

Senate Amendment 5828

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 paragraphs "e"
14 4 and "f".

14 5

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

~~14 6~~

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

~~14 7~~

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

~~14 8~~

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

~~14 9~~

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

~~14 10~~

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

~~14 11~~

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

~~14 12~~

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

~~14 13~~

~~retirement benefits can be absorbed within the~~

14 14

~~employer and employee contribution rates in effect~~

14 15

~~under section 97B.11. However, commencing July 1,~~

14 16

~~1994, if the annual actuarial valuation of the~~

14 17

~~retirement system indicates that the employer and~~

14 18

~~employee contribution rates in effect under section~~

14 19

~~97B.11 can absorb an increase in the percentage~~

14 20

~~multiplier in excess of two percent, the department~~

14 21

~~shall increase the percentage multiplier for that year~~

14 22

~~beyond two percent to the extent which the increase~~

14 23

~~can be absorbed by the contribution rates in effect,~~

14 24

~~not to exceed a maximum percentage multiplier of sixty~~

14 25

~~percent. The increase in the percentage multiplier~~

14 26

~~for a year applies only to the members retiring on or~~

14 27

~~after July 1 of the respective year.~~

14 28

~~If the annual actuarial valuation of the retirement~~

14 29

~~system in any year indicates that the full cost of the~~

14 30

~~increase provided under this paragraph cannot be~~

~~14 31~~

~~absorbed within the employer and employee contribution~~

~~14 32~~

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

~~14 33~~

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

~~14 34~~

~~department determines can be so absorbed.~~

14 35 Notwithstanding any other provision of this chapter

14 36 providing for the payment of the benefits provided in

14 37 subsection 16 or 17, the department shall

~~establish~~

14 38 apply the percentage multiplier which applies to

14 39 members covered under subsection 16 or 17 at the same

14 40 level as is established under this subsection for

14 41 other members of the system, including any

14 42 modification in the percentage multiplier as provided

14 43 in paragraphs "e" and "f".

14 44

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

~~14 45~~

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

~~14 46~~

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

~~14 47~~

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

~~14 48~~

~~the employer and employee contributions in effect~~

~~14 49~~

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

~~14 50~~

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

~~15 1~~

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

~~15 2~~

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

~~15 3~~

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

~~15 4~~

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

~~15 5~~

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

~~15 6~~

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

~~15 7~~

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

~~15 8~~

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

~~15 9~~

~~determining the covered wage limitation pursuant to~~

~~15 10~~

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

~~15 11~~

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

~~15 12~~

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

~~15 13~~

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

~~15 14~~

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

~~15 15~~

~~limitation thereafter.~~

~~15 16~~

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

~~15 17~~

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

~~15 18~~

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

~~15 19~~

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

~~15 20~~

~~department shall submit to the public retirement~~

15 21

~~systems committee a plan for future benefit~~

15 22

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

15 23

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

15 24

~~covered wage ceiling until reaching fifty five~~

15 25

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

15 26

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

15 27

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

15 28

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

15 29

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

15 30

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

15 31

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

15 32

~~retirement.~~

15 33 Sec. 32. Section [97B.49](#), subsection 5, Code
15 34 Supplement 1995, is amended by adding the following
15 35 new paragraph:

15 36 NEW PARAGRAPH. e. Notwithstanding any other
15 37 provisions of this section to the contrary, for
15 38 members retiring on or after July 1, 1997, and whose
15 39 three-year average covered wage exceeds fifty-five
15 40 thousand dollars, the monthly benefit shall be
15 41 calculated by multiplying the sum of the following
15 42 amounts by the fractions of years of service for that
15 43 member.

15 44 (1) For the first fifty-five thousand dollars of
15 45 the member's three-year average covered wage, one-
15 46 twelfth of an amount equal to the applicable
15 47 percentage multiplier otherwise provided in this
15 48 subsection multiplied by fifty-five thousand dollars.

15 49 (2) For that portion of a member's three-year
15 50 average covered wage that exceeds fifty-five thousand
16 1 dollars but is less than or equal to sixty-five
16 2 thousand dollars, one-twelfth of an amount equal to
16 3 the applicable percentage multiplier otherwise
16 4 provided in this subsection, reduced by ten percentage
16 5 points, multiplied by that portion.

16 6 (3) For that portion of a member's three-year
16 7 average covered wage that exceeds sixty-five thousand
16 8 dollars but is less than or equal to seventy-five
16 9 thousand dollars, one-twelfth of an amount equal to
16 10 the applicable percentage multiplier otherwise
16 11 provided in this subsection, reduced by fifteen
16 12 percentage points, multiplied by that portion.

16 13 (4) For that portion of a member's three-year
16 14 average covered wage that exceeds seventy-five
16 15 thousand dollars but is less than or equal to eighty-
16 16 five thousand dollars, one-twelfth of an amount equal
16 17 to the applicable percentage multiplier otherwise
16 18 provided in this subsection, reduced by twenty
16 19 percentage points, multiplied by that portion.

16 20 (5) For that portion of a member's three-year
16 21 average covered wage that exceeds eighty-five thousand
16 22 dollars but is less than or equal to ninety-five
16 23 thousand dollars, one-twelfth of an amount equal to
16 24 the applicable percentage multiplier otherwise
16 25 provided in this subsection, reduced by thirty
16 26 percentage points, multiplied by that portion.

16 27 (6) For that portion of a member's three-year
16 28 average covered wage that exceeds ninety-five thousand
16 29 dollars, one-twelfth of an amount equal to the
16 30 applicable percentage multiplier otherwise provided in
16 31 this subsection, reduced by forty percentage points,
16 32 multiplied by that portion.

16 33 The covered wage categories referred to in
16 34 subparagraphs (1) through (6) of this paragraph and
16 35 the fifty-five thousand dollar amount otherwise
16 36 specified in this paragraph shall be increased by the
16 37 department for each fiscal year, beginning July 1,
16 38 1998, by an amount that represents the increase in the
16 39 consumer price index during the previous twelve-month
16 40 period ending on June 30, as published annually in the
16 41 federal register by the federal department of labor,
16 42 bureau of labor statistics.

16 43 Sec. 33. Section [97B.49](#), subsection 5, Code
16 44 Supplement 1995, is amended by adding the following
16 45 new paragraph:

16 46 NEW PARAGRAPH. f. For each active or inactive
16 47 vested member retiring on or after July 1, 1996, the
16 48 percentage multiplier of the three-year average
16 49 covered wage used under subsections 5, 15, 16, and 17
16 50 to calculate the monthly retirement allowance shall be
17 1 increased by one-fourth of one percentage point for
17 2 each additional calendar quarter of membership service
17 3 beyond the applicable years of service, not to exceed
17 4 a total of five additional percentage points. For
17 5 purposes of this paragraph, "the applicable years of
17 6 service" shall be the following, based upon the
17 7 service retirement allowance selected:

17 8 (1) For members receiving a retirement allowance
17 9 for regular service under subsection 5 or 15, or
17 10 receiving a combined retirement allowance under
17 11 subsection 17, the applicable years of service is
17 12 thirty.

17 13 (2) For members receiving a retirement allowance
17 14 for service in a protection occupation under
17 15 subsection 16, paragraph "a", the applicable years of

17 16 service is twenty-five.

17 17 (3) For members receiving a retirement allowance
17 18 for service as a sheriff, deputy sheriff, or airport
17 19 fire fighter under subsection 16, paragraph "b",
17 20 subparagraph (1) or (2), the applicable years of
17 21 service is twenty-two.

17 22 Sec. 34. Section [97B.49](#), subsection 13, Code
17 23 Supplement 1995, is amended to read as follows:

17 24 13. a. A member who retired from the system
17 25 between January 1, 1976, and June 30, 1982, or a
17 26 contingent annuitant or beneficiary of such a member,
17 27 shall receive with the November

~~1994 and the November~~

~~1995~~
17 28

~~1995~~
- 1996 monthly benefit

~~payments~~

- payment a

17 29 retirement dividend equal to

~~one~~

- two hundred

~~eighty~~

~~17 30~~

~~one~~

- twenty-three percent of the monthly benefit

17 31 payment the member received for the preceding June, or
17 32 the most recently received benefit payment, whichever
17 33 is greater. The retirement dividend does not affect
17 34 the amount of a monthly benefit payment.

17 35 b. Each member who retired from the system between
17 36 July 4, 1953, and December 31, 1975, or a contingent
17 37 annuitant or beneficiary of such a member, shall
17 38 receive with the November

~~1994 and the November 1995~~

~~1995~~
17 39 1996 monthly benefit

~~payments~~

- payment a retirement

17 40 dividend equal to two hundred

~~thirty six~~

- ninety-two

17 41 percent of the monthly benefit payment the member
17 42 received for the preceding June, or the most recently
17 43 received benefit payment, whichever is greater. The
17 44 retirement dividend does not affect the amount of a
17 45 monthly benefit payment.

17 46 c. Notwithstanding the determination of the amount
17 47 of a retirement dividend under paragraph "a", "b",
17 48 "d",

~~or~~

- "f", or "g", a retirement dividend shall not
17 49 be less than twenty-five dollars.

17 50 d. A member who retired from the system between
18 1 July 1, 1982, and June 30, 1986, or a contingent
18 2 annuitant or beneficiary of such a member, shall

18 3 receive with the November

~~1994 and the November 1995~~

18 4 1996 monthly benefit

~~payments~~

~~payment~~ a retirement

18 5 dividend equal to

~~forty nine~~

~~seventy-four~~ percent of

18 6 the monthly benefit payment the member received for

18 7 the preceding June, or the most recently received

18 8 benefit payment, whichever is greater. The retirement

18 9 dividend does not affect the amount of a monthly

18 10 benefit payment.

18 11 e. If the member dies on or after July 1 of the

18 12 dividend year but before the payment date, the full

18 13 amount of the retirement dividend for that year shall

18 14 be paid

~~to the designated beneficiary~~

~~to the member's~~

18 15 account, upon notification of the member's death.

~~If~~

18 16

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

18 17

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

18 18

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

18 19

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

18 20

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

18 21

~~dividend is forfeited.~~

18 22 f. A member who retired from the system between

18 23 July 1, 1986, and June 30, 1990, or a contingent

18 24 annuitant or beneficiary of such a member, shall

18 25 receive with the November 1996

~~and the November 1997~~

18 26 monthly benefit

~~payments~~

~~payment~~ a retirement dividend

18 27

~~in an amount determined by the general assembly~~

~~equal~~

18 28 to twenty-four percent of the monthly benefit payment
18 29 the member received for the preceding June, or the
18 30 most recently received benefit payment, whichever is
18 31 greater. The retirement dividend does not affect the
18 32 amount of a monthly benefit payment.

18 33 Sec. 35. Section [97B.49](#), subsection 13, Code
18 34 Supplement 1995, is amended by adding the following
18 35 new paragraph:

18 36 NEW PARAGRAPH. g. Effective July 1, 1997,
18 37 commencing with dividends payable in November 1997,
18 38 and for each subsequent year, all members who retired
18 39 prior to July 1, 1990, shall be eligible for annual
18 40 dividend payments, payable in November of that year,
18 41 pursuant to the requirements of this paragraph. The
18 42 dividend payable in any given year shall be the sum of
18 43 the dollar amount of the dividend payable in the
18 44 previous November and the dividend adjustment.

18 45 The dividend adjustment for a given year shall be
18 46 calculated by multiplying the total of the retiree's
18 47 monthly benefit payments and the dividend payable to
18 48 the retiree in the previous calendar year by the
18 49 applicable percentage as determined by this paragraph.
18 50 The applicable percentage shall be the least of the
19 1 following percentages:

19 2 (1) The percentage representing eighty percent of
19 3 the percentage increase in the consumer price index
19 4 published in the federal register by the federal
19 5 department of labor, bureau of labor statistics, that
19 6 reflects the percentage increase in the consumer price
19 7 index for the twelve-month period ending June 30 of
19 8 the year that the dividend is to be paid.

19 9 (2) The percentage representing the percentage
19 10 amount the actuary has certified, in the annual
19 11 actuarial valuation of the system as of June 30 of the
19 12 year in which the dividend is to be paid, that the
19 13 fund can absorb without requiring an increase in the
19 14 employer and employee contributions to the fund.

