Senate Amendment 3216

1 1   Amend House File 807, as amended, passed, and
1 2 reprinted by the House, as follows:
1 3 #1. Page 4, by inserting after line 18 the
1 4 following:
1 5   <Sec. ___. Section 602.9104, Code 2005, is amended
1 6 to read as follows:
1 7   602.9104 DEDUCTIONS FROM JUDGES' SALARIES ==
1 8 CONTRIBUTIONS BY STATE.
1 9   1. a. A judge to whom this article applies shall
1 10 be paid an amount equal to ninety-five percent of the
1 11 basic salary of the judge as set by the general
1 12 assembly. An reduced by an amount equal to five
1 13 percent of the basic salary of the judge as set by the
1 14 general assembly is designated as the judge's required
1 15 contribution to the judicial retirement fund, and.
1 16 The amount designated as the judge's required
1 17 contribution shall be paid by the state in the manner
1 18 provided in subsection 2.
1 19   b. The state shall contribute annually to the
1 20 judicial retirement fund an amount equal to the
1 21 state's required contribution for all judges covered
1 22 under this article. The state's required contribution
1 23 shall be appropriated directly to the judicial
1 24 retirement fund by the general assembly.
1 25   2. The amount designated in subsection 1 as the
1 26 judge's required contribution to the judicial
1 27 retirement fund shall be paid by the department of
1 28 administrative services from the general fund of the
1 29 state to the court administrator for deposit with the
1 30 treasurer of state to the credit of the judicial
1 31 retirement fund. Moneys in the fund are appropriated
1 32 for the payment of annuities, refunds, and allowances
1 33 provided by this article, except that the amount of
1 34 the appropriations affecting payment of annuities,
1 35 refunds, and allowances to judges of the municipal and
1 36 superior court is limited to that part of the fund
1 37 accumulated for their benefit as provided in this
1 38 article. The corpus and income of the fund shall be
1 39 used only for the exclusive benefit of the judges
1 40 covered under this article, their survivors, or an
1 41 alternate payee who is assigned benefits pursuant to a
1 42 domestic relations order.
1 43   3. A judge covered under this article is deemed to
1 44 consent to the reduction in basic salary as provided
1 45 in subsection 1.
1 46   4. a. As used in this subsection section, unless
1 47 the context otherwise requires:
1 48   (1) a. "Actuarial valuation" means an actuarial
1 49 valuation of the judicial retirement system or an
1 50 annual actuarial update of an actuarial valuation, as
2 1 required pursuant to section 602.9116.
2 2   (2) b. "Fully funded status" means that the most
2 3 recent actuarial valuation reflects that, using the
2 4 projected unit credit method in accordance with
2 5 generally recognized and accepted actuarial principles
2 6 and practices set forth by the American academy of
2 7 actuaries, the funded status of the system is at least
2 8 one hundred ninety percent, based upon the benefits
2 9 provided for judges through the judicial retirement
2 10 system as of July 1, 2005.
2 11   c. "Judge's required contribution" means an amount
2 12 equal to the basic salary of the judge multiplied by
2 13 the following applicable percentage:
2 14   (1) For the fiscal year beginning July 1, 2005,
2 15 and for each subsequent fiscal year until the system
2 16 attains fully funded status, six percent multiplied by
2 17 a fraction equal to the actual percentage rate
2 18 contributed by the state for that fiscal year divided
2 19 by twenty-three and seven-tenths percent.
2 20   (2) Commencing with the first fiscal year in which
2 21 the system attains fully funded status, and for each
2 22 subsequent fiscal year, the percentage rate equal to
2 23 fifty percent of the required contribution rate.
2 24   (3) d. "Required contribution rate" means that

2 25 percentage of the basic salary of all judges covered
2 26 under this article which~~, in addition to the judge's~~
2 27 ~~contribution established in subsection 1,~~ the actuary
2 28 of the system determines is necessary<u>, using the</u>
2 29 <u>projected unit credit method in accordance with</u>
2 30 <u>generally recognized and accepted actuarial principles</u>
2 31 <u>and practices set forth by the American academy of</u>
2 32 <u>actuaries,</u> to ~~maintain fully funded status~~ <u>amortize</u>
2 33 <u>the unfunded actuarial liability of the judicial</u>
2 34 <u>retirement system within twenty years</u>.
