

## CHAPTER 97D

### PUBLIC RETIREMENT SYSTEMS GENERALLY

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#### **97D.1 Guiding goals for future changes in public retirement systems — social security — portability.**

1. The general assembly declares that legislative proposals for changes in specific public retirement systems should be considered within the context of all public retirement systems within the state, with emphasis on equity and equality among the systems. The following list of guiding goals shall apply to the consideration of proposed changes:

- a. Select those benefit enhancement options which most successfully deliver the greatest good to the greatest number of employees.
- b. Choose those options which best correct existing inequities between and among the various retirement groups in the state.
- c. Determine those options which most ably serve the twin objectives of attracting and retaining quality employees.
- d. Avoid enacting further incentives toward earlier retirement with full benefits.
- e. Avoid further splintering of benefits by disproportionate enhancement of benefits for one group beyond those available to another.
- f. Avoid enacting further benefit enhancements that fail to preserve or enhance intergenerational equity amongst all employees covered by the retirement system.

2. The public retirement systems committee established by section 97D.4 shall periodically weigh the advantages and disadvantages of establishing participation in the federal social security system for the members of public retirement systems operating under chapters 97A and 411 and the impact of such a change on total contributions and benefits.

3. The public retirement systems committee established by section 97D.4 shall consider proposals to achieve greater portability of pension benefits between the various public retirement systems in the state. Special attention should be given to the actuarial cost of transfers of value from one system to another.

90 Acts, ch 1240, §43; 98 Acts, ch 1183, §108

#### **97D.2 Analysis of cost of proposed changes.**

When the public retirement systems committee established by section 97D.4 or a standing committee of the senate or house of representatives recommends a proposal for a change in a public retirement system within this state, the committee shall require the development of actuarial information concerning the costs of the proposed change. If the proposal affects police and fire retirement under chapter 411, the committee shall arrange for the services of an actuarial consultant or request actuarial information from the statewide fire and police retirement system created in chapter 411 to assist in developing the information. Actuarial information developed as provided under this section concerning the cost of a proposed change shall include information on the effect of the proposed change on the normal cost rate for that public retirement system using the entry age normal actuarial cost method.

90 Acts, ch 1240, §44; 2008 Acts, ch 1171, §61

#### **97D.3 Newly hired peace officers, police officers, and fire fighters — referendum.**

1. As soon as possible after July 1, 1990, the department of administrative services, in cooperation with the board of trustees of the public safety peace officers' retirement system and the board of trustees for the statewide fire and police retirement system created in section

411.36, shall submit to the members of retirement systems under chapters 97A and 411 in a referendum the question of requiring federal social security coverage for all persons newly hired as peace officers, as defined in section 97A.1, police officers, and fire fighters. The referendum shall be conducted before January 1, 1991. The referendum procedures shall comply with the requirements of federal law and regulations. If there is a favorable vote of a majority of the persons eligible to vote in the referendum, subsection 2 applies.

2. Upon a favorable vote in the referendum and notwithstanding sections 97A.3 and 411.3, all persons newly hired as peace officers, as defined in section 97A.1, police officers, and fire fighters after July 1, 1991, shall be members of the Iowa public employees' retirement system under chapter 97B, rather than members of retirement systems under chapters 97A and 411. Such members shall have federal social security coverage in addition to coverage under the Iowa public employees' retirement system and shall have the same benefits as county sheriffs and deputy sheriffs under section 97B.49C or 97B.49G, as applicable.

90 Acts, ch 1240, §45; 98 Acts, ch 1183, §70; 2003 Acts, ch 145, §286

#### **97D.4 Public retirement systems committee established.**

1. A public retirement systems committee is established.

a. The committee shall consist of three members of the senate appointed by the majority leader of the senate, two members of the senate appointed by the minority leader of the senate, three members of the house of representatives appointed by the speaker of the house of representatives, and two members of the house of representatives appointed by the minority leader of the house of representatives.

b. Members shall be appointed prior to January 31 of the first regular session of each general assembly and shall serve for terms ending upon the convening of the following general assembly or when their successors are appointed, whichever is later. A vacancy shall be filled in the same manner as the original appointment and shall be for the remainder of the unexpired term of the vacancy.

c. The committee shall elect a chairperson and vice chairperson. Meetings may be called by the chairperson or a majority of the members.

2. The members of the committee shall be reimbursed for actual and necessary expenses incurred in the performance of their duties and shall be paid a per diem as specified in section 2.10 for each day in which they engaged in the performance of their duties. However, per diem compensation and expenses shall not be paid when the general assembly is actually in session at the seat of government. Expenses and per diem shall be paid from funds appropriated pursuant to section 2.12.

3. The committee shall:

a. Develop and recommend retirement standards and a coherent state policy on public retirement systems.

b. Continuously survey pension and retirement developments in other states and in industry and business and periodically review the state's policy and standards in view of these developments and changing economic and social conditions.

c. Review the provisions in the public retirement systems in effect in this state.

d. Review individually sponsored bills relating to the public retirement systems.

e. Review proposals from interested associations and organizations recommending changes in the state's retirement laws.

f. Study the feasibility of adopting a consolidated retirement system for the public employees of this state.

g. Make recommendations to the general assembly.

4. The committee may:

a. Contract for actuarial assistance deemed necessary, and the costs of actuarial studies are payable from funds appropriated in section 2.12, subject to the approval of the legislative council.

b. Administer oaths, issue subpoenas, and cite for contempt with the approval of the general assembly when the general assembly is in session and with the approval of the legislative council when the general assembly is not in session.

5. Administrative assistance shall be provided by the legislative services agency.

86 Acts, ch 1243, §24

C87, §97B.76

90 Acts, ch 1240, §93; 90 Acts, ch 1256, §28

C91, §97D.4

2003 Acts, ch 35, §40, 49; 2008 Acts, ch 1032, §12, 13; 2008 Acts, ch 1156, §26, 58; 2010 Acts, ch 1193, §39

**97D.5 Public retirement systems — annual actuarial valuations — required information.**

1. For purposes of this section, “*public retirement system*” means the public safety peace officers’ retirement system created in chapter 97A, the Iowa public employees’ retirement system created in chapter 97B, the statewide fire and police retirement system created in chapter 411, or the judicial retirement system created in chapter 602.

2. Effective with the fiscal year beginning July 1, 2008, a public retirement system shall include in each actuarial valuation or actuarial update required to be conducted by that public retirement system the following additional information, all as determined by using the entry age normal actuarial cost method:

a. The actuarially required contribution rate for the public retirement system which is equal to the normal cost rate plus the contribution rate necessary to amortize the unfunded actuarial accrued liability on a level percent of payroll basis over thirty years.

b. The normal cost rate for the public retirement system which shall be determined for each individual member on a level percentage of salary basis and then summed for all members to obtain the total normal cost.

2008 Acts, ch 1171, §62