19 15 (3) Three percent.

19 16 The dividend determined pursuant to this paragraph
19 17 shall not be used to increase the monthly benefit
19 18 amount payable.

19 19 Sec. 36. Section [97B.49](#), subsection 15, paragraph
19 20 b, Code Supplement 1995, is amended to read as
19 21 follows:

19 22 b. For each active or inactive vested member
19 23 retiring on or after July 1, 1990, and before July 1,
19 24 1996, who is at least fifty-five years of age and for
19 25 which the sum of the number of years of membership
19 26 service and prior service and the member's age in
19 27 years as of the member's last birthday equals or
19 28 exceeds ninety-two, a monthly benefit shall be
19 29 computed which is equal to one-twelfth of the same
19 30 percentage of the three-year average covered wage of
19 31 the member as is provided in subsection 5.

19 32 Sec. 37. Section [97B.49](#), subsection 15, Code
19 33 Supplement 1995, is amended by adding the following
19 34 new paragraphs:

19 35 NEW PARAGRAPH. c. For each active or inactive
19 36 vested member retiring on or after July 1, 1996, and
19 37 before the implementation date provided in paragraph
19 38 "d", subparagraph (2), who is at least fifty-five
19 39 years of age and for which the sum of the number of
19 40 years of membership service and prior service and the
19 41 member's age in years as of the member's last birthday
19 42 equals or exceeds ninety, a monthly benefit shall be
19 43 computed which is equal to one-twelfth of the same
19 44 percentage of the three-year average covered wage of

19 45 the member as is provided in subsection 5, multiplied
19 46 by a fraction of years of service as is provided in
19 47 subsection 5.

19 48 NEW PARAGRAPH. d. (1) For each active or
19 49 inactive vested member retiring on or after the
19 50 implementation date provided in subparagraph (2), who
20 1 is at least fifty-five years of age and for which the
20 2 sum of the number of years of membership service and
20 3 prior service and the member's age in years as of the
20 4 member's last birthday equals or exceeds eighty-eight,
20 5 a monthly benefit shall be computed which is equal to
20 6 one-twelfth of the same percentage of the three-year
20 7 average covered wage of the member as is provided in
20 8 subsection 5, multiplied by a fraction of years of
20 9 service as is provided in subsection 5.

20 10 (2) The department shall implement this paragraph
20 11 on July 1, 1997, or on the date that the department
20 12 determines that the most recent annual actuarial
20 13 valuation of the system indicates that the employer
20 14 and employee contribution rates in effect under
20 15 section 97B.11 can absorb the costs of this paragraph,
20 16 whichever is later. However, until this paragraph is
20 17 implemented, the department shall not pay a dividend
20 18 adjustment pursuant to subsection 13, paragraph "g".

20 19 Sec. 38. Section 97B.49, subsection 16, paragraph
20 20 e, Code Supplement 1995, is amended to read as
20 21 follows:

20 22 e. Annually, the department of personnel shall
20 23 actuarially determine the cost of the additional
20 24 benefits provided for members covered under paragraph
20 25 "a" and the cost of the additional benefits provided
20 26 for members covered under paragraph "b" as percents of
20 27 the covered wages of the employees covered by this
20 28 subsection. Sixty percent of the cost shall be paid
20 29 by the employers of employees covered under this
20 30 subsection and forty percent of the cost shall be paid
20 31 by the employees. The employer and employee
20 32 contributions required under this paragraph are in
20 33 addition to the contributions paid under

~~section~~

20 34 sections 97B.11 and 97B.11A.

20 35 Sec. 39. Section 97B.49, subsection 16, Code
20 36 Supplement 1995, is amended by adding the following
20 37 new paragraph:

20 38 NEW PARAGRAPH. m. For the fiscal year commencing
20 39 July 1, 1992, and each succeeding fiscal year, the
20 40 department of public safety shall pay to the
20 41 department of personnel from funds appropriated to the
20 42 department of public safety, the amount necessary to
20 43 pay the employer share of the cost of the additional
20 44 benefits provided to a fire prevention inspector peace
20 45 officer pursuant to paragraph "d", subparagraph (8).

20 46 Sec. 40. Section 97B.49, Code Supplement 1995, is
20 47 amended by adding the following new subsection:

20 48 NEW SUBSECTION. 17. a. An active or inactive
20 49 vested member, who is or has been employed in both
20 50 special service and regular service, who retires on or
21 1 after July 1, 1996, with four or more completed years
21 2 of service and at the time of retirement is at least
21 3 fifty-five years of age, may elect to receive, in lieu
21 4 of the receipt of any other benefits under this
21 5 section, a combined monthly retirement allowance equal
21 6 to the sum of the following:

21 7 (1) One-twelfth of an amount equal to the
21 8 applicable percentage multiplier established in

21 9 subsection 5 of the member's three-year average
21 10 covered wage multiplied by a fraction of years of
21 11 service. The fraction of years of service for
21 12 purposes of this subparagraph shall be the actual
21 13 years of service, not to exceed twenty-two, earned in
21 14 a position described in subsection 16, paragraph "b",
21 15 for which special service contributions were made,
21 16 divided by twenty-two.

21 17 (2) One-twelfth of an amount equal to the
21 18 applicable percentage multiplier established in
21 19 subsection 5 of the member's three-year average
21 20 covered wage multiplied by a fraction of years of
21 21 service. The fraction of years of service for
21 22 purposes of this subparagraph shall be the actual
21 23 years of service, not to exceed twenty-five, earned in
21 24 a position described in subsection 16, paragraph "a",
21 25 for which special service contributions were made,
21 26 divided by twenty-five.

21 27 (3) One-twelfth of an amount equal to the
21 28 applicable percentage multiplier established in
21 29 subsection 5 of the member's three-year average
21 30 covered wage multiplied by a fraction of years of
21 31 service. The fraction of years of service for
21 32 purposes of this subparagraph shall be the actual
21 33 years of service, not to exceed thirty, for which
21 34 regular service contributions were made, divided by
21 35 thirty. However, any otherwise applicable age
21 36 reduction for early retirement shall apply to the
21 37 calculation under this subparagraph.

21 38 In calculating the fractions of years of service
21 39 under subparagraphs (1) and (2), a member shall not
21 40 receive special service credit for years of service
21 41 for which the member and the member's employer did not
21 42 make the required special service contributions to the
21 43 department.

21 44 b. In calculating the combined monthly retirement
21 45 allowance pursuant to paragraph "a", the sum of the
21 46 fraction of years of service provided in paragraph
21 47 "a", subparagraphs (1), (2), and (3), shall not exceed
21 48 one. If the sum of the fractions of years of service
21 49 would exceed one, the department shall deduct years of
21 50 service first from the calculation under paragraph
22 1 "a", subparagraph (3), and then from the calculation
22 2 under paragraph "a", subparagraph (2), if necessary,
22 3 so that the sum of the fractions of years of service
22 4 shall equal one.

22 5 c. (1) In calculating the combined monthly
22 6 retirement allowance pursuant to paragraph "a", for
22 7 members retiring on or after July 1, 1997, whose
22 8 three-year average covered wage exceeds fifty-five
22 9 thousand dollars, each calculation under paragraph
22 10 "a", subparagraphs (1), (2), and (3) of this
22 11 subsection shall be subject to reduction, calculated
22 12 in the manner provided in subsection 5, paragraph "e".

22 13 (2) In calculating the combined monthly retirement
22 14 allowance pursuant to paragraph "a", and in
22 15 determining the applicable percentage multiplier
22 16 established in subsection 5, the member shall be
22 17 entitled to an addition in the percentage multiplier
22 18 in accordance with subsection 5, paragraph "f", only
22 19 for those years of service in excess of thirty years.
22 20 Any addition in the percentage multiplier shall be
22 21 included in the calculations required under paragraph
22 22 "a", subparagraphs (1), (2), and (3) of this
22 23 subsection.

22 24 Sec. 41. Section [97B.50](#), subsection 2, Code 1995,
22 25 is amended to read as follows:

22 26 2. a. A vested member who retires from the system
22 27 due to disability and commences receiving disability
22 28 benefits pursuant to the federal Social Security Act,
22 29 42 U.S.C. } 423 et seq., and who has not reached the
22 30 normal retirement date, shall receive benefits under
22 31 section 97B.49 and shall not have benefits reduced
22 32 upon retirement as required under subsection 1
22 33 regardless of whether the member has completed thirty
22 34 or more years of membership service. However, the
22 35 benefits shall be suspended during any period in which
22 36 the member returns to covered employment. This
22 37 section takes effect July 1, 1990, for a member
22 38 meeting the requirements of this paragraph who retired
22 39 from the system at any time after July 4, 1953.
22 40 Eligible members are entitled to the receipt of
22 41 retroactive adjustment payments back to July 1, 1990,
22 42 notwithstanding the requirements of subsection 4.

22 43 b. A vested member who retires from the system due
22 44 to disability and commences receiving disability
22 45 benefits pursuant to the federal Railroad Retirement
22 46 Act, 45 U.S.C. } 231 et seq., and who has not reached
22 47 the normal retirement date, shall receive benefits
22 48 under section 97B.49 and shall not have benefits
22 49 reduced upon retirement as required under subsection 1
22 50 regardless of whether the member has completed thirty
23 1 or more years of membership service. However, the
23 2 benefits shall be suspended during any period in which
23 3 the member returns to covered employment. This
23 4 section takes effect July 1, 1990, for a member
23 5 meeting the requirements of this paragraph who retired
23 6 from the system at any time since July 4, 1953.
23 7 Eligible members are entitled to the receipt of
23 8 retroactive adjustment payments back to July 1, 1990,
23 9 notwithstanding the requirements of subsection 4.

23 10 Sec. 42. Section 97B.51, subsection 3, Code
23 11 Supplement 1995, is amended to read as follows:

23 12 3. A member who had elected to take the option
23 13 stated in subsection 1 of this section may, at any
23 14 time prior to retirement, revoke such an election by
23 15 written notice to the department. A member shall not
23 16 change or revoke an election once the first retirement
23 17 allowance is paid.

23 18 Sec. 43. Section 97B.51, subsection 5, Code
23 19 Supplement 1995, is amended to read as follows:

23 20 5. At retirement, a member may designate that upon
23 21 the member's death, a specified amount of money shall
23 22 be paid to a named beneficiary, and the member's
23 23 monthly retirement allowance shall be reduced by an
23 24 actuarially determined amount to provide for the lump
23 25 sum payment. The amount designated by the member must
23 26 be in thousand dollar increments

~~and the~~
~~and shall be~~

23 27 limited to the amount of the member's accumulated
23 28 contributions. The amount designated shall not lower
23 29 the monthly retirement allowance of the member by more
23 30 than one-half the amount payable under section 97B.49,
23 31 subsection 1 or 5. A member may designate a different
23 32 beneficiary if the original named beneficiary
23 33 predeceases the member.

23 34 Sec. 44. Section 97B.51, subsection 6, Code
23 35 Supplement 1995, is amended to read as follows:

23 36 6. A member may elect to receive a decreased
23 37 retirement allowance during the member's lifetime with
23 38 provision that in event of the member's death during
23 39 the first one hundred twenty months of retirement,

23 40 monthly payments of the member's decreased retirement
23 41 allowance shall be made to the member's beneficiary
23 42 until a combined total of one hundred twenty monthly
23 43 payments have been made to the member and the member's
23 44 beneficiary. When the member designates multiple
23 45 beneficiaries, the present value of the remaining
23 46 payments shall be paid in a lump sum to each
23 47 beneficiary, either in equal shares to the
23 48 beneficiaries, or if the member specifies otherwise in
23 49 a written request, in the specified proportion. A
23 50 member may designate a different beneficiary if the
24 1 original named beneficiary predeceases the member.
24 2 Sec. 45. Section [97B.52](#), subsection 1, Code
24 3 Supplement 1995, is amended to read as follows:
24 4 1. If a member dies prior to the member's first
24 5 month of entitlement, the accumulated contributions of
24 6 the member at the date of death plus the product of an
24 7 amount equal to the highest year of covered wages of
24 8 the deceased member and the number of years of
24 9 membership service divided by

~~thirty~~

- the applicable

24 10 denominator shall be paid to the member's beneficiary
24 11 in a lump sum payment. However, a lump sum payment
24 12 made to a beneficiary under this subsection due to the
24 13 death of a member shall not be less than the amount
24 14 that would have been payable on the death of the
24 15 member on June 30, 1984, under this subsection as it
24 16 appeared in the 1983 Code.

