

Senate Amendment 3105

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1 1 Amend House File 729, as amended, passed, and
1 2 reprinted by the House, as follows:
1 3 #1. Page 1, by inserting after line 2 the
1 4 following:
1 5 <Section 1. Section 97B.1A, Code 2005, is amended
1 6 by adding the following new subsections:
1 7 NEW SUBSECTION. 10A. "Final average salary" means
1 8 as follows:
1 9 a. For a member whose first date of service is
1 10 before July 1, 2005, the member's three-year average
1 11 covered wage.
1 12 b. For a member whose first date of service is on
1 13 or after July 1, 2005, the member's five-year average
1 14 covered wage.
1 15 NEW SUBSECTION. 10B. "First date of service"
1 16 means the later of the following, if applicable:
1 17 a. The date a person first enters service if no
1 18 refund of contributions for service on that date is
1 19 made.
1 20 b. The date an inactive nonvested member first
1 21 reenters service if no refund of contributions for
1 22 service on that date is made.
1 23 NEW SUBSECTION. 11A. a. "Five-year average
1 24 covered wage" means, for a member who retires prior to
1 25 July 1, 2008, a member's covered wages averaged for
1 26 the highest five years of the member's service, except
1 27 as otherwise provided in this subsection. The highest
1 28 five years of a member's covered wages shall be
1 29 determined using calendar years. However, if a
1 30 member's final quarter of a year of employment does
1 31 not occur at the end of a calendar year, the system
1 32 may determine the wages for the fifth year by
1 33 computing the average quarter of all quarters from the
1 34 member's highest calendar year of covered wages not
1 35 being used in the selection of the four highest years
1 36 and using the computed average quarter for each
1 37 quarter in the fifth year in which no wages have been
1 38 reported in combination with the final quarter or
1 39 quarters of the member's service to create a full
1 40 year. However, the system shall not use the member's
1 41 final quarter of wages if using that quarter would
1 42 reduce the member's five-year average covered wage.
1 43 Notwithstanding any other provision of this paragraph
1 44 to the contrary, a member's wages for the fifth year
1 45 as computed by this paragraph shall not exceed, by
1 46 more than three percent, the member's highest actual
1 47 calendar year of covered wages.
1 48 b. "Five-year average covered wage" means, for a
1 49 member who retires on or after July 1, 2008, the
1 50 greater of the member's covered wages averaged for a
2 1 member's highest twenty consecutive quarters of
2 2 service or the member's covered wages averaged for a
2 3 member's highest five calendar years of service. The
2 4 system shall adopt rules to implement this paragraph
2 5 in accordance with the requirements of this chapter
2 6 and the federal Internal Revenue Code.>
2 7 #2. Page 1, by striking lines 14 through 32 and
2 8 inserting the following:
2 9 <2. For purposes of this section, unless the
2 10 context otherwise requires:
2 11 a. "Applicable employee percentage" means the
2 12 percentage rate equal to three and seventy-five
2 13 hundredths percent plus the total additional employee
2 14 percentage plus fifty percent of the total adjusted
2 15 percentage.
2 16 b. "Applicable employer percentage" means the
2 17 percentage rate equal to five and seventy-five
2 18 hundredths percent plus fifty percent of the total
2 19 adjusted percentage.
2 20 c. "Total additional employee percentage" means as
2 21 follows:
2 22 (1) For the fiscal period beginning July 1, 2005,
2 23 through June 30, 2013, the total additional employee
2 24 percentage for a fiscal year shall be the total

2 25 additional employee percentage for the prior fiscal
2 26 year plus, only if the total comparison percentage is
2 27 greater than the total of the applicable employee
2 28 percentage for the prior fiscal year and the
2 29 applicable employer percentage for the prior fiscal
2 30 year, one-half percentage point. The maximum total
2 31 additional employee percentage shall be two percentage
2 32 points.

2 33 (2) For each fiscal year beginning on or after
2 34 July 1, 2014, the total additional employee percentage
2 35 shall be the total additional employee percentage for
2 36 the prior fiscal year.