2 35   <u>e. "State's required contribution" means an amount</u>
2 36 <u>equal to the basic salary of all judges covered under</u>
2 37 <u>this article multiplied by the following applicable</u>
2 38 <u>percentage:</u>
2 39   <u>(1) For the fiscal year beginning July 1, 2005,</u>
2 40 <u>and for each subsequent fiscal year until the system</u>
2 41 <u>attains fully funded status, twenty=three and seven=</u>
2 42 <u>tenths percent.</u>
2 43   <u>(2) Commencing with the first fiscal year in which</u>
2 44 <u>the system attains fully funded status, and for each</u>
2 45 <u>subsequent fiscal year, the percentage rate equal to</u>
2 46 <u>fifty percent of the required contribution rate.</u>
2 47   ~~b. Effective with the fiscal year commencing July~~
2 48 ~~1, 1994, and for each subsequent fiscal year until the~~
2 49 ~~system attains fully funded status, based upon the~~
2 50 ~~benefits provided for judges through the judicial~~
3 1 ~~retirement system as of July 1, 2001, the state shall~~
3 2 ~~contribute annually to the judicial retirement fund an~~
3 3 ~~amount equal to at least twenty=three and seven=~~
3 4 ~~tenths percent of the basic salary of all judges~~
3 5 ~~covered under this article. Commencing with the first~~
3 6 ~~fiscal year in which the system attains fully funded~~
3 7 ~~status, based upon the benefits provided for judges~~
3 8 ~~through the judicial retirement system as of July 1,~~
3 9 ~~2001, and for each subsequent fiscal year, the state~~
3 10 ~~shall contribute to the judicial retirement fund the~~
3 11 ~~required contribution rate. The state's contribution~~
3 12 ~~shall be appropriated directly to the judicial~~
3 13 ~~retirement fund.~~
3 14   Sec. ___. Section 602.9106, Code 2005, is amended
3 15 to read as follows:
3 16   602.9106 RETIREMENT.
3 17   Any person who shall have become separated from
3 18 service as a judge of any of the courts included in
3 19 this article and who has had an aggregate of at least
3 20 ~~six~~ <u>four</u> years of service as a judge of one or more of
3 21 such courts and shall have attained the age of sixty=
3 22 five years or who has had ~~twenty=five~~ <u>twenty</u> years of
3 23 consecutive service as a judge of one or more of said
3 24 courts <u>and shall have attained the age of fifty years</u>,
3 25 and who shall have otherwise qualified as provided in
3 26 this article, shall be entitled to an annuity as
3 27 hereinafter provided.
3 28   Sec. ___. Section 602.9107, subsection 1,
3 29 paragraph a, Code 2005, is amended to read as follows:
3 30   a. The annual annuity of a judge under this system
3 31 is an amount equal to three <u>and one=fourth</u> percent of
3 32 the judge's average annual basic salary for the
3 33 judge's highest three years as a judge of one or more
3 34 of the courts included in this article, multiplied by
3 35 the judge's years of service as a judge of one or more
3 36 of the courts for which contributions were made to the
3 37 system. However, an annual annuity shall not exceed
3 38 an amount equal to a specified percentage of the
3 39 highest basic annual salary which the judge is
3 40 receiving or had received as of the time the judge
3 41 became separated from service. Forfeitures shall not
3 42 be used to increase the annuities a judge or survivor
3 43 would otherwise receive under the system.
3 44   Sec. ___. Section 602.9107, subsection 1,
3 45 paragraph b, subparagraph (4), Code 2005, is amended
3 46 to read as follows:
3 47   (4) For judges who retire and receive an annuity
3 48 on or after July 1, 2001, <u>but before July 1, 2005,</u> the
3 49 specified percentage shall be sixty percent.
3 50   Sec. ___. Section 602.9107, subsection 1,
4 1 paragraph b, Code 2005, is amended by adding the
4 2 following new subparagraph:
4 3   <u>NEW SUBPARAGRAPH</u>. (5) For judges who retire and
4 4 receive an annuity on or after July 1, 2005, the
4 5 specified percentage shall be sixty=five percent.

4 6   Sec. ___.   Section 602.9107C, subsection 1, Code
4 7 2005, is amended to read as follows:
4 8   1. A judge under this system who has at least ~~six~~
4 9 four years of service as a judge of any of the courts
4 10 included in this article and who was a member of the
4 11 Iowa public employees' retirement system as provided
4 12 in chapter 97B, but who was not retired under that
4 13 system, upon submitting verification of membership and
4 14 service in the Iowa public employees' retirement
4 15 system to the court administrator, including proof
4 16 that the judge has no further claim upon a retirement
4 17 benefit from that public system, may make
4 18 contributions as provided by this section to the
4 19 system either for the entire period of service in the
4 20 other public system, or for partial service in the
4 21 other public system in increments of one or more
4 22 calendar quarters, and receive credit for that service
4 23 under the system.
