

CHAPTER 44
PUBLIC RETIREMENT SYSTEMS
S.F. 347

AN ACT relating to public retirement systems, and including effective and retroactive applicability dates.

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

Section 1. Section 97A.5, subsection 6, Code 1993, is amended to read as follows:

6. DATA — RECORDS — REPORTS.

a. The department of personnel shall keep in convenient form the data necessary for actuarial valuation of the various funds of the system and for checking the expense of the system. The director of the department of personnel shall keep a record of all the acts and proceedings of the board, which records shall be open to public inspection, and shall keep a complete record of the names of all of the members, their ages and length of service, the salary of each member, and other facts necessary in the administration of this chapter, and for the purpose of obtaining such facts, the director of personnel shall have access to the records of the various departments of the state. The board of trustees shall biennially make a report to the state legislature general assembly showing the fiscal transactions of the system for the preceding biennium, the amount of the accumulated cash and securities of the system, and the last balance sheet showing the financial condition of the system by means of an actuarial valuation of the assets and liabilities of the system.

b. The director of the department of personnel shall maintain records, including but not limited to names, addresses, ages, and lengths of service, salaries and wages, contributions, designated beneficiaries, benefit amounts, if applicable, and other information pertaining to members as necessary in the administration of this chapter, as well as the names, addresses, and benefit amounts of beneficiaries. For the purpose of obtaining these facts, the director of personnel shall have access to the records of the various departments of the state and the departments shall provide such information upon request. Member and beneficiary records containing personal information are not public records for the purposes of chapter 22. However, summary information concerning the demographics of the members and general statistical information concerning the system is subject to chapter 22, as well as aggregate information by category.

Sec. 2. Section 97A.16, Code 1993, is amended to read as follows:

97A.16 WITHDRAWAL OF CONTRIBUTIONS — REPAYMENT.

1. Commencing July 1, 1990, if an active member, in service on or after that date, terminates service, other than by death or disability, the member may elect to withdraw the member's contributions under section 97A.8, subsection 1, paragraphs "f" and "h", together with interest thereon at a rate determined by the board of trustees. If a member withdraws contributions as provided in this section, the member shall be deemed to have waived all claims for other benefits from the system for the period of membership service for which the contributions are withdrawn.

2. A layoff for an indefinite period of time shall be deemed to be a termination of service for the purposes of this section. A member who withdraws the member's contributions as provided in this section following a layoff for an indefinite period of time and who is subsequently recalled to service may repay the contributions. The contributions repaid by the member for such service shall be equal to the amount of contributions withdrawn, plus interest computed based upon the investment interest rate assumption established by the board of trustees as of the time the contributions are repaid. However, the member must make the contributions within two years of the date of the member's return to service. The period of membership service for which contributions are repaid shall be treated as though the contributions were never withdrawn.

Sec. 3. Section 97B.8, unnumbered paragraph 2, Code 1993, is amended to read as follows:

The board consists of nine members. Six of the members shall be appointed by the governor. One member shall be an executive of a domestic life insurance company, one an executive of a state or national bank operating within the state of Iowa, one an executive of an industrial corporation located within the state of Iowa, and three shall be members of the system, one of whom is an active member who is an employee of a school district, area education agency, or merged area, one of whom is an active member who is not an employee of a school district, area education agency, or merged area, and one of whom is a retired member of the system. The president of the senate, after consultation with the majority leader and the minority leader of the senate, shall appoint one member from the membership of the senate and the speaker of the house of representatives shall appoint one member from the membership of the house. The two members appointed by the president of the senate, after consultation with the majority leader and the minority leader of the senate, and the speaker of the house of representatives and the two active members of the system appointed by the governor are ex officio members of the board. The director of the department of personnel is an ex officio, nonvoting member of the board. Five voting members of the board shall constitute a quorum.

Sec. 4. Section 97B.41, subsection 20, paragraph b, subparagraph (11), Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding any other provision of this chapter providing for the payment of the benefits provided in section 97B.49, subsection 16, the department shall establish the covered wages limitation which applies to members covered under section 97B.49, subsection 16, at the same level as is established under this subparagraph for other members of the system.

Sec. 5. Section 97B.49, subsection 5, paragraph b, unnumbered paragraph 2, Code 1993, is amended to read as follows:

Commencing July 1, 1991, the department shall increase the percentage multiplier of the three-year average covered wage by an additional two percent each July 1 until reaching sixty percent of the three-year average covered wage if the annual actuarial valuation of the retirement system indicates for that year that the cost of this increase in the percentage of the three-year average covered wage used in computing retirement benefits can be absorbed within the employer and employee contribution rates in effect under section 97B.11. However, commencing July 1, 1994, if the annual actuarial valuation of the retirement system indicates that the employer and employee contribution rates in effect under section 97B.11 can absorb an increase in the percentage multiplier in excess of two percent, the department shall increase the percentage multiplier for that year beyond two percent to the extent which the increase can be absorbed by the contribution rates in effect, not to exceed a maximum percentage multiplier of sixty percent. The ~~two percent~~ increase in the percentage multiplier for a year applies only to the members retiring on or after July 1 of the respective year.

