

AN ACT

RELATING TO THE REEXAMINATION AND RECALCULATION OF DISABILITY
RETIREMENT BENEFITS FOR BENEFICIARIES UNDER THE PUBLIC
SAFETY PEACE OFFICERS' RETIREMENT, ACCIDENT, AND DISABILITY
SYSTEM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 97A.6, subsection 7, paragraph a,
subparagraph (1), Code 2015, is amended to read as follows:

(1) Should any beneficiary for either ordinary or
accidental disability, except a beneficiary who is fifty-five
years of age or over and would have completed twenty-two years
of service if the beneficiary had remained in active service,
be engaged in a gainful occupation paying more than the
difference between the member's net retirement allowance and
one and one-half times the current earnable compensation of an
active member at the same position on the salary scale within
the member's rank as the member held at retirement, then the
amount of the retirement allowance shall be reduced, subject to
the requirements of this subparagraph, to an amount such that
the member's net retirement allowance plus the amount earned by
the member shall equal one and one-half times the amount of the
current earnable compensation of an active member at the same

position on the salary scale within the member's rank as the member held at retirement. Should the member's earning capacity be later changed, the amount of the retirement allowance may be further modified, subject to the requirements of this subparagraph, provided that the new retirement allowance shall not exceed the amount of the retirement allowance originally granted adjusted by annual readjustments of pensions pursuant to subsection 14 of this section nor an amount which would cause the member's net retirement allowance, when added to the amount earned by the beneficiary, to equal one and one-half times the amount of the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. However, a member's retirement allowance payable in a calendar year shall not be reduced pursuant to this subparagraph to an amount that is less than half of the member's ordinary disability or accidental disability retirement benefit allowance calculated without regard to this paragraph "a", and otherwise payable to the member in a calendar year. A beneficiary restored to active service at a salary less than the average final compensation upon the basis of which the member was retired at age fifty-five or greater, shall not again become a member of the retirement system and shall have the member's retirement allowance suspended while in active service. If the rank or position held by the retired member is subsequently abolished, adjustments to the allowable limit on the amount of income which can be earned in a gainful occupation shall be computed in the same manner as provided in subsection 14, paragraph "c", of this section for readjustment of pensions when a rank or position has been abolished. If the salary scale associated with a member's rank at retirement is changed after the member retires, earnable compensation for purposes of this section shall be based upon the salary an active member currently would receive at the same rank and with seniority equal to that of the retired member at the time of retirement. For purposes of this paragraph, "*net retirement allowance*" means the amount determined by subtracting the amount paid during the previous calendar year by the beneficiary for health insurance or similar health care coverage for the beneficiary and the beneficiary's dependents from the amount of the member's retirement allowance paid for that year pursuant to this chapter. The beneficiary shall submit sufficient documentation to the board of trustees to permit the system

to determine the member's net retirement allowance for the applicable year.

PAM JOCHUM
President of the Senate

KRAIG PAULSEN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 366, Eighty-sixth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved _____, 2015

TERRY E. BRANSTAD
Governor