

# House Amendment 5515

## Amendment Text

PAG LIN

1 1 Amend [Senate File 2245](#), as amended, passed, and  
1 2 reprinted by the Senate, as follows:  
1 3 #1. By striking everything after the enacting  
1 4 clause and inserting the following:  
1 5 "DIVISION I  
1 6 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)  
1 7 Section 1. Section [97B.4](#), unnumbered paragraph 1,  
1 8 Code 1995, is amended to read as follows:  
1 9 The department, through the chief investment  
1 10 officer and chief benefits officer, shall administer  
1 11 this chapter. The department may adopt, amend, or  
1 12 rescind rules, employ persons, execute contracts with  
1 13 outside parties, make expenditures, require reports,  
1 14 make investigations, and take other action it deems  
1 15 necessary for the administration of the system in  
1 16 conformity with the requirements of this chapter, the  
1 17 applicable provisions of the Internal Revenue Code,  
1 18 and all other applicable federal and state laws. The  
1 19 rules shall be effective upon compliance with chapter  
1 20 17A. Not later than the fifteenth day of December of  
1 21 each year, the department shall submit to the governor  
1 22 a report covering the administration and operation of  
1 23 this chapter during the preceding fiscal year and  
1 24 shall make recommendations for amendments to this  
1 25 chapter. The report shall include a balance sheet of  
1 26 the moneys in the Iowa public employees' retirement  
1 27 fund.  
1 28 Sec. 2. Section [97B.7](#), subsection 2, paragraph b,  
1 29 unnumbered paragraphs 1 through 3, Code 1995, are  
1 30 amended to read as follows:  
1 31 To invest the portion of the retirement fund which  
1 32 in the judgment of the department is not needed for  
1 33 current payment of benefits under this chapter. The  
1 34 department shall execute the disposition and  
1 35 investment of moneys in the retirement fund in  
1 36 accordance with the investment policy and goal  
1 37 statement established by the investment board. In  
1 38 establishing the investment policy of the fund and the  
1 39 investment of the fund, the department and investment  
1 40 board shall exercise the judgment and care, under the  
1 41 circumstances then prevailing, which persons of  
1 42 prudence, discretion, and intelligence exercise in the  
1 43 management of their own affairs, not for the purpose  
1 44 of speculation, but with regard to the permanent  
1 45 disposition of the funds, considering the probable  
1 46 income, as well as the probable safety, of their  
1 47 capital. Within the limitations of the standard  
1 48 prescribed in this section, the treasurer of state,  
1 49 the department, and the board may acquire and retain  
1 50 every kind of property and every kind of investment  
2 1 which persons of prudence, discretion, and  
2 2 intelligence acquire or retain for their own account.  
2 3 The department and investment board shall give  
2 4 appropriate consideration to those facts and  
2 5 circumstances that the department and investment board  
2 6 know or should know are relevant to the particular  
2 7 investment or investment policy involved, including

2 8 the role the investment plays in the total value of  
2 9 the retirement fund.

2 10 For the purposes of this paragraph, appropriate  
2 11 consideration includes, but is not limited to, a  
2 12 determination by the department and investment board  
2 13 that the particular investment or investment policy is  
2 14 reasonably designed to further the purposes of the  
2 15 retirement system, taking into consideration the risk  
2 16 of loss and the opportunity for gain or other return  
2 17 associated with the investment or investment policy  
2 18 and consideration of the following factors as they  
2 19 relate to the retirement fund:

2 20 Sec. 3. Section [97B.7](#), subsection 2, paragraph b,  
2 21 unnumbered paragraph 5, Code 1995, is amended to read  
2 22 as follows:

2 23 Except as provided in section 97B.4, if there is  
2 24 loss to the fund, the treasurer, the department, and  
2 25 the board are not personally liable, and the loss  
2 26 shall be charged against the retirement fund. There  
2 27 is appropriated from the retirement fund the amount  
2 28 required to cover a loss. Expenses incurred in the  
2 29 sale and purchase of securities belonging to the  
2 30 retirement fund shall be charged to the retirement  
2 31 fund, and there is appropriated from the retirement  
2 32 fund the amount required for the expenses incurred.  
2 33 Investment management expenses shall be charged to the  
2 34 investment income of the retirement fund, and there is  
2 35 appropriated from the retirement fund the amount  
2 36 required for the investment management expenses,  
2 37 subject to the limitations stated in this unnumbered  
2 38 paragraph. The amount appropriated for a fiscal year  
2 39 under this unnumbered paragraph shall not exceed

~~one~~

2 40

~~half~~

~~four-tenths of one~~ percent of the market value of  
2 41 the retirement fund. The department shall report the  
2 42 investment management expenses for a fiscal year as a  
2 43 percent of the market value of the retirement fund in  
2 44 the annual report to the governor required in section  
2 45 97B.4. A person who has signed a contract with the  
2 46 department for investment management purposes shall  
2 47 meet the requirements for doing business in Iowa  
2 48 sufficient to be subject to tax under rules of the  
2 49 department of revenue and finance.

2 50 Sec. 4. Section [97B.11](#), Code 1995, is amended to  
3 1 read as follows:

3 2 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

3 3 Each employer shall deduct from the wages of each  
3 4 member of the system a contribution in the amount of  
3 5 three and seven-tenths percent of the covered wages  
3 6 paid by the employer, until the member's termination  
3 7 or retirement from employment, whichever is earlier.  
3 8 The contributions of the employer shall be in the  
3 9 amount of five and seventy-five hundredths percent of  
3 10 the covered wages of the member.

3 11 If the total of the contributions to be deducted  
3 12 from the wages of a member and contributions picked up  
3 13 and paid by the employer shall not exceed one dollar  
3 14 for any calendar quarter, contributions shall not be  
3 15 deducted or paid concerning that member and the member  
3 16 shall not receive credit for membership service for  
3 17 that quarter.

3 18 Sec. 5. Section [97B.14](#), Code 1995, is amended to

3 19 read as follows:  
3 20 97B.14 CONTRIBUTIONS FORWARDED.  
3 21 Contributions deducted from the wages of the member  
3 22

~~of~~

- under section 97B.11 prior to January 1, 1995,

3 23 member contributions picked up by the employer under  
3 24 section 97B.11A beginning January 1, 1995, and the  
3 25 employer's contribution shall be forwarded to the  
3 26 department for recording and deposited with the  
3 27 treasurer of the state to the credit of the Iowa  
3 28 public employees' retirement fund. Contributions  
3 29 shall be remitted monthly, if total contributions by  
3 30 both employee and employer amount to one hundred  
3 31 dollars or more each month, and shall be otherwise  
3 32 paid in such manner, at such times and under such  
3 33 conditions, either by copies of payrolls or other  
3 34 methods necessary or helpful in securing proper  
3 35 identification of the member, as may be prescribed by  
3 36 the department.

3 37 Sec. 6. Section 97B.15, Code 1995, is amended to  
3 38 read as follows:

3 39 97B.15 RULES, POLICIES, AND PROCEDURES.

3 40 The department may adopt rules under chapter 17A  
3 41 and establish procedures, not inconsistent with this  
3 42 chapter, which are necessary or appropriate to  
3 43 implement this chapter and shall adopt reasonable and  
3 44 proper rules to regulate and provide for the nature  
3 45 and extent of the proofs and evidence and the method  
3 46 of taking and furnishing the proofs and evidence in  
3 47 order to establish the right to benefits under this  
3 48 chapter. The department may adopt rules, and take  
3 49 action based on the rules, to conform the requirements  
3 50 for receipt of retirement benefits under this chapter  
4 1 to the mandates of applicable federal statutes and  
4 2 regulations.

4 3 Prior to the adoption of rules, the department may  
4 4 establish interim written policies and procedures, and  
4 5 take action based on the policies and procedures, to  
4 6 conform the requirements for receipt of retirement  
4 7 benefits under this chapter to the applicable  
4 8 requirements of federal law.

4 9 Sec. 7. Section 97B.17, unnumbered paragraph 1,  
4 10 Code 1995, is amended to read as follows:

4 11 The department shall establish and maintain records  
4 12 of each member, including but not limited to, the  
4 13 amount of wages of each member, the contribution of  
4 14 each member with interest, and interest dividends  
4 15 credited. The records may be maintained in paper,  
4 16 magnetic, or electronic form, including optical disk  
4 17 storage. These records are the basis for the  
4 18 compilation of the retirement benefits provided under  
4 19 this chapter. The following records maintained under  
4 20 this chapter containing personal identifiable  
4 21 information are not public records for the purposes of  
4 22 chapter 22:

4 23 Sec. 8. Section 97B.17, Code 1995, is amended by  
4 24 adding the following new unnumbered paragraph:

4 25 NEW UNNUMBERED PARAGRAPH. Notwithstanding any  
4 26 provisions of chapter 22 to the contrary, the  
4 27 department's records may be released to any political  
4 28 subdivision, instrumentality, or other agency of the  
4 29 state solely for use in a civil or criminal law  
4 30 enforcement activity pursuant to the requirements of  
4 31 this paragraph. To obtain the records, the political  
4 32 subdivision, instrumentality, or agency shall, in

4 33 writing, certify that the activity is authorized by  
4 34 law, provide a written description of the information  
4 35 desired, and describe the law enforcement activity for  
4 36 which the information is sought. The department shall  
4 37 not be civilly or criminally liable for the release or  
4 38 rerelease of records in accordance with this  
4 39 paragraph.

4 40 Sec. 9. Section 97B.25, Code 1995, is amended to  
4 41 read as follows:

4 42 97B.25 APPLICATIONS FOR BENEFITS.

4 43 A representative designated by the chief benefits  
4 44 officer and referred to in this chapter as a  
4 45 retirement benefits specialist shall promptly examine  
4 46 applications for retirement benefits and on the basis  
4 47 of facts found shall determine whether or not the  
4 48 claim is valid and if valid, the month with respect to  
4 49 which benefits shall commence, the monthly benefit  
4 50 amount payable, and the maximum duration. The  
5 1 retirement benefits specialist shall promptly notify  
5 2 the applicant and any other interested party of the  
5 3 decision and the reasons. Unless the applicant or  
5 4 other interested party, within thirty calendar days  
5 5 after the notification was mailed to the applicant's  
5 6 or party's last known address, files an appeal as  
5 7 provided in section 97B.20A, the decision is final and  
5 8 benefits shall be paid or denied in accord with the  
5 9 decision. A retirement application shall not be  
5 10 amended or revoked by the member once the first  
5 11 retirement allowance is paid. A member's death during  
5 12 the first month of entitlement shall not invalidate an  
5 13 approved application.

5 14 Sec. 10. Section 97B.39, Code 1995, is amended to  
5 15 read as follows:

5 16 97B.39 RIGHTS NOT TRANSFERABLE -

~~NOT~~

~~OR SUBJECT~~

5 17 TO LEGAL PROCESS - EXCEPTIONS.

5 18 The right of any person to any future payment under  
5 19 this chapter is not transferable or assignable, at law  
5 20 or in equity, and the moneys paid or payable or rights  
5 21 existing under this chapter are not subject to  
5 22 execution, levy, attachment, garnishment, or other  
5 23 legal process, or to the operation of any bankruptcy  
5 24 or insolvency law except for the purposes of enforcing  
5 25 child, spousal, or medical support obligations or  
5 26 marital property orders. For the purposes of  
5 27 enforcing child, spousal, or medical support  
5 28 obligations, the garnishment or attachment of or the  
5 29 execution against compensation due a person under this  
5 30 chapter

~~97B~~

~~shall not exceed the amount specified in~~

5 31 15 U.S.C. } 1673(b). The department shall comply with  
5 32 the provisions of a marital property order requiring  
5 33 the selection of a particular benefit option,  
5 34 designated beneficiary, or contingent annuitant if the  
5 35 selection is otherwise authorized by this chapter and  
5 36 the member has not received payment of the member's  
5 37 first retirement allowance. However, a marital  
5 38 property order shall not require the payment of  
5 39 benefits to an alternative payee prior to the member's  
5 40 retirement, prior to the date the member elects to  
5 41 receive a lump sum distribution of accumulated  
5 42 contributions pursuant to section 97B.53, or in an  
5 43 amount that exceeds the benefits the member would

5 44 otherwise be eligible to receive pursuant to this  
5 45 chapter.  
5 46 Sec. 11. Section [97B.41](#), subsection 2, Code  
5 47 Supplement 1995, is amended to read as follows:  
5 48 2. "Accumulated contributions" means the total  
5 49 obtained as of any date, by accumulating each  
5 50 individual contribution by the member

~~at two percent~~

6 1 with interest plus interest dividends as provided in  
6 2 section 97B.70, for all completed calendar years and  
6 3 for any completed calendar year for which the interest  
6 4 dividend has not been declared and for completed  
6 5 months of partially completed calendar years

~~at two~~

6 6

~~percent interest plus the interest dividend rate~~

6 7

~~calculated for the previous year~~

~~, compounded~~

~~annually,~~

6 8

~~from the end of the calendar year in which such~~

6 9

~~contribution was made to the first day of the month of~~

6 10

~~such date~~

~~as provided in section 97B.70.~~

6 11 Sec. 12. Section [97B.41](#), subsection 8, paragraph  
6 12 b, subparagraph (6), Code Supplement 1995, is amended  
6 13 to read as follows:

6 14 (6) Employees hired for temporary employment of  
6 15 less than six months or one thousand and forty hours  
6 16 in a calendar year. An employee who works for an  
6 17 employer for six or more months in a calendar year or  
6 18 who works for an employer for more than one thousand  
6 19 forty hours in a calendar year is not a temporary  
6 20 employee under this subparagraph. Adjunct instructors  
6 21 are temporary employees for the purposes of this  
6 22 chapter. As used in this section, unless the context  
6 23 otherwise requires, "adjunct instructors" means  
6 24 instructors employed by a community college or a  
6 25 university governed by the state board of regents  
6 26 without a continuing contract, whose teaching load  
6 27 does not exceed one-half time for two full semesters  
6 28 or three full quarters per calendar year.

6 29 Sec. 13. Section [97B.41](#), subsection 8, paragraph  
6 30 b, Code Supplement 1995, is amended by adding the  
6 31 following new subparagraph:

6 32 NEW SUBPARAGRAPH. (20) Persons employed through  
6 33 any program described in section 15.225, subsection 1,  
6 34 and provided by the Iowa conservation corps.

6 35 Sec. 14. Section [97B.41](#), Code Supplement 1995, is  
6 36 amended by adding the following new subsection:

6 37 NEW SUBSECTION. 10A. "Internal Revenue Code"  
6 38 means the Internal Revenue Code as defined in section  
6 39 422.3.  
6 40 Sec. 15. Section 97B.41, subsection 12, Code  
6 41 Supplement 1995, is amended to read as follows:  
6 42 12. "Membership service" means service rendered by  
6 43 a member after July 4, 1953. Years of membership  
6 44 service shall be counted to the complete quarter  
6 45 calendar year. However, membership service for a  
6 46 calendar year shall not include more than four  
6 47 quarters. In determining a member's period of  
6 48 membership service, the department shall combine all  
6 49 periods of service for which the member has made  
6 50 contributions. If the department has not maintained  
7 1 the accumulated contribution account of the member for  
7 2 a period of service, as provided pursuant to section  
7 3 97B.53, subsection 6, the department shall credit the  
7 4 member for the service if the member submits  
7 5 satisfactory proof to the department that the member  
7 6 did make the contributions for the period of service  
7 7 and did not take a refund for the period of service.  
7 8

~~However, the department shall not implement the~~  
7 9  
~~amendments to this subsection, as enacted in 1994 Iowa~~  
7 10  
~~Acts, chapter 1183, unless and until the department~~  
7 11  
~~determines that the most recent annual actuarial~~  
7 12  
~~valuation of the retirement system indicates that the~~  
7 13  
~~employer and employee contribution rates in effect~~  
7 14  
~~under section 97B.11 can absorb the amendments to this~~  
7 15  
~~subsection and to section 97B.53, subsections 3 and 7,~~  
7 16  
~~section 97B.53, subsection 6, unnumbered paragraph 1,~~  
7 17  
~~and section 97B.70, by enacting a new subsection 4,~~  
7 18  
~~contained in 1994 Iowa Acts, chapter 1183, after~~  
7 19

~~meeting the other established priorities of the~~  
7 20  
~~system. Until the amendments are implemented, the~~  
7 21  
~~department shall continue to implement the provisions~~  
7 22  
~~of section 97B.41, subsection 12, Code Supplement~~  
7 23  
~~1993. As used in this subsection, unless the context~~  
7 24  
~~otherwise requires, "other established priorities of~~  
7 25  
~~the system" means that commencing January 1 following~~  
7 26  
~~the most recent annual actuarial valuation of the~~  
7 27  
~~system, the department has increased the covered wage~~  
7 28  
~~limitation from the previous year by three thousand~~  
7 29  
~~dollars, in accordance with section 97B.41, subsection~~  
7 30  
~~20, paragraph "b", subparagraph (11), and that the~~  
7 31  
~~department has implemented the amendments to section~~  
7 32  
~~97B.66, unnumbered paragraphs 1 and 2, section 97B.72,~~  
7 33  
~~unnumbered paragraphs 1 and 2, section 97B.72A,~~  
7 34  
~~subsection 1, unnumbered paragraph 1, section 97B.73A,~~  
7 35  
~~unnumbered paragraph 1, and section 97B.74, unnumbered~~  
7 36

~~paragraphs 1 and 2, contained in 1994 Iowa Acts,~~

7 37

~~chapter 1183.~~

7 38 Sec. 16. Section [97B.41](#), Code Supplement 1995, is  
7 39 amended by adding the following new subsection:

7 40 NEW SUBSECTION. 13A. "Regular service" means  
7 41 service for an employer other than special service.