24 17 As used in this subsection, "applicable
24 18 denominator" means the following, based upon the type
24 19 of membership service in which the member served
24 20 either on the date of death, or if the member died
24 21 after terminating service, on the date of the member's
24 22 last termination of service:

24 23 a. For regular service, the applicable denominator
24 24 is thirty.

24 25 b. For service in a protection occupation, as
24 26 defined in section 97B.49, subsection 16, paragraph
24 27 "d", the applicable denominator is twenty-five.

24 28 c. For service as a sheriff, deputy sheriff, or
24 29 airport fire fighter, as provided in section 97B.49,
24 30 subsection 16, paragraph "b", the applicable
24 31 denominator is twenty-two.

24 32 Effective July 1, 1978, a method of payment under
24 33 this subsection filed with the department by a member
24 34 does not apply.

24 35 Sec. 46. Section [97B.52](#), subsection 3, paragraph
24 36 b, Code Supplement 1995, is amended to read as
24 37 follows:

24 38 b. If a death benefit is due and payable, interest
24 39 shall continue to accumulate through the month
24 40 preceding the month in which payment is made to the
24 41 designated beneficiary, heirs at law, or the estate
24 42 unless the payment of the death benefit is delayed
24 43 because of a dispute between alleged heirs, in which
24 44 case the benefit due and payable shall be placed in a
24 45 noninterest bearing escrow account until the
24 46 beneficiary is determined in accordance with this
24 47 section. In order to receive the death benefit, the
24 48 beneficiary, heirs at law, or the estate, or any other
24 49 third-party payee, must apply to the department within
24 50

~~two~~

- five years of the member's death.

25 1 The department shall reinstate a designated
25 2 beneficiary's right to receive a death benefit beyond
25 3 the five-year limitation if the designated beneficiary
25 4 was the member's spouse at the time of the member's
25 5 death and the distribution is required or permitted
25 6 pursuant to Internal Revenue Code section 401(a)(9)
25 7 and the applicable treasury regulations.

25 8 Sec. 47. Section 97B.52, subsection 5, Code
25 9 Supplement 1995, is amended to read as follows:

25 10 5. Following written notification to the
25 11 department, a beneficiary of a deceased member may
25 12 waive current and future rights to payments to which
25 13 the beneficiary would otherwise be entitled under
25 14 sections 97B.51 and this section. Upon receipt of the
25 15 waiver, the department shall pay

~~to the estate of the~~

25 16

~~deceased member~~

~~the amount designated to be received~~

25 17 by

~~the~~

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

25 18 surviving beneficiary or beneficiaries or to the
25 19 estate of the deceased member, as elected by the
25 20 beneficiary in the waiver. If the payments being
25 21 waived are payable to the member's estate and an
25 22 estate is not probated, the payments shall be paid to
25 23 the deceased member's surviving spouse, or if there is
25 24 no surviving spouse, to the member's heirs other than
25 25 the beneficiary who waived the payments.

25 26 Sec. 48. Section 97B.52A, Code Supplement 1995, is
25 27 amended by adding the following new subsection:

25 28 NEW SUBSECTION. 3. A member who terminates
25 29 covered employment but maintains an employment
25 30 relationship with an employer that made contributions
25 31 to the system on the member's behalf does not have a
25 32 bona fide retirement until all employment, including
25 33 employment which is not covered by this chapter, with
25 34 such employer is terminated for at least thirty days.
25 35 In order to receive retirement benefits, the member
25 36 must file a completed application for benefits form
25 37 with the department before returning to any employment
25 38 with the same employer.

25 39 Sec. 49. Section 97B.53, subsection 3, Code
25 40 Supplement 1995, is amended to read as follows:

25 41 3. The accumulated contributions of a terminated,
25 42 vested member shall be credited with interest,
25 43 including interest dividends, in the manner provided
25 44 in section 97B.70. Interest and interest dividends
25 45 shall be credited to the accumulated contributions of
25 46 members who terminate service and subsequently become
25 47 vested in accordance with section 97B.70.

~~However,~~

25 48

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

25 49

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

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

26 1

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

26 2

~~department determines that the most recent annual~~

26 3

~~actuarial valuation of the retirement system indicates~~

26 4

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

26 5

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

26 6

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

26 7

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

26 8

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

26 9

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

26 10

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

26 11

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

26 12

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

26 13

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

26 14

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

26 15

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

26 16 Sec. 50. Section [97B.53B](#), subsection 1, paragraph
26 17 c, subparagraph (4), Code 1995, is amended to read as
26 18 follows:

~~A distribution~~

~~Annual distributions~~ of less

26 20 than two hundred dollars of taxable income.

26 21 Sec. 51. Section [97B.66](#), unnumbered paragraph 1,
26 22 Code Supplement 1995, is amended to read as follows:

26 23 A vested or retired member who was a member of the
26 24 teachers insurance and annuity association-college
26 25 retirement equity fund at any time between July 1,
26 26 1967 and June 30, 1971 and who became a member of the
26 27 system on July 1, 1971, upon submitting verification
26 28 of service and wages earned during the applicable
26 29 period of service under the teachers insurance and
26 30 annuity association-college retirement equity fund,
26 31 may make employer and employee contributions to the
26 32 system based upon the covered wages of the member and
26 33 the covered wages and the contribution rates in effect
26 34 for all or a portion of that period of service and
26 35 receive credit for membership service under this
26 36 system equivalent to the applicable period of
26 37 membership service in the teachers insurance and
26 38 annuity association-college retirement equity fund for
26 39 which the contributions have been made. In addition,
26 40 a member making employer and employee contributions
26 41 because of membership in the teachers insurance and
26 42 annuity association-college retirement equity fund
26 43 under this section who was a member of the system on
26 44 June 30, 1967 and withdrew the member's accumulated
26 45 contributions because of membership on July 1, 1967 in
26 46 the teachers insurance and annuity association-college
26 47 retirement equity fund, may make employee
26 48 contributions to the system for all or a portion of
26 49 the period of service under the system prior to July
26 50 1, 1967. A member making contributions pursuant to
27 1 this section may make the contributions either for the
27 2 entire applicable period of service, or

~~, effective~~

27 3

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

27 4

~~amendments to this paragraph and unnumbered paragraph~~

27 5

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

27 6

~~implemented,~~

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

27 7 and if contributions are made for portions of the
27 8 period of service, the contributions shall be in
27 9 increments of one or more

~~years, as long as the~~

27 10

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

27 11

~~year~~
~~calendar quarters.~~

~~However, the department shall~~

27 12

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

27 13

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

27 14

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

27 15

~~determines that the most recent annual actuarial~~

27 16

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

27 17

~~employer and employee contribution rates in effect~~

27 18

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

27 19

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

27 20

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

27 21

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

27 22

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

27 23

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

27 24

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

27 25

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

27 26

~~amendments are implemented, the department shall~~

27 27

~~continue to implement the provisions of section~~

~~27 28~~

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

~~27 29~~

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

~~27 30~~

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

~~27 31~~

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

~~27 32~~

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

~~27 33~~

~~the department has increased the covered wage~~

~~27 34~~

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

~~27 35~~

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

~~27 36~~

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

27 37 Sec. 52. Section [97B.66](#), unnumbered paragraph 2,

27 38 Code Supplement 1995, is amended to read as follows:

27 39 The contributions paid by the vested or retired

27 40 member shall be equal to the accumulated contributions

27 41 as defined in section 97B.41, subsection 2, by the

27 42 member for the applicable period of service, and the

27 43 employer contribution for the applicable period of

27 44 service under the teachers insurance and annuity

27 45 association-college retirement equity fund, that would

27 46 have been or had been contributed by the vested or

27 47 retired member and the employer, if applicable, plus

27 48 interest on the contributions that would have accrued

27 49 for the applicable period from the date the previous

27 50 applicable period of service commenced under this

28 1 system or from the date the service of the member in

28 2 the teachers insurance and annuity association-college

28 3 retirement equity fund commenced to the date of

28 4 payment of the contributions by the member

~~equal to~~

~~28 5~~

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

~~28 6~~

~~for each year~~

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

28 7 Sec. 53. Section [97B.66](#), unnumbered paragraph 3,
28 8 Code Supplement 1995, is amended to read as follows:
28 9 However,

~~effective January 1, 1994,~~

~~the department~~

28 10 shall ensure that the member, in exercising an option
28 11 provided in this section, does not exceed the amount
28 12 of annual additions to a member's account permitted
28 13 pursuant to section 415 of the federal Internal
28 14 Revenue Code.

28 15 Sec. 54. Section [97B.68](#), subsection 1, Code 1995,
28 16 is amended to read as follows:

28 17 1. Effective July 1,

~~1988~~

~~1996, a person who is a~~

28 18 member of the federal civil service retirement program
28 19 or the federal employee's retirement system is not
28 20 eligible for membership in the Iowa public employees'
28 21 retirement system for the same position, and this
28 22 chapter does not apply to that employee. An employee
28 23 whose membership in the federal civil service
28 24 retirement program or the federal employee's
28 25 retirement system is subsequently terminated shall
28 26 immediately notify the employee's employer and the
28 27 department of personnel of that fact, and the employee
28 28 shall become subject to this chapter on the date the
28 29 notification is received by the department.

28 30 Sec. 55. Section [97B.68](#), Code 1995, is amended by
28 31 adding the following new subsection:

28 32 NEW SUBSECTION. 3. Effective July 1, 1996, an
28 33 employee who participates in the federal civil service
28 34 retirement program or the federal employee's
28 35 retirement system may be covered under this chapter if
28 36 otherwise eligible. The employee shall not be covered
28 37 under this chapter, however, unless the employee is
28 38 not credited for service in the federal civil service
28 39 retirement system or the federal employee's retirement
28 40 system for the position to be covered under this
28 41 chapter. This subsection shall not be construed to
28 42 permit any employer to contribute on behalf of an
28 43 employee for the same position and the same period of
28 44 service to both the Iowa public employees' retirement
28 45 system and either the federal civil service retirement
28 46 program or the federal employee's retirement system.

28 47 Sec. 56. Section [97B.70](#), Code Supplement 1995, is
28 48 amended to read as follows:

28 49 97B.70 INTEREST AND DIVIDENDS TO MEMBERS.

28 50 1.

~~Interest~~

~~For calendar years prior to January 1,~~

29 1 1997, interest at two percent per annum and interest
29 2 dividends declared by the department shall be credited
29 3 to the member's contributions and the employer's
29 4 contributions to become part of the accumulated
29 5 contributions thereby.

29 6

~~1.~~

~~a.~~ The average rate of interest earned shall be

29 7 determined upon the following basis:

29 8

~~a.~~

- (1) Investment income shall include interest
29 9 and cash dividends on stock.
29 10

~~b.~~
- (2) Investment income shall be accounted for on
29 11 an accrual basis.
29 12

~~c.~~
- (3) Capital gains and losses, realized or
29 13 unrealized, shall not be included in investment
29 14 income.
29 15

~~d.~~
- (4) Mean assets shall include fixed income
29 16 investments valued at cost or on an amortized basis,
29 17 and common stocks at market values or cost, whichever
29 18 is lower.
29 19

~~e.~~
- (5) The average rate of earned interest shall
29 20 be the quotient of the investment income and the mean
29 21 assets of the retirement fund.
29 22

~~2.~~
- b. The interest dividend shall be determined
29 23 within sixty days after the end of each calendar year
29 24 as follows:
29 25 The dividend rate for a calendar year shall be the
29 26 excess of the average rate of interest earned for the
29 27 year over the statutory two percent rate plus twenty-
29 28 five hundredths of one percent. The average rate of
29 29 interest earned and the interest dividend rate in
29 30 percent shall be calculated to the nearest one
29 31 hundredth, that is, to two decimal places. Interest
29 32 and interest dividends calculated pursuant to this
29 33 subsection shall be compounded annually.
29 34 2. For calendar years beginning January 1, 1997, a
29 35 per annum interest rate at one percent above the
29 36 interest rate on one-year certificates of deposit
29 37 shall be credited to the member's contributions and
29 38 the employer's contributions to become part of the
29 39 accumulated contributions. For purposes of this
29 40 subsection, the interest rate on one-year certificates
29 41 of deposit shall be determined by the department based
29 42 on the average rate for such certificates of deposit
29 43 as of the first business day of each year as published
29 44 in a publication of general acceptance in the business
29 45 community. The per annum interest rate shall be
29 46 credited on a quarterly basis by applying one-quarter
29 47 of the annual interest rate to the sum of the
29 48 accumulated contributions as of the end of the
29 49 previous calendar quarter.
29 50 3. Interest and interest dividends shall be
30 1 credited to the contributions of active members and
30 2 inactive vested members until the first of the month
30 3 coinciding with or next following the member's
30 4 retirement date.
30 5 4.

