under this subsection
11 shall consist of an allowance equal to one-twelfth of
12 sixty percent of the member's three-year average
13 covered wage at the time of disability.

14 3. ORDINARY DISABILITY RETIREMENT ALLOWANCE.

15 a. Effective July 1, 1997, a member who otherwise
16 meets the requirements of this subsection shall
17 receive an ordinary disability retirement allowance
18 under the provisions of this subsection, in lieu of a
19 monthly retirement allowance as provided in section
20 97B.49 or benefits calculated as provided in section
21 97B.50, subsection 2.

22 b. Upon application of a member, a member who has
23 become totally and permanently incapacitated for duty
24 shall be retired by the department, provided that the
25 medical board shall certify that the member is
26 mentally or physically incapacitated for further
27 performance of duty, that the incapacity is likely to
28 be permanent, and that the member should be retired.
29 The department shall make the final determination,
30 based on the medical evidence received, of a member's
31 total and permanent disability. However, if a
32 person's membership in the system first commenced on
33 or after July 1, 1997, the member shall not be
34 eligible for benefits with respect to a disability
35 which would not exist, but for a medical condition
36 that was known to exist on the date that membership
37 commenced.

38 c. Upon retirement for an ordinary disability as
39 provided by this subsection, a member shall receive
40 the greater of a monthly ordinary disability
41 retirement allowance calculated under this subsection
42 or a disability retirement allowance calculated under
43 section 97B.50, subsection 2. The monthly ordinary
44 disability allowance calculated under this subsection
45 shall consist of an allowance equal to one-twelfth of
46 fifty percent of the member's three-year average
47 covered wage at the time of disability.

48 4. OFFSET TO ALLOWANCE. Any amounts which may be
49 paid or payable by the employer under the provisions
50 of any workers' compensation or other law to a member,

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1 or to the dependents of a member on account of any
2 disability, shall be offset against and payable in
3 lieu of any retirement allowance payable pursuant to
4 this section on account of the same disability.

5 5. REEXAMINATION -- REEMPLOYMENT OF MEMBERS

6 RETIRED ON ACCOUNT OF AN ACCIDENTAL DISABILITY.

7 a. Once each year during the first five years
8 following the retirement of a member under this
9 section, and once in every three-year period
10 thereafter, the department may, and upon the member's
11 application shall, require any member receiving an
12 accidental or ordinary disability retirement allowance
13 who has not yet attained the age of fifty-five years
14 to undergo a medical examination as arranged by the
15 medical board. The examination shall be made by the
16 medical board or by an additional physician or
17 physicians designated by the board. If any member
18 receiving an accidental or ordinary disability
19 retirement allowance who has not attained the age of
20 fifty-five years refuses to submit to the medical
21 examination, the allowance may be discontinued until
22 the member's withdrawal of the refusal, and should the
23 member's refusal continue for one year, all rights in
24 and to the member's disability retirement allowance
25 shall be revoked by the department.

26 b. If a member receiving a disability retirement
27 allowance is returned to covered employment, the
28 member's disability retirement allowance shall cease,
29 the member shall again become an active member, and
30 shall contribute thereafter at the same rate payable
31 by similarly classified members. Upon subsequent
32 retirement, the member's retirement allowance shall be
33 calculated as provided in section 97B.48A.

34 6. DEATH BENEFITS. A member who is receiving an
35 accidental or ordinary disability retirement allowance
36 under this section shall be treated as having elected
37 a lifetime monthly retirement allowance with no death
38 benefit unless the member elects an optional form of
39 benefit provided under section 97B.51, which shall be
40 actuarially equivalent to the lifetime monthly
41 retirement allowance provided under this section.