Sec. 6. Section 97B.49, subsection 5, paragraph b, Code 1993, is amended by adding the following new unnumbered paragraphs after unnumbered paragraph 3:

NEW UNNUMBERED PARAGRAPH. Notwithstanding any other provision of this chapter providing for the payment of the benefits provided in subsection 16, the department shall establish the percentage multiplier which applies to members covered under subsection 16 at the same level as is established under this subsection for other members of the system.

NEW UNNUMBERED PARAGRAPH. By November 15, 1993, the department shall set aside from other moneys in the retirement fund two million, eight hundred fifty thousand dollars. The moneys set aside shall be from the funds generated by the employer and employee contributions in effect under section 97B.11 that exceed the amount necessary to fund the system's existing liabilities, as determined in the annual actuarial valuation of the system as of June 30, 1993. If the annual actuarial valuation indicates that the amount of the employer and employee contributions in excess of the amount necessary to fund existing liabilities is less than two million, eight hundred fifty thousand dollars, the department shall set aside all funds

that are available. The funds set aside shall not be used in determining the percentage multiplier pursuant to this section on July 1, 1994, or in determining the covered wage limitation pursuant to section 97B.41, subsection 20, paragraph "b", subparagraph (11), on January 1, 1994. However, any funds set aside which are not specifically dedicated to a purpose by the Seventy-fifth General Assembly shall be used in determining the percentage multiplier and the covered wage limitation thereafter.

Sec. 7. Section 97B.49, subsection 16, paragraph a, subparagraph (3), Code 1993, is amended to read as follows:

(3) Commencing July 1, 1991, the department shall increase the percentage multiplier of the three-year average covered wage by ~~an additional two percent each July 1~~ as provided in subsection 5, paragraph "b", until reaching sixty percent of the three-year average covered wage.

Sec. 8. Section 97B.66, Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. However, effective January 1, 1994, the department shall ensure that the member, in exercising an option provided in this section, does not exceed the amount of annual additions to a member's account permitted pursuant to section 415 of the federal Internal Revenue Code.

Sec. 9. Section 97B.72, Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. However, effective January 1, 1994, the department shall ensure that the member, in exercising an option provided in this section, does not exceed the amount of annual additions to a member's account permitted pursuant to section 415 of the federal Internal Revenue Code.

Sec. 10. Section 97B.72A, Code 1993, is amended by adding the following new subsection:
NEW SUBSECTION. 3. Effective January 1, 1994, however, the department shall ensure that the member, in exercising an option provided in this section, does not exceed the amount of annual additions to a member's account permitted pursuant to section 415 of the federal Internal Revenue Code.

Sec. 11. Section 97B.73, Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. However, effective January 1, 1994, the department shall ensure that the member, in exercising an option provided in this section, does not exceed the amount of annual additions to a member's account permitted pursuant to section 415 of the federal Internal Revenue Code.

Sec. 12. Section 97B.73A, Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. However, effective January 1, 1994, the department shall ensure that the member, in exercising an option provided in this section, does not exceed the amount of annual additions to a member's account permitted pursuant to section 415 of the federal Internal Revenue Code.

Sec. 13. Section 97B.74, Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. However, effective January 1, 1994, the department shall ensure that the member, in exercising an option provided in this section, does not exceed the amount of annual additions to a member's account permitted pursuant to section 415 of the federal Internal Revenue Code.

Sec. 14. Section 97B.80, Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. However, effective January 1, 1994, the department shall ensure that the member, in exercising an option provided in this section, does not exceed the amount of annual additions to a member's account permitted pursuant to section 415 of the federal Internal Revenue Code.

Sec. 15. **NEW SECTION. 411.1A PURPOSE OF CHAPTER.**

The purpose of this chapter is to promote economy and efficiency in the municipal public safety service by providing an orderly means for police officers and fire fighters to have a retirement system which will provide for the payment of pensions to retired and disabled members and to the surviving spouses and dependents of deceased members.

Sec. 16. Section 411.5, subsection 2, Code 1993, is amended to read as follows:

2. **Compensation.** The trustees, other than the secretary, shall serve without compensation, but they shall be reimbursed from the fire and police retirement fund for all necessary expenses which they may incur through service on the board, as provided pursuant to section 411.36.