7 42 Sec. 17. Section [97B.41](#), Code Supplement 1995, is  
7 43 amended by adding the following new subsection:

7 44 NEW SUBSECTION. 14A. "Retirement" means that  
7 45 period of time beginning when a member who has filed  
7 46 an approved application for a retirement allowance has  
7 47 survived into at least the first day of the member's  
7 48 first month of entitlement and ending when the member  
7 49 dies.

7 50 Sec. 18. Section [97B.41](#), subsection 15, paragraphs  
8 1 a and b, Code Supplement 1995, are amended to read as  
8 2 follows:

8 3 a. Service in the armed forces of the United  
8 4 States, if the employee was employed by the employer  
8 5 immediately prior to entry into the armed forces, and  
8 6 if the employee was released from service and returns  
8 7 to covered employment with the employer within twelve  
8 8 months of the date on which the employee has the right  
8 9 of release from service or within a longer period as  
8 10

~~provided~~

~~required~~ by the applicable laws of the United  
8 11 States.

8 12 b. Leave of absence or vacation authorized by the  
8 13 employer for a period not exceeding twelve months. A  
8 14 leave of absence authorized pursuant to the  
8 15 requirements of the federal Family and Medical Leave  
8 16 Act of 1993 is considered a leave of absence  
8 17 authorized by the employer.

8 18 Sec. 19. Section [97B.41](#), Code Supplement 1995, is  
8 19 amended by adding the following new subsection:

8 20 NEW SUBSECTION. 16A. "Special service" means  
8 21 service for an employer while employed in a protection  
8 22 occupation as provided in section 97B.49, subsection  
8 23 16, paragraph "a", and as a county sheriff, deputy  
8 24 sheriff, or airport fire fighter as provided in  
8 25 section 97B.49, subsection 16, paragraph "b".

8 26 Sec. 20. Section [97B.41](#), subsection 18, Code  
8 27 Supplement 1995, is amended to read as follows:

8 28 18. a. "Three-year average covered wage" means a  
8 29 member's covered wages averaged for the highest three  
8 30 years of the member's service, except as otherwise  
8 31 provided in this subsection. The highest three years  
8 32 of a member's covered wages shall be determined using  
8 33 calendar years. However, if a member's final quarter  
8 34 of a year of employment does not occur at the end of a  
8 35 calendar year, the department may determine the wages  
8 36 for the third year by computing the average quarter of  
8 37 all quarters from the member's highest calendar year  
8 38 of covered wages not being used in the selection of  
8 39 the two highest years and using the computed average  
8 40 quarter for each quarter in the third year in which no  
8 41 wages have been reported in combination with the final  
8 42 quarter or quarters of the member's service to create  
8 43 a full year. However, the department shall not use  
8 44 the member's final quarter of wages if using that

8 45 quarter would reduce the member's three-year average  
8 46 covered wage. If the three-year average covered wage  
8 47 of a member exceeds the highest maximum covered wages  
8 48 in effect for a calendar year during the member's  
8 49 period of service, the three-year average covered wage  
8 50 of the member shall be reduced to the highest maximum  
9 1 covered wages in effect during the member's period of  
9 2 service.

9 3 b. Notwithstanding any other provisions of this  
9 4 subsection to the contrary, the three-year average  
9 5 covered wage shall be computed as follows for the  
9 6 following members:

9 7 (1) For a member who retires during the calendar  
9 8 year beginning January 1, 1997, and whose three-year  
9 9 average covered wage at the time of retirement exceeds  
9 10 forty-eight thousand dollars, the member's covered  
9 11 wages averaged for the highest four years of the  
9 12 member's service or forty-eight thousand dollars,  
9 13 whichever is greater.

9 14 (2) For a member who retires during the calendar  
9 15 year beginning January 1, 1998, and whose three-year  
9 16 average covered wage at the time of retirement exceeds  
9 17 fifty-two thousand dollars, the member's covered wages  
9 18 averaged for the highest five years of the member's  
9 19 service or fifty-two thousand dollars, whichever is  
9 20 greater.

9 21 (3) For a member who retires during the calendar  
9 22 year beginning January 1, 1999, and whose three-year  
9 23 average covered wage at the time of retirement exceeds  
9 24 fifty-five thousand dollars, the member's covered  
9 25 wages averaged for the highest six years of the  
9 26 member's service or fifty-five thousand dollars,  
9 27 whichever is greater.

9 28 (4) For a member who retires on or after January  
9 29 1, 2000, but before January 1, 2003, and whose three-  
9 30 year average covered wage at the time of retirement  
9 31 exceeds fifty-five thousand dollars, the member's  
9 32 covered wages averaged for the highest seven years of  
9 33 the member's service or fifty-five thousand dollars,  
9 34 whichever is greater.

9 35 For purposes of this paragraph, the highest years  
9 36 of the member's service shall be determined using  
9 37 calendar years and may be determined using one  
9 38 computed year calculated in the manner and subject to  
9 39 the restrictions provided in paragraph "a".

9 40 Sec. 21. Section [97B.41](#), subsection 20, paragraph  
9 41 b, subparagraph (11), unnumbered paragraphs 1 and 2,  
9 42 Code Supplement 1995, are amended by striking the  
9 43 unnumbered paragraphs and inserting in lieu thereof  
9 44 the following:

9 45 (11) For the calendar year beginning January 1,  
9 46 1991, wages not in excess of thirty-one thousand  
9 47 dollars.

9 48 (11A) For the calendar year beginning January 1,  
9 49 1992, wages not in excess of thirty-four thousand  
9 50 dollars.

10 1 (11B) For the calendar year beginning January 1,  
10 2 1993, wages not in excess of thirty-five thousand  
10 3 dollars.

10 4 (11C) For the calendar year beginning January 1,  
10 5 1994, wages not in excess of thirty-eight thousand  
10 6 dollars.

10 7 (11D) For the calendar year beginning January 1,  
10 8 1995, wages not in excess of forty-one thousand  
10 9 dollars.

10 10 (11E) For the calendar year beginning January 1,  
10 11 1996, wages not in excess of forty-four thousand

10 12 dollars.

10 13 (11F) Commencing with the calendar year beginning  
10 14 January 1, 1997, and for each subsequent calendar  
10 15 year, wages not in excess of the amount permitted for  
10 16 that year under section 401(a)(17) of the Internal  
10 17 Revenue Code.

10 18 Sec. 22. Section [97B.41](#), subsection 20, paragraph  
10 19 b, subparagraph (11), unnumbered paragraph 3, Code  
10 20 Supplement 1995, is amended to read as follows:

10 21 Notwithstanding any other provision of this chapter  
10 22 providing for the payment of the benefits provided in  
10 23 section 97B.49, subsection 16 or 17, the department  
10 24 shall establish the covered wages limitation which  
10 25 applies to members covered under section 97B.49,  
10 26 subsection 16 or 17, at the same level as is  
10 27 established under this subparagraph for other members  
10 28 of the system.

10 29 Sec. 23. Section [97B.42](#), unnumbered paragraph 1,  
10 30 Code 1995, is amended to read as follows:

10 31 Each employee whose employment commences after July  
10 32 4, 1953, or who has not qualified for credit for prior  
10 33 service rendered prior to July 4, 1953, or any  
10 34 publicly elected official of the state or any of its  
10 35 political subdivisions shall become a member upon the  
10 36 first day in which such employee is employed. The  
10 37 employee shall continue to be an active member so long  
10 38 as the employee continues in covered employment. The  
10 39 employee shall cease to be an active member if the  
10 40 employee joins another retirement system in the state  
10 41 which is maintained in whole or in part by public  
10 42 contributions or payments and receives retirement  
10 43 credit for service in that other system for the same  
10 44 position previously covered under this chapter. If an  
10 45 employee joins another publicly maintained retirement  
10 46 system and ceases to be an active member under this  
10 47 chapter, the employee may elect to leave the  
10 48 employee's accumulated contributions in the retirement  
10 49 fund or receive a refund of the employee's accumulated  
10 50 contributions in the manner provided for members who  
11 1 are terminating covered employment pursuant to section  
11 2 97B.53. However, if an employee joins another  
11 3 publicly maintained retirement system and leaves the  
11 4 employee's accumulated contributions in the retirement  
11 5 fund, the employee shall not be eligible to receive  
11 6 retirement benefits until the employee has a bona fide  
11 7 retirement from employment with a covered employer as  
11 8 provided in section 97B.52A, or until the employee  
11 9 would otherwise be eligible to receive benefits upon  
11 10 attaining the age of seventy years as provided in  
11 11 section 97B.46.

11 12 Sec. 24. Section [97B.42](#), unnumbered paragraph 4,  
11 13 Code 1995, is amended to read as follows:

11 14 Persons who are members of any other retirement  
11 15 system in the state which is maintained in whole or in  
11 16 part by public contributions other than persons who  
11 17 are covered under the provisions of chapter 97, Code  
11 18 1950, as amended by the Fifty-fourth General Assembly  
11 19 on the date of the repeal of said chapter, under the  
11 20 provisions of sections 97.50 through 97.53 shall not  
11 21 become members under this chapter while still actively  
11 22 participating in that other retirement system unless  
11 23 the persons do not receive retirement credit for  
11 24 service in that other system for the position to be  
11 25 covered under this chapter.

11 26 Sec. 25. Section [97B.42](#), unnumbered paragraph 5,  
11 27 Code 1995, is amended to read as follows:

11 28 Nothing herein contained shall be construed to

11 29 permit any

~~person in public employment to be an active~~

11 30

~~member of~~

~~employer to make any public contributions or~~

11 31 payments on behalf of an employee in the same position

11 32 for the same period of time to both the Iowa public

11 33 employees' retirement system and of any other

11 34 retirement system in the state which is supported in

11 35 whole or in part by public contributions or payments

11 36

~~except as heretofore provided~~

11 37 Sec. 26. Section [97B.42](#), Code 1995, is amended by  
11 38 adding the following new unnumbered paragraph:

11 39 NEW UNNUMBERED PARAGRAPH. For purposes of this  
11 40 section, a "retirement system in the state which is  
11 41 maintained in whole or in part by public contributions  
11 42 or payments" shall not include a deferred compensation  
11 43 plan established under section 509A.12 or a tax-  
11 44 sheltered annuity qualified under section 403(b) of  
11 45 the Internal Revenue Code.

11 46 Sec. 27. Section [97B.48](#), subsection 1, Code 1995,  
11 47 is amended to read as follows:

11 48 1. Retirement allowances shall be paid monthly,  
11 49 except that an allowance of less than six hundred  
11 50 dollars a year may, at the member's option, be paid as  
12 1 a lump sum in an

~~actuarial equivalent~~

~~amount equal to~~

12 2 the sum of the member's and employer's accumulated  
12 3 contributions and the retirement dividends standing to  
12 4 the member's credit before December 31, 1966. Receipt  
12 5 of the lump-sum payment by a member shall terminate  
12 6 any and all entitlement for the period of service  
12 7 covered of the member under this chapter.

12 8 Sec. 28. Section [97B.48A](#), subsection 1, Code 1995,  
12 9 is amended to read as follows:

12 10 1. If

~~, after the first day of the month in which~~

12 11

~~the member attains the age of fifty five years and~~

12 12

~~until the member's sixty fifth birthday,~~

~~a member who~~

12 13 has not reached the member's sixty-fifth birthday and

12 14 who has a bona fide retirement under this chapter is

12 15 in regular full-time employment during a calendar

12 16 year, the member's retirement allowance shall be

12 17

~~suspended for as long as the member remains in~~

12 18

~~employment for the remainder of that calendar year~~

12 19 reduced by fifty cents for each dollar the member  
12 20 earns over the limit provided in this subsection.  
12 21 However,

~~effective January 1, 1992,~~

- employment is not

12 22 full-time employment until the member receives  
12 23 remuneration in an amount in excess of seven thousand  
12 24 four hundred forty dollars for a calendar year, or an  
12 25 amount equal to the amount of remuneration permitted  
12 26 for a calendar year for persons under sixty-five years  
12 27 of age before a reduction in federal Social Security  
12 28 retirement benefits is required, whichever is higher.  
12 29 Effective the first of the month in which a member  
12 30 attains the age of sixty-five years, a retired member  
12 31 may receive a retirement allowance without a reduction  
12 32 after return to covered employment regardless of the  
12 33 amount of remuneration received.

12 34 If a member dies and the full amount of the  
12 35 reduction from retirement allowances required under  
12 36 this subsection has not been paid, the remaining  
12 37 amounts shall be deducted from the payments made, if  
12 38 any, to the member's designated beneficiary or  
12 39 contingent annuitant. If the member has selected an  
12 40 option under which remaining payments are not required  
12 41 or the remaining payments are insufficient to satisfy  
12 42 the full amount of the reduction from retirement  
12 43 allowances required under this subsection, the amount  
12 44 still unpaid shall be a claim against the member's  
12 45 estate.

12 46 Sec. 29. Section [97B.48A](#), subsection 4, Code 1995,  
12 47 is amended to read as follows:

12 48 4. The department shall pay to the member the  
12 49 accumulated contributions of the member and to the  
12 50 employer the employer contributions, plus

~~two percent~~

13 1 interest plus interest dividends as provided in  
13 2 section 97B.70, for all completed calendar years,  
13 3 compounded

~~annually~~

- as provided in section 97B.70, on

13 4 the covered wages earned by a retired member that are  
13 5 not used in the recalculation of the retirement  
13 6 allowance of a member.

13 7 Sec. 30. Section [97B.49](#), subsection 4, Code  
13 8 Supplement 1995, is amended by adding the following  
13 9 new unnumbered paragraph:

13 10 NEW UNNUMBERED PARAGRAPH. Effective January 1,  
13 11 1997, for members who retired on or after July 1,  
13 12 1953, and before July 1, 1990, with at least ten years  
13 13 of prior and membership service, the minimum monthly  
13 14 benefit payable at the normal retirement date for  
13 15 prior and membership service shall be two hundred  
13 16 dollars. The minimum monthly benefit payable shall be  
13 17 increased by ten dollars for each year of prior and  
13 18 membership service beyond ten years, up to a maximum  
13 19 of twenty additional years of prior and membership  
13 20 service. If benefits commenced on an early retirement  
13 21 date, the amount of the benefit shall be reduced in  
13 22 accordance with section 97B.50. If an optional  
13 23 allowance was selected under section 97B.51, the  
13 24 amount payable shall be the actuarial equivalent of  
13 25 the minimum benefit.

13 26 Sec. 31. Section [97B.49](#), subsection 5, paragraph

13 27 b, Code Supplement 1995, is amended to read as  
13 28 follows:  
13 29 b. For each active or inactive vested member  
13 30 retiring on or after July 1, 1990, with four or more  
13 31 complete years of service, a monthly benefit shall be  
13 32 computed which is equal to one-twelfth of an amount  
13 33 equal to

~~fifty two percent~~

~~the applicable percentage~~

13 34 multiplier of the three-year average covered wage  
13 35 multiplied by a fraction of years of service. The  
13 36 applicable percentage multiplier shall be the  
13 37 following:

13 38 (1) For active or inactive vested members retiring  
13 39 on or after July 1, 1990, but before July 1, 1991,  
13 40 fifty-two percent.

13 41 (2) For active or inactive vested members retiring  
13 42 on or after July 1, 1991, but before July 1, 1992,  
13 43 fifty-four percent.

13 44 (3) For active or inactive vested members retiring  
13 45 on or after July 1, 1992, but before July 1, 1993,  
13 46 fifty-six percent.

13 47 (4) For active or inactive vested members retiring  
13 48 on or after July 1, 1993, but before July 1, 1994,  
13 49 fifty-seven and four-tenths percent.

13 50 (5) For active or inactive vested members retiring  
14 1 on or after July 1, 1994, sixty percent.