42 7. MEDICAL BOARD. The system shall designate a
43 medical board to be composed of three physicians who
44 shall arrange for and pass upon the medical
45 examinations required under the provisions of this
46 section and shall report in writing to the department
47 the conclusions and recommendations upon all matters
48 duly referred to the medical board. Each report of a
49 medical examination under this section shall include
50 the medical board's findings as to the extent of the

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- 1 member's physical impairment.
- 2 8. RULES. The department shall adopt rules
- 3 pursuant to chapter 17A specifying the application
- 4 procedure for members pursuant to this section."
- 5 _____. Page 1, line 28, by inserting after the word
- 6 "employment" the following: "and retirement"."
- 7 2. By renumbering as necessary.

By WARNSTADT of Woodbury

H-6049 FILED APRIL 24, 1996

SENATE FILE 2365

H-6048

- 1 Amend Senate File 2365, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 2, by striking lines 17 through 20.
- 4 2. Page 3, line 9, by striking the words and
- 5 figure "unnumbered paragraph 1, and".
- 6 3. Page 3, by striking lines 12 through 19.
- 7 4. Page 3, by striking lines 31 and 32 and
- 8 inserting the following: "classification. After the
- 9 classification has been approved by the commission,
- 10 the director shall ~~allocate~~ classify the".
- 11 5. Page 4, lines 7 and 8, by striking the words
- 12 "~~the-commission-or-to~~" and inserting the following:
- 13 "the commission or to".
- 14 6. Page 4, line 9, by striking the words
- 15 "~~commission director~~" and inserting the following:
- 16 "commission".
- 17 7. Page 4, line 21, by striking the words
- 18 "~~governor director~~" and inserting the following:
- 19 "governor".
- 20 8. Page 4, line 22, by striking the words
- 21 "~~commission governor~~" and inserting the following:
- 22 "commission".
- 23 9. Page 4, line 27, by striking the words
- 24 "~~governor director~~" and inserting the following:
- 25 "governor".
- 26 10. Page 6, line 7, by striking the words
- 27 "~~personnel-commission director~~" and inserting the
- 28 following: "personnel commission".
- 29 11. Page 6, by striking line 17 and inserting the
- 30 following: "Subject to the rules approved by the
- 31 commission, the".
- 32 12. By striking page 6, line 30, through page 7,
- 33 line 2.
- 34 13. Page 7, line 34, by striking the words and
- 35 figures "paragraphs 1 and 7" and inserting the
- 36 following: "paragraph 1".
- 37 14. Page 7, line 35, by striking the word "are"
- 38 and inserting the following: "is".
- 39 15. Page 8, by striking lines 17 through 33.
- 40 16. By striking page 8, line 34, through page 9,
- 41 line 4.
- 42 17. By striking page 9, line 32, through page 10,
- 43 line 3.
- 44 18. Page 10, by striking lines 29 and 30.
- 45 19. Title page, line 4, by striking the words
- 46 "the personnel commission,".
- 47 20. By renumbering as necessary.

By McCOY of Polk

H-6048 FILED APRIL 24, 1996

SENATE FILE 2365

H-6036

1 Amend Senate File 2365, as amended, passed, and
2 reprinted by the Senate, as follows:

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

5 "Sec. _____. Section 400.17, Code 1995, is amended
6 by adding the following new unnumbered paragraph:

7 NEW UNNUMBERED PARAGRAPH. A member of a bargaining
8 unit composed of fire department personnel of a city
9 who is elected or appointed as an officer of a
10 statewide organization or local association composed
11 of fire department personnel shall be granted leave by
12 the city to perform duties required by the
13 organization or association without loss of pay or
14 benefits subject to the requirements of this
15 paragraph. The member shall not be required to make
16 up hours for time spent performing duties required by
17 the organization or association. The member shall be
18 required to notify the city of the member's election
19 or appointment as an officer in such an organization
20 or association and to arrange for a time trade with
21 another qualified fire department member."

22 2. Page 10, by inserting before line 32 the
23 following:

24 "Sec. _____. EFFECTIVE DATE. The section of this
25 Act amending Iowa Code section 400.17, being deemed of
26 immediate importance, takes effect upon enactment."

27 3. Title page, line 2, by inserting after the
28 word "compensation," the following: "employment
29 rights of fire fighters under civil service,".