2 37 d. "Total adjusted percentage" means as follows:

2 38 (1) For the fiscal period beginning July 1, 2009,
2 39 through June 30, 2013, the total adjusted percentage
2 40 for a fiscal year shall be the total adjusted
2 41 percentage for the prior fiscal year plus, only if the
2 42 total additional employee percentage for the prior
2 43 fiscal year was two percentage points and the total
2 44 comparison percentage is greater than the total of the
2 45 applicable employee percentage for the prior fiscal
2 46 year and the applicable employer percentage for the
2 47 prior fiscal year, one-half percentage point.

2 48 (2) For each fiscal year beginning on or after
2 49 July 1, 2013, the total adjusted percentage shall be
2 50 the lesser of the percentage rate, whether positive or
3 1 negative, equal to the total required percentage, as
3 2 defined in paragraph "f", for that fiscal year minus
3 3 eleven and one-half percent or the total adjusted
3 4 percentage for the fiscal year beginning July 1,
3 5 2013.>

3 6 #3. Page 1, line 33, by striking the words <d.>
3 7 and inserting the following: <e.>.

3 8 #4. Page 2, by inserting after line 2, the
3 9 following:

3 10 <f. "Total required percentage" for a fiscal year
3 11 means the percentage rate equal to the total of eleven
3 12 and one-half percent and the total adjusted percentage
3 13 for the prior fiscal year unless any of the following
3 14 applies:

3 15 (1) If the system determines, based upon the most
3 16 recent actuarial valuation of the retirement system,
3 17 that the total required percentage for the prior
3 18 fiscal year is insufficient to amortize the unfunded
3 19 actuarial liability of the retirement system within
3 20 thirty years, the total required percentage for the
3 21 next fiscal year shall be the lesser, as determined by
3 22 the system's actuary, of the percentage rate needed to
3 23 amortize the unfunded actuarial liability of the
3 24 retirement system in thirty years or a percentage rate
3 25 equal to one percentage point greater than the total
3 26 required percentage for the prior fiscal year.

3 27 (2) If the system determines, based upon the most
3 28 recent actuarial valuation of the retirement system,
3 29 that the total required percentage for the prior
3 30 fiscal year is sufficient to amortize the unfunded
3 31 actuarial liability of the retirement system within
3 32 ten years or less, the total required percentage for
3 33 the next fiscal year shall be the greater, as
3 34 determined by the system, of the following:

3 35 (a) One percentage point less than the total
3 36 required percentage for the prior fiscal year.

3 37 (b) The percentage rate equal to the normal cost
3 38 rate as certified by the system's actuary plus that
3 39 percentage necessary, but in no event less than
3 40 seventy-five hundredths of one percent, to amortize
3 41 any unfunded actuarial liability of the retirement
3 42 system within twenty years.

3 43 The total required percentage as provided by this
3 44 paragraph "f" for a particular fiscal year shall be
3 45 determined by the system, by rule, following a
3 46 determination by the system's actuary as to the total
3 47 required percentage for that fiscal year based upon
3 48 the most recent actuarial valuation of the retirement
3 49 system by the system's actuary.

3 50 Sec. ____ Section 97B.45, subsection 4, Code 2005,
4 1 is amended to read as follows:

4 2 4. ~~The~~ For a member whose first date of service is
4 3 before July 1, 2005, the first of any month in which
4 4 the member is at least fifty-five years of age and for
4 5 which the sum of the number of years of membership