14 2 The applicable percentage multiplier shall be  
14 3 subject to adjustments as provided in paragraph "e".  
14 4

~~Commencing July 1, 1991, the department shall~~

~~14 5~~

~~increase the percentage multiplier of the three year~~

~~14 6~~

~~average covered wage by an additional two percent each~~

~~14 7~~

~~July 1 until reaching sixty percent of the three year~~

~~14 8~~

~~average covered wage if the annual actuarial valuation~~

~~14 9~~

~~of the retirement system indicates for that year that~~

~~14 10~~

~~the cost of this increase in the percentage of the~~

~~14 11~~

~~three year average covered wage used in computing~~

~~14 12~~

~~retirement benefits can be absorbed within the~~

~~14 13~~

~~employer and employee contribution rates in effect~~  
-  
14 14  
.  
~~under section 97B.11. However, commencing July 1,~~  
-  
14 15  
.  
~~1994, if the annual actuarial valuation of the~~  
-  
14 16  
.  
~~retirement system indicates that the employer and~~  
-  
14 17  
.  
~~employee contribution rates in effect under section~~  
-  
14 18  
.  
~~97B.11 can absorb an increase in the percentage~~  
-  
14 19  
.  
~~multiplier in excess of two percent, the department~~  
-  
14 20  
.  
~~shall increase the percentage multiplier for that year~~  
-  
14 21  
.  
~~beyond two percent to the extent which the increase~~  
-  
14 22  
.  
~~can be absorbed by the contribution rates in effect,~~  
-  
14 23  
.  
~~not to exceed a maximum percentage multiplier of sixty~~  
-  
14 24  
.  
~~percent. The increase in the percentage multiplier~~  
-  
14 25  
.  
~~for a year applies only to the members retiring on or~~  
-  
14 26  
.  
~~after July 1 of the respective year.~~  
-  
14 27  
.  
~~If the annual actuarial valuation of the retirement~~  
-  
14 28  
.  
~~system in any year indicates that the full cost of the~~  
-  
14 29  
.  
~~increase provided under this paragraph cannot be~~  
-

14 30

~~absorbed within the employer and employee contribution~~

14 31

~~rates in effect under section 97B.11, the department~~

14 32

~~shall reduce the increase to a level which the~~

14 33

~~department determines can be so absorbed.~~

14 34 Notwithstanding any other provision of this chapter

14 35 providing for the payment of the benefits provided in

14 36 subsection 16 or 17, the department shall

~~establish~~

14 37 apply the percentage multiplier which applies to

14 38 members covered under subsection 16 or 17 at the same

14 39 level as is established under this subsection for

14 40 other members of the system, including any

14 41 modification in the percentage multiplier as provided

14 42 in paragraph "e".

14 43

~~By November 15, 1995, the department shall set~~

14 44

~~aside from other moneys in the retirement fund three~~

14 45

~~million eight hundred sixty thousand dollars. The~~

14 46

~~moneys set aside shall be from the funds generated by~~

14 47

~~the employer and employee contributions in effect~~

14 48

~~under section 97B.11 that exceed the amount necessary~~

14 49

~~to fund the system's existing liabilities, as~~

14 50

~~determined in the annual actuarial valuation of the~~

15 1

~~system as of June 30, 1995. If the annual actuarial~~

15 2

~~valuation indicates that the amount of the employer~~

~~15 3~~

~~and employee contributions in excess of the amount~~

~~15 4~~

~~necessary to fund existing liabilities is less than~~

~~15 5~~

~~three million eight hundred sixty thousand dollars,~~

~~15 6~~

~~the department shall set aside all funds that are~~

~~15 7~~

~~available. The funds set aside shall not be used in~~

~~15 8~~

~~determining the covered wage limitation pursuant to~~

~~15 9~~

~~section 97B.41, subsection 20, paragraph "b",~~

~~15 10~~

~~subparagraph (11), on January 1, 1996. However, any~~

~~15 11~~

~~funds set aside which are not specifically dedicated~~

~~15 12~~

~~to a purpose by the Seventy sixth General Assembly~~

~~15 13~~

~~shall be used in determining the covered wage~~

~~15 14~~

~~limitation thereafter.~~

~~15 15~~

~~In accordance with sections 97D.1 and 97D.4, it is~~

~~15 16~~

~~the intent of the general assembly that once the goal~~

~~15 17~~

~~of sixty percent of the three year average covered~~

~~15 18~~

~~wage is attained for a percentage multiplier, the~~

~~15 19~~

~~department shall submit to the public retirement~~

15 20

~~systems committee a plan for future benefit~~

15 21

~~enhancements. This plan shall include, but is not~~

15 22

~~limited to, continuation in the increase in the~~

15 23

~~covered wage ceiling until reaching fifty five~~

15 24

~~thousand dollars for a calendar year, providing for~~

15 25

~~annual adjustments in the annual dividends paid to~~

15 26

~~retired members as provided in section 97B.49,~~

15 27

~~subsection 13, and providing for the indexing of~~

15 28

~~terminated vested members' earned benefits at a rate~~

15 29

~~of three percent per year calculated from the date of~~

15 30

~~termination from covered employment until the date of~~

15 31

~~retirement.~~

15 32 Sec. 32. Section [97B.49](#), subsection 5, Code  
15 33 Supplement 1995, is amended by adding the following  
15 34 new paragraph:

15 35 NEW PARAGRAPH. e. Notwithstanding any other  
15 36 provisions of this section to the contrary, for  
15 37 members retiring on or after July 1, 1997, and whose  
15 38 three-year average covered wage exceeds fifty-five  
15 39 thousand dollars, the monthly benefit shall be  
15 40 calculated by multiplying the sum of the following  
15 41 amounts by the fractions of years of service for that  
15 42 member.

15 43 (1) For the first fifty-five thousand dollars of  
15 44 the member's three-year average covered wage, one-  
15 45 twelfth of an amount equal to the applicable  
15 46 percentage multiplier otherwise provided in this  
15 47 subsection multiplied by fifty-five thousand dollars.

15 48 (2) For that portion of a member's three-year

15 49 average covered wage that exceeds fifty-five thousand  
15 50 dollars but is less than or equal to sixty-five  
16 1 thousand dollars, one-twelfth of an amount equal to  
16 2 the applicable percentage multiplier otherwise  
16 3 provided in this subsection, reduced by ten percentage  
16 4 points, multiplied by that portion.

16 5 (3) For that portion of a member's three-year  
16 6 average covered wage that exceeds sixty-five thousand  
16 7 dollars but is less than or equal to seventy-five  
16 8 thousand dollars, one-twelfth of an amount equal to  
16 9 the applicable percentage multiplier otherwise  
16 10 provided in this subsection, reduced by fifteen  
16 11 percentage points, multiplied by that portion.

16 12 (4) For that portion of a member's three-year  
16 13 average covered wage that exceeds seventy-five  
16 14 thousand dollars but is less than or equal to eighty-  
16 15 five thousand dollars, one-twelfth of an amount equal  
16 16 to the applicable percentage multiplier otherwise  
16 17 provided in this subsection, reduced by twenty  
16 18 percentage points, multiplied by that portion.

16 19 (5) For that portion of a member's three-year  
16 20 average covered wage that exceeds eighty-five thousand  
16 21 dollars but is less than or equal to ninety-five  
16 22 thousand dollars, one-twelfth of an amount equal to  
16 23 the applicable percentage multiplier otherwise  
16 24 provided in this subsection, reduced by thirty  
16 25 percentage points, multiplied by that portion.

16 26 (6) For that portion of a member's three-year  
16 27 average covered wage that exceeds ninety-five thousand  
16 28 dollars, one-twelfth of an amount equal to the  
16 29 applicable percentage multiplier otherwise provided in  
16 30 this subsection, reduced by forty percentage points,  
16 31 multiplied by that portion.

16 32 The covered wage categories referred to in  
16 33 subparagraphs (1) through (6) of this paragraph and  
16 34 the fifty-five thousand dollar amount otherwise  
16 35 specified in this paragraph shall be increased by the  
16 36 department for each fiscal year, beginning July 1,  
16 37 1998, by an amount that represents the increase in the  
16 38 consumer price index during the previous twelve-month  
16 39 period ending on June 30, as published annually in the  
16 40 federal register by the federal department of labor,  
16 41 bureau of labor statistics.

16 42 Sec. 33. Section [97B.49](#), subsection 13, Code  
16 43 Supplement 1995, is amended to read as follows:

16 44 13. a. A member who retired from the system  
16 45 between January 1, 1976, and June 30, 1982, or a  
16 46 contingent annuitant or beneficiary of such a member,  
16 47 shall receive with the November

.  
~~1994~~

- ~~1996~~ and the  
16 48 November

.  
~~1995~~

- ~~1997~~ monthly benefit payments a  
16 49 retirement dividend equal to

.  
~~one~~

- ~~two~~ hundred

.  
~~eighty~~

-  
16 50

.  
~~one~~

- ~~twenty-three~~ percent of the monthly benefit

17 1 payment the member received for the preceding June, or  
17 2 the most recently received benefit payment, whichever  
17 3 is greater. The retirement dividend does not affect  
17 4 the amount of a monthly benefit payment.  
17 5 b. Each member who retired from the system between  
17 6 July 4, 1953, and December 31, 1975, or a contingent  
17 7 annuitant or beneficiary of such a member, shall  
17 8 receive with the November

~~1994~~

- 1996 and the November

17 9

~~1995~~

- 1997 monthly benefit payments a retirement

17 10 dividend equal to two hundred

~~thirty six~~

- ninety-two

17 11 percent of the monthly benefit payment the member  
17 12 received for the preceding June, or the most recently  
17 13 received benefit payment, whichever is greater. The  
17 14 retirement dividend does not affect the amount of a  
17 15 monthly benefit payment.

17 16 c. Notwithstanding the determination of the amount  
17 17 of a retirement dividend under paragraph "a", "b",  
17 18 "d", or "f", a retirement dividend shall not be less  
17 19 than twenty-five dollars.

17 20 d. A member who retired from the system between  
17 21 July 1, 1982, and June 30, 1986, or a contingent  
17 22 annuitant or beneficiary of such a member, shall  
17 23 receive with the November

~~1994~~

- 1996 and the November

17 24

~~1995~~

- 1997 monthly benefit payments a retirement

17 25 dividend equal to

~~forty nine~~

- seventy-four percent of

17 26 the monthly benefit payment the member received for  
17 27 the preceding June, or the most recently received  
17 28 benefit payment, whichever is greater. The retirement  
17 29 dividend does not affect the amount of a monthly  
17 30 benefit payment.

17 31 e. If the member dies on or after July 1 of the  
17 32 dividend year but before the payment date, the full  
17 33 amount of the retirement dividend for that year shall  
17 34 be paid

~~to the designated beneficiary~~

- to the member's

17 35 account, upon notification of the member's death.

~~If~~

-

17 36

~~there is no beneficiary designated by the member, the~~

-

17 37

~~department shall pay the dividend to the member's~~

-

17 38

~~estate. The beneficiary, or the representative of the~~

17 39

~~member's estate, must apply for the dividend within~~

17 40

~~two years after the dividend is payable or the~~

17 41

~~dividend is forfeited.~~

17 42 f. A member who retired from the system between  
17 43 July 1, 1986, and June 30, 1990, or a contingent  
17 44 annuitant or beneficiary of such a member, shall  
17 45 receive with the November 1996 and the November 1997  
17 46 monthly benefit payments a retirement dividend

~~in an~~

17 47

~~amount determined by the general assembly~~

~~equal to~~

17 48 twenty-four percent of the monthly benefit payment the  
17 49 member received for the preceding June, or the most  
17 50 recently received benefit payment, whichever is  
18 1 greater. The retirement dividend does not affect the  
18 2 amount of a monthly benefit payment.

18 3 Sec. 34. Section [97B.49](#), subsection 16, paragraph  
18 4 e, Code Supplement 1995, is amended to read as  
18 5 follows:

18 6 e. Annually, the department of personnel shall  
18 7 actuarially determine the cost of the additional  
18 8 benefits provided for members covered under paragraph  
18 9 "a" and the cost of the additional benefits provided  
18 10 for members covered under paragraph "b" as percents of  
18 11 the covered wages of the employees covered by this  
18 12 subsection. Sixty percent of the cost shall be paid  
18 13 by the employers of employees covered under this  
18 14 subsection and forty percent of the cost shall be paid  
18 15 by the employees. The employer and employee  
18 16 contributions required under this paragraph are in  
18 17 addition to the contributions paid under

~~section~~

18 18 sections 97B.11 and 97B.11A.

18 19 Sec. 35. Section [97B.49](#), subsection 16, Code  
18 20 Supplement 1995, is amended by adding the following  
18 21 new paragraph:

18 22 NEW PARAGRAPH. m. For the fiscal year commencing  
18 23 July 1, 1992, and each succeeding fiscal year, the  
18 24 department of public safety shall pay to the  
18 25 department of personnel from funds appropriated to the  
18 26 department of public safety, the amount necessary to  
18 27 pay the employer share of the cost of the additional  
18 28 benefits provided to a fire prevention inspector peace  
18 29 officer pursuant to paragraph "d", subparagraph (8).

18 30 Sec. 36. Section [97B.49](#), Code Supplement 1995, is  
18 31 amended by adding the following new subsection:

18 32 NEW SUBSECTION. 17. a. An active or inactive  
18 33 vested member, who is or has been employed in both

18 34 special service and regular service, who retires on or  
18 35 after July 1, 1996, with four or more completed years  
18 36 of service and at the time of retirement is at least  
18 37 fifty-five years of age, may elect to receive, in lieu  
18 38 of the receipt of any other benefits under this  
18 39 section, a combined monthly retirement allowance equal  
18 40 to the sum of the following:

18 41 (1) One-twelfth of an amount equal to the  
18 42 applicable percentage multiplier established in  
18 43 subsection 5 of the member's three-year average  
18 44 covered wage multiplied by a fraction of years of  
18 45 service. The fraction of years of service for  
18 46 purposes of this subparagraph shall be the actual  
18 47 years of service, not to exceed twenty-two, earned in  
18 48 a position described in subsection 16, paragraph "b",  
18 49 for which special service contributions were made,  
18 50 divided by twenty-two.

19 1 (2) One-twelfth of an amount equal to the  
19 2 applicable percentage multiplier established in  
19 3 subsection 5 of the member's three-year average  
19 4 covered wage multiplied by a fraction of years of  
19 5 service. The fraction of years of service for  
19 6 purposes of this subparagraph shall be the actual  
19 7 years of service, not to exceed twenty-five, earned in  
19 8 a position described in subsection 16, paragraph "a",  
19 9 for which special service contributions were made,  
19 10 divided by twenty-five.

19 11 (3) One-twelfth of an amount equal to the  
19 12 applicable percentage multiplier established in  
19 13 subsection 5 of the member's three-year average  
19 14 covered wage multiplied by a fraction of years of  
19 15 service. The fraction of years of service for  
19 16 purposes of this subparagraph shall be the actual  
19 17 years of service, not to exceed thirty, for which  
19 18 regular service contributions were made, divided by  
19 19 thirty. However, any otherwise applicable age  
19 20 reduction for early retirement shall apply to the  
19 21 calculation under this subparagraph.

19 22 In calculating the fractions of years of service  
19 23 under subparagraphs (1) and (2), a member shall not  
19 24 receive special service credit for years of service  
19 25 for which the member and the member's employer did not  
19 26 make the required special service contributions to the  
19 27 department.

19 28 b. In calculating the combined monthly retirement  
19 29 allowance pursuant to paragraph "a", the sum of the  
19 30 fraction of years of service provided in paragraph  
19 31 "a", subparagraphs (1), (2), and (3), shall not exceed  
19 32 one. If the sum of the fractions of years of service  
19 33 would exceed one, the department shall deduct years of  
19 34 service first from the calculation under paragraph  
19 35 "a", subparagraph (3), and then from the calculation  
19 36 under paragraph "a", subparagraph (2), if necessary,  
19 37 so that the sum of the fractions of years of service  
19 38 shall equal one.

19 39 c. In calculating the combined monthly retirement  
19 40 allowance pursuant to paragraph "a", for members  
19 41 retiring on or after July 1, 1997, whose three-year  
19 42 average covered wage exceeds fifty-five thousand  
19 43 dollars, each calculation under paragraph "a",  
19 44 subparagraphs (1), (2), and (3) of this subsection  
19 45 shall be subject to reduction, calculated in the  
19 46 manner provided in subsection 5, paragraph "e".

19 47 Sec. 37. Section [97B.50](#), subsection 2, Code 1995,  
19 48 is amended to read as follows:

19 49 2. a. A vested member who retires from the system  
19 50 due to disability and commences receiving disability

20 1 benefits pursuant to the federal Social Security Act,  
20 2 42 U.S.C. } 423 et seq., and who has not reached the  
20 3 normal retirement date, shall receive benefits under  
20 4 section 97B.49 and shall not have benefits reduced  
20 5 upon retirement as required under subsection 1  
20 6 regardless of whether the member has completed thirty  
20 7 or more years of membership service. However, the  
20 8 benefits shall be suspended during any period in which  
20 9 the member returns to covered employment. This  
20 10 section takes effect July 1, 1990, for a member  
20 11 meeting the requirements of this paragraph who retired  
20 12 from the system at any time after July 4, 1953.