4 24   Sec. ___.   Section 602.9108, Code 2005, is amended
4 25 to read as follows:
4 26   602.9108   INDIVIDUAL ACCOUNTS == REFUNDING.
4 27   The amount designated as the judge's contribution
4 28 to the judicial retirement fund in section 602.9104,
4 29 ~~subsection 1,~~ and all amounts paid into the fund by a
4 30 judge shall be credited to the individual account of
4 31 the judge. If a judge covered under this article
4 32 becomes separated from service as a judge before the
4 33 judge completes an aggregate of ~~six~~ four years of
4 34 service as a judge of one or more of the courts, the
4 35 total amount in the judge's individual account shall
4 36 be returned to the judge or the judge's legal
4 37 representatives within one year of the separation. If
4 38 a judge, who is covered under this article and who has
4 39 completed an aggregate of ~~six~~ four years or more of
4 40 service as a judge of one or more of the courts, dies
4 41 before retirement, without a survivor, the total
4 42 amount in the judge's individual account shall be paid
4 43 in one sum to the judge's legal representatives within
4 44 one year of the judge's death. If an annuitant under
4 45 this section dies without a survivor, and without
4 46 having received in annuities an amount equal to the
4 47 total amount in the judge's individual account at the
4 48 time of separation from service, the amount remaining
4 49 to the annuitant's credit shall be paid in one sum to
4 50 the annuitant's legal representatives within one year
5 1 of the annuitant's death.
5 2   Sec. ___.   Section 602.9112, Code 2005, is amended
5 3 to read as follows:
5 4   602.9112   VOLUNTARY RETIREMENT FOR DISABILITY.
5 5   Any judge of the supreme, district or municipal
5 6 court, including a district associate judge, or a
5 7 judge of the court of appeals, who shall have served
5 8 as a judge of one or more of such courts for a period
5 9 of ~~six~~ four years in the aggregate and who believes
5 10 the judge has become permanently incapacitated,
5 11 physically or mentally, to perform the duties of the
5 12 judge's office may personally or by the judge's next
5 13 friend or guardian file with the court administrator a
5 14 written application for retirement. The application
5 15 shall be filed in duplicate and accompanied by an
5 16 affidavit as to the duration and particulars of the
5 17 judge's service and the nature of the judge's
5 18 incapacity. The court administrator shall forthwith
5 19 transmit one copy of the application and affidavit to
5 20 the chief justice who shall request the attorney
5 21 general in writing to cause an investigation to be
5 22 made relative to the claimed incapacity and report
5 23 back the results thereof in writing. If the chief
5 24 justice finds from the report of the attorney general
5 25 that the applicant is permanently incapacitated,
5 26 physically or mentally, to perform the duties of the
5 27 applicant's office the chief justice shall by
5 28 endorsement thereon declare the applicant retired, and
5 29 the office vacant, and shall file the report in the
5 30 office of the court administrator, and a copy in the
5 31 office of the secretary of state. From the date of
5 32 such filing the applicant shall be deemed retired from
5 33 the applicant's office and entitled to the benefits of
5 34 this article to the same extent as if the applicant
5 35 had retired under the provisions of section 602.9106.
5 36   Sec. ___.   Section 602.9115A, unnumbered paragraphs

5 37 1 and 3, Code 2005, are amended to read as follows:
5 38   In lieu of the annuities and refunds provided for
5 39 judges and judges' survivors under sections 602.9107,
5 40 ~~602.9107A,~~ 602.9108, 602.9115, 602.9204, 602.9208, and
5 41 602.9209, judges may elect to receive an optional
5 42 retirement annuity during the judge's lifetime and
5 43 have the optional retirement annuity, or a designated
5 44 fraction of the optional retirement annuity, continued
5 45 and paid to the judge's survivor after the judge's
5 46 death and during the lifetime of the survivor.
5 47   The optional retirement annuity shall be the
5 48 actuarial equivalent of the amounts of the annuities
5 49 payable to judges and survivors under sections
5 50 602.9107, ~~602.9107A,~~ 602.9115, 602.9204, 602.9208, and
6 1 602.9209. The actuarial equivalent shall be based on
6 2 the mortality and interest assumptions set out in
6 3 section 602.9107, subsection 3.
