

CHAPTER 412

MUNICIPAL UTILITY RETIREMENT SYSTEM

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412.1 Authority to establish system.

The council, board of waterworks trustees, or other board or commission, whichever is authorized by law to manage and operate any municipally owned waterworks system, or other municipally owned and operated public utility, may establish a pension and annuity retirement system for the employees of any such waterworks system, or other municipally owned and operated public utility.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §412.1]

412.2 Source of funds.

The fund for such pension and annuity retirement system shall be created from any or all of the following sources:

1. From the proceeds of the assessments on the wages and salaries of employees, of any such waterworks system, or other municipally owned and operated public utility, eligible to receive the benefits thereof. Notwithstanding any provisions of section 20.9 to the contrary, a council, board of waterworks, or other board or commission which establishes a pension and annuity retirement system pursuant to this chapter, shall negotiate in good faith with a certified employee organization as defined in section 20.3, which is the collective bargaining representative of the employees, with respect to the amount or rate of the assessment on the wages and salaries of employees and the method or methods for payment of the assessment by the employees.

2. From the interest on any permanent fund which may be created by gift, bequest, or otherwise.

3. From moneys derived from the operation of such waterworks, or other municipally owned and operated public utility, available and appropriated therefor by the council, board of waterworks trustees, or other board or commission, whichever is authorized by law to manage and operate such waterworks or other municipally owned and operated public utility. Such money so expended shall constitute an operating expense of such utility.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §412.2]

2009 Acts, ch 179, §129

412.3 Rules.

The council, board of waterworks trustees, or other board or commission, whichever is authorized by law to manage and operate such waterworks, or other municipally owned and operated public utility, may formulate and establish such pension and annuity retirement system, and may make and establish such rules for the operation thereof as may be deemed necessary or appropriate, subject to the provision of section 412.2, subsection 1.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §412.3]

2009 Acts, ch 179, §130

412.4 Payments and investments.

The council, board of waterworks trustees, or other board or commission, whichever is authorized by law to manage and operate any such waterworks, or other municipally owned and operated public utility, shall have the right and power to contract with any legal reserve insurance company authorized to conduct its business in the state, or any bank located in Iowa having trust powers for the investment of funds contributed to an annuity or pension system, for the payment of the pensions or annuities provided in such pension or annuity retirement system, and may pay the premiums or make the contribution of such contract out of the fund provided in section 412.2. Funds shall be invested in accordance with the investment policy for the retirement fund, as established by the governing body of

the public utility. In establishing the investment policy, the council, board, or commission shall be governed by the standards set forth in section 97B.7A. However, permissible investments shall be limited to those investments authorized in section 12B.10, subsection 5, and investments in diversified commingled investment funds holding only publicly traded securities and under the management of an investment advisor registered with the federal securities and exchange commission under the Investment Advisor Act of 1940. Funds contributed to a bank pursuant to such a contract shall be invested in the manner prescribed in section 633.123A or chapter 633A, subchapter IV, part 3, and may be commingled with and invested as a part of a common or master fund managed for the benefit of more than one public utility.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §412.4]

96 Acts, ch 1008, §1; 99 Acts, ch 125, §104, 109; 2001 Acts, ch 102, §4; 2005 Acts, ch 38, §55

412.5 Public utility defined.

Public utility as that term is used in this chapter shall be limited to any waterworks, sewage works, gas, or electric plants and systems managed, operated, and owned by a municipality.

[C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §412.5]