4 6 service and prior service and the member's age in
4 7 years as of the member's last birthday equals or
4 8 exceeds eighty-eight.
4 9 Sec. ____ Section 97B.47, Code 2005, is amended to
4 10 read as follows:
4 11 97B.47 EARLY RETIREMENT DATE.
4 12 1. ~~A member's~~ The early retirement date of a
4 13 member whose first date of service is before July 1,
4 14 2005, shall be the first of the month in which a
4 15 member attains the age of fifty-five years or the
4 16 first of any month after attaining the age of fifty=
4 17 five years prior to the member's normal retirement
4 18 date, provided such date shall be after the last day
4 19 of service.
4 20 2. The early retirement date of a member whose
4 21 first date of service is on or after July 1, 2005,
4 22 shall be the first of the month in which the member
4 23 attains the age of sixty-two years or the first of any
4 24 month after attaining the age of sixty-two years prior
4 25 to the member's normal retirement date, provided such
4 26 date shall be after the last day of service.
4 27 Sec. ____ Section 97B.49A, subsection 3, Code
4 28 2005, is amended to read as follows:
4 29 3. CALCULATION OF MONTHLY ALLOWANCE. For each
4 30 active or inactive vested member retiring on or after
4 31 July 1, 1994, with four or more complete years of
4 32 service, a monthly benefit shall be computed which is
4 33 equal to one-twelfth of an amount equal to the
4 34 applicable percentage of the ~~three-year average~~
4 35 ~~covered wage~~ member's final average salary multiplied
4 36 by a fraction of years of service. However, if
4 37 benefits under this section commence on an early
4 38 retirement date, the amount of the benefit shall be
4 39 reduced in accordance with section 97B.50.
4 40 Sec. ____ Section 97B.49B, subsections 2, 3, and
4 41 4, Code 2005, are amended to read as follows:
4 42 2. CALCULATION OF MONTHLY ALLOWANCE.
4 43 Notwithstanding other provisions of this chapter, a
4 44 member who is or has been employed in a protection
4 45 occupation who retires on or after July 1, 1994, and
4 46 at the time of retirement is at least fifty-five years
4 47 of age may elect to receive, in lieu of the receipt of
4 48 any benefits as calculated pursuant to section 97B.49A
4 49 or 97B.49D, a monthly retirement allowance equal to
4 50 one-twelfth of an amount equal to the applicable
5 1 percentage of the ~~three-year average covered wage~~
5 2 member's final average salary as a member who has been
5 3 employed in a protection occupation multiplied by a
5 4 fraction of years of service, with benefits payable
5 5 during the member's lifetime.
5 6 3. ~~ADDITIONAL~~ CONTRIBUTIONS.
5 7 a. Annually, the system shall actuarially
5 8 determine the cost of the ~~additional~~ benefits provided
5 9 for members covered under this section as a percentage
5 10 of the covered wages of the employees covered by this
5 11 section. ~~Sixty~~ Notwithstanding any provision of
5 12 section 97B.11 to the contrary, sixty percent of the
5 13 cost shall be paid by the employers of employees
5 14 covered under this section and forty percent of the
5 15 cost shall be paid by the employees. The employer and
5 16 employee contributions required under this paragraph
5 17 ~~are in addition to the~~ shall be treated as
5 18 contributions paid under sections 97B.11 and 97B.11A.
5 19 b. (1) For the fiscal year commencing July 1,
5 20 1988, and each succeeding fiscal year, there is
5 21 appropriated from the state fish and game protection
5 22 fund to the system the amount necessary to pay the
5 23 employer share of the cost of the ~~additional~~ benefits
5 24 provided to employees covered under subsection 1,
5 25 paragraph "e", subparagraph (1).
5 26 (2) Annually, during each fiscal year commencing
5 27 with the fiscal year beginning July 1, 1988, each
5 28 applicable city shall pay to the system the amount
5 29 necessary to pay the employer share of the cost of the
5 30 ~~additional~~ benefits provided to employees of that city
5 31 covered under subsection 1, paragraph "e",
5 32 subparagraphs (2) and (4).
5 33 (3) For the fiscal year commencing July 1, 1988,
5 34 and each succeeding fiscal year, the department of
5 35 corrections shall pay to the system from funds
5 36 appropriated to the Iowa department of corrections,

5 37 the amount necessary to pay the employer share of the
5 38 cost of the ~~additional~~ benefits provided to employees
5 39 covered under subsection 1, paragraph "e",
5 40 subparagraph (3).

5 41 (4) For the fiscal year commencing July 1, 1990,
5 42 and each succeeding fiscal year, the state department
5 43 of transportation shall pay to the system, from funds
5 44 appropriated to the state department of transportation
5 45 from the road use tax fund and the primary road fund,
5 46 the amount necessary to pay the employer share of the
5 47 cost of the ~~additional~~ benefits provided to employees
5 48 covered under subsection 1, paragraph "e",
5 49 subparagraph (5).

5 50 (5) For the fiscal year commencing July 1, 1992,
6 1 and each succeeding fiscal year, the department of
6 2 public safety shall pay to the system from funds
6 3 appropriated to the department of public safety, the
6 4 amount necessary to pay the employer share of the cost
6 5 of the ~~additional~~ benefits provided to a fire
6 6 prevention inspector peace officer pursuant to
6 7 subsection 1, paragraph "e", subparagraph (6).

