

97B.48 Payment of allowances.

1. Retirement allowances shall be paid monthly, except that, if an allowance of less than six hundred dollars a year is payable pursuant to section 97B.51, subsection 1, paragraph "b", the member's retirement benefit shall be paid as a lump sum in an amount equal to the sum of the member's and employer's accumulated contributions and the retirement dividends standing to the member's credit before December 31, 1966. Receipt of the lump sum payment by a member shall terminate any and all entitlement for the period of service covered of the member under this chapter and the member shall not be eligible to buy back the period of service.

2. The first monthly payment of a retirement allowance shall be paid as of the member's first month of entitlement. The payments shall be continued thereafter for the lifetime of the retired member except as provided in section 97B.48A.

3. On or before the first of the month in which a member attains the age of seventy years, the system shall provide written notification to each member for whom the system has an address that the member may commence receiving a retirement allowance regardless of the member's employment status. Prior to receiving a retirement allowance pursuant to this subsection, a member shall acknowledge in writing that the member was informed by the system of the consequences of electing to receive a retirement allowance pursuant to this subsection and that receipt of a retirement allowance under this subsection is optional. Upon termination from employment of a member receiving a retirement allowance pursuant to this subsection, the member is entitled to have the member's monthly retirement allowance recalculated using the applicable formula for determining a retirement allowance pursuant to sections 97B.49A through 97B.49G, as applicable, in place at the time of the member's first month of entitlement.

4. Payment of a member's retirement allowance pursuant to sections 97B.49A through 97B.49H shall commence no later than the required beginning date specified under section 401(a)(9) of the federal Internal Revenue Code regardless of whether the member has submitted the appropriate notice to receive an allowance. If the lump sum actuarial equivalent under subsection 1 could have been selected by the member, payments shall be made in a lump sum rather than as a monthly allowance.

5. Effective on such date as the system determines by rule, but in no event later than July 1, 2006, if the system determines that the lump sum amount payable to a living member who has had a break in service or to a beneficiary of a deceased member is less than the current maximum amount prescribed by the internal revenue service that may be distributed without triggering automatic rollover rights, the lump sum amount payable under this chapter shall be paid to the living member or beneficiary in full satisfaction of all rights of the member or beneficiary to receive any payments under the system. For purposes of this section, a "break in service" means twenty consecutive calendar quarters in which no wages are reported to the system. The lump sum payment shall be made within one hundred eighty days after the calendar quarter in which the member completes a break in service or dies, whichever is applicable. A member or beneficiary who receives a mandatory distribution under this subsection shall have sixty days to return the distribution to the system and restore the member's or beneficiary's account.

6. Effective July 1, 2005, monthly retirement allowance payments shall be directly deposited without charge to a retired member's account via electronic funds transfer. A retired member may elect to receive monthly allowance payments as paper warrants in lieu of electronic funds transfers, but the system shall charge an administrative fee for processing such paper warrants. However, the system may, for good cause shown, waive the administrative fee. The fee may be automatically deducted from the monthly retirement allowance before the warrant is issued to the retired member.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §97B.48; 82 Acts, ch 1261, §18]

88 Acts, ch 1242, §35; 90 Acts, ch 1240, §26, 27; 92 Acts, ch 1201, §40, 41; 94 Acts, ch 1183, §29; 96 Acts, ch 1187, §27; 98 Acts, ch 1183, §30, 31; 2000 Acts, ch 1077, §31, 32; 2001 Acts, ch 68, §21, 24; 2002 Acts, ch 1135, §18; 2003 Acts, ch 145, §286; 2004 Acts, ch 1103, §26 - 28; 2006 Acts, ch 1092, §4, 8

Referred to in §97B.48A, 97B.52, 97B.52A