Sec. 17. Section 411.5, subsection 6, Code 1993, is amended to read as follows:

6. **RECORDS – REPORTS.**

a. The board of trustees shall keep a record of all its proceedings, which record shall be open to public inspection. It shall submit an annual report to the governor, the general assembly, and the city council of each participating city concerning the financial condition of the retirement system, its current and future liabilities, and the actuarial valuation of the system. The board of trustees shall submit a certified audit report prepared by a certified public accountant to the auditor of state annually. The system shall comply with the filing fee requirement of section 11.6, subsection 10.

b. The system shall maintain records, including but not limited to names, addresses, ages, and lengths of service, salaries and wages, contributions, designated beneficiaries, benefit amounts, if applicable, and other information pertaining to members as necessary in the administration of this chapter, as well as the names, addresses, and benefit amounts of beneficiaries. For the purpose of obtaining these facts, the system shall have access to the records of the participating cities and the cities shall provide such information upon request. Member and beneficiary records containing personal information are not public records for the purposes of chapter 22. However, summary information concerning the demographics of the members and general statistical information concerning the system is subject to chapter 22, as well as aggregate information by category.

Sec. 18. Section 411.6A, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Optional benefits shall be adjusted annually in a manner consistent with that provided in section 411.6, subsection 12. However, if the member has selected a designated recipient other than the member's spouse, the designated recipient shall be deemed to be the member's surviving spouse for the purpose of calculating the annual adjustment in the manner provided in section 411.6, subsection 12.

Sec. 19. Section 411.23, Code 1993, is amended to read as follows:

411.23 **WITHDRAWAL OF CONTRIBUTIONS – REPAYMENT.**

1. Commencing July 1, 1990, if an active member, in service on or after that date, terminates service, other than by death or disability, the member may elect to withdraw the member's contributions under section 411.8, subsection 1, paragraphs "f" and "h", together with interest thereon at a rate determined by the board of trustees. If a member withdraws contributions as provided in this section, the member shall be deemed to have waived all claims for other benefits from the system for the period of membership service for which the contributions are withdrawn.

2. A layoff for an indefinite period of time shall be deemed to be a termination of service for the purposes of this section. A member who withdraws the member's contributions as provided in this section following a layoff for an indefinite period of time and who is subsequently recalled to service may repay the contributions. The contributions repaid by the

member for such service shall be equal to the amount of contributions withdrawn, plus interest computed based upon the investment interest rate assumption established by the board of trustees as of the time the contributions are repaid. However, the member must make the contributions within two years of the date of the member's return to service. The period of membership service for which contributions are repaid shall be treated as though the contributions were never withdrawn.

Sec. 20. Section 411.36, subsection 5, Code 1993, is amended to read as follows:

5. a. Members of the board shall be paid their actual and necessary expenses incurred in the performance of their duties and shall receive a per diem as specified in section 7E.6 for each day of service. Per diem and expenses shall be paid to voting members from the fire and police retirement fund created in section 411.8.

b. A participating city shall allow an employee who is a member of the board to attend all meetings of the board. In their capacity as members of the board, which is an instrumentality of political subdivisions of the state, members of the board shall be deemed to be jointly serving the members of the system and the participating cities. The members of the board shall perform their duties in the best interest of the system. Board members who are employees of participating cities shall be allowed to attend board meetings without being required to use paid leave. Costs incurred by a board member which are associated with having a replacement perform the member's other duties for the participating city while serving in the capacity of a member of the board may be considered a necessary expense of the system.

c. Per diem and expenses of the legislative members shall be paid from the funds appropriated under section 2.12. However, legislative members shall not be paid pursuant to this section when the general assembly is actually in session at the seat of government.

Sec. 21. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES. The sections of this Act which amend sections 97A.16; 411.5, subsection 2; 411.23; and 411.36, subsection 5, being deemed of immediate importance, take effect upon enactment and apply retroactively to January 1, 1992. The sections of this Act which amend sections 97B.41, subsection 20, paragraph "b", subparagraph (11), by enacting a new unnumbered paragraph; 97B.49, subsection 5, paragraph "b", by enacting two new unnumbered paragraphs; and 97B.49, subsection 16, paragraph "a", subparagraph (3), being deemed of immediate importance, take effect upon enactment.

Approved April 26, 1993

CHAPTER 45

MOTOR VEHICLE DEALERS

S.F. 363

AN ACT relating to motor vehicle dealers by permitting the sale of classic cars and defining adjacent lots for purposes of license fees.

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

Section 1. Section 322.5, subsection 1, Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. For the purposes of this subsection, parcels of property shall be deemed to be adjacent if the parcels are only separated by an alley, street, or highway that is not a controlled-access facility.

*Sec. 2. Section 322.5, Code 1993, is amended by adding the following new subsection: