

PUBLIC EMPLOYEES RETIREMENT SYSTEM SUBCOMMITTEE  
OF THE  
SENATE AND HOUSE STANDING COMMITTEES ON STATE GOVERNMENT

Final Report to the Legislative Council  
and the First Session of the Sixty-eighth General Assembly

State of Iowa  
1979

F I N A L R E P O R T

PUBLIC EMPLOYEES RETIREMENT SYSTEM SUBCOMMITTEE  
OF THE  
SENATE AND HOUSE STANDING COMMITTEES ON STATE GOVERNMENT

December, 1978

Pursuant to Section 66 of House File 2426 the Legislative Council appointed the Public Employees Retirement System Subcommittee of the Senate and House Standing Committees on State Government. In addition to Representative Diane Brandt, elected Chairperson, and Senator Minnette F. Doderer, elected Vice Chairperson, the following members were appointed to the Subcommittee:

Senator Robert M. Carr  
Senator John N. Nystrom  
Senator Forrest V. Schwengels  
Senator Tom Slater  
Representative Reid W. Crawford  
Representative Ingwer L. Hansen  
Representative Charles N. Poncy  
Representative Jack E. Woods

The Subcommittee held four meetings and at the first meeting reviewed the history of the recent legislative enactments since 1973 affecting the Iowa Public Employees Retirement System (97B, Iowa Code 1977), the Peace Officers Retirement System (97A, Iowa Code 1977) and the Police and Fire Retirement Systems (411, Iowa Code 1977). The Subcommittee reviewed the cost to fund the increased benefits to Conservation Peace Officers which provides for retirement at age 60 after 25 years of service and found that the total cost has increased the IPERS contribution from 8.85 percent of salary to 17.25 percent of salary.

Over the period of meetings the Subcommittee focused attention on several areas. The first area of review involved the assessment of the hazardous duty occupations in the public employment area. To review this area the staff of the Legislative Service Bureau with the assistance of the minority and majority caucus staff personnel summarized information aggregated from the files of the State Comptroller. The data, which is available for reference at the Legislative Service Bureau, was presented to the Subcommittee and reviewed the workers' compensation claims at Fort Madison, Anamosa Mens Reformatory, Toledo Reformatory, Eldora Training School, Oakdale Medical Facility, Newton Release Center, Department of Public Safety, State Department of Transportation, Glenwood State Hospital, Clarinda Mental Health Institute, Independence Mental Health Institute, Department of Agriculture, Beer and Liquor Control Department, and the Conservation Commission. A review of this information does not show a close correlation between injuries by peace officers and the interaction with the public. The information did tend to show that the mental

health institutes' personnel suffer a high degree of injuries that are patient related. The information from the Department of Social Services and the prison institutions show a degree of prisoner related injuries.

The Subcommittee reviewed the possibility of providing either additional compensation to provide incentives for hazardous duty occupations or in the alternative to provide early retirement benefits for certain hazardous occupations.

The Subcommittee focused attention on the corrections officers and received testimony from corrections officers, people in the adult corrections division of the Department of Social Services, from members of the Merit Employment Commission reviewing the pay level classifications of corrections officers and information from the Comptroller's Office reviewing the current status of collective bargaining for additional wage benefits to compensate for hazardous duty.

The Subcommittee concluded and recommended that a bill be drafted to provide corrections officers employed pursuant to the authority of the director of division of corrections to be afforded retirement benefits similar to those provided conservation peace officers and deputy sheriffs which provides for retirement after 25 years of service as a corrections officer at age 60 without reduction of benefits. The approximate annual cost of providing increased retirement benefits to corrections officers is approximately 8.9 percent of salary or \$700,000 annually over current contributions.

In other areas affecting the Iowa Public Employees Retirement System the Subcommittee investigated the possibility of raising the IPERS covered wage from \$20,000 to \$22,000. The cost estimates provided the Subcommittee showed that the potential cost would be approximately 6.6 million dollars with an additional increase in state contributions of approximately 1.3 million dollars, \$500,000 for counties, \$420,000 for cities, \$420,000 for multiple entities and \$3.8 million for school districts. The Subcommittee recommended that the covered wage be increased from \$20,000 to \$22,000 and requested an appropriate bill draft.

The Subcommittee also discussed the cost of providing early retirement after age 60 having completed 30 years of service. The estimated cost to provide early retirement at age 60 after 30 years of service without any reduction of benefits was estimated to be approximately 6.6 million dollars per year. This would require an additional contribution of approximately 0.5 percent of covered salary. Also assessed was the cost of providing retirement after 30 years of service at age 60 with a 3 percent penalty per year rather than the current 6 percent per year reduction of benefits for early retirement. The estimated cost of this provision was approximately 1.5 million dollars annually with an additional

contribution requirement of 0.11 percent of salary. Also considered was the possibility of reducing the current penalty for early retirement from 6 percent per year to 3 percent per year, the estimated cost was approximately 5.5 million dollars with an additional contribution requirement of .42 percent of covered salary. The Subcommittee recommended that a bill be drafted to provide for early retirement after age 60 having completed 30 years of service with a reduction of 3 percent per year benefit reduction for early retirement.

The Subcommittee reviewed the various buy-back provisions offered to House File 2426 during the 1978 Session. The Subcommittee noted that House File 2426 provided a standing buy-back for pre-1953 IOASI service upon a contribution of the original employee contributions withdrawn. The Subcommittee noted that the legislature provided for a buy-back provision for an individual who was employed in another state was not vested upon termination and became a public employee in the state of Iowa. Under this buy-back provision the employee must contribute both employer and employee contributions.

The Subcommittee noted that the legislature allowed former legislators to buy-back for prior legislative service upon payment of the employee contributions.

The Subcommittee reviewed the possibility of allowing any person who previously removed any IPERS contributions to buy-back upon repayment of the original employee contribution plus interest. However, the Subcommittee noted that if an individual is vested under IPERS the person has the opportunity to either remove his or her contributions upon termination of service or leave those contributions in and preserve retirement benefits. If the individual elects to remove those benefits the person should not be entitled to subsequently buy-back at a future date. However, the Subcommittee reviewed and recommended that an individual who is a member of IPERS who was not vested at a time of prior termination and was therefore required to remove his or her contribution should be allowed to buy-back those years of service at an amount equal to the contribution of the employee plus interest from the date of termination.

The Subcommittee considered and adopted a bill to eliminate the requirement that the elected representatives of the peace officers on the board of trustees of the peace officers must be actively engaged as a peace officer (97A.5 (1), Iowa Code 1977). Prior to a 1978 legislative change the elected member on the board of trustees must only be a member of the retirement system and was not required to be actively engaged as a peace officer. The Subcommittee action repeals the action taken by the 1978 Legislative Session and allows the elected representative of the employees to qualify if he or she is a member of the retirement system, without being required to be "actively engaged" as a peace officer.

The Subcommittee also reviewed the current contributions made by the state for the Peace Officers Retirement System. It was explained that although the current law requires an actuarially sound funding rate this provision has been interpreted to allow for the payment of a lesser amount to meet current benefit requirements. The current contribution rate is approximately 16 percent of salary or \$1,394,804 annually. The Subcommittee recommended that a contribution rate more consistent than that required for sound funding of the Peace Officers Retirement System be established and the Subcommittee selected a contribution rate of 25 percent of salary or approximately \$2,179,382 annually. The Subcommittee noted that although the actuarial studies recommend a rate of 26 percent or higher to fund the Peace Officers Retirement System, an amount equal to 25 percent of salary, at a minimum, should be more consistent with sound actuarial practices.

The Subcommittee also reviewed the Judicial Retirement System benefits. The Subcommittee reviewed information developed for a July 1, 1977 actuarial study of the judicial retirement system which showed the judicial retirement fund to be approximately \$11,300,000 deficient to meet current liabilities. The judicial retirement study indicated that in order to amortize the initial unfunded liability over a 10-year period and also meet the costs of current contributing employees would require an approximate contribution of 41.14 percent of current salary or an annual contribution of \$1,960,756. Alternatively to amortize the current \$11,300,000 unfunded liability over a 30-year period together with providing sufficient funds to meet the liabilities of the current employees would require an annual contribution of approximately 26.58 percent of salary or approximately \$1,266,832. The Subcommittee recommended that the retirement contribution for the judges be made equal to that amount provided for peace officers at 25 percent of salary or approximately \$1,191,572. To offset this increased contribution, the Subcommittee recommended that the judicial filing fee be increased from \$7 to \$9 with an increase of from \$3 to \$5 of the fee which is paid into the state treasury. Thus, the increased docketing fee would be used to offset the increased general fund appropriation to fund the Judicial Retirement System on an actuarially sound basis. The Subcommittee approved this bill draft for introduction.

The Subcommittee also reviewed a bill to provide for a Senior Judges Retirement System. The cost estimate for the bill was projected to be approximately \$265,983 for the first five years of its operation. The senior judges retirement bill would provide that a judge upon reaching retirement age of 65 may elect to become a senior judge. Upon the election to become a senior judge the individual would retire and agree to serve 13 weeks out of each year and in return for such agreement to serve on a temporary appointment basis the judge would be provided an escalation of present retirement benefits. The escalation would be similar to

that provided peace officers and police and fire officers which provide for the percentage of salary that the judge was qualified for at retirement to be a percentage of the current salary of the position. Thus, as the current pay for the judges increases with inflationary pressure the retirement benefits would also increase and for these escalating benefits judges would agree to serve 13 weeks out of each year.

A judge under this provision could be removed for cause if physically or mentally disabled and would become a retired senior judge and eligible for continued escalation of benefits. If the judge is removed for maleficence or abuse of office, the judges escalation would cease and the judge would again receive the retirement benefits that he received upon initial retirement.

Under the senior judges bill the judge would not receive full employment but would only continue to receive his retirement benefits which would be escalated to be a percentage of the current salary of the judge. Although extensive discussion and amendments were made to LSB 559H, the senior judges retirement bill, the bill failed to receive a majority vote from either house and therefore failed as a recommendation by the Subcommittee.

The Subcommittee was informed that section 79.20, Iowa Code 1977, provides state employees with a disability insurance plan. However, the disability benefits under another state supported system may prevent eligibility for the state disability benefits. The Subcommittee recommended that a bill draft be prepared to prevent penalty to individuals with another disability program. The bill draft would allow other program benefits to be an offset against the 79.20 benefits.

The Subcommittee discussed the possibility of amending the annuity refund provisions of House File 2426. It was explained that the phase in period of Section 63, Chapter 1060, Acts of the 67th General Assembly, 1978 Session, was necessary to afford cities the time necessary to liquidate assets and prepare for the fiscal impact of the refund of annuity funds. The Subcommittee recommended that a draft be prepared to allow cities the option to pay police and fire annuity benefits earlier than the scheduled repayment period upon election of the board of trustees of the retirement system funds if within sound actuarial practices.

The Subcommittee therefore recommends the following three bills for introduction:

1. A bill relating to peace officers providing:

- a. The elected member of the peace officers board of trustees need not be actively engaged as a peace officer.

b. The state contribution rate for peace officers shall be either 25 percent of salary or the normal contribution rate necessary to actuarially fund the Peace Officers Retirement System.

c. Early annuity refund provisions at the option of the board of trustees if with sound actuarial principles.

d. Clarifying legislation to correct a misinterpretation by a court to provide that escalation clauses for peace officers and police and fire retirement systems are available only to an employee that has attained the age of 55 prior to termination of service and who has at least 22 years as a police, fire or peace officer.

2. The Judicial Retirement System will have annually an amount contributed to fund the retirement benefits by a state contribution of 25 percent of the covered salary of the judicial officers which will be offset by an increase in general funds resulting from a \$2.00 increase to all court docketing fees in the state. Section 79.20, Iowa Code 1977, will be amended to provide that the judges' retirement disability provisions of chapter 605A are considered only an offset against state disability benefits provided under section 79.20, Iowa Code 1977.

3. IPERS retirement provisions will be changed to provide for the following:

a. An increase in the IPERS covered wage from \$20,000 to \$22,000 at an annual cost of approximately \$6,000,000.

b. Providing early IPERS retirement after age 60 having completed 30 years of service with a 3 percent per year reduction of benefits at an annual cost of approximately 1.5 million dollars.

c. Allow former nonvested members of IPERS to buy-back for years of service for contributions which they were required to withdraw upon termination of prior service. The that is not known, but is estimated to be between \$3.8 million and \$5.8 million if all individuals eligible would buy-back benefits. This would be an annual cost increase for IPERS benefits.

d. Provide corrections officers employed by the Department of Social Services Correction Division to retire at age 60 after 25 years as a corrections officer without retirement penalty. The estimated cost is approximately 8.9 percent of salary or an annual cost of approximately \$700,000.

PROPOSED HOUSE FILE \_\_\_\_\_

By (PROPOSED COMMITTEE ON STATE  
GOVERNMENT BILL BY THE PUBLIC  
EMPLOYEES RETIREMENT SYSTEMS  
SUBCOMMITTEE)

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

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

Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to retirement systems and providing for  
2 membership on the peace officer's board of trustees,  
3 clarification of retirement escalation provisions,  
4 increased minimum contributions for the peace officers  
5 retirement system, and for early return of accumulated  
6 contributions under certain circumstances.

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

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1 Section 1. Section ninety-seven A point five (97A.5),  
2 subsection one (1), Code 1979, is amended to read as follows:

3 1. BOARD OF TRUSTEES. The general administration and  
4 the responsibility for the proper operation of the system  
5 and for making effective the provisions of this chapter are  
6 hereby vested in a board of trustees ~~to administer the system.~~  
7 ~~Such~~ The board of trustees shall be constituted as follows:  
8 The commissioner of public safety, who shall be chairperson  
9 of said board, the state treasurer of state, and ~~an actively~~  
10 engaged a member of the system, to be chosen by secret ballot  
11 of the members thereof for a term of two years.

12 Sec. 2. Section ninety-seven A point six (97A.6),  
13 subsection fourteen (14), paragraph d, Code 1979, is amended  
14 to read as follows:

15 d. A Only retired member who became eligible for benefits  
16 under the provisions of subsection 1 but who ~~did not serve~~  
17 ~~second~~ second twenty-two years and ~~did not attain also attained~~ the  
18 age of fifty-five years prior to the member's termination  
19 of employment ~~shall not be~~ is eligible for the annual  
20 readjustment of pensions provided ~~for~~ by this subsection.

21 Sec. 3. Section ninety-seven A point eight (97A.8),  
22 subsection one (1), paragraph c, Code 1979, is amended to  
23 read as follows:

24 c. The total amount payable in each year to the pension  
25 accumulation fund shall ~~not be less than the rate percent~~  
26 ~~known as the normal contribution rate of the total compensation~~  
27 ~~earnable by all members during the year, provided, however,~~  
28 ~~that the aggregate payment by the state shall be sufficient~~  
29 ~~when combined with the amount in the fund to provide the~~  
30 ~~pensions and other benefits payable out of the fund during~~  
31 ~~the then current year~~ be equal to twenty-five percent of the  
32 total compensation earnable by all members during the year  
33 unless the normal contribution rate is calculated to be less  
34 than twenty-five percent; then the total amount payable is  
35 equal to the normal contribution rate of the total compensation

1 earnable by all members during the year.