30 4. Title page, line 5, by inserting after the
31 word "officials" the following: ", and providing an
32 effective date".

33 5. By renumbering as necessary.

By TAYLOR of Linn

H-6036 FILED APRIL 23, 1996

SENATE FILE 2365

H-5965

1 Amend Senate File 2365, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 10, by inserting after line 28 the
4 following:
5 "Sec. _____. Section 509A.12, Code Supplement 1995,
6 is amended by adding the following new unnumbered
7 paragraph:
8 NEW UNNUMBERED PARAGRAPH. Upon receipt of an
9 employee's contribution for investment in any deferred
10 payment contract, the governing body or board of
11 supervisors shall make such investment in the deferred
12 payment contract by the third business day following
13 the date of receipt of such contribution."

By WEIGEL of Chickasaw

H-5965 FILED APRIL 16, 1996

SENATE FILE 2365

H-5978

1 Amend Senate File 2365, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 10, by inserting after line 28 the
4 following:
5 "Sec. _____. Section 509A.12, Code Supplement 1995,
6 is amended by adding the following new unnumbered
7 paragraph:
8 NEW UNNUMBERED PARAGRAPH. Upon receipt of an
9 employee's contribution for investment in any deferred
10 payment contract, the governing body or board of
11 supervisors shall make such investment in the deferred
12 payment contract by the fifth business day following
13 each regularly scheduled pay date."

By WEIGEL of Chickasaw

H-5978 FILED APRIL 17, 1996

SENATE FILE 2365

H-5838

1 Amend Senate File 2365, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 10, by inserting after line 28 the
4 following:
5 "Sec. ____ . Section 513C.10, subsection 1, Code
6 Supplement 1995, is amended to read as follows:
7 1. A nonprofit corporation is established to be
8 known as the Iowa individual health benefit
9 reinsurance association. All persons that provide
10 health benefit plans in this state including insurers
11 providing accident and sickness insurance under
12 chapter 509, 514, or 514A; fraternal benefit societies
13 providing hospital, medical, or nursing benefits under
14 chapter 512B; and health maintenance organizations,
15 organized delivery systems, and all other entities
16 providing health insurance or health benefits subject
17 to state insurance regulation shall be members of this
18 association. However, political subdivisions of the
19 state covered under chapter 509A shall not be subject
20 to the requirements of this section. The association
21 shall be incorporated under chapter 504A, shall
22 operate under a plan of operation established and
23 approved pursuant to chapter 504A, and shall exercise
24 its powers through a board of directors established
25 under this section."
26 2. By renumbering as necessary.

By TYRRELL of Iowa

H-5838 FILED APRIL 2, 1996

SENATE FILE 2365

H-5937

1 Amend Senate File 2365, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 10, by inserting after line 28 the
4 following:
5 "Sec. ____ . Section 509A.12, Code Supplement 1995,
6 is amended by adding the following new unnumbered
7 paragraph:
8 NEW UNNUMBERED PARAGRAPH. Upon receipt of an
9 employee's contribution for investment in any deferred
10 payment contract, the governing body or board of
11 supervisors shall make such investment in the deferred
12 payment contract on the date of receipt of such
13 contribution."

By WEIGEL of Chickasaw

H-5937 FILED APRIL 11, 1996

SENATE FILE 2365

H-5861

1 Amend Senate File 2365, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 10, by inserting after line 28 the
4 following:

5 "Sec. ____ . Section 513C.10, subsection 1, Code
6 Supplement 1995, is amended to read as follows:

7 1. A nonprofit corporation is established to be
8 known as the Iowa individual health benefit
9 reinsurance association. All persons that provide
10 health benefit plans in this state including insurers
11 providing accident and sickness insurance under
12 chapter 509, 514, or 514A; fraternal benefit societies
13 providing hospital, medical, or nursing benefits under
14 chapter 512B; and health maintenance organizations,
15 organized delivery systems, and all other entities
16 providing health insurance or health benefits subject
17 to state insurance regulation shall be members of this
18 association. However, the state and political
19 subdivisions of the state covered under chapter 509A
20 shall not be subject to the requirements of this
21 section. The association shall be incorporated under
22 chapter 504A, shall operate under a plan of operation
23 established and approved pursuant to chapter 504A, and
24 shall exercise its powers through a board of directors
25 established under this section."