20 13 Eligible members are entitled to the receipt of  
20 14 retroactive adjustment payments back to July 1, 1990,  
20 15 notwithstanding the requirements of subsection 4.

20 16 b. A vested member who retires from the system due  
20 17 to disability and commences receiving disability  
20 18 benefits pursuant to the federal Railroad Retirement  
20 19 Act, 45 U.S.C. } 231 et seq., and who has not reached  
20 20 the normal retirement date, shall receive benefits  
20 21 under section 97B.49 and shall not have benefits  
20 22 reduced upon retirement as required under subsection 1  
20 23 regardless of whether the member has completed thirty  
20 24 or more years of membership service. However, the  
20 25 benefits shall be suspended during any period in which  
20 26 the member returns to covered employment. This  
20 27 section takes effect July 1, 1990, for a member  
20 28 meeting the requirements of this paragraph who retired  
20 29 from the system at any time since July 4, 1953.

20 30 Eligible members are entitled to the receipt of  
20 31 retroactive adjustment payments back to July 1, 1990,  
20 32 notwithstanding the requirements of subsection 4.

20 33 Sec. 38. Section 97B.51, subsection 3, Code  
20 34 Supplement 1995, is amended to read as follows:

20 35 3. A member who had elected to take the option  
20 36 stated in subsection 1 of this section may, at any  
20 37 time prior to retirement, revoke such an election by  
20 38 written notice to the department. A member shall not  
20 39 change or revoke an election once the first retirement  
20 40 allowance is paid.

20 41 Sec. 39. Section 97B.51, subsection 5, Code  
20 42 Supplement 1995, is amended to read as follows:

20 43 5. At retirement, a member may designate that upon  
20 44 the member's death, a specified amount of money shall  
20 45 be paid to a named beneficiary, and the member's  
20 46 monthly retirement allowance shall be reduced by an  
20 47 actuarially determined amount to provide for the lump  
20 48 sum payment. The amount designated by the member must  
20 49 be in thousand dollar increments

~~—, and the~~

~~— and shall be~~

20 50 limited to the amount of the member's accumulated  
21 1 contributions. The amount designated shall not lower  
21 2 the monthly retirement allowance of the member by more  
21 3 than one-half the amount payable under section 97B.49,  
21 4 subsection 1 or 5. A member may designate a different  
21 5 beneficiary if the original named beneficiary  
21 6 predeceases the member.

21 7 Sec. 40. Section 97B.51, subsection 6, Code  
21 8 Supplement 1995, is amended to read as follows:

21 9 6. A member may elect to receive a decreased  
21 10 retirement allowance during the member's lifetime with  
21 11 provision that in event of the member's death during  
21 12 the first one hundred twenty months of retirement,  
21 13 monthly payments of the member's decreased retirement  
21 14 allowance shall be made to the member's beneficiary

21 15 until a combined total of one hundred twenty monthly  
21 16 payments have been made to the member and the member's  
21 17 beneficiary. When the member designates multiple  
21 18 beneficiaries, the present value of the remaining  
21 19 payments shall be paid in a lump sum to each  
21 20 beneficiary, either in equal shares to the  
21 21 beneficiaries, or if the member specifies otherwise in  
21 22 a written request, in the specified proportion. A  
21 23 member may designate a different beneficiary if the  
21 24 original named beneficiary predeceases the member.  
21 25 Sec. 41. Section [97B.52](#), subsection 1, Code  
21 26 Supplement 1995, is amended to read as follows:  
21 27 1. If a member dies prior to the member's first  
21 28 month of entitlement, the accumulated contributions of  
21 29 the member at the date of death plus the product of an  
21 30 amount equal to the highest year of covered wages of  
21 31 the deceased member and the number of years of  
21 32 membership service divided by

~~thirty~~

- the applicable

21 33 denominator shall be paid to the member's beneficiary  
21 34 in a lump sum payment. However, a lump sum payment  
21 35 made to a beneficiary under this subsection due to the  
21 36 death of a member shall not be less than the amount  
21 37 that would have been payable on the death of the  
21 38 member on June 30, 1984, under this subsection as it  
21 39 appeared in the 1983 Code.

21 40 As used in this subsection, "applicable  
21 41 denominator" means the following, based upon the type  
21 42 of membership service in which the member served  
21 43 either on the date of death, or if the member died  
21 44 after terminating service, on the date of the member's  
21 45 last termination of service:

21 46 a. For regular service, the applicable denominator  
21 47 is thirty.

21 48 b. For service in a protection occupation, as  
21 49 defined in section 97B.49, subsection 16, paragraph  
21 50 "d", the applicable denominator is twenty-five.

22 1 c. For service as a sheriff, deputy sheriff, or  
22 2 airport fire fighter, as provided in section 97B.49,  
22 3 subsection 16, paragraph "b", the applicable  
22 4 denominator is twenty-two.

22 5 Effective July 1, 1978, a method of payment under  
22 6 this subsection filed with the department by a member  
22 7 does not apply.

22 8 Sec. 42. Section [97B.52](#), subsection 3, paragraph  
22 9 b, Code Supplement 1995, is amended to read as  
22 10 follows:

22 11 b. If a death benefit is due and payable, interest  
22 12 shall continue to accumulate through the month  
22 13 preceding the month in which payment is made to the  
22 14 designated beneficiary, heirs at law, or the estate  
22 15 unless the payment of the death benefit is delayed  
22 16 because of a dispute between alleged heirs, in which  
22 17 case the benefit due and payable shall be placed in a  
22 18 noninterest bearing escrow account until the  
22 19 beneficiary is determined in accordance with this  
22 20 section. In order to receive the death benefit, the  
22 21 beneficiary, heirs at law, or the estate, or any other  
22 22 third-party payee, must apply to the department within  
22 23

~~two~~

- five years of the member's death.

22 24 The department shall reinstate a designated  
22 25 beneficiary's right to receive a death benefit beyond

22 26 the five-year limitation if the designated beneficiary  
22 27 was the member's spouse at the time of the member's  
22 28 death and the distribution is required or permitted  
22 29 pursuant to Internal Revenue Code section 401(a)(9)  
22 30 and the applicable treasury regulations.

22 31 Sec. 43. Section [97B.52](#), subsection 5, Code  
22 32 Supplement 1995, is amended to read as follows:

22 33 5. Following written notification to the  
22 34 department, a beneficiary of a deceased member may  
22 35 waive current and future rights to payments to which  
22 36 the beneficiary would otherwise be entitled under  
22 37 sections 97B.51 and this section. Upon receipt of the  
22 38 waiver, the department shall pay

~~to the estate of the~~

22 39

~~deceased member~~

~~the amount designated to be received~~

22 40 by

~~the~~

~~that beneficiary to the member's other~~

22 41 surviving beneficiary or beneficiaries or to the  
22 42 estate of the deceased member, as elected by the  
22 43 beneficiary in the waiver. If the payments being  
22 44 waived are payable to the member's estate and an  
22 45 estate is not probated, the payments shall be paid to  
22 46 the deceased member's surviving spouse, or if there is  
22 47 no surviving spouse, to the member's heirs other than  
22 48 the beneficiary who waived the payments.

22 49 Sec. 44. Section [97B.52A](#), Code Supplement 1995, is  
22 50 amended by adding the following new subsection:

23 1 NEW SUBSECTION. 3. A member who terminates  
23 2 covered employment but maintains an employment  
23 3 relationship with an employer that made contributions  
23 4 to the system on the member's behalf does not have a  
23 5 bona fide retirement until all employment, including  
23 6 employment which is not covered by this chapter, with  
23 7 such employer is terminated for at least thirty days.  
23 8 In order to receive retirement benefits, the member  
23 9 must file a completed application for benefits form  
23 10 with the department before returning to any employment  
23 11 with the same employer.

23 12 Sec. 45. Section [97B.53](#), subsection 3, Code  
23 13 Supplement 1995, is amended to read as follows:

23 14 3. The accumulated contributions of a terminated,  
23 15 vested member shall be credited with interest,  
23 16 including interest dividends, in the manner provided  
23 17 in section 97B.70. Interest and interest dividends  
23 18 shall be credited to the accumulated contributions of  
23 19 members who terminate service and subsequently become  
23 20 vested in accordance with section 97B.70.

~~However,~~

23 21

~~the department shall not implement the amendments to~~

23 22

~~this subsection or to subsection 6, unnumbered~~

23 23

~~paragraph 1, or to subsection 7, as enacted in 1994~~

23 24

~~Iowa Acts, chapter 1183, unless and until the~~

23 25

~~department determines that the most recent annual~~

23 26

~~actuarial valuation of the retirement system indicates~~

23 27

~~that the employer and employee contribution rates in~~

23 28

~~effect under section 97B.11 can absorb the amendments~~

23 29

~~to these provisions of this section and the amendments~~

23 30

~~to section 97B.41, subsection 12, and section 97B.70,~~

23 31

~~by enacting a new subsection 4, contained in 1994 Iowa~~

23 32

~~Acts, chapter 1183, after meeting the other~~

23 33

~~established priorities of the system, as defined in~~

23 34

~~section 97B.41, subsection 12. Until the amendments~~

23 35

~~are implemented, the department shall continue to~~

23 36

~~implement the provisions of section 97B.53,~~

23 37

~~subsections 3 and 7, and section 97B.53, subsection 6,~~

23 38

~~unnumbered paragraph 1, 1993 Code of Iowa.~~

23 39 Sec. 46. Section [97B.53B](#), subsection 1, paragraph  
23 40 c, subparagraph (4), Code 1995, is amended to read as  
23 41 follows:

23 42 (4)

~~A distribution~~

- ~~Annual distributions~~ of less

23 43 than two hundred dollars of taxable income.  
23 44 Sec. 47. Section [97B.66](#), unnumbered paragraph 1,  
23 45 Code Supplement 1995, is amended to read as follows:  
23 46 A vested or retired member who was a member of the  
23 47 teachers insurance and annuity association-college  
23 48 retirement equity fund at any time between July 1,  
23 49 1967 and June 30, 1971 and who became a member of the  
23 50 system on July 1, 1971, upon submitting verification  
24 1 of service and wages earned during the applicable  
24 2 period of service under the teachers insurance and  
24 3 annuity association-college retirement equity fund,  
24 4 may make employer and employee contributions to the  
24 5 system based upon the covered wages of the member and  
24 6 the covered wages and the contribution rates in effect  
24 7 for all or a portion of that period of service and  
24 8 receive credit for membership service under this  
24 9 system equivalent to the applicable period of  
24 10 membership service in the teachers insurance and  
24 11 annuity association-college retirement equity fund for  
24 12 which the contributions have been made. In addition,  
24 13 a member making employer and employee contributions  
24 14 because of membership in the teachers insurance and  
24 15 annuity association-college retirement equity fund  
24 16 under this section who was a member of the system on  
24 17 June 30, 1967 and withdrew the member's accumulated  
24 18 contributions because of membership on July 1, 1967 in  
24 19 the teachers insurance and annuity association-college  
24 20 retirement equity fund, may make employee  
24 21 contributions to the system for all or a portion of  
24 22 the period of service under the system prior to July  
24 23 1, 1967. A member making contributions pursuant to  
24 24 this section may make the contributions either for the  
24 25 entire applicable period of service, or

~~, effective~~

24 26

~~upon the date that the department determines that the~~

24 27

~~amendments to this paragraph and unnumbered paragraph~~

24 28

~~2 contained in 1994 Iowa Acts, chapter 1183, shall be~~

24 29

~~implemented,~~

- for portions of the period of service,

24 30 and if contributions are made for portions of the  
24 31 period of service, the contributions shall be in  
24 32 increments of one or more

~~years, as long as the~~

24 33

~~increments represent full years and not a portion of a~~

24 34

~~year~~

~~- calendar quarters.~~

~~- However, the department shall~~

~~- 24 35~~

~~- not implement the amendments to this paragraph or~~

~~- 24 36~~

~~- unnumbered paragraph 2, as enacted in 1994 Iowa Acts,~~

~~- 24 37~~

~~- chapter 1183, unless and until the department~~

~~- 24 38~~

~~- determines that the most recent annual actuarial~~

~~- 24 39~~

~~- valuation of the retirement system indicates that the~~

~~- 24 40~~

~~- employer and employee contribution rates in effect~~

~~- 24 41~~

~~- under section 97B.11 can absorb the amendments to this~~

~~- 24 42~~

~~- paragraph and unnumbered paragraph 2 and to section~~

~~- 24 43~~

~~- 97B.72, unnumbered paragraphs 1 and 2, section~~

~~- 24 44~~

~~- 97B.72A, subsection 1, unnumbered paragraph 1, section~~

~~- 24 45~~

~~- 97B.73A, unnumbered paragraph 1, and section 97B.74,~~

~~- 24 46~~

~~- unnumbered paragraphs 1 and 2, contained in 1994 Iowa~~

~~- 24 47~~

~~- Acts, chapter 1183, after meeting the other~~

~~- 24 48~~

~~- established priority of the system. Until the~~

~~- 24 49~~

~~- amendments are implemented, the department shall~~

~~- 24 50~~

~~- continue to implement the provisions of section~~

~~25 1~~

~~97B.66, unnumbered paragraphs 1 and 2, Code Supplement~~

~~25 2~~

~~1993. As used in this section, unless the context~~

~~25 3~~

~~otherwise requires, "other established priority of the~~

~~25 4~~

~~system" means that commencing January 1 following the~~

~~25 5~~

~~most recent annual actuarial valuation of the system,~~

~~25 6~~

~~the department has increased the covered wage~~

~~25 7~~

~~limitation from the previous year by three thousand~~

~~25 8~~

~~dollars, in accordance with section 97B.41, subsection~~

~~25 9~~

~~20, paragraph "b", subparagraph (11).~~

25 10 Sec. 48. Section [97B.66](#), unnumbered paragraph 2,  
25 11 Code Supplement 1995, is amended to read as follows:

25 12 The contributions paid by the vested or retired  
25 13 member shall be equal to the accumulated contributions  
25 14 as defined in section 97B.41, subsection 2, by the  
25 15 member for the applicable period of service, and the  
25 16 employer contribution for the applicable period of  
25 17 service under the teachers insurance and annuity  
25 18 association-college retirement equity fund, that would  
25 19 have been or had been contributed by the vested or  
25 20 retired member and the employer, if applicable, plus  
25 21 interest on the contributions that would have accrued  
25 22 for the applicable period from the date the previous  
25 23 applicable period of service commenced under this  
25 24 system or from the date the service of the member in  
25 25 the teachers insurance and annuity association-college  
25 26 retirement equity fund commenced to the date of  
25 27 payment of the contributions by the member

~~equal to~~

~~25 28~~

~~two percent plus the interest dividend rate applicable~~

~~25 29~~

~~for each year~~

~~as provided in section 97B.70.~~

25 30 Sec. 49. Section [97B.66](#), unnumbered paragraph 3,

25 31 Code Supplement 1995, is amended to read as follows:  
25 32       However,

~~effective January 1, 1994,~~

- the department

25 33 shall ensure that the member, in exercising an option  
25 34 provided in this section, does not exceed the amount  
25 35 of annual additions to a member's account permitted  
25 36 pursuant to section 415 of the federal Internal  
25 37 Revenue Code.

25 38       Sec. 50. Section [97B.68](#), subsection 1, Code 1995,  
25 39 is amended to read as follows:

25 40       1. Effective July 1,

~~1988~~

- ~~1996~~, a person who is a

25 41 member of the federal civil service retirement program  
25 42 or the federal employee's retirement system is not  
25 43 eligible for membership in the Iowa public employees'  
25 44 retirement system for the same position, and this  
25 45 chapter does not apply to that employee. An employee  
25 46 whose membership in the federal civil service  
25 47 retirement program or the federal employee's  
25 48 retirement system is subsequently terminated shall  
25 49 immediately notify the employee's employer and the  
25 50 department of personnel of that fact, and the employee  
26 1 shall become subject to this chapter on the date the  
26 2 notification is received by the department.

26 3       Sec. 51. Section [97B.68](#), Code 1995, is amended by  
26 4 adding the following new subsection:

26 5       NEW SUBSECTION. 3. Effective July 1, 1996, an  
26 6 employee who participates in the federal civil service  
26 7 retirement program or the federal employee's  
26 8 retirement system may be covered under this chapter if  
26 9 otherwise eligible. The employee shall not be covered  
26 10 under this chapter, however, unless the employee is  
26 11 not credited for service in the federal civil service  
26 12 retirement system or the federal employee's retirement  
26 13 system for the position to be covered under this  
26 14 chapter. This subsection shall not be construed to  
26 15 permit any employer to contribute on behalf of an  
26 16 employee for the same position and the same period of  
26 17 service to both the Iowa public employees' retirement  
26 18 system and either the federal civil service retirement  
26 19 program or the federal employee's retirement system.

26 20       Sec. 52. Section [97B.70](#), Code Supplement 1995, is  
26 21 amended to read as follows:

26 22       97B.70 INTEREST AND DIVIDENDS TO MEMBERS.

26 23       1.

~~Interest~~

- For calendar years prior to January 1,

26 24 1997, interest at two percent per annum and interest  
26 25 dividends declared by the department shall be credited  
26 26 to the member's contributions and the employer's  
26 27 contributions to become part of the accumulated  
26 28 contributions thereby.

26 29

~~1.~~

- a. The average rate of interest earned shall be  
26 30 determined upon the following basis:

26 31

~~a.~~

- (1) Investment income shall include interest  
26 32 and cash dividends on stock.

~~b.~~

- (2) Investment income shall be accounted for on  
26 34 an accrual basis.  
26 35

~~c.~~

- (3) Capital gains and losses, realized or  
26 36 unrealized, shall not be included in investment  
26 37 income.  
26 38

~~d.~~

- (4) Mean assets shall include fixed income  
26 39 investments valued at cost or on an amortized basis,  
26 40 and common stocks at market values or cost, whichever  
26 41 is lower.  
26 42

~~e.~~

- (5) The average rate of earned interest shall  
26 43 be the quotient of the investment income and the mean  
26 44 assets of the retirement fund.  
26 45

~~2.~~

- b. The interest dividend shall be determined  
26 46 within sixty days after the end of each calendar year  
26 47 as follows:

26 48 The dividend rate for a calendar year shall be the  
26 49 excess of the average rate of interest earned for the  
26 50 year over the statutory two percent rate plus twenty-  
27 1 five hundredths of one percent. The average rate of  
27 2 interest earned and the interest dividend rate in  
27 3 percent shall be calculated to the nearest one  
27 4 hundredth, that is, to two decimal places. Interest  
27 5 and interest dividends calculated pursuant to this  
27 6 subsection shall be compounded annually.

27 7 2. For calendar years beginning January 1, 1997, a  
27 8 per annum interest rate at one percent above the  
27 9 interest rate on one-year certificates of deposit  
27 10 shall be credited to the member's contributions and  
27 11 the employer's contributions to become part of the  
27 12 accumulated contributions. For purposes of this  
27 13 subsection, the interest rate on one-year certificates  
27 14 of deposit shall be determined by the department based  
27 15 on the average rate for such certificates of deposit  
27 16 as of the first business day of each year as published  
27 17 in a publication of general acceptance in the business  
27 18 community. The per annum interest rate shall be  
27 19 credited on a quarterly basis by applying one-quarter  
27 20 of the annual interest rate to the sum of the  
27 21 accumulated contributions as of the end of the  
27 22 previous calendar quarter.

27 23 3. Interest and interest dividends shall be  
27 24 credited to the contributions of active members and  
27 25 inactive vested members until the first of the month  
27 26 coinciding with or next following the member's  
27 27 retirement date.

27 28 4.

~~Effective upon the date that the department~~

~~determines that this subsection shall be implemented,~~

27 30

~~interest~~

- Interest and interest dividends shall be  
27 31 credited to the contributions of a person who leaves  
27 32 the contributions in the retirement fund upon  
27 33 termination from covered employment prior to achieving  
27 34 vested status, but who subsequently achieves vested  
27 35 status. The interest and interest dividends shall be  
27 36 credited to the contributions commencing

~~either~~

- upon

27 37

~~the date that the department determines that this~~

27 38

~~subsection shall be implemented, or~~

- the date on which

27 39 the person becomes a vested member

~~, whichever is~~

27 40

~~later~~

- Interest and interest dividends shall cease  
27 41 upon the first of the month coinciding with or next  
27 42 following the person's retirement date. If the  
27 43 department no longer maintains the accumulated  
27 44 contribution account of the person pursuant to section  
27 45 97B.53, but the person submits satisfactory proof to  
27 46 the department that the person did make the  
27 47 contributions, the department shall credit interest  
27 48 and interest dividends in the manner provided in this  
27 49 subsection.

~~However, the department shall not~~

27 50

~~implement this subsection, unless and until the~~

28 1

~~department determines that the most recent annual~~

28 2

~~actuarial valuation of the retirement system indicates~~

28 3

~~that the employer and employee contribution rates in~~

28 4

~~effect under section 97B.11 can absorb the enactment~~

28 5

~~of this subsection and the amendments to section~~

28 6

~~97B.41, subsection 12, section 97B.53, subsections 3~~

28 7

~~and 7, and section 97B.53, subsection 6, unnumbered~~

28 8

~~paragraph 1, contained in 1994 Iowa Acts, chapter~~

28 9

~~1183, after meeting the other established priorities~~

28 10

~~of the system, as defined in section 97B.41,~~

28 11

~~subsection 12.~~

28 12 Sec. 53. Section [97B.72](#), unnumbered paragraphs 1  
28 13 and 2, Code Supplement 1995, are amended to read as  
28 14 follows:

28 15 Persons who are members of the Seventy-first  
28 16 General Assembly or a succeeding general assembly who  
28 17 submit proof to the department of membership in the  
28 18 general assembly during any period beginning July 4,  
28 19 1953, may make contributions to the system for all or  
28 20 a portion of the period of service in the general  
28 21 assembly, and receive credit for the applicable period  
28 22 for which contributions are made. The contributions  
28 23 made by the member shall be equal to the accumulated  
28 24 contributions as defined in section 97B.41, subsection  
28 25 2, which would have been made if the member of the  
28 26 general assembly had been a member of the system  
28 27 during the applicable period. The proof of membership  
28 28 in the general assembly and payment of accumulated  
28 29 contributions shall be transmitted to the department.  
28 30 A member making contributions pursuant to this section  
28 31 may make the contributions either for the entire  
28 32 applicable period of service, or

~~, effective upon the~~

28 33

~~date that the department determines that the~~

28 34

~~amendments to this paragraph and unnumbered paragraph~~

28 35

~~2 contained in 1994 Iowa Acts, chapter 1183, shall be~~

28 36

~~implemented,~~

~~for portions of the period of service,~~

28 37 and if contributions are made for portions of the  
28 38 period of service, the contributions shall be in  
28 39 increments of one or more

~~years, as long as the~~

~~28 40~~

~~increments represent full years and not a portion of a~~

~~28 41~~

~~year~~

~~calendar quarters.~~

~~However, the department shall~~

~~28 42~~

~~not implement the amendments to this paragraph or~~

~~28 43~~

~~unnumbered paragraph 2, as enacted in 1994 Iowa Acts,~~

~~28 44~~

~~chapter 1183, unless and until the department~~

~~28 45~~

~~determines that the most recent annual actuarial~~

~~28 46~~

~~valuation of the retirement system indicates that the~~

~~28 47~~

~~employer and employee contribution rates in effect~~

~~28 48~~

~~under section 97B.11 can absorb the amendments to this~~

~~28 49~~

~~paragraph and unnumbered paragraph 2 and to section~~

~~28 50~~

~~97B.66, unnumbered paragraphs 1 and 2, section~~

~~29 1~~

~~97B.72A, subsection 1, unnumbered paragraph 1, section~~

~~29 2~~

~~97B.73A, unnumbered paragraph 1, and section 97B.74,~~

~~29 3~~

~~unnumbered paragraphs 1 and 2, contained in 1994 Iowa~~

~~29 4~~

~~Acts, chapter 1183, after meeting the other~~

~~29 5~~

~~established priority of the system, as defined in~~

29 6

~~section 97B.66. Until the amendments are implemented,~~

29 7

~~the department shall continue to implement the~~

29 8

~~provisions of section 97B.72, unnumbered paragraphs 1~~

29 9

~~and 2, Code Supplement 1993.~~

29 10 There is appropriated from moneys available to the  
29 11 general assembly under section 2.12 an amount  
29 12 sufficient to pay the contributions of the employer  
29 13 based on the period of service for which the members  
29 14 have paid accumulated contributions in an amount equal  
29 15 to the contributions which would have been made if the  
29 16 members of the general assembly who made employee  
29 17 contributions had been members of the system during  
29 18 the applicable period of service in the general  
29 19 assembly plus

~~two percent~~  
~~interest~~

~~plus~~  
~~and interest~~

29 20 dividends at the rate provided in section 97B.70 for  
29 21 all completed calendar years, and for any completed  
29 22 calendar year for which the interest dividend has not  
29 23 been declared and for completed months of partially  
29 24 completed calendar years

~~at two percent interest plus~~

29 25

~~the interest dividend rate calculated for the previous~~

29 26

~~year~~

~~, compounded~~

~~annually, from the end of the~~

29 27

~~calendar year in which contribution was made to the~~

29 28

~~first day of the month of such date~~

~~as provided in~~

29 29 section 97B.70.

29 30 Sec. 54. Section [97B.72](#), unnumbered paragraph 3,  
29 31 Code Supplement 1995, is amended to read as follows:

29 32 However,

~~effective January 1, 1994,~~

- the department

29 33 shall ensure that the member, in exercising an option  
29 34 provided in this section, does not exceed the amount  
29 35 of annual additions to a member's account permitted  
29 36 pursuant to section 415 of the federal Internal  
29 37 Revenue Code.

29 38 Sec. 55. Section [97B.72A](#), subsection 1, Code  
29 39 Supplement 1995, is amended to read as follows:  
29 40 1.

~~An active or~~

- A vested or retired member of the  
29 41 system who was a member of the general assembly prior  
29 42 to July 1, 1988, may make contributions to the system  
29 43 for all or a portion of the period of service in the  
29 44 general assembly. The contributions made by the  
29 45 member shall be equal to the accumulated contributions  
29 46 as defined in section 97B.41, subsection 2, which  
29 47 would have been made if the member of the general  
29 48 assembly had been a member of the system during the  
29 49 applicable period of service in the general assembly.  
29 50 A member making contributions pursuant to this section  
30 1 may make the contributions either for the entire  
30 2 applicable period of service, or for portions of the  
30 3 period of service, and

~~, effective upon the date that~~

-  
30 4

~~the department determines that the amendments to this~~

-  
30 5

~~paragraph contained in 1994 Iowa Acts, chapter 1183,~~

-  
30 6

~~shall be implemented,~~

- if contributions are made for  
30 7 portions of the period of service, the contributions  
30 8 shall be in increments of one or more

~~years, as long~~

-  
30 9

~~as the increments represent full years and not a~~

-  
30 10

~~portion of a year~~

- calendar quarters. The member of  
30 11 the system shall submit proof to the department of  
30 12 membership in the general assembly. The department  
30 13 shall credit the member with the period of membership  
30 14 service for which contributions are made.

~~However,~~

-  
30 15

~~the department shall not implement the amendments to~~

-  
30 16

~~this paragraph, as enacted in 1994 Iowa Acts, chapter~~

30 17

~~1183, unless and until the department determines that~~

30 18

~~the most recent annual actuarial valuation of the~~

30 19

~~retirement system indicates that the employer and~~

30 20

~~employee contribution rates in effect under section~~

30 21

~~97B.11 can absorb the amendments to this paragraph and~~

30 22

~~to section 97B.66, unnumbered paragraphs 1 and 2,~~

30 23

~~section 97B.72, unnumbered paragraphs 1 and 2, section~~

30 24

~~97B.73A, unnumbered paragraph 1, and section 97B.74,~~

30 25

~~unnumbered paragraphs 1 and 2, contained in 1994 Iowa~~

30 26

~~Acts, chapter 1183, after meeting the other~~

30 27

~~established priority of the system, as defined in~~

30 28

~~section 97B.66. Until the amendments are implemented,~~

30 29

~~the department shall continue to implement the~~

30 30

~~provisions of section 97B.72A, subsection 1,~~

30 31

~~unnumbered paragraph 1, Code Supplement 1993.~~

30 32 There is appropriated from the general fund of the  
30 33 state to the department an amount sufficient to pay  
30 34 the contributions of the employer based on the period  
30 35 of service of members of the general assembly for  
30 36 which the member paid accumulated contributions under  
30 37 this section. The amount appropriated is equal to the

30 38 employer contributions which would have been made if  
30 39 the members of the system who made employee  
30 40 contributions had been members of the system during  
30 41 the period for which they made employee contributions  
30 42 plus

~~two percent~~  
- interest

~~plus the interest dividend~~

30 43

~~rate applicable~~  
- at the rate provided in section 97B.70  
30 44 for each year compounded

~~annually~~  
- as provided in  
30 45 section 97B.70.

30 46 Sec. 56. Section [97B.72A](#), subsection 2, Code  
30 47 Supplement 1995, is amended to read as follows:  
30 48 2.

~~Effective January 1, 1994, however~~

- However, the  
30 49 department shall ensure that the member, in exercising  
30 50 an option provided in this section, does not exceed  
31 1 the amount of annual additions to a member's account  
31 2 permitted pursuant to section 415 of the federal  
31 3 Internal Revenue Code.  
31 4 Sec. 57. Section [97B.73](#), unnumbered paragraph 1,  
31 5 Code 1995, is amended to read as follows:  
31 6 A vested or retired member who was in public  
31 7 employment comparable to employment covered under this  
31 8 chapter in another state or in the federal government,  
31 9 or who was a member of another public retirement  
31 10 system in this state, including but not limited to the  
31 11 teachers insurance annuity association-college  
31 12 retirement equities fund, but who was not retired  
31 13 under that system, upon submitting verification of  
31 14 membership and service in the other public system to  
31 15 the department, including proof that the member has no  
31 16 further claim upon a retirement benefit from that  
31 17 other public system, may make employer and employee  
31 18 contributions to the system either for the entire  
31 19 period of service in the other public system, or for  
31 20 partial service in the other public system in  
31 21 increments of one or more

~~years, as long as the~~

31 22

~~increments represent full years and not a portion of a~~

31 23

~~year~~  
- calendar quarters.

~~The member may also make one~~

31 24

~~lump sum contribution to the system which represents~~

31 25

~~the entire period of service in the other public~~

31 26

~~system, even if the period of time exceeds one year or~~

31 27

~~includes a portion of a year.~~

- If the member wishes to

31 28 transfer only a portion of the service value of  
31 29 another public system to this system and the other  
31 30 public system allows a partial withdrawal of a  
31 31 member's system credits, the member shall receive  
31 32 credit for membership service in this system  
31 33 equivalent to the

~~number of years~~

- period of service

31 34 transferred from the other public system. The  
31 35 contribution payable shall be based upon the member's  
31 36 covered wages for the most recent full calendar year  
31 37 at the applicable rates in effect for that calendar  
31 38 year under sections 97B.11 and 97B.49 and multiplied  
31 39 by the member's years of service in other public  
31 40 employment. If the member's most recent covered wages  
31 41 were earned prior to the most recent calendar year,  
31 42 the member's covered wages shall be adjusted by the  
31 43 department by an inflation factor to reflect changes  
31 44 in the economy since the covered wages were earned.  
31 45 Sec. 58. Section [97B.73](#), unnumbered paragraph 6,  
31 46 Code 1995, is amended to read as follows:  
31 47 However,

~~effective January 1, 1994,~~

- the department

31 48 shall ensure that the member, in exercising an option  
31 49 provided in this section, does not exceed the amount  
31 50 of annual additions to a member's account permitted  
32 1 pursuant to section 415 of the federal Internal  
32 2 Revenue Code.

32 3 Sec. 59. Section [97B.73A](#), unnumbered paragraph 1,  
32 4 Code Supplement 1995, is amended to read as follows:

32 5 A part-time county attorney may elect in writing to  
32 6 the department to make employee contributions to the  
32 7 system for the county attorney's previous service as a  
32 8 county attorney and receive credit for membership  
32 9 service in the system for the applicable period of  
32 10 service as a part-time county attorney for which  
32 11 employee contributions are made. The contributions  
32 12 paid by the member shall be equal to the accumulated  
32 13 contributions, as defined in section 97B.41,  
32 14 subsection 2, for the applicable period of membership  
32 15 service. A member making contributions pursuant to  
32 16 this section may make the contributions either for the  
32 17 entire applicable period of service, or

~~, effective~~

32 18

~~upon the date that the department determines that the~~

32 19

~~amendments to this paragraph contained in 1994 Iowa~~

~~32 20~~

~~Acts, chapter 1183, shall be implemented,~~

~~for portions~~

~~32 21 of the period of service, and if contributions are  
32 22 made for portions of the period of service, the  
32 23 contributions shall be in increments of one or more  
32 24~~

~~years, as long as the increments represent full years~~

~~32 25~~

~~and not a portion of a year~~

~~calendar quarters. A~~

~~32 26 member who elects to make contributions under this  
32 27 section shall notify the applicable county board of  
32 28 supervisors of the member's election, and the county  
32 29 board of supervisors shall pay to the department the  
32 30 employer contributions that would have been  
32 31 contributed by the employer under section 97B.11 plus  
32 32 interest on the contributions that would have accrued  
32 33 if the county attorney had been a member of the system  
32 34 for the applicable period of service.~~

~~However, the~~

~~32 35~~

~~department shall not implement the amendments to this~~

~~32 36~~

~~paragraph, as enacted in 1994 Iowa Acts, chapter 1183,~~

~~32 37~~

~~unless and until the department determines that the~~

~~32 38~~

~~most recent annual actuarial valuation of the~~

~~32 39~~

~~retirement system indicates that the employer and~~

~~32 40~~

~~employee contribution rates in effect under section~~

~~32 41~~

~~97B.11 can absorb the amendments to this paragraph and~~

~~32 42~~

~~to section 97B.66, unnumbered paragraphs 1 and 2,~~

~~32 43~~

~~section 97B.72, unnumbered paragraphs 1 and 2, section~~

~~32 44~~

~~97B.72A, subsection 1, unnumbered paragraph 1, and~~

32 45

~~section 97B.74, unnumbered paragraphs 1 and 2,~~

32 46

~~contained in 1994 Iowa Acts, chapter 1183, after~~

32 47

~~meeting the other established priority of the system,~~

32 48

~~as defined in section 97B.66. Until the amendments~~

32 49

~~are implemented, the department shall continue to~~

32 50

~~implement the provisions of section 97B.73A,~~

33 1

~~unnumbered paragraph 1, Code Supplement 1993.~~

33 2 Sec. 60. Section [97B.73A](#), unnumbered paragraph 3,

33 3 Code Supplement 1995, is amended to read as follows:

33 4 However,

~~effective January 1, 1994,~~

~~the department~~

33 5 shall ensure that the member, in exercising an option

33 6 provided in this section, does not exceed the amount

33 7 of annual additions to a member's account permitted

33 8 pursuant to section 415 of the federal Internal

33 9 Revenue Code.

33 10 Sec. 61. Section [97B.74](#), unnumbered paragraphs 1

33 11 and 2, Code Supplement 1995, are amended to read as

33 12 follows:

33 13

~~An active,~~

~~A vested~~

~~or retired member who was a~~

33 14 member of the system at any time on or after July 4,

33 15 1953, and who received a refund of the member's

33 16 contributions for that period of membership service,

33 17 may elect in writing to the department to make

33 18 contributions to the system for all or a portion of

33 19 the period of membership service for which a refund of

33 20 contributions was made, and receive credit for the

33 21 period of membership service for which contributions

33 22 are made. The contributions repaid by the member for

33 23 such service shall be equal to the accumulated

33 24 contributions, as defined in section 97B.41,

33 25 subsection 2, received by the member for the

33 26 applicable period of membership service plus interest

33 27 on the accumulated contributions for the applicable

33 28 period from the date of receipt by the member to the

33 29 date of repayment

~~equal to two percent plus~~

~~at the~~  
33 30 interest

~~dividend~~

~~rate provided in section 97B.70~~  
33 31 applicable for each year compounded

~~annually~~

~~as~~  
33 32 provided in section 97B.70.  
33 33

~~An active member must have at least one quarter's~~

~~33 34~~

~~reportable wages on file and have membership service,~~

~~33 35~~

~~including that period of membership service for which~~

~~33 36~~

~~a refund of contributions was made, sufficient to give~~

~~33 37~~

~~the member vested status.~~

~~A member making~~  
33 38 contributions pursuant to this section may make the  
33 39 contributions either for the entire applicable period  
33 40 of service, or

~~, effective upon the date that the~~

~~33 41~~

~~department determines that the amendments to this~~

~~33 42~~

~~paragraph and unnumbered paragraph 1 contained in 1994~~

~~33 43~~

~~Iowa Acts, chapter 1183, shall be implemented,~~

~~for~~  
33 44 portions of the period of service, and if  
33 45 contributions are made for portions of the period of  
33 46 service, the contributions shall be in increments of  
33 47 one or more

~~years, as long as the increments represent~~

~~33 48~~

~~full years and not a portion of a year~~

~~calendar~~  
33 49 quarters.

~~However, the department shall not implement~~

~~33 50~~

~~the amendments to this paragraph or unnumbered~~

~~34 1~~

~~paragraph 1, as enacted in 1994 Iowa Acts, chapter~~

~~34 2~~

~~1183, unless and until the department determines that~~

~~34 3~~

~~the most recent annual actuarial valuation of the~~

~~34 4~~

~~retirement system indicates that the employer and~~

~~34 5~~

~~employee contribution rates in effect under section~~

~~34 6~~

~~97B.11 can absorb the amendments to this paragraph and~~

~~34 7~~

~~to unnumbered paragraph 1 and to section 97B.66,~~

~~34 8~~

~~unnumbered paragraphs 1 and 2, section 97B.72,~~

~~34 9~~

~~unnumbered paragraphs 1 and 2, section 97B.72A,~~

~~34 10~~

~~subsection 1, unnumbered paragraph 1, and section~~

~~34 11~~

~~97B.73A, unnumbered paragraph 1, contained in 1994~~

~~34 12~~

~~Iowa Acts, chapter 1183, after meeting the other~~

~~34 13~~

~~established priority of the system, as defined in~~

~~34 14~~

~~section 97B.66. Until the amendments are implemented,~~

~~34 15~~

~~the department shall continue to implement the~~

~~34 16~~

~~provisions of section 97B.74, unnumbered paragraphs 1~~

~~34 17~~

~~and 2, Code Supplement 1993.~~

34 18 Sec. 62. Section 97B.74, unnumbered paragraph 4,  
34 19 Code Supplement 1995, is amended by striking the  
34 20 unnumbered paragraph.

34 21 Sec. 63. Section 97B.80, unnumbered paragraph 1,  
34 22 Code 1995, is amended to read as follows:

34 23 Effective July 1, 1992, a vested or retired member,  
34 24 who at any time served on active duty in the armed  
34 25 forces of the United States, upon submitting  
34 26 verification of the dates of the active duty service,  
34 27 may make employer and employee contributions to the  
34 28 system based upon the member's covered wages for the  
34 29 most recent full calendar year in which the member had  
34 30 reportable wages at the applicable rates in effect for  
34 31 that year under sections 97B.11 and 97B.49, for all or  
34 32 a portion of the period of time of the active duty  
34 33 service, in increments of

~~no greater than one year and~~

34 34

~~not less than~~

~~one or more~~ calendar

~~quarter~~

~~quarters,~~

34 35 and receive credit for membership service and prior  
34 36 service for the period of time for which the  
34 37 contributions are made.

~~However, the member may not~~

34 38

~~make contributions in an increment of less than one~~

34 39

~~year more than once. The member may also make one~~

34 40

~~lump sum contribution to the system which represents~~

34 41

~~the period of time of the active duty service, even if~~

34 42

~~the period of time exceeds one year.~~

~~If the member's~~

34 43 most recent covered wages were earned prior to the  
34 44 most recent calendar year, the member's covered wages  
34 45 shall be adjusted by the department by an inflation  
34 46 factor to reflect changes in the economy. The  
34 47 department shall adjust benefits for a six-month  
34 48 period prior to the date the member pays contributions  
34 49 under this section if the member is receiving a  
34 50 retirement allowance at the time the contribution  
35 1 payment is made. Verification of active duty service  
35 2 and payment of contributions shall be made to the  
35 3 department. However, a member is not eligible to make  
35 4 contributions under this section if the member is

35 5 receiving, is eligible to receive, or may in the  
35 6 future be eligible to receive retirement pay from the  
35 7 United States government for active duty in the armed  
35 8 forces, except for retirement pay granted by the  
35 9 United States government under retired pay for  
35 10 nonregular service (10 U.S.C. } 1331, et seq.). A  
35 11 member receiving retired pay for nonregular service  
35 12 who makes contributions under this section shall  
35 13 provide information required by the department  
35 14 documenting time periods covered under retired pay for  
35 15 nonregular service.  
35 16 Sec. 64. Section [97B.80](#), unnumbered paragraph 3,  
35 17 Code 1995, is amended to read as follows:  
35 18 However,

~~effective January 1, 1994,~~  
- the department

35 19 shall ensure that the member, in exercising an option  
35 20 provided in this section, does not exceed the amount  
35 21 of annual additions to a member's account permitted  
35 22 pursuant to section 415 of the federal Internal  
35 23 Revenue Code.

35 24 Sec. 65. DEVELOPMENT OF PROPOSAL FOR ESTABLISHING  
35 25 A DEFINED CONTRIBUTION OPTION - IOWA PUBLIC  
35 26 EMPLOYEES' RETIREMENT SYSTEM - REPORT. The Iowa  
35 27 public employees' retirement system division, in  
35 28 consultation with the public retirement systems  
35 29 committee established in section 97D.4, shall develop  
35 30 a proposal concerning various alternatives for  
35 31 establishing a defined contribution option for members  
35 32 of the Iowa public employees' retirement system. On  
35 33 or before September 1, 1997, the Iowa public  
35 34 employees' retirement system division shall file a  
35 35 report with the legislative service bureau, for  
35 36 distribution to the public retirement systems  
35 37 committee, which contains a proposal, or proposals,  
35 38 for establishing a defined contribution option. The  
35 39 report shall also contain actuarial information  
35 40 concerning the costs of the proposal or proposals.

#### 35 41 DIVISION II

#### 35 42 TEACHERS' PENSION AND ANNUITY RETIREMENT SYSTEMS

35 43 Sec. 66. Section [12B.10](#), subsection 6, Code 1995,  
35 44 is amended by adding the following new paragraph e and  
35 45 relettering the subsequent paragraphs:

35 46 NEW PARAGRAPH. e. A pension and annuity  
35 47 retirement system governed by chapter 294.

35 48 Sec. 67. Section [12B.10A](#), subsection 6, Code 1995,  
35 49 is amended by adding the following new paragraph e and  
35 50 relettering the subsequent paragraphs:

36 1 NEW PARAGRAPH. e. A pension and annuity  
36 2 retirement system governed by chapter 294.

36 3 Sec. 68. Section [12B.10B](#), subsection 3, Code 1995,  
36 4 is amended by adding the following new paragraph e and  
36 5 relettering the subsequent paragraphs:

36 6 NEW PARAGRAPH. e. A pension and annuity  
36 7 retirement system governed by chapter 294.

36 8 Sec. 69. Section [12B.10C](#), Code 1995, is amended by  
36 9 adding the following new subsection 4 and renumbering  
36 10 the subsequent subsections:

36 11 NEW SUBSECTION. 4. A pension and annuity  
36 12 retirement system governed by chapter 294.

36 13 Sec. 70. NEW SECTION. 294.10B RIGHTS NOT  
36 14 TRANSFERABLE - NOT SUBJECT TO LEGAL PROCESS.

36 15 The right of any person to any future payment under  
36 16 a pension and annuity retirement system established in  
36 17 this chapter shall not be transferable or assignable,  
36 18 at law or in equity, and shall not be subject to

36 19 execution, levy, attachment, garnishment, or other  
36 20 legal process, or to the operation of any bankruptcy  
36 21 or insolvency law, except for the purposes of  
36 22 enforcing child, spousal, or medical support  
36 23 obligations, or marital property orders. For the  
36 24 purposes of enforcing child, spousal, or medical  
36 25 support obligations, the garnishment or attachment of  
36 26 or the execution against benefits due a person under  
36 27 such a retirement system shall not exceed the amount  
36 28 specified in 15 U.S.C. } 1673(b).

36 29 DIVISION III

36 30 PUBLIC SAFETY PEACE OFFICERS' RETIREMENT,  
36 31 ACCIDENT, AND DISABILITY SYSTEM

36 32 Sec. 71. Section [97A.5](#), subsection 9, Code 1995,  
36 33 is amended to read as follows:

36 34 9. DUTIES OF

~~COMMISSIONER OF INSURANCE~~

~~ACTUARY.~~

36 35 The

~~state commissioner of insurance~~

~~actuary hired by~~

36 36 ~~the board of trustees~~ shall be the technical advisor  
36 37 of the board of trustees on matters regarding the  
36 38 operation of the funds created by the provisions of  
36 39 this chapter and shall perform such other duties as  
36 40 are required in connection therewith.

36 41 Sec. 72. Section [97A.5](#), subsections 10 through 12,  
36 42 Code 1995, are amended to read as follows:

36 43 10. TABLES - RATES.

~~Immediately after the~~

~~establishment of this system, the state commissioner~~

~~of insurance~~

36 45

~~The actuary hired by the board of~~

36 46 ~~trustees~~ shall make such investigation of anticipated  
36 47 interest earnings and of the mortality, service, and  
36 48 compensation experience of the members of the system  
36 49 as the actuary

~~shall recommend and the board of~~

~~trustees shall authorize~~

~~recommends, and on the basis~~

37 1 of

~~such~~

~~the investigation, the~~

~~actuary shall recommend~~

~~for adoption by the~~

~~board of trustees~~

~~such~~

~~shall adopt~~

37 3 the tables and

~~such~~

- the rates as are required in

37 4 subsection 11 of this section. The board of trustees

37 5 shall adopt the rate of interest and tables, and

37 6 certify rates of contributions to be used by the

37 7 system.

37 8 11. ACTUARIAL INVESTIGATION.

~~In the year 1952,~~

37 9

~~and at~~

- At least once in each two-year period

37 10

~~thereafter~~

~~the state commissioner of insurance~~

- the

37 11 actuary hired by the board of trustees shall make an

37 12 actuarial investigation in the mortality, service, and

37 13 compensation experience of the members and

37 14 beneficiaries of the system, and the interest and

37 15 other earnings on the moneys and other assets of the

37 16 system, and shall make a valuation of the assets and

37 17 liabilities of the funds of the system, and taking

37 18 into account the results of

~~such~~

- the investigation and

37 19 valuation, the board of trustees shall:

37 20 a. Adopt for the system such interest rate,

37 21 mortality and other tables as shall be deemed

37 22 necessary;

37 23 b. Certify the rates of contribution payable by

37 24 the state of Iowa in accordance with section 97A.8.

37 25 12. VALUATION. On the basis of

~~such~~

- the rate of

37 26 interest and

~~such~~

- tables

~~as~~

- adopted by the board of

37 27 trustees

~~shall adopt~~

~~the state commissioner of~~

37 28

~~insurance~~

- the actuary hired by the board of trustees

37 29 shall make an annual valuation of the assets and

37 30 liabilities of the funds of the system created by this

37 31 chapter.

37 32 Sec. 73. Section [97A.5](#), Code 1995, is amended by

37 33 adding the following new subsections:

37 34 NEW SUBSECTION. 14. INVESTMENT CONTRACTS. The  
37 35 board of trustees may execute contracts and agreements  
37 36 with investment advisors, consultants, and investment  
37 37 management and benefit consultant firms in the  
37 38 administration of the funds established in section  
37 39 97A.8.

37 40 NEW SUBSECTION. 15. LIABILITY. The department,  
37 41 the board of trustees, and the treasurer of state are  
37 42 not personally liable for claims based upon an act or  
37 43 omission of the person performed in the discharge of  
37 44 the person's duties under this chapter, even if those  
37 45 actions or omissions violate the standards established  
37 46 in section 97A.7, except for acts or omissions which  
37 47 involve malicious or wanton misconduct.

37 48 Sec. 74. Section 97A.6, subsection 1, paragraph a,  
37 49 Code 1995, is amended to read as follows:

37 50 a. Any member in service may retire upon the  
38 1 member's written application to the board of trustees,  
38 2 setting forth at what time, not less than thirty nor  
38 3 more than ninety days subsequent to the execution and  
38 4 filing therefor, the member desires to be retired,  
38 5 provided, that the said member at the time so  
38 6 specified for retirement shall have attained the age  
38 7 of fifty-five and shall have completed twenty-two  
38 8 years or more of creditable service, and  
38 9 notwithstanding that, during such period of  
38 10 notification, the member may have separated from the  
38 11 service. However, a member may retire at fifty years  
38 12 of age and receive a reduced retirement allowance  
38 13 pursuant to subsection 2A.

38 14 Sec. 75. Section 97A.6, subsection 2, paragraph d,  
38 15 subparagraph (3), Code 1995, is amended to read as  
38 16 follows:

38 17 (3) For a member who terminates service, other  
38 18 than by death or disability, on or after October 16,  
38 19 1992, but before July 1, 1996, and who does not  
38 20 withdraw the member's contributions pursuant to  
38 21 section 97A.16, upon the member's retirement there  
38 22 shall be added six-tenths percent of the member's  
38 23 average final compensation for each year of service  
38 24 over twenty-two years. However, this subparagraph  
38 25 does not apply to more than eight additional years of  
38 26 service.

38 27 Sec. 76. Section 97A.6, subsection 2, paragraph d,  
38 28 Code 1995, is amended by adding the following new  
38 29 subparagraph:

38 30 NEW SUBPARAGRAPH. (4) For a member who terminates  
38 31 service, other than by death or disability, on or  
38 32 after July 1, 1996, and who does not withdraw the  
38 33 member's contributions pursuant to section 97A.16,  
38 34 upon the member's retirement there shall be added one  
38 35 and one-half percent of the member's average final  
38 36 compensation for each year of service over twenty-two  
38 37 years. However, this subparagraph does not apply to  
38 38 more than eight additional years of service.

38 39 Sec. 77. Section 97A.6, subsection 10, Code 1995,  
38 40 is amended to read as follows:

38 41 10. OPTIONAL ALLOWANCE. With the provision that  
38 42 no optional selection shall be effective in case a  
38 43 beneficiary dies within thirty days after retirement,  
38 44 in which event such a beneficiary shall be considered  
38 45 as an active member at the time of death, until the  
38 46 first payment on account of any benefit becomes  
38 47 normally due, any beneficiary may elect to receive the  
38 48 beneficiary's benefit in a retirement allowance  
38 49 payable throughout life, or may elect to receive the  
38 50 actuarial equivalent at that time of the beneficiary's

39 1 retirement allowance in a lesser retirement allowance  
39 2 payable throughout life with the provision that an  
39 3 amount in money not exceeding the amount of the  
39 4 beneficiary's accumulated contributions shall be  
39 5 immediately paid in cash to such member or some other  
39 6 benefit or benefits shall be paid either to the member  
39 7 or to such person or persons as the member shall  
39 8 nominate, provided such cash payment or other benefit  
39 9 or benefits, together with the lesser retirement  
39 10 allowance, shall be certified by the

~~state~~

39 11

~~commissioner of insurance~~

~~actuary~~ to be of equivalent

39 12 actuarial value to the member's retirement allowance  
39 13 and shall be approved by the board of trustees;  
39 14 provided, that a cash payment to such member or  
39 15 beneficiary at the time of retirement of an amount not  
39 16 exceeding fifty percent of the member's or  
39 17 beneficiary's accumulated contributions shall be made  
39 18 by the board of trustees upon said member's or  
39 19 beneficiary's election.

39 20 Sec. 78. Section [97A.6](#), subsection 12, unnumbered  
39 21 paragraph 1, Code 1995, is amended to read as follows:

39 22 Pension to surviving spouse and children of  
39 23 deceased pensioned members. In the event of the death  
39 24 of any member receiving a retirement allowance under  
39 25 the provisions of subsections 2, ~~2A~~, 4, or 6 of this  
39 26 section there shall be paid a pension:

39 27 Sec. 79. Section [97A.6](#), subsection 12, paragraph  
39 28 a, Code 1995, is amended to read as follows:

39 29 a. To the member's surviving spouse, equal to one-  
39 30 half the amount received by the deceased beneficiary,  
39 31 but in no instance less than an amount equal to

~~twenty~~

39 32 ~~twenty-five~~ percent of the monthly earnable  
39 33 compensation paid to an active member having the rank  
39 34 of senior patrol officer of the Iowa highway safety  
39 35 patrol, and in addition a monthly pension equal to the  
39 36 monthly pension payable under subsection 9, paragraph  
39 37 "c," of this section for each child under eighteen  
39 38 years of age or twenty-two years of age if applicable;  
39 39 or

39 40 Sec. 80. Section [97A.6](#), subsection 14, paragraph  
39 41 a, subparagraphs (1), (2), and (3), Code 1995, are  
39 42 amended to read as follows:

39 43 (1)

~~Twenty five~~

~~Thirty~~ percent for members

39 44 receiving a service retirement allowance and for  
39 45 beneficiaries receiving a pension under subsection 9  
39 46 of this section.

~~However, effective July 1, 1990, for~~

39 47

~~members who retired before that date, thirty percent~~

39 48

~~shall be the applicable percentage for members and~~

39 49

~~beneficiaries under this subparagraph.~~

39 50 (2)

~~Twenty five~~

~~Thirty~~ percent for members with

40 1 five or more years of membership service who are

40 2 receiving an ordinary disability retirement allowance.

40 3

~~However, effective July 1, 1990, for members who~~

40 4

~~retired before that date, thirty percent shall be the~~

40 5

~~applicable percentage for members under this~~

40 6

~~subparagraph.~~

40 7 (3)

~~Twelve and one half~~

~~Fifteen~~ percent for

40 8 members with less than five years of membership

40 9 service who are receiving an ordinary disability

40 10 retirement allowance, and for beneficiaries receiving

40 11 a pension under subsection 8 of this section.

40 12

~~However, effective July 1, 1990, for members who~~

40 13

~~retired before that date, fifteen percent shall be the~~

40 14

~~applicable percentage for members and beneficiaries~~

40 15

~~under this subparagraph.~~

40 16 Sec. 81. Section [97A.6](#), subsection 14, paragraph

40 17 d, Code 1995, is amended to read as follows:

40 18 d. A retired member eligible for benefits under

40 19 the provisions of subsection 1 is not eligible for the

40 20 annual readjustment of pensions provided in this

40 21 subsection unless the member served at least twenty-

40 22 two years

~~and attained the age of fifty five years~~

40 23 prior to the member's termination of employment.

40 24 Sec. 82. Section [97A.6](#), Code 1995, is amended by

40 25 adding the following new subsection:

40 26 NEW SUBSECTION. 2A. EARLY RETIREMENT BENEFITS.

40 27 a. Notwithstanding the calculation of the service

40 28 retirement allowance under subsection 2, beginning  
40 29 July 1, 1996, a member who has completed twenty-two  
40 30 years or more of creditable service and is at least  
40 31 fifty years of age, but less than fifty-five years of  
40 32 age, who has otherwise completed the requirements for  
40 33 retirement under subsection 1, may retire and receive  
40 34 a reduced service retirement allowance pursuant to  
40 35 this subsection. The service retirement allowance for  
40 36 a member less than fifty-five years of age shall be  
40 37 calculated in the manner prescribed in subsection 2,  
40 38 except that the percentage multiplier of the member's  
40 39 average final compensation used in the determination  
40 40 of the service retirement allowance shall be reduced  
40 41 by the board of trustees pursuant to paragraph "b".

40 42 b. On July 1, 1996, and on each July 1 thereafter,  
40 43 the board of trustees shall determine for the  
40 44 respective fiscal year the percent by which the  
40 45 percentage multiplier under subsection 2 shall be  
40 46 reduced for each month that a member's retirement date  
40 47 precedes the member's fifty-fifth birthday. The board  
40 48 of trustees shall make this determination based upon  
40 49 the most recent actuarial valuation of the system, the  
40 50 calculation of the acturial cost for each month of  
41 1 retirement of a member prior to age fifty-five, and  
41 2 the premise that the provision of a service retirement  
41 3 allowance to a member who is less than fifty-five  
41 4 years of age will not result in any increase in cost  
41 5 to the system.

41 6 Sec. 83. Section [97A.7](#), subsection 2, Code 1995,  
41 7 is amended to read as follows:

41 8 2. The several funds created by this chapter may  
41 9 be invested in

~~—~~  
41 10

~~— a. Bonds or other evidences of indebtedness~~

~~—~~  
41 11

~~— issued, assumed, or guaranteed by the United States of~~

~~—~~  
41 12

~~— America, or by any agency or instrumentality thereof.~~

~~—~~  
41 13

~~— b. In savings accounts or time deposits in Iowa~~

~~—~~  
41 14

~~— banks approved as depositories by the executive~~

~~—~~  
41 15

~~— council.~~

~~—~~  
41 16

~~— c. In~~

~~— any investments authorized for the Iowa  
41 17 public employees' retirement system in section 97B.7,  
41 18 subsection 2, paragraph "b".~~

41 19 Sec. 84. Section [97A.8](#), subsection 1, paragraph b,  
41 20 Code 1995, is amended to read as follows:

41 21 b. On the basis of the rate of interest and of the  
41 22 mortality, interest, and other tables adopted by the  
41 23 board of trustees, the

~~state commissioner of insurance~~

41 24 board of trustees, upon the advice of the actuary  
41 25 hired by the board for that purpose, shall make each  
41 26 valuation required by this chapter and shall  
41 27 immediately after making such valuation, determine the  
41 28 "normal contribution rate". The normal contribution  
41 29 rate shall be the rate percent of the earnable  
41 30 compensation of all members obtained by deducting from  
41 31 the total liabilities of the fund the sum of the  
41 32 amount of the funds in hand to the credit of the fund  
41 33 and dividing the remainder by one percent of the  
41 34 present value of the prospective future compensation  
41 35 of all members as computed on the basis of the rate of  
41 36 interest and of mortality and service tables adopted  
41 37 by the board of trustees, all reduced by the employee  
41 38 contribution made pursuant to this subsection.  
41 39 However, the normal rate of contribution shall not be  
41 40 less than seventeen percent. The normal rate of  
41 41 contribution shall be determined by the

~~state~~

41 42

~~commissioner of insurance~~

~~board of trustees~~ after each

41 43 valuation.

41 44 Sec. 85. Section [97A.8](#), subsection 1, paragraph c,  
41 45 unnumbered paragraph 3, Code 1995, is amended by  
41 46 striking the unnumbered paragraph.

41 47 Sec. 86. Section [97A.8](#), subsection 1, paragraph f,  
41 48 subparagraph (8), Code 1995, is amended to read as  
41 49 follows:

41 50 (8) Notwithstanding any other provision of this  
42 1 chapter, beginning July 1, 1996, and each fiscal year  
42 2 thereafter,

~~the member's contribution rate shall be~~

42 3

~~equivalent to the member's contribution rate provided~~

42 4

~~under section 411.8, subsection 1, paragraph "f", for~~

42 5

~~the statewide fire and police retirement system for~~

42 6

~~the applicable fiscal year~~

~~an amount equal to the~~

42 7 member's contribution rate times each member's  
42 8 compensation shall be paid to the pension accumulation  
42 9 fund from the earnable compensation of the member.  
42 10 For the purposes of this subparagraph, the member's  
42 11 contribution rate shall be nine and thirty-five  
42 12 hundredths percent. However, the system shall  
42 13 increase the member's contribution rate as necessary

42 14 to cover any increase in cost to the system resulting  
42 15 from statutory changes which are enacted by any  
42 16 session of the general assembly meeting after January  
42 17 1, 1995, if the increase cannot be absorbed within the  
42 18 contribution rates otherwise established pursuant to  
42 19 this paragraph, but subject to a maximum employee  
42 20 contribution rate of eleven and three-tenths percent.  
42 21 After the employee contribution reaches eleven and  
42 22 three-tenths percent, sixty percent of the additional  
42 23 cost of such statutory changes shall be paid by the  
42 24 employer under paragraph "c" and forty percent of the  
42 25 additional cost shall be paid by employees under this  
42 26 paragraph.

42 27 Sec. 87. Section 97A.8, subsection 3, Code 1995,  
42 28 is amended to read as follows:

42 29 3. EXPENSE FUND. The expense fund shall be the  
42 30 fund to which shall be credited all money provided by  
42 31 the state of Iowa to pay the administration expenses  
42 32 of the system and from which shall be paid all the  
42 33 expenses necessary in connection with the  
42 34 administration and operation of the system.  
42 35 Biennially the board of trustees shall estimate the  
42 36 amount of money necessary to be paid into the expense  
42 37 fund during the ensuing biennium to provide for the  
42 38 expense of operation of the system. Investment  
42 39 management expenses shall be charged to the investment  
42 40 income of the system and there is appropriated from  
42 41 the system an amount required for the investment  
42 42 management expenses. The board of trustees shall  
42 43 report the investment management expenses for the  
42 44 fiscal year as a percent of the market value of the  
42 45 system.

42 46 For purposes of this subsection, investment  
42 47 management expenses are limited to the following:

42 48 a. Fees for investment advisors, consultants, and  
42 49 investment management and benefit consultant firms  
42 50 hired by the board of trustees in administering this  
43 1 chapter.

43 2 b. Fees and costs for safekeeping fund assets.

43 3 c. Costs for performance and compliance  
43 4 monitoring, and accounting for fund investments.

43 5 d. Any other costs necessary to prudently invest  
43 6 or protect the assets of the fund.

43 7 Sec. 88. Section 97A.12, Code 1995, is amended to  
43 8 read as follows:

43 9 97A.12 EXEMPTION FROM EXECUTION AND OTHER PROCESS  
43 10 OR ASSIGNMENT.

43 11 The right of any person to a pension, annuity, or  
43 12 retirement allowance, to the return of contributions,  
43 13 the pension, annuity, or retirement allowance itself,  
43 14 any optional benefit or death benefit, any other right  
43 15 accrued or accruing to any person under this chapter,  
43 16 and the moneys in the various funds created under this  
43 17 chapter, are not subject to execution, garnishment,  
43 18 attachment, or any other process whatsoever, and are  
43 19 unassignable except for the purposes of enforcing  
43 20 child, spousal, or medical support obligations or  
43 21 marital property orders, or as

~~in this chapter~~

43 22 otherwise specifically provided in this chapter. For  
43 23 the purposes of enforcing child, spousal, or medical  
43 24 support obligations, the garnishment or attachment of  
43 25 or the execution against compensation due a person  
43 26 under this chapter shall not exceed the amount  
43 27 specified in 15 U.S.C. } 1673(b).

43 28 Sec. 89. NEW SECTION. 97A.17 OPTIONAL TRANSFERS  
43 29 WITH CHAPTER 411.

43 30 1. For purposes of this section unless the context  
43 31 otherwise requires:

43 32 a. "Average accrued benefit" means the average of  
43 33 the amounts representing the present value of the  
43 34 accrued benefit earned by the member determined by the  
43 35 former system and the present value of the accrued  
43 36 benefit earned by the member determined by the current  
43 37 system.

43 38 b. "Current system" means the eligible retirement  
43 39 system in which a person has commenced employment  
43 40 covered by the system after having terminated  
43 41 employment covered by the former system.

43 42 c. "Eligible retirement system" means the system  
43 43 created under this chapter and the statewide fire and  
43 44 police retirement system established in chapter 411.

43 45 d. "Former system" means the eligible retirement  
43 46 system in which a person has terminated employment  
43 47 covered by the system prior to commencing employment  
43 48 covered by the current system.

43 49 2. Commencing July 1, 1996, a vested member of an  
43 50 eligible retirement system who terminates employment  
44 1 covered by one eligible retirement system and, within  
44 2 sixty days, commences employment covered by the other  
44 3 eligible retirement system may elect to transfer the  
44 4 average accrued benefit earned from the former system  
44 5 to the current system. The member shall file an  
44 6 application with the current system for transfer of  
44 7 the average accrued benefit within ninety days of the  
44 8 commencement of employment with the current system.

44 9 3. Notwithstanding subsection 2, a vested member  
44 10 whose employment with the current system commenced  
44 11 prior to July 1, 1996, may elect to transfer the  
44 12 average accrued benefit earned under the former system  
44 13 to the current system by filing an application with  
44 14 the current system for transfer of the average accrued  
44 15 benefit on or before July 1, 1997.

44 16 4. Upon receipt of an application for transfer of  
44 17 the average accrued benefit, the current system shall  
44 18 calculate the average accrued benefit and the former  
44 19 system shall transfer to the current system assets in  
44 20 an amount equal to the average accrued benefit. Once  
44 21 the transfer of the average accrued benefit is  
44 22 completed, the member's service under the former  
44 23 system shall be treated as membership service under  
44 24 the current system for purposes of this chapter and  
44 25 chapter 411.

44 26 DIVISION IV

44 27 STATEWIDE FIRE AND POLICE RETIREMENT SYSTEM

44 28 Sec. 90. Section 400.8, subsection 1, Code 1995,  
44 29 is amended to read as follows:

44 30 1. The commission, when necessary under the rules,  
44 31 including minimum and maximum age limits, which shall  
44 32 be prescribed and published in advance by the  
44 33 commission and posted in the city hall, shall hold  
44 34 examinations for the purpose of determining the  
44 35 qualifications of applicants for positions under civil  
44 36 service, other than promotions, which examinations  
44 37 shall be practical in character and shall relate to  
44 38 matters which will fairly test the mental and physical  
44 39 ability of the applicant to discharge the duties of  
44 40 the position to which the applicant seeks appointment.  
44 41 The physical examination of applicants for appointment  
44 42 to the positions of police officer, police matron, or  
44 43 fire fighter shall be held in accordance with medical  
44 44 protocols established by the board of trustees of the

44 45 fire and police retirement system established by  
44 46 section 411.5. The board of trustees may change the  
44 47 medical protocols at any time the board so determines.  
44 48 The commission shall conduct a medical examination of  
44 49 an applicant for the position of police officer,  
44 50 police matron, or fire fighter after a conditional  
45 1 offer of employment has been made to the applicant.  
45 2 An applicant shall not be discriminated against on the  
45 3 basis of height, weight, sex, or race in determining  
45 4 physical or mental ability of the applicant.  
45 5 Reasonable rules relating to strength, agility, and  
45 6 general health of applicants shall be prescribed. The  
45 7 costs of the physical examination required under this  
45 8 subsection shall be paid from the trust and agency  
45 9 fund of the city.

45 10 Sec. 91. Section [411.5](#), Code 1995, is amended by  
45 11 adding the following new subsection:

45 12 NEW SUBSECTION. 13. VOLUNTARY BENEFIT PROGRAMS.  
45 13 The board of trustees shall be responsible for the  
45 14 administration of the voluntary benefit programs  
45 15 established under section 411.40. The board may take  
45 16 any necessary action, including the adoption of rules,  
45 17 for purposes of administering the programs.

45 18 Sec. 92. Section [411.6](#), subsection 7, paragraph a,  
45 19 unnumbered paragraph 1, Code 1995, is amended to read  
45 20 as follows:

45 21 Should any beneficiary for either ordinary or  
45 22 accidental disability, except a beneficiary who is  
45 23 fifty-five years of age or over and would have  
45 24 completed twenty-two years of service if the  
45 25 beneficiary had remained in active service, be engaged  
45 26 in a gainful occupation paying more than the  
45 27 difference between the member's retirement allowance  
45 28 and one and one-half times the earnable compensation  
45 29 of an active member at the same position on the salary  
45 30 scale within the member's rank as the member held at  
45 31 retirement, then the amount of the member's retirement  
45 32 allowance shall be reduced to an amount which together  
45 33 with the amount earned by the member shall equal one  
45 34 and one-half times the amount of the current earnable  
45 35 compensation of an active member at the same position  
45 36 on the salary scale within the member's rank as the  
45 37 member held at retirement. Should the member's  
45 38 earning capacity be later changed, the amount of the  
45 39 member's retirement allowance may be further modified,  
45 40 provided, that the new retirement allowance shall not  
45 41 exceed the amount of the retirement allowance adjusted  
45 42 by annual readjustments of pensions pursuant to  
45 43 subsection 12 of this section nor an amount which,  
45 44 when added to the amount earned by the beneficiary,  
45 45 equals one and one-half times the amount of the  
45 46 earnable compensation of an active member at the same  
45 47 position on the salary scale within the member's rank  
45 48 as the member held at retirement. A beneficiary  
45 49 restored to active service at a salary less than the  
45 50 average final compensation upon the basis of which the  
46 1 member was retired at age fifty-five or greater, shall  
46 2 not again become a member of the retirement system and  
46 3 shall have the member's retirement allowance suspended  
46 4 while in active service. If the rank or position held  
46 5 by the retired member is subsequently abolished,  
46 6 adjustments to the allowable limit on the amount of  
46 7 income which can be earned in a gainful occupation  
46 8 shall be computed

~~in the same manner as provided in~~

~~subsection 12, paragraph "c", of this section for~~

46 10

~~readjustment of pensions when a rank or position has~~

46 11

~~been abolished~~

~~by the board of trustees as though such~~

46 12 rank or position had not been abolished and salary  
46 13 increases had been granted to such rank or position on  
46 14 the same basis as increases granted to other ranks and  
46 15 positions in the department.

46 16 Sec. 93. Section [411.6](#), subsection 12, paragraphs  
46 17 a through c, Code 1995, are amended by striking the  
46 18 paragraphs and inserting in lieu thereof the  
46 19 following:

46 20 a. On each July 1, the monthly pensions authorized  
46 21 in this section payable to retired members and to  
46 22 beneficiaries shall be adjusted as provided in this  
46 23 subsection. An amount equal to the sum of one and  
46 24 one-half percent of the monthly pension of each  
46 25 retired member and beneficiary and the applicable  
46 26 incremental amount shall be added to the monthly  
46 27 pension of each retired member and beneficiary. The  
46 28 board of trustees shall report to the general assembly  
46 29 every six years, by September 15 of that year,  
46 30 beginning with September 15, 2001, on whether the  
46 31 provisions of this subsection continue to provide an  
46 32 equitable method for the annual readjustment of  
46 33 pensions payable under this chapter.

46 34 b. For purposes of this subsection, "applicable  
46 35 incremental amount" means the following amount for  
46 36 members receiving a pension under subsection 2, 4, or  
46 37 6 and for beneficiaries receiving a pension under  
46 38 subsection 11:

46 39 (1) Fifteen dollars where the member's retirement  
46 40 date was less than five years prior to the effective  
46 41 date of the increase.

46 42 (2) Twenty dollars where the member's retirement  
46 43 date was at least five years, but less than ten years,  
46 44 prior to the effective date of the increase.

46 45 (3) Twenty-five dollars where the member's  
46 46 retirement date was at least ten years, but less than  
46 47 fifteen years, prior to the effective date of the  
46 48 increase.

46 49 (4) Thirty dollars where the member's retirement  
46 50 date was at least fifteen years, but less than twenty  
47 1 years, prior to the effective date of the increase.

47 2 (5) Thirty-five dollars where the member's  
47 3 retirement date was at least twenty years prior to the  
47 4 effective date of the increase.

47 5 c. For beneficiaries receiving a pension under  
47 6 subsection 8 or 9, the applicable incremental amount  
47 7 shall be determined as set forth in paragraph "b",  
47 8 except that the date of the member's death shall be  
47 9 substituted for the member's retirement date.

47 10 Sec. 94. Section [411.6](#), subsection 12, Code 1995,  
47 11 is amended by adding the following new paragraph:

47 12 NEW PARAGRAPH. e. A retired member eligible for  
47 13 benefits under this section and otherwise eligible for  
47 14 the readjustment of benefits provided in this  
47 15 subsection is not eligible for the readjustment unless  
47 16 the member was retired on or before the effective date

47 17 of the readjustment.

47 18 Sec. 95. Section 411.13, Code 1995, is amended to  
47 19 read as follows:

47 20 411.13 EXEMPTION FROM EXECUTION AND OTHER PROCESS,  
47 21 OR ASSIGNMENT - EXCEPTIONS.

47 22 The right of any person to a pension, annuity, or  
47 23 retirement allowance, to the return of contributions,  
47 24 the pension, annuity, or retirement allowance itself,  
47 25 any optional benefit or death benefit, any other right  
47 26 accrued or accruing to any person under this chapter,  
47 27 and the moneys in the fire and police retirement fund  
47 28 created under this chapter, are not subject to  
47 29 execution, garnishment, attachment, or any other  
47 30 process whatsoever, and are unassignable except for  
47 31 the purposes of enforcing child, spousal, or medical  
47 32 support obligations or marital property orders, or as  
47 33

~~in this chapter~~

- otherwise specifically provided in

47 34 this chapter. For the purposes of enforcing child,  
47 35 spousal, or medical support obligations, the  
47 36 garnishment or attachment of or the execution against  
47 37 compensation due a person under this chapter shall not  
47 38 exceed the amount specified in 15 U.S.C. } 1673(b).

47 39 Sec. 96. NEW SECTION. 411.31 OPTIONAL TRANSFERS  
47 40 WITH CHAPTER 97A.

47 41 1. For purposes of this section, unless the  
47 42 context otherwise requires:

47 43 a. "Average accrued benefit" means the average of  
47 44 the amounts representing the present value of the  
47 45 accrued benefit earned by the member determined by the  
47 46 former system and the present value of the accrued  
47 47 benefit earned by the member determined by the current  
47 48 system.

47 49 b. "Current system" means the eligible retirement  
47 50 system in which a person has commenced employment  
48 1 covered by the system after having terminated  
48 2 employment covered by the former system.

48 3 c. "Eligible retirement system" means the system  
48 4 created under this chapter and the Iowa department of  
48 5 public safety peace officers' retirement, accident,  
48 6 and disability system established in chapter 97A.

48 7 d. "Former system" means the eligible retirement  
48 8 system in which a person has terminated employment  
48 9 covered by the system prior to commencing employment  
48 10 covered by the current system.

48 11 2. Commencing July 1, 1996, a vested member of an  
48 12 eligible retirement system who terminates employment  
48 13 covered by one eligible retirement system and, within  
48 14 sixty days, commences employment covered by the other  
48 15 eligible retirement system may elect to transfer the  
48 16 average accrued benefit earned from the former system  
48 17 to the current system. The member shall file an  
48 18 application with the current system for transfer of  
48 19 the average accrued benefit within ninety days of the  
48 20 commencement of employment with the current system.

48 21 3. Notwithstanding subsection 2, a vested member  
48 22 whose employment with the current system commenced  
48 23 prior to July 1, 1996, may elect to transfer the  
48 24 average accrued benefit earned under the former system  
48 25 to the current system by filing an application with  
48 26 the current system for transfer of the average accrued  
48 27 benefit on or before July 1, 1997.

48 28 4. Upon receipt of an application for transfer of  
48 29 the average accrued benefit, the current system shall  
48 30 calculate the average accrued benefit and the former

48 31 system shall transfer to the current system assets in  
48 32 an amount equal to the average accrued benefit. Once  
48 33 the transfer of the average accrued benefit is  
48 34 completed, the member's service under the former  
48 35 system shall be treated as membership service under  
48 36 the current system for purposes of this chapter and  
48 37 chapter 97A.

48 38 Sec. 97. Section [411.37](#), subsection 2, Code 1995,  
48 39 is amended to read as follows:

48 40 2. The board shall include in the transition plan  
48 41 or other transition documents, provisions to  
48 42 facilitate continuity under sections 411.20, 411.21,  
48 43 and 411.30

~~and a recommendation for an equitable~~

48 44

~~process for determining earnable compensation changes~~

48 45

~~when calculating adjustments to pensions under section~~

48 46

~~411.6, subsection 12, to be submitted to the general~~

48 47

~~assembly meeting in 1991~~

48 48 Sec. 98. Section [411.38](#), subsection 1, paragraph  
48 49 b, unnumbered paragraph 1, Code 1995, is amended to  
48 50 read as follows:

49 1 Transfer from each terminated city fire or police  
49 2 retirement system to the statewide system amounts  
49 3 sufficient to cover the accrued liabilities of that  
49 4 terminated system as determined by the actuary of the  
49 5 statewide system. The actuary of the statewide system  
49 6 shall redetermine the accrued liabilities of the  
49 7 terminated systems as necessary to take into account  
49 8 additional amounts payable by the city which are  
49 9 attributable to errors or omissions which occurred  
49 10 prior to January 1, 1992, or to matters pending as of  
49 11 January 1, 1992. If the actuary of the statewide  
49 12 system determines that the assets transferred by a  
49 13 terminated system are insufficient to fully fund the  
49 14 accrued liabilities of the terminated system as  
49 15 determined by the actuary as of January 1, 1992, the  
49 16 participating city shall pay to the statewide system  
49 17 an amount equal to the unfunded liability plus  
49 18 interest for the period beginning January 1, 1992, and  
49 19 ending with the date of payment or the date of entry  
49 20 into an amortization agreement pursuant to this  
49 21 section. Interest on the unfunded liability shall be  
49 22 computed at a rate equal to the greater of the  
49 23 actuarial interest rate assumption on investments of  
49 24 the moneys in the fund or the actual investment  
49 25 earnings of the fund for the applicable calendar year.  
49 26 The participating city may enter into an agreement  
49 27 with the statewide system to make additional annual  
49 28 contributions sufficient to amortize the unfunded  
49 29 accrued liability of the terminated system. The terms  
49 30 of an amortization agreement shall be based upon the  
49 31 recommendation of the actuary of the statewide system,  
49 32 and the agreement shall do each of the following:

49 33 Sec. 99. NEW SECTION. 411.40 VOLUNTARY BENEFIT  
49 34 PROGRAMS.

49 35 The board of trustees may establish voluntary  
49 36 benefit programs for members subject to the following  
49 37 conditions:

49 38 1. The voluntary benefit programs may provide  
49 39 benefits including, but not limited to, retiree health  
49 40 benefits, long-term care, and life insurance.

49 41 2. Participation in the voluntary benefit programs  
49 42 by members shall be voluntary.

49 43 3. Contributions to the voluntary benefit programs  
49 44 shall be paid entirely by each participating member by  
49 45 means of payroll deduction. Cities employing members  
49 46 participating in voluntary benefit programs shall  
49 47 forward the amounts deducted to the board of trustees  
49 48 for deposit in the voluntary benefit fund.

49 49 4. The voluntary benefit programs and the  
49 50 voluntary benefit fund shall be administered under the  
50 1 direction of the board of trustees for the exclusive  
50 2 benefit of members paying contributions as provided in  
50 3 subsection 3.

50 4 5. The assets of the voluntary benefit programs  
50 5 shall be credited to the voluntary benefit fund, which  
50 6 is hereby created. The voluntary benefit fund shall  
50 7 include contributions deposited in accordance with  
50 8 subsection 3, and any interest and earnings on the  
50 9 contributions. The board of trustees shall annually  
50 10 establish an investment policy to govern the  
50 11 investment and reinvestment of the assets in the  
50 12 voluntary benefit fund. The voluntary benefit fund  
50 13 created under this section and the fire and police  
50 14 retirement fund created under section 411.8 shall not  
50 15 be used to subsidize any portion of the liabilities of  
50 16 the other fund.

50 17 6. The board of trustees shall include in its  
50 18 annual budget the amount of money necessary during the  
50 19 following year to provide for the expense of operation  
50 20 of the voluntary benefit programs. The operating  
50 21 expenses shall be paid from the voluntary benefit fund  
50 22 under the direction of the board of trustees.

50 23 DIVISION V  
50 24 JUDICIAL RETIREMENT SYSTEM

50 25 Sec. 100. Section [602.9111](#), Code 1995, is amended  
50 26 to read as follows:

50 27 602.9111 INVESTMENT OF FUND.

50 28 So much of the judicial retirement fund as may not  
50 29 be necessary to be kept on hand for the making of  
50 30 disbursements under this article shall be invested by  
50 31 the treasurer of state in

~~— bonds or other evidences of~~

50 32

~~— indebtedness issued, assumed, or guaranteed by the~~

50 33

~~— United States of America, or by any agency or~~

50 34

~~— instrumentality thereof or in~~  
— any investments

50 35 authorized for the Iowa public employees' retirement  
50 36 system in section 97B.7, subsection 2, paragraph "b",  
50 37 and the earnings therefrom shall be credited to

~~said~~

50 38 the fund. The treasurer of state may execute  
50 39 contracts and agreements with investment advisors,  
50 40 consultants, and investment management and benefit  
50 41 consultant firms in the administration of the judicial  
50 42 retirement fund.

50 43 Investment management expenses shall be charged to  
50 44 the investment income of the fund and there is  
50 45 appropriated from the fund an amount required for the  
50 46 investment management expenses. The court  
50 47 administrator shall report the investment management  
50 48 expenses for the fiscal year as a percent of the  
50 49 market value of the system.

50 50 For purposes of this section, investment management  
51 1 expenses are limited to the following:

51 2 a. Fees for investment advisors, consultants, and  
51 3 investment management and benefit consultant firms  
51 4 hired by the treasurer of state in administering the  
51 5 fund.

51 6 b. Fees and costs for safekeeping fund assets.

51 7 c. Costs for performance and compliance  
51 8 monitoring, and accounting for fund investments.

51 9 d. Any other costs necessary to prudently invest  
51 10 or protect the assets of the fund. The state court  
51 11 administrator and the treasurer of state, and their  
51 12 employees, are not personally liable for claims based  
51 13 upon an act or omission of the person performed in the  
51 14 discharge of the person's duties concerning the  
51 15 judicial retirement fund, except for acts or omissions  
51 16 which involve malicious or wanton misconduct.

51 17 DIVISION IV

51 18 EFFECTIVE AND APPLICABILITY PROVISIONS

51 19 Sec. 101. EFFECTIVE AND RETROACTIVE APPLICABILITY  
51 20 DATES.

51 21 1. The section of this Act which amends section  
51 22 97B.49, subsection 16, by enacting a new paragraph  
51 23 "m", being deemed of immediate importance, takes  
51 24 effect upon enactment and applies retroactively to  
51 25 July 1, 1992.

51 26 2. The section of this Act which amends section  
51 27 411.6, subsection 12, paragraphs "a" through "c",  
51 28 takes effect July 1, 1997."

51 29

51 30

51 31

51 32 COMMITTEE ON STATE GOVERNMENT

51 33 MARTIN of Scott, Chairperson

51 34 SF 2245.315 76

51 35 ec/cf