6 8 (6) For the fiscal year commencing July 1, 1994,
6 9 and each succeeding fiscal year through the fiscal
6 10 year ending June 30, 1998, each judicial district
6 11 department of correctional services shall pay to the
6 12 system from funds appropriated to that judicial
6 13 district department of correctional services, the
6 14 amount necessary to pay the employer share of the cost
6 15 of the ~~additional~~ benefits provided to employees of a
6 16 judicial district department of correctional services
6 17 who are employed as a probation officer III or a
6 18 parole officer III.

6 19 (7) For the fiscal year commencing July 1, 2004,
6 20 and each succeeding fiscal year, there is appropriated
6 21 from the general fund of the state to the system, from
6 22 funds not otherwise appropriated, an amount necessary
6 23 to pay the employer share of the cost of the
6 24 ~~additional~~ benefits provided to airport fire fighters
6 25 under this section.

6 26 4. Notwithstanding any provision of this chapter
6 27 to the contrary, the ~~three-year average covered wage~~
6 28 member's final average salary for a member retiring
6 29 under this section whose years of eligible service
6 30 equals or exceeds twenty-two years of eligible service
6 31 for that member shall be determined by calculating the
6 32 member's eligible combined wage for each year of
6 33 eligible service. For purposes of this subsection,
6 34 "eligible combined wage" means the wages earned by the
6 35 member for each quarter year period from eligible
6 36 service and from covered employment that is not
6 37 eligible service if at least seventy-five percent of
6 38 the wages earned was from eligible service.

6 39 Sec. _____. Section 97B.49C, subsection 2,
6 40 paragraphs a and b, Code 2005, are amended to read as
6 41 follows:

6 42 a. Notwithstanding other provisions of this
6 43 chapter, a member who retires from employment as a
6 44 sheriff, deputy sheriff, or airport fire fighter on or
6 45 after July 1, 1994, and before July 1, 2004, and at
6 46 the time of retirement is at least fifty-five years of
6 47 age may elect to receive, in lieu of the receipt of
6 48 any benefits as calculated pursuant to section 97B.49A
6 49 or 97B.49D, a monthly retirement allowance equal to
6 50 one-twelfth of an amount equal to the applicable
7 1 percentage of the ~~three-year average covered wage~~
7 2 member's final average salary as a member who has been
7 3 employed in eligible service multiplied by a fraction
7 4 of years of service, with benefits payable during the
7 5 member's lifetime.

7 6 b. Notwithstanding other provisions of this
7 7 chapter, a member who retires from employment as a
7 8 sheriff or deputy sheriff on or after July 1, 2004,
7 9 and at the time of retirement is either at least
7 10 fifty-five years of age or is at least the applicable
7 11 early retirement age with at least twenty-two years of
7 12 eligible service may elect to receive, in lieu of the
7 13 receipt of any benefits as calculated pursuant to
7 14 section 97B.49A or 97B.49D, a monthly retirement
7 15 allowance equal to one-twelfth of an amount equal to
7 16 the applicable percentage of the ~~three-year average~~
7 17 covered wage member's final average salary as a member