26 2. By renumbering as necessary.

By TYRRELL of Iowa

H-5861 FILED APRIL 3, 1996

SENATE FILE 2365

H-5956

1 Amend the amendment, H-5914, to Senate File 2365,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 1, line 10, by striking the words "this
5 chapter" and inserting the following: "section
6 509A.14".

By TYRRELL of Iowa

H-5956 FILED APRIL 15, 1996

*Gronstal
Sorensen
Drake*

*SSB-2315
State Government*

Succeeded By
SENATE/HOUSE FILE SA/HF 2365
BY (PROPOSED DEPARTMENT OF
PERSONNEL BILL)

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

A BILL FOR

1 An Act relating to state government personnel procedures
2 including deferred compensation, the phased retirement
3 program, and compensation for certain election officials.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 12B.10, subsection 6, Code 1995, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. g. Investments under the deferred
4 compensation plan established by the executive council
5 pursuant to section 509A.12.

6 Sec. 2. Section 12B.10A, subsection 6, Code 1995, is
7 amended by adding the following new paragraph:

8 NEW PARAGRAPH. g. The deferred compensation plan
9 established by the executive council pursuant to section
10 509A.12.

11 Sec. 3. Section 12B.10B, subsection 3, Code 1995, is
12 amended by adding the following new paragraph:

13 NEW PARAGRAPH. g. The deferred compensation plan
14 established by the executive council pursuant to section
15 509A.12.

16 Sec. 4. Section 12B.10C, Code 1995, is amended by adding
17 the following new subsection:

18 NEW SUBSECTION. 6. The deferred compensation plan
19 established by the executive council pursuant to section
20 509A.12.

21 Sec. 5. Section 12C.1, subsection 1, Code 1995, is amended
22 to read as follows:

23 1. All funds held in the hands of the following officers
24 or institutions shall be deposited in one or more depositories
25 first approved by the appropriate governing body as indicated:
26 For the treasurer of state, by the executive council; for
27 judicial officers and court employees, by the supreme court;
28 for the county treasurer, recorder, auditor, and sheriff, by
29 the board of supervisors; for the city treasurer or other
30 designated financial officer of a city, by the city council;
31 for the county public hospital or merged area hospital, by the
32 board of hospital trustees; for a memorial hospital, by the
33 memorial hospital commission; for a school corporation, by the
34 board of school directors; for a city utility or combined
35 utility system established under chapter 388, by the utility

1 board; for a regional library established under chapter 256,
2 by the regional board of library trustees; and for an electric
3 power agency as defined in section 28F.2, by the governing
4 body of the electric power agency. However, the treasurer of
5 state and the treasurer of each political subdivision or the
6 designated financial officer of a city shall invest all funds
7 not needed for current operating expenses in time certificates
8 of deposit in approved depositories pursuant to this chapter
9 or in investments permitted by section 12B.10. The list of
10 public depositories and the amounts severally deposited in the
11 depositories are matters of public record. This subsection
12 does not limit the definition of "public funds" contained in
13 subsection 2. Notwithstanding provisions of this section to
14 the contrary, public funds may also be invested in investments
15 authorized under section 509A.12 concerning the state's
16 deferred compensation plan.

17 Sec. 6. Section 49.20, Code 1995, is amended to read as
18 follows:

19 49.20 COMPENSATION OF MEMBERS.