2 Sec. 4. Section four hundred eleven point six (411.6),  
3 subsection twelve (12), paragraph d, Code 1979, is amended  
4 to read as follows:

5 d. A Only a retired member who became eligible for benefits  
6 under the provisions of subsection 1 of this section but who  
7 ~~did-not-serve~~ served twenty-two years and ~~did-not-attain~~ also  
8 attained the age of fifty-five years prior to ~~his~~ the member's  
9 termination of employment ~~shall-not-be~~ is eligible for the  
10 annual readjustment of pensions provided ~~for~~ by this  
11 subsection.

12 Sec. 5. Section four hundred eleven point twenty-one  
13 (411.21), subsection seven (7), Code 1979, is amended to read  
14 as follows:

15 7. Notwithstanding the provisions of subsections 1, 3,  
16 4, 5, and 6 of this section, beginning January 1, 1981, an  
17 active or vested member may request in writing and receive  
18 from the board of trustees, his or her accumulated contribu-  
19 tions from the annuity savings fund according to the follow-  
20 ing schedule:

21 a. During the period beginning January 1, 1981 and ending  
22 December 31, 1982, any member who has completed twenty or  
23 more years of service.

24 b. During the period beginning January 1, 1983 and end-  
25 ing December 31, 1984, any member who has completed fifteen  
26 or more years of service.

27 c. During the period beginning January 1, 1985 and end-  
28 ing December 31, 1986, any member who has completed ten or  
29 more years of service.

30 d. During the period beginning January 1, 1987 and end-  
31 ing December 31, 1988, any member who has completed five or  
32 more years of service.

33 However, if the board of trustees of a retirement system  
34 established under the provisions of this chapter determines  
35 that, based upon actuarial studies, the unfunded liabilities



SENATE FILE \_\_\_\_\_

By (PROPOSED COMMITTEE ON STA  
GOVERNMENT BILL BY PUBLIC  
EMPLOYEES RETIREMENT SYSTE  
SUBCOMMITTEE)

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

## A BILL FOR

1 An Act relating to funding of the judicial retirement system.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section six hundred five A point four (605A.4),  
2 subsection four (4), Code 1979, is amended to read as follows:  
3 4. ~~The state shall contribute a sum not exceeding three~~  
4 ~~percent of the basic salary of all judges of the district~~  
5 ~~and supreme court for the years 1949 and 1950 and thereafter~~  
6 ~~such sums as may be necessary over the amount contributed~~  
7 ~~by the district and supreme court judges to finance the system,~~  
8 ~~but only to the extent that the system applies to them. After~~  
9 June 30, 1973, the state shall contribute such sums as may  
10 be necessary over the amount contributed by district associate  
11 judges to finance the system as to them for the portion of  
12 their tenure after July 1, 1973, and thereafter such sums  
13 as may be necessary over the amount contributed by the district  
14 associate judges to finance the system, but only to the extent  
15 the system applies to them. After July 1, 1976, the state  
16 shall contribute such sums as may be necessary over the amount  
17 contributed by judges of the court of appeals to finance the  
18 system, but only to the extent the system applies to them.  
19 Beginning July 1, 1979, the state shall contribute an amount  
20 equal to twenty-five percent of the total basic salary of  
21 all members of the judicial retirement system.

22 Sec. 2. Section six hundred six point fifteen (606.15),  
23 subsection one (1), Code 1979, is amended to read as follows:  
24 1. For filing any petition, appeal, or writ of error and  
25 docketing the same, ~~seven~~ nine dollars. Four dollars of such  
26 fee shall remain in the county treasury for the use of the  
27 county, and ~~three~~ five dollars of such fee shall be paid into  
28 the state treasury and deposited in the general fund of the  
29 state. In counties having a population of one hundred thousand  
30 or over, an additional one dollar shall be charged and  
31 collected, to be known as the journal publication fee and  
32 to be used for the purposes provided for in section 618.13.

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## EXPLANATION

34 This bill increases the state contribution to the judi-  
35 cial retirement system and increases the court filing fee

1 to generate more revenue to meet the state's increased  
2 obligation. The amount necessary to actuarially fund the  
3 judicial retirement system would be \$1,266,832 or 26.58 percent  
4 of salary if the current unfunded liability is amortized over  
5 a thirty-year period.

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PROPOSED SENATE FILE \_\_\_\_\_

By (PROPOSED COMMITTEE ON STATE  
GOVERNMENT BILL BY THE PUBLIC  
EMPLOYEES' RETIREMENT SYSTEMS  
SUBCOMMITTEE)  
December, 1978

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

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

Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to benefits for public employees, including  
2 benefit changes for members of the Iowa public employees'  
3 retirement system eligibility for employees disability  
4 insurance, and making an appropriation.

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

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1 Section 1. Section seventy-nine point twenty (79.20),  
2 Code 1979, is amended to read as follows:

3 79.20 EMPLOYEES DISABILITY PROGRAM. There is created  
4 a state employees disability insurance program which shall  
5 be administered by the executive council and which shall  
6 provide disability benefits in an amount and for the employees  
7 as provided in this section. The monthly disability benefits  
8 shall provide twenty percent of monthly earnings if employed  
9 less than one year, forty percent of monthly earnings if  
10 employed one year or more but less than two years, and sixty  
11 percent of monthly earnings thereafter, reduced by primary  
12 and family social security determined at the time social  
13 security disability payments commence, workers' compensation  
14 if applicable, and any other state sponsored sickness or  
15 disability benefits payable. No subsequent social security  
16 increases shall be used to further reduce the insurance  
17 benefits payable. State employees shall receive credit for  
18 the time they were continuously employed prior to and on July  
19 1, 1974. The following provisions shall apply to the employees  
20 disability insurance program:

21 1. Waiting period . . . ninety working days of continuous  
22 sickness or accident disability or the expiration of accrued  
23 sick leave, whichever is greater.

24 2. Maximum period benefits paid . . . sickness or accident  
25 disability to age sixty-five.

26 3. Minimum and maximum benefits . . . not less than fifty  
27 dollars per month and not exceeding two thousand dollars per  
28 month.

29 4. All permanent full-time state employees shall be covered  
30 under the employees disability insurance program, except the  
31 members of the general assembly, board members and members  
32 of commissions who are not full-time state employees~~7-and~~  
33 ~~state-employees-who-on-July-1-1974-are-under-another~~  
34 ~~disability-program-financed-in-whole-or-in-part-by-the-state.~~

35 Sec. 2. Section ninety-seven B point forty-one (97B.41),

1 subsection one (1), paragraph b, subparagraph four (4), Code  
2 1979, is amended to read as follows:

3 (4) For each calendar year from January 1, 1976, and  
4 ~~thereafter~~ through December 31, 1979, wages not in excess  
5 of twenty thousand dollars. For the calendar year beginning  
6 January 1, 1980, and each subsequent year, wages not in excess  
7 of twenty-two thousand dollars.

8 Sec. 3. Section ninety-seven B point forty-nine (97B.49),  
9 Code 1979, is amended by adding the following new subsection:

10 NEW SUBSECTION. In lieu of other provisions of this  
11 chapter, a member who is or has been employed as a correc-  
12 tions officer pursuant to the authority of the director of  
13 the division of corrections to employ corrections officers  
14 under section two hundred seventeen point fourteen (217.14)  
15 of the Code and who retires on or after July 1, 1979, and  
16 at the time of retirement is at least sixty years of age and  
17 has completed at least twenty-five years of membership service  
18 as a corrections officer, may elect to receive, in lieu of  
19 the receipt of benefits under subsection five (5) of this  
20 section, a monthly retirement allowance equal to one-twelfth  
21 of forty-four percent of the member's five-year average covered  
22 wage as a corrections officer, with benefits payable during  
23 the member's lifetime. There is appropriated from the general  
24 fund of the state to the department of job service from funds  
25 not otherwise appropriated an amount sufficient to pay eight  
26 and forty-three hundredths percent of the covered wages of  
27 each corrections officer, in addition to the contribution  
28 paid by the employer under section ninety-seven B point eleven  
29 (97B.11) of the Code, to finance increased benefits to  
30 corrections officers under this subsection.