7 18 who has been employed in eligible service multiplied
7 19 by a fraction of years of service, with benefits
7 20 payable during the member's lifetime.>
7 21 #5. Page 2, by inserting after line 14 the
7 22 following:
7 23 <Sec. _____. Section 97B.49C, subsection 4, Code
7 24 2005, is amended to read as follows:
7 25 4. Notwithstanding any provision of this chapter
7 26 to the contrary, the ~~three-year average covered wage~~
7 27 member's final average salary for a member retiring
7 28 under this section whose years of eligible service
7 29 equals or exceeds twenty-two years of eligible service
7 30 for that member shall be determined by calculating the
7 31 member's eligible combined wage for each quarter year
7 32 of eligible service. For purposes of this subsection,
7 33 "eligible combined wage" means the wages earned by the
7 34 member for each quarter year period from eligible
7 35 service and from covered employment that is not
7 36 eligible service if at least seventy-five percent of
7 37 the wages earned was from eligible service.
7 38 Sec. _____. Section 97B.49D, subsection 1,
7 39 paragraphs a, b, and c, Code 2005, are amended to read
7 40 as follows:
7 41 a. One-twelfth of an amount equal to the
7 42 applicable percentage of the member's ~~three-year~~
7 43 ~~average covered wage~~ final average salary multiplied
7 44 by a fraction of years of service. The fraction of
7 45 years of service for purposes of this paragraph shall
7 46 be the actual years of service, not to exceed thirty,
7 47 for which regular service contributions were made,
7 48 divided by thirty. However, any otherwise applicable
7 49 age reduction for early retirement shall apply to the
7 50 calculation under this paragraph.
8 1 b. One-twelfth of an amount equal to the
8 2 applicable percentage of the member's ~~three-year~~
8 3 ~~average covered wage~~ final average salary multiplied
8 4 by a fraction of years of service. The fraction of
8 5 years of service for purposes of this paragraph shall
8 6 be the actual years of service, not to exceed the
8 7 applicable years of service for the member as defined
8 8 in section 97B.49B, earned in a position described in
8 9 section 97B.49B, for which special service
8 10 contributions were made, divided by the applicable
8 11 years of service for the member as defined in section
8 12 97B.49B. In calculating the fractions of years of
8 13 service under the paragraph, a member shall not
8 14 receive special service credit for years of service
8 15 for which the member and the member's employer did not
8 16 make the required special service contributions to the
8 17 system.
8 18 c. One-twelfth of an amount equal to the
8 19 applicable percentage of the member's ~~three-year~~
8 20 ~~average covered wage~~ final average salary multiplied
8 21 by a fraction of years of service. The fraction of
8 22 years of service for purposes of this paragraph shall
8 23 be the actual years of service, not to exceed twenty-
8 24 two, earned in a position described in section
8 25 97B.49C, for which special service contributions were
8 26 made, divided by twenty-two. In calculating the
8 27 fractions of years of service under this paragraph, a
8 28 member shall not receive special service credit for
8 29 years of service for which the member and the member's
8 30 employer did not make the required special service
8 31 contributions to the system.
8 32 Sec. _____. Section 97B.50, subsection 1, paragraph
8 33 a, Code 2005, is amended to read as follows:
8 34 a. For a member ~~who is less than sixty-two years~~
8 35 ~~of age whose first date of service is before July 1,~~
8 36 ~~2005,~~ by twenty-five hundredths of one percent per
8 37 month for each month that the early retirement date
8 38 precedes the normal retirement date.
8 39 Sec. _____. Section 97B.50, subsection 1, paragraph
8 40 b, Code 2005, is amended by striking the paragraph and
8 41 inserting in lieu thereof the following:
8 42 b. For a member whose first date of service is on
8 43 or after July 1, 2005, by the actuarial cost to the
8 44 system for each month that the early retirement date
8 45 precedes the normal retirement date.
8 46 Sec. _____. Section 97B.50A, subsection 1, paragraph
8 47 c, Code 2005, is amended to read as follows:
8 48 c. "Reemployment comparison amount" means an

8 49 amount equal to the current covered wages of an active
8 50 special service member at the same position on the
9 1 salary scale within the rank or position the member
9 2 held at the time the member received a disability
9 3 retirement allowance pursuant to this section. If the
9 4 rank or position held by the member at the time of
9 5 retirement pursuant to this section is abolished, the
9 6 amount shall be computed by the system as though the
9 7 rank or position had not been abolished and salary
9 8 increases had been granted on the same basis as
9 9 granted to other ranks or positions by the former
9 10 employer of the member. The reemployment comparison
9 11 amount shall not be less than the ~~three-year average~~
~~9 12 covered wage~~ final average salary of the member, based
9 13 on all regular and special service covered under this
9 14 chapter.

9 15 Sec. _____. Section 97B.50A, subsection 2, paragraph
9 16 d, Code 2005, is amended to read as follows:

9 17 d. Upon retirement for an in-service disability as
9 18 provided by this subsection, a member shall have the
9 19 option to receive a monthly in-service disability
9 20 retirement allowance calculated under this subsection
9 21 or a monthly retirement allowance as provided in
9 22 section 97B.49A, 97B.49B, 97B.49C, 97B.49D, or
9 23 97B.49G, as applicable, that the member would receive
9 24 if the member had attained fifty-five years of age.
9 25 The monthly in-service disability allowance calculated
9 26 under this subsection shall consist of an allowance
9 27 equal to one-twelfth of sixty percent of the member's
9 28 ~~three-year average covered wage~~ final average salary
9 29 or its actuarial equivalent as provided under section
9 30 97B.51.

9 31 Sec. _____. Section 97B.50A, subsection 3, paragraph
9 32 c, Code 2005, is amended to read as follows:

9 33 c. Upon retirement for an ordinary disability as
9 34 provided by this subsection, a member shall receive
9 35 the greater of a monthly ordinary disability
9 36 retirement allowance calculated under this subsection
9 37 or a monthly retirement allowance as provided in
9 38 section 97B.49A, 97B.49B, 97B.49C, 97B.49D, or
9 39 97B.49G, as applicable. The monthly ordinary
9 40 disability allowance calculated under this subsection
9 41 shall consist of an allowance equal to one-twelfth of
9 42 fifty percent of the member's ~~three-year average~~
~~9 43 covered wage~~ final average salary or its actuarial
9 44 equivalent as provided under section 97B.51.

9 45 Sec. _____. Section 97B.53, subsection 2, Code 2005,
9 46 is amended to read as follows:

9 47 2. If a vested member's employment is terminated
9 48 prior to the member's retirement, other than by death,
9 49 the member may receive a monthly retirement allowance
9 50 commencing on the first day of the month in which the
10 1 member attains the age of sixty-five years, if the
10 2 member is then alive, or, if the member so elects in
10 3 accordance with section 97B.47, commencing on the
10 4 ~~first day of the month in which the member attains the~~
~~10 5 age of fifty-five~~ member's early retirement date or
10 6 any month thereafter prior to the date the member
10 7 attains the age of sixty-five years, and continuing on
10 8 the first day of each month thereafter during the
10 9 member's lifetime, provided the member does not
10 10 receive prior to the date the member's retirement
10 11 allowance is to commence a refund of moneys in the
10 12 member's account as provided under any of the
10 13 provisions of this chapter. The amount of each such
10 14 monthly retirement allowance shall be determined as
10 15 provided in either sections 97B.49A through 97B.49G,
10 16 or in section 97B.50, whichever is applicable.>

10 17 #6. Page 3, by inserting after line 23 the
10 18 following:

10 19 <Sec. _____. FAVORABLE EXPERIENCE DIVIDEND RESERVE
10 20 ACCOUNT == TRANSFER OF MONEYS. Notwithstanding any
10 21 provision of chapter 97B to the contrary, the Iowa
10 22 public employees' retirement system shall have the
10 23 authority to transfer a portion of the moneys in the
10 24 favorable experience dividend reserve account created
10 25 in section 97B.49F to the retirement fund created in
10 26 section 97B.7.

10 27 Sec. _____. IPERS BENEFIT ENHANCEMENTS == DELAYED
10 28 EFFECTIVE DATE. Notwithstanding any provision of law
10 29 to the contrary, if any benefit enhancements are

10 30 enacted during the fiscal period beginning July 1,
10 31 2005, through June 30, 2013, for members of the Iowa
10 32 public employees' retirement system (IPERS), the
10 33 benefit enhancements shall become effective the latter
10 34 of July 1, 2014, or the July 1 following the most
10 35 recent actuarial valuation of the retirement system in
10 36 which the IPERS actuary certifies that the funded
10 37 status of IPERS is at least one hundred percent. For
10 38 purposes of this section, benefit enhancements are
10 39 retirement benefits provided to members of IPERS which
10 40 the IPERS actuary determines will increase IPERS'
10 41 normal cost rate.>

10 42 #7. Title page, line 2, by inserting after the
10 43 word <system> the following: <and including an
10 44 effective date provision>.

10 45 #8. By renumbering, redesignating, and correcting
10 46 internal references as necessary.

10 47

10 48

10 49

10 50 COMMITTEE ON STATE GOVERNMENT

11 1 WALLY E. HORN, CO=CHAIRPERSON

11 2

11 3

11 4

11 5 LARRY McKIBBEN, CO=CHAIRPERSON

11 6 HF 729.704 81

11 7 ec/gg/1482