20 The members of election boards shall be deemed temporary
21 ~~state county~~ employees ~~who are compensated by the county in~~
22 ~~which they serve~~, and shall receive compensation at a rate
23 established by the county board of supervisors, which shall be
24 not less than three dollars and fifty cents per hour, while
25 engaged in the discharge of their duties and shall be
26 reimbursed for actual and necessary travel expense, except
27 that persons who have advised the commissioner prior to their
28 appointment to the election board that they are willing to
29 serve without pay at elections conducted for any school
30 district or a city of three thousand five hundred or less
31 population, shall receive no compensation for service at those
32 elections. Compensation shall be paid to members of election
33 boards only after the vote has been canvassed and it has been
34 determined in the course of the canvass that the election
35 record certificate has been properly executed by the election

1 board.

2 Sec. 7. Section 70A.31, Code 1995, is amended to read as
3 follows:

4 70A.31 ELIGIBILITY.

5 The phased retirement incentive program requires that
6 participants work a maximum of thirty-two hours per week and a
7 minimum of twenty hours per week for the first year four years
8 after entering the program. After the fourth year of
9 participation in the program, participants shall work a
10 maximum of twenty hours per week. After the fifth year of
11 participation in the program, participants shall retire from
12 state government service or employment.

13 Sec. 8. Section 70A.33, unnumbered paragraph 1, Code 1995,
14 is amended to read as follows:

15 A state employee meeting the requirements of section 70A.31
16 may file a request to participate in the program with the head
17 of the employee's state department, agency, or commission.
18 The employee shall specify the number of hours per week the
19 employee intends to work for each of the five years of
20 participation, subject to the requirements of section 70A.31.
21 Participation in the program is dependent upon the approval of
22 the head of the department, agency, or commission. The cost
23 to the state department, agency, or commission shall be paid
24 from the funds appropriated to the department, agency, or
25 commission for salaries, support, maintenance, and
26 miscellaneous purposes.

27 Sec. 9. Section 509A.12, unnumbered paragraph 1, Code
28 Supplement 1995, is amended to read as follows:

29 ~~At the request of an employee, the governing body or the~~
30 ~~county board of supervisors shall by contractual agreement~~
31 ~~acquire an individual or group life insurance contract,~~
32 ~~annuity contract, interest in a mutual fund, security, or any~~
33 ~~other deferred payment contract for the purpose of funding a~~
34 ~~deferred compensation program.~~ A governing body or county
35 board of supervisors may establish a deferred compensation

1 program under this section. The contributions made on behalf
2 of an employee who chooses to participate in the program shall
3 be invested at the direction of the employee in a life
4 insurance contract, annuity contract, mutual fund, security,
5 or any other deferred payment contract offered as an
6 investment option under the program. The contract acquired
7 for an employee shall be in accordance with the plan document
8 and from any a company, or a salesperson for that company,
9 that is authorized to do business in this state, ~~or through an~~
10 ~~Iowa-licensed-salesperson-that-the-employee-selects-on-a-group~~
11 ~~or-individual-basis.~~ When the state of Iowa acquires an
12 investment product pursuant to the plan document, the state
13 does not become a shareholder, stockholder, or owner of a
14 corporation in violation of Article VIII, section 3, of the
15 Constitution of the State of Iowa or any other provision of
16 law.

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EXPLANATION

18 Sections 1 through 4 add a deferred compensation plan
19 established by the executive council to the list of entities
20 that include several state employee retirement plans exempt
21 from certain investment policy requirements of chapter 12B.

22 The bill also provides that public funds invested for
23 purposes of a state deferred compensation plan can be invested
24 as provided in section 509A.12. Section 509A.12, dealing with
25 the deferred compensation program for government employees, is
26 amended concerning the investment options available to an
27 employee.

28 Section 49.20 is amended to provide that members of the
29 local election boards be deemed temporary county employees
30 rather than state employees.

31 The bill also provides that employees who participate in
32 the phased retirement program must retire after the fifth year
33 in the program.

34

BACKGROUND STATEMENT

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SUBMITTED BY THE AGENCY

1 This bill does the following:
2 Makes changes to the deferred compensation program.
3 Provisions regarding members of election boards are changed
4 so that election board members are correctly considered
5 employees of the county in which they serve.
6 The bill also clarifies that employees who participate in
7 the phased retirement program must retire after the fifth year
8 of participation in the program.

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