6 4   Sec. ___. Section 602.9116, subsection 1, Code
6 5 2005, is amended to read as follows:
6 6   1. The court administrator shall cause an
6 7 actuarial valuation to be made of the assets and
6 8 liabilities of the judicial retirement fund at least
6 9 once every four years commencing with the fiscal year
6 10 beginning July 1, 1981. For each fiscal year in which
6 11 an actuarial valuation is not conducted, the court
6 12 administrator shall cause an annual actuarial update
6 13 to be prepared for the purpose of determining the
6 14 adequacy of the contribution rates specified in
6 15 section 602.9104~~, subsection 4~~. The court
6 16 administrator shall adopt mortality tables and other
6 17 necessary factors for use in the actuarial
6 18 calculations required for the valuation upon the
6 19 recommendation of the actuary. Following the
6 20 actuarial valuation or annual actuarial update, the
6 21 court administrator shall determine the condition of
6 22 the system and shall report its findings and
6 23 recommendations to the general assembly.
6 24   Sec. ___. Section 602.9203, subsection 2,
6 25 paragraph b, Code 2005, is amended to read as follows:
6 26   b. Meets the minimum requirements for entitlement
6 27 to an annuity as specified in section 602.9106.
6 28 However, a judge who elects to retire prior to
6 29 attaining the age of sixty=five and who has not had
6 30 ~~twenty=five~~ twenty years of consecutive service, may
6 31 serve as a senior judge, but shall not be paid an
6 32 annuity pursuant to section 602.9204 until attaining
6 33 age sixty=five.
6 34   Sec. ___. Section 602.9204, subsection 1, Code
6 35 2005, is amended to read as follows:
6 36   1. A judge who retires on or after July 1, 1994,
6 37 and who is appointed a senior judge under section
6 38 602.9203 shall be paid a salary as determined by the
6 39 general assembly. A senior judge or retired senior
6 40 judge shall be paid an annuity under the judicial
6 41 retirement system in the manner provided in section
6 42 602.9109, but computed under this section in lieu of
6 43 section 602.9107, as follows: The annuity paid to a
6 44 senior judge or retired senior judge shall be an
6 45 amount equal to ~~three percent~~ the applicable
6 46 percentage multiplier of the basic senior judge
6 47 salary, multiplied by the judge's years of service
6 48 prior to retirement as a judge of one or more of the
6 49 courts included under this article, for which
6 50 contributions were made to the system, except the
7 1 annuity of the senior judge or retired senior judge
7 2 shall not exceed an amount equal to the applicable
7 3 specified percentage of the basic senior judge salary
7 4 used in calculating the annuity. However, following
7 5 the twelve=month period during which the senior judge
7 6 or retired senior judge attains seventy=eight years of
7 7 age, the annuity paid to the person shall be an amount
7 8 equal to ~~three percent~~ the applicable percentage
7 9 multiplier of the basic senior judge salary cap,
7 10 multiplied by the judge's years of service prior to
7 11 retirement as a judge of one or more of the courts
7 12 included under this article, for which contributions
7 13 were made to the system, except that the annuity shall
7 14 not exceed an amount equal to the applicable specified
7 15 percentage of the basic senior judge salary cap. A
7 16 senior judge or retired senior judge shall not receive
7 17 benefits calculated using a basic senior judge salary

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7 18 established after the twelve=month period in which the
7 19 senior judge or retired senior judge attains seventy=
7 20 eight years of age.  The state shall provide,
7 21 regardless of age, to an active senior judge or a
7 22 senior judge with six years of service as a senior
7 23 judge and to the judge's spouse, and pay for medical
7 24 insurance until the judge attains the age of seventy=
7 25 eight years.
7 26    Sec. ___.  Section 602.9204, subsection 2, Code
7 27 2005, is amended by adding the following new
7 28 paragraph:
7 29    NEW PARAGRAPH.  0a.  "Applicable percentage
7 30 multiplier" means as follows:
7 31    (1)  For a senior judge or retired senior judge who
7 32 retired as a judge and received an annuity prior to
7 33 July 1, 2005, three percent.
7 34    (2)  For a senior judge or a retired senior judge
7 35 who retired as a judge and received an annuity on or
7 36 after July 1, 2005, three and one=fourth percent.
7 37    Sec. ___.  Section 602.9107A, Code 2005, is
7 38 repealed.>
7 39 #2.  Title page, line 2, by inserting after the
7 40 word <branch,> the following:  <relating to the
7 41 judicial retirement system,>.
7 42 #3.  By renumbering as necessary.
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7 44
7 45 _____
7 46 STEWART IVERSON, Jr.
7 47 HF 807.502 81
7 48 ec/pj/4506
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