~~Effective upon the date that the department~~

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

30 7

~~interest~~

- Interest and interest dividends shall be

30 8 credited to the contributions of a person who leaves
30 9 the contributions in the retirement fund upon
30 10 termination from covered employment prior to achieving
30 11 vested status, but who subsequently achieves vested
30 12 status. The interest and interest dividends shall be
30 13 credited to the contributions commencing

~~either~~

- upon

30 14

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

30 15

~~subsection shall be implemented, or~~

- the date on which

30 16 the person becomes a vested member

~~, whichever is~~

30 17

~~later~~

- Interest and interest dividends shall cease

30 18 upon the first of the month coinciding with or next
30 19 following the person's retirement date. If the
30 20 department no longer maintains the accumulated
30 21 contribution account of the person pursuant to section
30 22 97B.53, but the person submits satisfactory proof to
30 23 the department that the person did make the
30 24 contributions, the department shall credit interest
30 25 and interest dividends in the manner provided in this
30 26 subsection.

~~However, the department shall not~~

30 27

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

30 28

~~department determines that the most recent annual~~

30 29

~~actuarial valuation of the retirement system indicates~~

30 30

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

30 31

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

30 32

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

30 33

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

30 34

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

30 35

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

30 36

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

30 37

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

30 38

~~subsection 12.~~

30 39 Sec. 57. Section [97B.72](#), unnumbered paragraphs 1
30 40 and 2, Code Supplement 1995, are amended to read as
30 41 follows:

30 42 Persons who are members of the Seventy-first
30 43 General Assembly or a succeeding general assembly who
30 44 submit proof to the department of membership in the
30 45 general assembly during any period beginning July 4,
30 46 1953, may make contributions to the system for all or
30 47 a portion of the period of service in the general
30 48 assembly, and receive credit for the applicable period
30 49 for which contributions are made. The contributions
30 50 made by the member shall be equal to the accumulated
31 1 contributions as defined in section 97B.41, subsection
31 2 2, which would have been made if the member of the
31 3 general assembly had been a member of the system
31 4 during the applicable period. The proof of membership
31 5 in the general assembly and payment of accumulated
31 6 contributions shall be transmitted to the department.
31 7 A member making contributions pursuant to this section
31 8 may make the contributions either for the entire
31 9 applicable period of service, or

~~, effective upon the~~

31 10

~~date that the department determines that the~~

31 11

~~amendments to this paragraph and unnumbered paragraph~~

31 12

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

31 13

~~implemented,~~

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

31 14 and if contributions are made for portions of the
31 15 period of service, the contributions shall be in

31 16 increments of one or more

~~years, as long as the~~

31 17

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

31 18

~~year~~

~~calendar quarters.~~

~~However, the department shall~~

31 19

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

31 20

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

31 21

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

31 22

~~determines that the most recent annual actuarial~~

31 23

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

31 24

~~employer and employee contribution rates in effect~~

31 25

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

31 26

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

31 27

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

31 28

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

31 29

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

31 30

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

31 31

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

31 32

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

31 33

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

31 34

~~the department shall continue to implement the~~

31 35

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

31 36

~~and 2, Code Supplement 1993.~~

31 37 There is appropriated from moneys available to the
31 38 general assembly under section 2.12 an amount
31 39 sufficient to pay the contributions of the employer
31 40 based on the period of service for which the members
31 41 have paid accumulated contributions in an amount equal
31 42 to the contributions which would have been made if the
31 43 members of the general assembly who made employee
31 44 contributions had been members of the system during
31 45 the applicable period of service in the general
31 46 assembly plus

~~two percent~~

~~interest~~

~~plus~~

~~and interest~~

31 47 dividends at the rate provided in section 97B.70 for
31 48 all completed calendar years, and for any completed
31 49 calendar year for which the interest dividend has not
31 50 been declared and for completed months of partially
32 1 completed calendar years

~~at two percent interest plus~~

32 2

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

32 3

~~year~~

~~, compounded~~

~~annually, from the end of the~~

32 4

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

32 5

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

~~as provided in~~

32 6 section 97B.70.

32 7 Sec. 58. Section 97B.72, unnumbered paragraph 3,
32 8 Code Supplement 1995, is amended to read as follows:

32 9 However,

~~effective January 1, 1994,~~

~~the department~~

32 10 shall ensure that the member, in exercising an option
32 11 provided in this section, does not exceed the amount
32 12 of annual additions to a member's account permitted
32 13 pursuant to section 415 of the federal Internal
32 14 Revenue Code.

32 15 Sec. 59. Section [97B.72A](#), subsection 1, Code
32 16 Supplement 1995, is amended to read as follows:
32 17 1.

~~An active or~~

~~A vested or retired~~ member of the

32 18 system who was a member of the general assembly prior
32 19 to July 1, 1988, may make contributions to the system
32 20 for all or a portion of the period of service in the
32 21 general assembly. The contributions made by the
32 22 member shall be equal to the accumulated contributions
32 23 as defined in section 97B.41, subsection 2, which
32 24 would have been made if the member of the general
32 25 assembly had been a member of the system during the
32 26 applicable period of service in the general assembly.
32 27 A member making contributions pursuant to this section
32 28 may make the contributions either for the entire
32 29 applicable period of service, or for portions of the
32 30 period of service, and

~~, effective upon the date that~~

32 31

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

32 32

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

32 33

~~shall be implemented,~~

~~if contributions are made for~~

32 34 portions of the period of service, the contributions
32 35 shall be in increments of one or more

~~years, as long~~

32 36

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

32 37

~~portion of a year~~

~~calendar quarters.~~ The member of

32 38 the system shall submit proof to the department of
32 39 membership in the general assembly. The department
32 40 shall credit the member with the period of membership
32 41 service for which contributions are made.

~~However,~~

32 42

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

32 43

~~this paragraph, as enacted in 1994 Iowa Acts, chapter
32 44
1183, unless and until the department determines that
32 45
the most recent annual actuarial valuation of the
32 46
retirement system indicates that the employer and
32 47
employee contribution rates in effect under section
32 48
97B.11 can absorb the amendments to this paragraph and
32 49
to section 97B.66, unnumbered paragraphs 1 and 2,
32 50
section 97B.72, unnumbered paragraphs 1 and 2, section
33 1
97B.73A, unnumbered paragraph 1, and section 97B.74,
33 2
unnumbered paragraphs 1 and 2, contained in 1994 Iowa
33 3
Acts, chapter 1183, after meeting the other
33 4
established priority of the system, as defined in
33 5
section 97B.66. Until the amendments are implemented,
33 6
the department shall continue to implement the
33 7
provisions of section 97B.72A, subsection 1,
33 8
unnumbered paragraph 1, Code Supplement 1993.~~

33 9 There is appropriated from the general fund of the
33 10 state to the department an amount sufficient to pay
33 11 the contributions of the employer based on the period
33 12 of service of members of the general assembly for

33 13 which the member paid accumulated contributions under
33 14 this section. The amount appropriated is equal to the
33 15 employer contributions which would have been made if
33 16 the members of the system who made employee
33 17 contributions had been members of the system during
33 18 the period for which they made employee contributions
33 19 plus

~~two percent~~
- interest

~~plus the interest dividend~~

33 20

~~rate applicable~~
- at the rate provided in section 97B.70
33 21 for each year compounded

~~annually~~
- as provided in
33 22 section 97B.70.

33 23 Sec. 60. Section [97B.72A](#), subsection 2, Code
33 24 Supplement 1995, is amended to read as follows:
33 25 2.

~~Effective January 1, 1994, however~~
- However, the

33 26 department shall ensure that the member, in exercising
33 27 an option provided in this section, does not exceed
33 28 the amount of annual additions to a member's account
33 29 permitted pursuant to section 415 of the federal
33 30 Internal Revenue Code.

33 31 Sec. 61. Section [97B.73](#), unnumbered paragraph 1,
33 32 Code 1995, is amended to read as follows:

33 33 A vested or retired member who was in public
33 34 employment comparable to employment covered under this
33 35 chapter in another state or in the federal government,
33 36 or who was a member of another public retirement
33 37 system in this state, including but not limited to the
33 38 teachers insurance annuity association-college
33 39 retirement equities fund, but who was not retired
33 40 under that system, upon submitting verification of
33 41 membership and service in the other public system to
33 42 the department, including proof that the member has no
33 43 further claim upon a retirement benefit from that
33 44 other public system, may make employer and employee
33 45 contributions to the system either for the entire
33 46 period of service in the other public system, or for
33 47 partial service in the other public system in
33 48 increments of one or more

~~years, as long as the~~

33 49

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

33 50

~~year~~
- calendar quarters.

~~The member may also make one~~

34 1

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

34 2

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

34 3

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

34 4

~~includes a portion of a year.~~

- If the member wishes to

34 5 transfer only a portion of the service value of
34 6 another public system to this system and the other
34 7 public system allows a partial withdrawal of a
34 8 member's system credits, the member shall receive
34 9 credit for membership service in this system
34 10 equivalent to the

~~number of years~~

- period of service

34 11 transferred from the other public system. The
34 12 contribution payable shall be based upon the member's
34 13 covered wages for the most recent full calendar year
34 14 at the applicable rates in effect for that calendar
34 15 year under sections 97B.11 and 97B.49 and multiplied
34 16 by the member's years of service in other public
34 17 employment. If the member's most recent covered wages
34 18 were earned prior to the most recent calendar year,
34 19 the member's covered wages shall be adjusted by the
34 20 department by an inflation factor to reflect changes
34 21 in the economy since the covered wages were earned.
34 22 Sec. 62. Section [97B.73](#), unnumbered paragraph 6,
34 23 Code 1995, is amended to read as follows:
34 24 However,

~~effective January 1, 1994,~~

- the department

34 25 shall ensure that the member, in exercising an option
34 26 provided in this section, does not exceed the amount
34 27 of annual additions to a member's account permitted
34 28 pursuant to section 415 of the federal Internal
34 29 Revenue Code.

34 30 Sec. 63. Section [97B.73A](#), unnumbered paragraph 1,
34 31 Code Supplement 1995, is amended to read as follows:

34 32 A part-time county attorney may elect in writing to
34 33 the department to make employee contributions to the
34 34 system for the county attorney's previous service as a
34 35 county attorney and receive credit for membership
34 36 service in the system for the applicable period of
34 37 service as a part-time county attorney for which
34 38 employee contributions are made. The contributions
34 39 paid by the member shall be equal to the accumulated
34 40 contributions, as defined in section 97B.41,
34 41 subsection 2, for the applicable period of membership
34 42 service. A member making contributions pursuant to
34 43 this section may make the contributions either for the
34 44 entire applicable period of service, or

~~, effective~~

34 45

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

34 46

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

34 47

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

34 48 of the period of service, and if contributions are
34 49 made for portions of the period of service, the
34 50 contributions shall be in increments of one or more
35 1

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

35 2

~~and not a portion of a year~~
~~calendar quarters. A~~

35 3 member who elects to make contributions under this
35 4 section shall notify the applicable county board of
35 5 supervisors of the member's election, and the county
35 6 board of supervisors shall pay to the department the
35 7 employer contributions that would have been
35 8 contributed by the employer under section 97B.11 plus
35 9 interest on the contributions that would have accrued
35 10 if the county attorney had been a member of the system
35 11 for the applicable period of service.

~~However, the~~

35 12

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

35 13

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

35 14

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

35 15

~~most recent annual actuarial valuation of the~~

35 16

~~retirement system indicates that the employer and~~

35 17

~~employee contribution rates in effect under section~~

35 18

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

35 19

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

35 20

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

35 21

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

35 22

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

35 23

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

35 24

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

35 25

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

35 26

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

35 27

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

35 28

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

35 29 Sec. 64. Section [97B.73A](#), unnumbered paragraph 3,

35 30 Code Supplement 1995, is amended to read as follows:

35 31 However,

~~effective January 1, 1994,~~

~~the department~~

35 32 shall ensure that the member, in exercising an option

35 33 provided in this section, does not exceed the amount

35 34 of annual additions to a member's account permitted

35 35 pursuant to section 415 of the federal Internal

35 36 Revenue Code.

35 37 Sec. 65. Section [97B.74](#), unnumbered paragraphs 1

35 38 and 2, Code Supplement 1995, are amended to read as

35 39 follows:

35 40

~~An active,~~

~~A vested~~

~~or retired member who was a~~

35 41 member of the system at any time on or after July 4,

35 42 1953, and who received a refund of the member's

35 43 contributions for that period of membership service,

35 44 may elect in writing to the department to make

35 45 contributions to the system for all or a portion of

35 46 the period of membership service for which a refund of

35 47 contributions was made, and receive credit for the

35 48 period of membership service for which contributions

35 49 are made. The contributions repaid by the member for

35 50 such service shall be equal to the accumulated

36 1 contributions, as defined in section 97B.41,

36 2 subsection 2, received by the member for the

36 3 applicable period of membership service plus interest

36 4 on the accumulated contributions for the applicable

36 5 period from the date of receipt by the member to the
36 6 date of repayment

~~equal to two percent plus~~

~~at the~~

36 7 interest

~~dividend~~

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

36 8 applicable for each year compounded

~~annually~~

~~as~~

36 9 provided in section 97B.70.

36 10

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

36 11

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

36 12

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

36 13

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

36 14

~~the member vested status.~~

~~A member making~~

36 15 contributions pursuant to this section may make the

36 16 contributions either for the entire applicable period

36 17 of service, or

~~, effective upon the date that the~~

36 18

~~department determines that the amendments to this~~

36 19

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

36 20

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

~~for~~

36 21 portions of the period of service, and if

36 22 contributions are made for portions of the period of

36 23 service, the contributions shall be in increments of

36 24 one or more

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

36 25

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

~~calendar~~

36 26 quarters.

~~However, the department shall not implement~~

36 27

~~the amendments to this paragraph or unnumbered~~

36 28

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

36 29

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

36 30

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

36 31

~~retirement system indicates that the employer and~~

36 32

~~employee contribution rates in effect under section~~

36 33

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

36 34

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

36 35

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

36 36

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

36 37

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

36 38

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

36 39

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

36 40

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

36 41

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

36 42

~~the department shall continue to implement the~~

36 43

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

36 44

~~and 2, Code Supplement 1993.~~

36 45 Sec. 66. Section 97B.74, unnumbered paragraph 4,
36 46 Code Supplement 1995, is amended by striking the
36 47 unnumbered paragraph.

36 48 Sec. 67. Section 97B.80, unnumbered paragraph 1,
36 49 Code 1995, is amended to read as follows:

36 50 Effective July 1, 1992, a vested or retired member,
37 1 who at any time served on active duty in the armed
37 2 forces of the United States, upon submitting
37 3 verification of the dates of the active duty service,
37 4 may make employer and employee contributions to the
37 5 system based upon the member's covered wages for the
37 6 most recent full calendar year in which the member had
37 7 reportable wages at the applicable rates in effect for
37 8 that year under sections 97B.11 and 97B.49, for all or
37 9 a portion of the period of time of the active duty
37 10 service, in increments of

~~no greater than one year and~~

37 11

~~not less than~~

~~one or more calendar~~

~~quarter~~

~~quarters,~~

37 12 and receive credit for membership service and prior
37 13 service for the period of time for which the
37 14 contributions are made.

~~However, the member may not~~

37 15

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

37 16

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

37 17

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

37 18

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

37 19

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

~~If the member's~~

37 20 most recent covered wages were earned prior to the
37 21 most recent calendar year, the member's covered wages
37 22 shall be adjusted by the department by an inflation
37 23 factor to reflect changes in the economy. The
37 24 department shall adjust benefits for a six-month
37 25 period prior to the date the member pays contributions
37 26 under this section if the member is receiving a
37 27 retirement allowance at the time the contribution
37 28 payment is made. Verification of active duty service
37 29 and payment of contributions shall be made to the

37 30 department. However, a member is not eligible to make
37 31 contributions under this section if the member is
37 32 receiving, is eligible to receive, or may in the
37 33 future be eligible to receive retirement pay from the
37 34 United States government for active duty in the armed
37 35 forces, except for retirement pay granted by the
37 36 United States government under retired pay for
37 37 nonregular service (10 U.S.C. } 1331, et seq.). A
37 38 member receiving retired pay for nonregular service
37 39 who makes contributions under this section shall
37 40 provide information required by the department
37 41 documenting time periods covered under retired pay for
37 42 nonregular service.
37 43 Sec. 68. Section [97B.80](#), unnumbered paragraph 3,
37 44 Code 1995, is amended to read as follows:
37 45 However,

~~effective January 1, 1994,~~

- the department

37 46 shall ensure that the member, in exercising an option
37 47 provided in this section, does not exceed the amount
37 48 of annual additions to a member's account permitted
37 49 pursuant to section 415 of the federal Internal
37 50 Revenue Code.

38 1 Sec. 69. IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
38 2 - DEVELOPMENT OF PROPOSALS FOR ESTABLISHING A DEFINED
38 3 CONTRIBUTION OPTION AND FOR CONVERTING THE SYSTEM INTO
38 4 A DEFINED CONTRIBUTION PLAN - REPORT. The Iowa
38 5 public employees' retirement system division, in
38 6 consultation with the public retirement systems
38 7 committee established in section 97D.4, shall develop
38 8 a proposal concerning various alternatives for
38 9 establishing a defined contribution option for members
38 10 of the Iowa public employees' retirement system in
38 11 addition to the current defined benefit plan and a
38 12 proposal concerning various alternatives for
38 13 converting the Iowa public employees' retirement
38 14 system into a defined contribution plan by terminating
38 15 the current defined benefit plan and establishing a
38 16 defined contribution plan. On or before September 1,
38 17 1997, the Iowa public employees' retirement system
38 18 division shall file a report with the legislative
38 19 service bureau, for distribution to the public
38 20 retirement systems committee, which contains proposals
38 21 for establishing a defined contribution option and for
38 22 converting the Iowa public employees' retirement
38 23 system into a defined contribution plan. The report
38 24 shall also contain actuarial information concerning
38 25 the costs of the proposals.

38 26 Sec. 70. STUDY OF PROPOSALS CONCERNING
38 27 CONTRIBUTION RATES - IOWA PUBLIC EMPLOYEES'
38 28 RETIREMENT SYSTEM - REPORT. The Iowa public
38 29 employees' retirement system division, in consultation
38 30 with the public retirement systems committee
38 31 established in section 97D.4, shall study proposals
38 32 concerning various options for establishing equitable
38 33 contribution rates for both employers and employees
38 34 covered by the Iowa public employees' retirement
38 35 system. In conducting the study, the division shall
38 36 consider a proposal to provide that the employee and
38 37 employer contribution rate be equal. On or before
38 38 September 1, 1997, the Iowa public employees'
38 39 retirement system division shall file a report with
38 40 the legislative service bureau, for distribution to
38 41 the public retirement systems committee, which
38 42 contains the results of the study and any proposal, or
38 43 proposals, for establishing employer and employee

38 44 contribution rates. The report shall also contain
38 45 actuarial information concerning the costs of the
38 46 proposal or proposals.

38 47 Sec. 71. STUDY OF PROPOSALS REGARDING DISABILITY
38 48 RETIREMENT BENEFITS - IOWA PUBLIC EMPLOYEES'
38 49 RETIREMENT SYSTEM - REPORT. The Iowa public
38 50 employees' retirement system division, in consultation
39 1 with the public retirement systems committee
39 2 established in section 97D.4, shall study proposals
39 3 concerning various options for establishing disability
39 4 retirement benefits for employees, or certain
39 5 employees, covered by the Iowa public employees'
39 6 retirement system. In conducting the study, the
39 7 division shall consider a proposal to provide
39 8 disability retirement benefits for sheriffs, deputy
39 9 sheriffs, airport fire fighters, or members of a
39 10 protection occupation in a manner similar to the
39 11 disability retirement benefits provided under chapters
39 12 97A and 411. On or before September 1, 1997, the Iowa
39 13 public employees' retirement system division shall
39 14 file a report with the legislative service bureau, for
39 15 distribution to the public retirement systems
39 16 committee, which contains the results of the study and
39 17 any proposal, or proposals, for establishing
39 18 disability retirement benefits. The report shall also
39 19 contain actuarial information concerning the costs of
39 20 the proposal or proposals.

39 21 Sec. 72. STUDY OF PROPOSALS CONCERNING INCLUSION
39 22 OF MEMBERS IN A PROTECTION OCCUPATION - IOWA PUBLIC
39 23 EMPLOYEES' RETIREMENT SYSTEM - REPORT. The Iowa
39 24 public employees' retirement system division, in
39 25 consultation with the public retirement systems
39 26 committee established in section 97D.4, shall study
39 27 proposals concerning various options for determining
39 28 additional occupations of members who should be
39 29 eligible for inclusion as members in a protection
39 30 occupation as provided in section 97B.49, subsection
39 31 16, paragraph "d". On or before September 1, 1997,
39 32 the Iowa public employees' retirement system division
39 33 shall file a report with the legislative service
39 34 bureau, for distribution to the public retirement
39 35 systems committee, which contains the results of the
39 36 study and any proposal, or proposals, for establishing
39 37 which occupations should qualify for inclusion in a
39 38 protection occupation. The report shall also contain
39 39 actuarial information concerning the costs of the
39 40 proposal or proposals.

39 41 Sec. 73. STUDY CONCERNING ORGANIZATIONAL STRUCTURE
39 42 OF THE IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM. The
39 43 public retirement systems committee established in
39 44 section 97D.4 shall study the feasibility of changing
39 45 the organizational structure and governance of the
39 46 Iowa public employees' retirement system. The
39 47 committee shall consider the recommendations of the
39 48 Buck Consultants Inc. report submitted to the Iowa
39 49 public employees' retirement system in 1995, the Iowa
39 50 public employees' retirement system division, and the
40 1 department of personnel. The public retirement
40 2 systems committee shall submit a report to the general
40 3 assembly on or before January 31, 1998, containing its
40 4 findings and recommendations.

40 5 Sec. 74. COMPREHENSIVE EXAMINATION OF PLAN DESIGN
40 6 FOR THE IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM -
40 7 REPORT. The Iowa public employees' retirement system
40 8 division, in consultation with the public retirement
40 9 systems committee established in section 97D.4, shall
40 10 conduct a comprehensive examination of the plan design

40 11 of the Iowa public employees' retirement system,
40 12 pursuant to the principles established in chapter 97D,
40 13 and make recommendations for plan improvement.

40 14 In conducting the examination, the division shall
40 15 consider and develop recommendations concerning
40 16 establishment of the following:

40 17 1. Objective actuarial standards to determine the
40 18 funded status of the system, including recommended
40 19 minimum standards to determine whether the system is
40 20 fully funded, and to develop safeguards to ensure that
40 21 the system remains fully funded based on those
40 22 standards.

40 23 2. Equitable contribution rates for both employers
40 24 and employees, to include consideration of proposals
40 25 to provide for equal employer and employee
40 26 contribution rates and proposals to increase or
40 27 decrease contribution rates based on the funded status
40 28 of the system.

40 29 3. Establishing a schedule for implementing the
40 30 recommendations.

40 31 On or before September 1, 1997, the Iowa public
40 32 employees' retirement system division shall file a
40 33 report with the legislative service bureau, for
40 34 distribution to the public retirement systems
40 35 committee, which contains the results of the
40 36 comprehensive examination and any proposal, or
40 37 proposals, for improving plan design of the Iowa
40 38 public employees' retirement system. The report shall
40 39 also contain actuarial information concerning the
40 40 costs of the proposal or proposals.

40 41 DIVISION II

40 42 TEACHERS' PENSION AND ANNUITY RETIREMENT SYSTEMS

40 43 Sec. 75. Section [12B.10](#), subsection 6, Code 1995,
40 44 is amended by adding the following new paragraph e and
40 45 relettering the subsequent paragraphs:

40 46 NEW PARAGRAPH. e. A pension and annuity
40 47 retirement system governed by chapter 294.

40 48 Sec. 76. Section [12B.10A](#), subsection 6, Code 1995,
40 49 is amended by adding the following new paragraph e and
40 50 relettering the subsequent paragraphs:

41 1 NEW PARAGRAPH. e. A pension and annuity
41 2 retirement system governed by chapter 294.

41 3 Sec. 77. Section [12B.10B](#), subsection 3, Code 1995,
41 4 is amended by adding the following new paragraph e and
41 5 relettering the subsequent paragraphs:

41 6 NEW PARAGRAPH. e. A pension and annuity
41 7 retirement system governed by chapter 294.

41 8 Sec. 78. Section [12B.10C](#), Code 1995, is amended by
41 9 adding the following new subsection 4 and renumbering
41 10 the subsequent subsections:

41 11 NEW SUBSECTION. 4. A pension and annuity
41 12 retirement system governed by chapter 294.

41 13 Sec. 79. NEW SECTION. 294.10B RIGHTS NOT
41 14 TRANSFERABLE - NOT SUBJECT TO LEGAL PROCESS.

41 15 The right of any person to any future payment under
41 16 a pension and annuity retirement system established in
41 17 this chapter shall not be transferable or assignable,
41 18 at law or in equity, and shall not be subject to
41 19 execution, levy, attachment, garnishment, or other
41 20 legal process, or to the operation of any bankruptcy
41 21 or insolvency law, except for the purposes of
41 22 enforcing child, spousal, or medical support
41 23 obligations, or marital property orders. For the
41 24 purposes of enforcing child, spousal, or medical
41 25 support obligations, the garnishment or attachment of
41 26 or the execution against benefits due a person under
41 27 such a retirement system shall not exceed the amount

41 28 specified in 15 U.S.C. } 1673(b).
41 29 DIVISION III
41 30 PUBLIC SAFETY PEACE OFFICERS' RETIREMENT,
41 31 ACCIDENT, AND DISABILITY SYSTEM
41 32 Sec. 80. Section [97A.5](#), subsection 9, Code 1995,
41 33 is amended to read as follows:
41 34 9. DUTIES OF

~~COMMISSIONER OF INSURANCE~~

~~ACTUARY.~~

41 35 The

~~state commissioner of insurance~~

~~actuary hired by~~

41 36 ~~the board of trustees~~ shall be the technical advisor
41 37 of the board of trustees on matters regarding the
41 38 operation of the funds created by the provisions of
41 39 this chapter and shall perform such other duties as
41 40 are required in connection therewith.

41 41 Sec. 81. Section [97A.5](#), subsections 10 through 12,
41 42 Code 1995, are amended to read as follows:

41 43 10. TABLES - RATES.

~~Immediately after the~~

41 44

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

41 45

~~of insurance~~

~~The actuary hired by the board of~~

41 46 ~~trustees~~ shall make such investigation of anticipated
41 47 interest earnings and of the mortality, service, and
41 48 compensation experience of the members of the system
41 49 as the actuary

~~shall recommend and the board of~~

41 50

~~trustees shall authorize~~

~~recommends, and on the basis~~

42 1 of

~~such~~

~~the investigation, the~~

~~actuary shall recommend~~

42 2

~~for adoption by the~~

~~board of trustees~~

~~such~~

~~shall adopt~~

42 3 ~~the~~ tables and

~~such~~

~~the rates as are required in~~

42 4 subsection 11 of this section. The board of trustees
42 5 shall adopt the rate of interest and tables, and
42 6 certify rates of contributions to be used by the
42 7 system.

42 8 11. ACTUARIAL INVESTIGATION.

~~In the year 1952,~~

42 9

~~and at~~

- At least once in each two-year period

42 10

~~thereafter~~

~~the state commissioner of insurance~~

- the

42 11 actuary hired by the board of trustees shall make an
42 12 actuarial investigation in the mortality, service, and
42 13 compensation experience of the members and
42 14 beneficiaries of the system, and the interest and
42 15 other earnings on the moneys and other assets of the
42 16 system, and shall make a valuation of the assets and
42 17 liabilities of the funds of the system, and taking
42 18 into account the results of

~~such~~

- the investigation and

42 19 valuation, the board of trustees shall:
42 20 a. Adopt for the system such interest rate,
42 21 mortality and other tables as shall be deemed
42 22 necessary;
42 23 b. Certify the rates of contribution payable by
42 24 the state of Iowa in accordance with section 97A.8.
42 25 12. VALUATION. On the basis of

~~such~~

- the rate of

42 26 interest and

~~such~~

- tables

~~as~~

- adopted by the board of

42 27 trustees

~~shall adopt~~

~~the state commissioner of~~

42 28

~~insurance~~

- the actuary hired by the board of trustees

42 29 shall make an annual valuation of the assets and
42 30 liabilities of the funds of the system created by this
42 31 chapter.
42 32 Sec. 82. Section [97A.5](#), Code 1995, is amended by
42 33 adding the following new subsections:
42 34 NEW SUBSECTION. 14. INVESTMENT CONTRACTS. The
42 35 board of trustees may execute contracts and agreements
42 36 with investment advisors, consultants, and investment
42 37 management and benefit consultant firms in the
42 38 administration of the funds established in section
42 39 97A.8.
42 40 NEW SUBSECTION. 15. LIABILITY. The department,
42 41 the board of trustees, and the treasurer of state are
42 42 not personally liable for claims based upon an act or

42 43 omission of the person performed in the discharge of
42 44 the person's duties under this chapter, even if those
42 45 actions or omissions violate the standards established
42 46 in section 97A.7, except for acts or omissions which
42 47 involve malicious or wanton misconduct.

42 48 Sec. 83. Section [97A.6](#), subsection 1, paragraph a,
42 49 Code 1995, is amended to read as follows:

42 50 a. Any member in service may retire upon the
43 1 member's written application to the board of trustees,
43 2 setting forth at what time, not less than thirty nor
43 3 more than ninety days subsequent to the execution and
43 4 filing therefor, the member desires to be retired,
43 5 provided, that the said member at the time so
43 6 specified for retirement shall have attained the age
43 7 of fifty-five and shall have completed twenty-two
43 8 years or more of creditable service, and
43 9 notwithstanding that, during such period of
43 10 notification, the member may have separated from the
43 11 service. However, a member may retire at fifty years
43 12 of age and receive a reduced retirement allowance
43 13 pursuant to subsection 2A.

43 14 Sec. 84. Section [97A.6](#), subsection 2, paragraph d,
43 15 subparagraph (3), Code 1995, is amended to read as
43 16 follows:

43 17 (3) For a member who terminates service, other
43 18 than by death or disability, on or after October 16,
43 19 1992, but before July 1, 1996, and who does not
43 20 withdraw the member's contributions pursuant to
43 21 section 97A.16, upon the member's retirement there
43 22 shall be added six-tenths percent of the member's
43 23 average final compensation for each year of service
43 24 over twenty-two years. However, this subparagraph
43 25 does not apply to more than eight additional years of
43 26 service.

43 27 Sec. 85. Section [97A.6](#), subsection 2, paragraph d,
43 28 Code 1995, is amended by adding the following new
43 29 subparagraph:

43 30 NEW SUBPARAGRAPH. (4) For a member who terminates
43 31 service, other than by death or disability, on or
43 32 after July 1, 1996, and who does not withdraw the
43 33 member's contributions pursuant to section 97A.16,
43 34 upon the member's retirement there shall be added one
43 35 and one-half percent of the member's average final
43 36 compensation for each year of service over twenty-two
43 37 years. However, this subparagraph does not apply to
43 38 more than eight additional years of service.

43 39 Sec. 86. Section [97A.6](#), subsection 10, Code 1995,
43 40 is amended to read as follows:

43 41 10. OPTIONAL ALLOWANCE. With the provision that
43 42 no optional selection shall be effective in case a
43 43 beneficiary dies within thirty days after retirement,
43 44 in which event such a beneficiary shall be considered
43 45 as an active member at the time of death, until the
43 46 first payment on account of any benefit becomes
43 47 normally due, any beneficiary may elect to receive the
43 48 beneficiary's benefit in a retirement allowance
43 49 payable throughout life, or may elect to receive the
43 50 actuarial equivalent at that time of the beneficiary's
44 1 retirement allowance in a lesser retirement allowance
44 2 payable throughout life with the provision that an
44 3 amount in money not exceeding the amount of the
44 4 beneficiary's accumulated contributions shall be
44 5 immediately paid in cash to such member or some other
44 6 benefit or benefits shall be paid either to the member
44 7 or to such person or persons as the member shall
44 8 nominate, provided such cash payment or other benefit
44 9 or benefits, together with the lesser retirement

44 10 allowance, shall be certified by the

~~state~~

44 11

~~commissioner of insurance~~

~~actuary~~ to be of equivalent

44 12 actuarial value to the member's retirement allowance
44 13 and shall be approved by the board of trustees;
44 14 provided, that a cash payment to such member or
44 15 beneficiary at the time of retirement of an amount not
44 16 exceeding fifty percent of the member's or
44 17 beneficiary's accumulated contributions shall be made
44 18 by the board of trustees upon said member's or
44 19 beneficiary's election.

44 20 Sec. 87. Section [97A.6](#), subsection 12, unnumbered
44 21 paragraph 1, Code 1995, is amended to read as follows:

44 22 Pension to surviving spouse and children of
44 23 deceased pensioned members. In the event of the death
44 24 of any member receiving a retirement allowance under
44 25 the provisions of subsections 2, ~~2A~~, 4, or 6 of this
44 26 section there shall be paid a pension:

44 27 Sec. 88. Section [97A.6](#), subsection 12, paragraph
44 28 a, Code 1995, is amended to read as follows:

44 29 a. To the member's surviving spouse, equal to one-
44 30 half the amount received by the deceased beneficiary,
44 31 but in no instance less than an amount equal to

~~twenty~~

44 32 ~~twenty-five~~ percent of the monthly earnable
44 33 compensation paid to an active member having the rank
44 34 of senior patrol officer of the Iowa highway safety
44 35 patrol, and in addition a monthly pension equal to the
44 36 monthly pension payable under subsection 9, paragraph
44 37 "c," of this section for each child under eighteen
44 38 years of age or twenty-two years of age if applicable;
44 39 or

44 40 Sec. 89. Section [97A.6](#), subsection 14, paragraph
44 41 a, subparagraphs (1), (2), and (3), Code 1995, are
44 42 amended to read as follows:

44 43 (1)

~~Twenty five~~

~~Thirty~~ percent for members

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

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

44 47

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

44 48

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

44 49

~~beneficiaries under this subparagraph.~~

44 50 (2)

~~Twenty five~~

~~Thirty~~ percent for members with
45 1 five or more years of membership service who are
45 2 receiving an ordinary disability retirement allowance.
45 3

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

45 4

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

45 5

~~applicable percentage for members under this~~

45 6

~~subparagraph.~~

45 7 (3)

~~Twelve and one half~~

~~Fifteen~~ percent for

45 8 members with less than five years of membership
45 9 service who are receiving an ordinary disability
45 10 retirement allowance, and for beneficiaries receiving
45 11 a pension under subsection 8 of this section.
45 12

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

45 13

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

45 14

~~applicable percentage for members and beneficiaries~~

45 15

~~under this subparagraph.~~

45 16 Sec. 90. Section [97A.6](#), subsection 14, paragraph
45 17 d, Code 1995, is amended to read as follows:
45 18 d. A retired member eligible for benefits under
45 19 the provisions of subsection 1 is not eligible for the
45 20 annual readjustment of pensions provided in this
45 21 subsection unless the member served at least twenty-
45 22 two years

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

45 23 prior to the member's termination of employment.

45 24 Sec. 91. Section [97A.6](#), Code 1995, is amended by
45 25 adding the following new subsection:

45 26 NEW SUBSECTION. 2A. EARLY RETIREMENT BENEFITS.

45 27 a. Notwithstanding the calculation of the service
45 28 retirement allowance under subsection 2, beginning
45 29 July 1, 1996, a member who has completed twenty-two
45 30 years or more of creditable service and is at least
45 31 fifty years of age, but less than fifty-five years of
45 32 age, who has otherwise completed the requirements for
45 33 retirement under subsection 1, may retire and receive
45 34 a reduced service retirement allowance pursuant to
45 35 this subsection. The service retirement allowance for
45 36 a member less than fifty-five years of age shall be

45 37 calculated in the manner prescribed in subsection 2,
45 38 except that the percentage multiplier of the member's
45 39 average final compensation used in the determination
45 40 of the service retirement allowance shall be reduced
45 41 by the board of trustees pursuant to paragraph "b".
45 42 b. On July 1, 1996, and on each July 1 thereafter,
45 43 the board of trustees shall determine for the
45 44 respective fiscal year the percent by which the
45 45 percentage multiplier under subsection 2 shall be
45 46 reduced for each month that a member's retirement date
45 47 precedes the member's fifty-fifth birthday. The board
45 48 of trustees shall make this determination based upon
45 49 the most recent actuarial valuation of the system, the
45 50 calculation of the acturial cost for each month of
46 1 retirement of a member prior to age fifty-five, and
46 2 the premise that the provision of a service retirement
46 3 allowance to a member who is less than fifty-five
46 4 years of age will not result in any increase in cost
46 5 to the system.
46 6 Sec. 92. Section [97A.7](#), subsection 2, Code 1995,
46 7 is amended to read as follows:
46 8 2. The several funds created by this chapter may
46 9 be invested in

46 10

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

46 11

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

46 12

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

46 13

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

46 14

~~banks approved as depositories by the executive~~

46 15

~~council.~~

46 16

~~c. In~~

any investments authorized for the Iowa
46 17 public employees' retirement system in section 97B.7,
46 18 subsection 2, paragraph "b".

46 19 Sec. 93. Section [97A.8](#), subsection 1, paragraph b,
46 20 Code 1995, is amended to read as follows:

46 21 b. On the basis of the rate of interest and of the
46 22 mortality, interest, and other tables adopted by the
46 23 board of trustees, the

~~state commissioner of insurance~~

46 24 board of trustees, upon the advice of the actuary
46 25 hired by the board for that purpose, shall make each
46 26 valuation required by this chapter and shall

46 27 immediately after making such valuation, determine the
46 28 "normal contribution rate". The normal contribution
46 29 rate shall be the rate percent of the earnable
46 30 compensation of all members obtained by deducting from
46 31 the total liabilities of the fund the sum of the
46 32 amount of the funds in hand to the credit of the fund
46 33 and dividing the remainder by one percent of the
46 34 present value of the prospective future compensation
46 35 of all members as computed on the basis of the rate of
46 36 interest and of mortality and service tables adopted
46 37 by the board of trustees, all reduced by the employee
46 38 contribution made pursuant to this subsection.
46 39 However, the normal rate of contribution shall not be
46 40 less than seventeen percent. The normal rate of
46 41 contribution shall be determined by the

~~state~~

46 42

~~commissioner of insurance~~

~~board of trustees~~ after each

46 43 valuation.

46 44 Sec. 94. Section [97A.8](#), subsection 1, paragraph c,
46 45 unnumbered paragraph 3, Code 1995, is amended by
46 46 striking the unnumbered paragraph.

46 47 Sec. 95. Section [97A.8](#), subsection 1, paragraph f,
46 48 subparagraph (8), Code 1995, is amended to read as
46 49 follows:

46 50 (8) Notwithstanding any other provision of this
47 1 chapter, beginning July 1, 1996, and each fiscal year
47 2 thereafter,

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

47 3

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

47 4

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

47 5

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

47 6

~~the applicable fiscal year~~

~~an amount equal to the~~

47 7 member's contribution rate times each member's
47 8 compensation shall be paid to the pension accumulation
47 9 fund from the earnable compensation of the member.

47 10 For the purposes of this subparagraph, the member's
47 11 contribution rate shall be nine and thirty-five
47 12 hundredths percent. However, the system shall
47 13 increase the member's contribution rate as necessary
47 14 to cover any increase in cost to the system resulting
47 15 from statutory changes which are enacted by any
47 16 session of the general assembly meeting after January
47 17 1, 1995, if the increase cannot be absorbed within the
47 18 contribution rates otherwise established pursuant to
47 19 this paragraph, but subject to a maximum employee
47 20 contribution rate of eleven and three-tenths percent.
47 21 After the employee contribution reaches eleven and
47 22 three-tenths percent, sixty percent of the additional

47 23 cost of such statutory changes shall be paid by the
47 24 employer under paragraph "c" and forty percent of the
47 25 additional cost shall be paid by employees under this
47 26 paragraph.

47 27 Sec. 96. Section 97A.8, subsection 3, Code 1995,
47 28 is amended to read as follows:

47 29 3. EXPENSE FUND. The expense fund shall be the
47 30 fund to which shall be credited all money provided by
47 31 the state of Iowa to pay the administration expenses
47 32 of the system and from which shall be paid all the
47 33 expenses necessary in connection with the
47 34 administration and operation of the system.
47 35 Biennially the board of trustees shall estimate the
47 36 amount of money necessary to be paid into the expense
47 37 fund during the ensuing biennium to provide for the
47 38 expense of operation of the system. Investment
47 39 management expenses shall be charged to the investment
47 40 income of the system and there is appropriated from
47 41 the system an amount required for the investment
47 42 management expenses. The board of trustees shall
47 43 report the investment management expenses for the
47 44 fiscal year as a percent of the market value of the
47 45 system.

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

47 48 a. Fees for investment advisors, consultants, and
47 49 investment management and benefit consultant firms
47 50 hired by the board of trustees in administering this
48 1 chapter.

48 2 b. Fees and costs for safekeeping fund assets.

48 3 c. Costs for performance and compliance
48 4 monitoring, and accounting for fund investments.

48 5 d. Any other costs necessary to prudently invest
48 6 or protect the assets of the fund.

48 7 Sec. 97. Section 97A.12, Code 1995, is amended to
48 8 read as follows:

48 9 97A.12 EXEMPTION FROM EXECUTION AND OTHER PROCESS
48 10 OR ASSIGNMENT.

48 11 The right of any person to a pension, annuity, or
48 12 retirement allowance, to the return of contributions,
48 13 the pension, annuity, or retirement allowance itself,
48 14 any optional benefit or death benefit, any other right
48 15 accrued or accruing to any person under this chapter,
48 16 and the moneys in the various funds created under this
48 17 chapter, are not subject to execution, garnishment,
48 18 attachment, or any other process whatsoever, and are
48 19 unassignable except for the purposes of enforcing
48 20 child, spousal, or medical support obligations or
48 21 marital property orders, or as

~~in this chapter~~

48 22 otherwise specifically provided in this chapter. For
48 23 the purposes of enforcing child, spousal, or medical
48 24 support obligations, the garnishment or attachment of
48 25 or the execution against compensation due a person
48 26 under this chapter shall not exceed the amount
48 27 specified in 15 U.S.C. } 1673(b).

48 28 Sec. 98. NEW SECTION. 97A.17 OPTIONAL TRANSFERS
48 29 WITH CHAPTER 411.

48 30 1. For purposes of this section unless the context
48 31 otherwise requires:

48 32 a. "Average accrued benefit" means the average of
48 33 the amounts representing the present value of the
48 34 accrued benefit earned by the member determined by the
48 35 former system and the present value of the accrued
48 36 benefit earned by the member determined by the current

48 37 system.
48 38 b. "Current system" means the eligible retirement
48 39 system in which a person has commenced employment
48 40 covered by the system after having terminated
48 41 employment covered by the former system.
48 42 c. "Eligible retirement system" means the system
48 43 created under this chapter and the statewide fire and
48 44 police retirement system established in chapter 411.
48 45 d. "Former system" means the eligible retirement
48 46 system in which a person has terminated employment
48 47 covered by the system prior to commencing employment
48 48 covered by the current system.

48 49 2. Commencing July 1, 1996, a vested member of an
48 50 eligible retirement system who terminates employment
49 1 covered by one eligible retirement system and, within
49 2 sixty days, commences employment covered by the other
49 3 eligible retirement system may elect to transfer the
49 4 average accrued benefit earned from the former system
49 5 to the current system. The member shall file an
49 6 application with the current system for transfer of
49 7 the average accrued benefit within ninety days of the
49 8 commencement of employment with the current system.

49 9 3. Notwithstanding subsection 2, a vested member
49 10 whose employment with the current system commenced
49 11 prior to July 1, 1996, may elect to transfer the
49 12 average accrued benefit earned under the former system
49 13 to the current system by filing an application with
49 14 the current system for transfer of the average accrued
49 15 benefit on or before July 1, 1997.

49 16 4. Upon receipt of an application for transfer of
49 17 the average accrued benefit, the current system shall
49 18 calculate the average accrued benefit and the former
49 19 system shall transfer to the current system assets in
49 20 an amount equal to the average accrued benefit. Once
49 21 the transfer of the average accrued benefit is
49 22 completed, the member's service under the former
49 23 system shall be treated as membership service under
49 24 the current system for purposes of this chapter and
49 25 chapter 411.

49 26 DIVISION IV

49 27 STATEWIDE FIRE AND POLICE RETIREMENT SYSTEM

49 28 Sec. 99. Section [400.8](#), subsection 1, Code 1995,
49 29 is amended to read as follows:

49 30 1. The commission, when necessary under the rules,
49 31 including minimum and maximum age limits, which shall
49 32 be prescribed and published in advance by the
49 33 commission and posted in the city hall, shall hold
49 34 examinations for the purpose of determining the
49 35 qualifications of applicants for positions under civil
49 36 service, other than promotions, which examinations
49 37 shall be practical in character and shall relate to
49 38 matters which will fairly test the mental and physical
49 39 ability of the applicant to discharge the duties of
49 40 the position to which the applicant seeks appointment.
49 41 The physical examination of applicants for appointment
49 42 to the positions of police officer, police matron, or
49 43 fire fighter shall be held in accordance with medical
49 44 protocols established by the board of trustees of the
49 45 fire and police retirement system established by
49 46 section 411.5. The board of trustees may change the
49 47 medical protocols at any time the board so determines.
49 48 The commission shall conduct a medical examination of
49 49 an applicant for the position of police officer,
49 50 police matron, or fire fighter after a conditional
50 1 offer of employment has been made to the applicant.
50 2 An applicant shall not be discriminated against on the
50 3 basis of height, weight, sex, or race in determining

50 4 physical or mental ability of the applicant.
50 5 Reasonable rules relating to strength, agility, and
50 6 general health of applicants shall be prescribed. The
50 7 costs of the physical examination required under this
50 8 subsection shall be paid from the trust and agency
50 9 fund of the city.

50 10 Sec. 100. Section [411.5](#), Code 1995, is amended by
50 11 adding the following new subsection:

50 12 NEW SUBSECTION. 13. VOLUNTARY BENEFIT PROGRAMS.
50 13 The board of trustees shall be responsible for the
50 14 administration of the voluntary benefit programs
50 15 established under section 411.40. The board may take
50 16 any necessary action, including the adoption of rules,
50 17 for purposes of administering the programs.

50 18 Sec. 101. Section [411.6](#), subsection 7, paragraph
50 19 a, unnumbered paragraph 1, Code 1995, is amended to
50 20 read as follows:

50 21 Should any beneficiary for either ordinary or
50 22 accidental disability, except a beneficiary who is
50 23 fifty-five years of age or over and would have
50 24 completed twenty-two years of service if the
50 25 beneficiary had remained in active service, be engaged
50 26 in a gainful occupation paying more than the
50 27 difference between the member's retirement allowance
50 28 and one and one-half times the earnable compensation
50 29 of an active member at the same position on the salary
50 30 scale within the member's rank as the member held at
50 31 retirement, then the amount of the member's retirement
50 32 allowance shall be reduced to an amount which together
50 33 with the amount earned by the member shall equal one
50 34 and one-half times the amount of the current earnable
50 35 compensation of an active member at the same position
50 36 on the salary scale within the member's rank as the
50 37 member held at retirement. Should the member's
50 38 earning capacity be later changed, the amount of the
50 39 member's retirement allowance may be further modified,
50 40 provided, that the new retirement allowance shall not
50 41 exceed the amount of the retirement allowance adjusted
50 42 by annual readjustments of pensions pursuant to
50 43 subsection 12 of this section nor an amount which,
50 44 when added to the amount earned by the beneficiary,
50 45 equals one and one-half times the amount of the
50 46 earnable compensation of an active member at the same
50 47 position on the salary scale within the member's rank
50 48 as the member held at retirement. A beneficiary
50 49 restored to active service at a salary less than the
50 50 average final compensation upon the basis of which the
51 1 member was retired at age fifty-five or greater, shall
51 2 not again become a member of the retirement system and
51 3 shall have the member's retirement allowance suspended
51 4 while in active service. If the rank or position held
51 5 by the retired member is subsequently abolished,
51 6 adjustments to the allowable limit on the amount of
51 7 income which can be earned in a gainful occupation
51 8 shall be computed

~~in the same manner as provided in~~

51 9

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

51 10

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

51 11

~~been abolished~~

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

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

Sec. 102. Section [411.6](#), subsection 12, paragraphs a through c, Code 1995, are amended by striking the paragraphs and inserting in lieu thereof the following:

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

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

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

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

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

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

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

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

Sec. 103. Section [411.6](#), subsection 12, Code 1995, is amended by adding the following new paragraph:

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

Sec. 104. Section [411.13](#), Code 1995, is amended to read as follows:

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

The right of any person to a pension, annuity, or retirement allowance, to the return of contributions, the pension, annuity, or retirement allowance itself, any optional benefit or death benefit, any other right

52 26 accrued or accruing to any person under this chapter,
52 27 and the moneys in the fire and police retirement fund
52 28 created under this chapter, are not subject to
52 29 execution, garnishment, attachment, or any other
52 30 process whatsoever, and are unassignable except for
52 31 the purposes of enforcing child, spousal, or medical
52 32 support obligations or marital property orders, or as
52 33

~~in this chapter~~

- otherwise specifically provided in

52 34 this chapter. For the purposes of enforcing child,
52 35 spousal, or medical support obligations, the
52 36 garnishment or attachment of or the execution against
52 37 compensation due a person under this chapter shall not
52 38 exceed the amount specified in 15 U.S.C. } 1673(b).

52 39 Sec. 105. NEW SECTION. 411.31 OPTIONAL TRANSFERS
52 40 WITH CHAPTER 97A.

52 41 1. For purposes of this section, unless the
52 42 context otherwise requires:

52 43 a. "Average accrued benefit" means the average of
52 44 the amounts representing the present value of the
52 45 accrued benefit earned by the member determined by the
52 46 former system and the present value of the accrued
52 47 benefit earned by the member determined by the current
52 48 system.

52 49 b. "Current system" means the eligible retirement
52 50 system in which a person has commenced employment
53 1 covered by the system after having terminated
53 2 employment covered by the former system.

53 3 c. "Eligible retirement system" means the system
53 4 created under this chapter and the Iowa department of
53 5 public safety peace officers' retirement, accident,
53 6 and disability system established in chapter 97A.

53 7 d. "Former system" means the eligible retirement
53 8 system in which a person has terminated employment
53 9 covered by the system prior to commencing employment
53 10 covered by the current system.

53 11 2. Commencing July 1, 1996, a vested member of an
53 12 eligible retirement system who terminates employment
53 13 covered by one eligible retirement system and, within
53 14 sixty days, commences employment covered by the other
53 15 eligible retirement system may elect to transfer the
53 16 average accrued benefit earned from the former system
53 17 to the current system. The member shall file an
53 18 application with the current system for transfer of
53 19 the average accrued benefit within ninety days of the
53 20 commencement of employment with the current system.

53 21 3. Notwithstanding subsection 2, a vested member
53 22 whose employment with the current system commenced
53 23 prior to July 1, 1996, may elect to transfer the
53 24 average accrued benefit earned under the former system
53 25 to the current system by filing an application with
53 26 the current system for transfer of the average accrued
53 27 benefit on or before July 1, 1997.

53 28 4. Upon receipt of an application for transfer of
53 29 the average accrued benefit, the current system shall
53 30 calculate the average accrued benefit and the former
53 31 system shall transfer to the current system assets in
53 32 an amount equal to the average accrued benefit. Once
53 33 the transfer of the average accrued benefit is
53 34 completed, the member's service under the former
53 35 system shall be treated as membership service under
53 36 the current system for purposes of this chapter and
53 37 chapter 97A.

53 38 Sec. 106. Section [411.37](#), subsection 2, Code 1995,
53 39 is amended to read as follows:

53 40 2. The board shall include in the transition plan
53 41 or other transition documents, provisions to
53 42 facilitate continuity under sections 411.20, 411.21,
53 43 and 411.30

~~and a recommendation for an equitable~~

53 44

~~process for determining earnable compensation changes~~

53 45

~~when calculating adjustments to pensions under section~~

53 46

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

53 47

~~assembly meeting in 1991~~

53 48 Sec. 107. Section 411.38, subsection 1, paragraph
53 49 b, unnumbered paragraph 1, Code 1995, is amended to
53 50 read as follows:

54 1 Transfer from each terminated city fire or police
54 2 retirement system to the statewide system amounts
54 3 sufficient to cover the accrued liabilities of that
54 4 terminated system as determined by the actuary of the
54 5 statewide system. The actuary of the statewide system
54 6 shall redetermine the accrued liabilities of the
54 7 terminated systems as necessary to take into account
54 8 additional amounts payable by the city which are
54 9 attributable to errors or omissions which occurred
54 10 prior to January 1, 1992, or to matters pending as of
54 11 January 1, 1992. If the actuary of the statewide
54 12 system determines that the assets transferred by a
54 13 terminated system are insufficient to fully fund the
54 14 accrued liabilities of the terminated system as
54 15 determined by the actuary as of January 1, 1992, the
54 16 participating city shall pay to the statewide system
54 17 an amount equal to the unfunded liability plus
54 18 interest for the period beginning January 1, 1992, and
54 19 ending with the date of payment or the date of entry
54 20 into an amortization agreement pursuant to this
54 21 section. Interest on the unfunded liability shall be
54 22 computed at a rate equal to the greater of the
54 23 actuarial interest rate assumption on investments of
54 24 the moneys in the fund or the actual investment
54 25 earnings of the fund for the applicable calendar year.
54 26 The participating city may enter into an agreement
54 27 with the statewide system to make additional annual
54 28 contributions sufficient to amortize the unfunded
54 29 accrued liability of the terminated system. The terms
54 30 of an amortization agreement shall be based upon the
54 31 recommendation of the actuary of the statewide system,
54 32 and the agreement shall do each of the following:

54 33 Sec. 108. NEW SECTION. 411.40 VOLUNTARY BENEFIT
54 34 PROGRAMS.

54 35 The board of trustees may establish voluntary
54 36 benefit programs for members subject to the following
54 37 conditions:

54 38 1. The voluntary benefit programs may provide
54 39 benefits including, but not limited to, retiree health
54 40 benefits, long-term care, and life insurance.

54 41 2. Participation in the voluntary benefit programs

54 42 by members shall be voluntary.
54 43 3. Contributions to the voluntary benefit programs
54 44 shall be paid entirely by each participating member by
54 45 means of payroll deduction. Cities employing members
54 46 participating in voluntary benefit programs shall
54 47 forward the amounts deducted to the board of trustees
54 48 for deposit in the voluntary benefit fund.

54 49 4. The voluntary benefit programs and the
54 50 voluntary benefit fund shall be administered under the
55 1 direction of the board of trustees for the exclusive
55 2 benefit of members paying contributions as provided in
55 3 subsection 3.

55 4 5. The assets of the voluntary benefit programs
55 5 shall be credited to the voluntary benefit fund, which
55 6 is hereby created. The voluntary benefit fund shall
55 7 include contributions deposited in accordance with
55 8 subsection 3, and any interest and earnings on the
55 9 contributions. The board of trustees shall annually
55 10 establish an investment policy to govern the
55 11 investment and reinvestment of the assets in the
55 12 voluntary benefit fund. The voluntary benefit fund
55 13 created under this section and the fire and police
55 14 retirement fund created under section 411.8 shall not
55 15 be used to subsidize any portion of the liabilities of
55 16 the other fund.

55 17 6. The board of trustees shall include in its
55 18 annual budget the amount of money necessary during the
55 19 following year to provide for the expense of operation
55 20 of the voluntary benefit programs. The operating
55 21 expenses shall be paid from the voluntary benefit fund
55 22 under the direction of the board of trustees.

55 23 DIVISION V

55 24 JUDICIAL RETIREMENT SYSTEM

55 25 Sec. 109. Section [602.9111](#), Code 1995, is amended
55 26 to read as follows:

55 27 602.9111 INVESTMENT OF FUND.

55 28 So much of the judicial retirement fund as may not
55 29 be necessary to be kept on hand for the making of
55 30 disbursements under this article shall be invested by
55 31 the treasurer of state in

~~— bonds or other evidences of~~

55 32

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

55 33

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

55 34

~~— instrumentality thereof or in~~

~~— any investments~~

55 35 authorized for the Iowa public employees' retirement
55 36 system in section 97B.7, subsection 2, paragraph "b",
55 37 and the earnings therefrom shall be credited to

~~— said~~

55 38 the fund. The treasurer of state may execute
55 39 contracts and agreements with investment advisors,
55 40 consultants, and investment management and benefit
55 41 consultant firms in the administration of the judicial
55 42 retirement fund.

55 43 Investment management expenses shall be charged to

55 44 the investment income of the fund and there is
55 45 appropriated from the fund an amount required for the
55 46 investment management expenses. The court
55 47 administrator shall report the investment management
55 48 expenses for the fiscal year as a percent of the
55 49 market value of the system.

55 50 For purposes of this section, investment management
56 1 expenses are limited to the following:

56 2 a. Fees for investment advisors, consultants, and
56 3 investment management and benefit consultant firms
56 4 hired by the treasurer of state in administering the
56 5 fund.

56 6 b. Fees and costs for safekeeping fund assets.

56 7 c. Costs for performance and compliance
56 8 monitoring, and accounting for fund investments.

56 9 d. Any other costs necessary to prudently invest
56 10 or protect the assets of the fund. The state court
56 11 administrator and the treasurer of state, and their
56 12 employees, are not personally liable for claims based
56 13 upon an act or omission of the person performed in the
56 14 discharge of the person's duties concerning the
56 15 judicial retirement fund, except for acts or omissions
56 16 which involve malicious or wanton misconduct.

56 17 DIVISION IV

56 18 EFFECTIVE AND APPLICABILITY PROVISIONS

56 19 Sec. 110. EFFECTIVE AND RETROACTIVE APPLICABILITY
56 20 DATES.

56 21 1. The section of this Act which amends section
56 22 97B.49, subsection 16, by enacting a new paragraph
56 23 "m", being deemed of immediate importance, takes
56 24 effect upon enactment and applies retroactively to
56 25 July 1, 1992.

56 26 2. The section of this Act which amends section
56 27 411.6, subsection 12, paragraphs "a" through "c",
56 28 takes effect July 1, 1997."

56 29 [SF 2245H](#)

[56 30 ec/pk/25](#)