31 Sec. 4. Section ninety-seven B point fifty (97B.50),  
32 subsection one (1), Code 1979, is amended to read as follows:

33 1. A Except as otherwise provided in this section, a  
34 member, shall upon retirement on-his-early prior to the normal  
35 retirement date be, is entitled to receive a monthly retirement

1 allowance determined in the same manner as provided for normal  
2 retirement in subsections 1, 4 and 5 of section 97B.49 reduced  
3 by five-tenths of one percent per month for each month that  
4 the member's early retirement date precedes the normal  
5 retirement date.

6 Sec. 5. Section ninety-seven B point fifty (97B.50), Code  
7 1979, is amended by adding the following new subsection:

8 NEW SUBSECTION. A member at least sixty years of age who  
9 has completed thirty or more years of service and who retires  
10 from the system prior to the normal retirement date shall  
11 have benefits provided under section ninety-seven B point  
12 forty-nine (97B.49) of the Code reduced by twenty-five  
13 hundredths of one percent per month for each month that the  
14 member's early retirement date precedes the normal retire-  
15 ment date.

16 Sec. 6. Chapter ninety-seven B (97B), Code 1979, is amended  
17 by adding the following new section:

18 NEW SECTION. A vested or retired member who at any time  
19 between July 4, 1953 and July 1, 1973 was a member of the  
20 system, but who did not meet the requirements to be a vested  
21 member for that period of membership service, and who received  
22 a refund of contributions for that period of membership  
23 service, may elect in writing to the department to make  
24 contributions to the system for that period of membership  
25 service for which a refund of contributions was made. The  
26 contributions repaid by the member for such service shall  
27 be equal to the accumulated contributions, as defined in  
28 section ninety-seven B point forty-one (97B.41), subsection  
29 thirteen (13), of the Code, received by the member for that  
30 period of membership service plus interest on the accumulated  
31 contributions for the period from the date of receipt by the  
32 member to the date of repayment equal to two percent plus  
33 the interest dividend rate applicable for each year compounded  
34 annually.

35 The provisions of this section are only available to a

1 member if that member's total years of membership and prior  
2 service, with the addition of service for that period of  
3 membership service for which contributions are repaid, equals  
4 or exceeds fifteen years.

5 Sec. 7. Sections four (4) and five (5) of this Act shall  
6 apply only to persons who retire after the effective date  
7 of this Act.

8 Sec. 8. Section three (3) of this Act is effective July  
9 1, 1979. The remaining sections are effective January first  
10 following its enactment.

11 EXPLANATION

12 This bill removes the exemption from eligibility for the  
13 employees disability insurance program for state employees  
14 covered under another public employee disability program on  
15 July 1, 1974.

16 The bill increases the covered wage limits for contributions  
17 to the Iowa public employees retirement system from \$20,000  
18 to \$22,000. It provides that corrections officers with 25  
19 years of service may retire at age 60 without early retirement  
20 penalty and receive full IPERS benefits beginning July 1,  
21 1979. It reduces by one-half the penalty for early retire-  
22 ment for members of IPERS who are at least 60 years of age  
23 and who have completed at least 30 years of service for those  
24 members who retire after the effective date of the Act.

25 The bill allows members of the Iowa Public Employees  
26 Retirement System who had formerly been members of IPERS but  
27 were not vested and had been forced to receive their  
28 contributions upon termination of employment to repay those  
29 contributions with interest and receive credit for those years  
30 of service. This bill except for section 3 is effective  
31 January first following its enactment.

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