

Passed House 1-25/65
Vote Ayes 117
Nays 0

January 19, 1965.

House File 7

Industrial and Human Relations. *So Pass 1/27* By GAUDINEER, MAULE, DOYLE, VARNEY, O'MALLEY and GLANTON.

Passed House, Date *2/3/65* Passed Senate, Date *2-24-65*

Vote: Ayes *121* Nays *0* Vote: Ayes *45* Nays *9*

Approved *3-9-65*

Deferred 1/29

*Gov. Sub. Dir 2/3
Substituted for S.F. 34 2/11
Deferred 2/11*

A BILL FOR

An Act relating to retirement systems for policemen and firemen.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 Section 1. Section four hundred eleven point one (411.1),
- 2 Code 1962, is hereby amended by striking all of subsection
- 3 sixteen (16) and inserting in lieu thereof the fololwing:
- 4 " 'Final compensation' shall mean the earnable compensation
- 5 which the member was receiving at the time of retirement or
- 6 death."
- 1 Sec. 2. section four hundred eleven point six (411.6), sub-
- 2 section two (2), paragraph b, Code 1962, is hereby amended by
- 3 striking from line four (4) the word "average".
- 1 Sec. 3. Section four hundred eleven point six (411.6), sub-
- 2 section four (4), paragraph b, Code 1962, is hereby amended as
- 3 follows:
- 4 1. By striking from line three (3) the word "average".
- 5 2. By striking from lines six (6) and seven (7) the word
- 6 "average".
- 7 3. By striking from line ten (10) the word "average".
- 1 Sec. 4. Section four hundred eleven point six (411.6),
- 2 subsection six (6), paragraph b, Code 1962, is hereby amended by
- 3 striking from line two (2) the word "average".
- 1 Sec. 5. Section four hundred eleven point six (411.6),

2 subsection seven (7), paragraph a, Code 1962, is hereby amended as
3 follows:

4 1. By striking from lines four (4) and five (5) the word
5 "average".

6 2. By striking from line nine (9) the word "average".

7 3. By striking from line sixteen (16) the word "average".

8 4. By striking from line eighteen (18) the word "average".

1 Sec. 6. Section four hundred eleven point six (411.6), sub-
2 section seven (7), paragraph b, Code 1962, is hereby amended by
3 striking from line three (3) the word "average".

1 Sec. 7. Section four hundred eleven point six (411.6), sub-
2 section eight (8), paragraph b, Code 1962, is hereby amended by
3 striking from line twelve (12) the word "average".

1 Sec. 8. Section four hundred eleven point six (411.6), sub-
2 section nine (9), paragraph b, Code 1962, is hereby amended by
3 striking from lines one (1) and two (2) the word "average".

1 Sec. 9. Section four hundred eleven point six (411.6), Code
2 1962, is further amended by adding thereto the following sub-
3 section:

4 "Pensions payable under this section shall be adjusted as
5 follows:

6 "a. As of the first of July of each year, the monthly pensions
7 authorized in this section payable to each retired member and
8 to each beneficiary, except children, of a deceased member shall
9 be recomputed. The formula authorized in this section which was
10 used to compute the retired member's or beneficiary's pension at
11 the time of retirement or death, including all amendments to the
12 formula which may be adopted subsequent to the member's retire-
13 ment or death, shall be used in the recomputation except the

14 earnable compensation payable on each July one (1) to an active
15 member having the same or equivalent rank or position as was
16 held by the retired or deceased member at the time of retirement
17 or death, shall be used in lieu of the final compensation which
18 the retired or deceased member was receiving at the time of re-
19 tirement or death. At no time shall the monthly pension or pay-
20 ment to the beneficiary be less than the amount which was paid
21 at the time of the member's retirement or death.

22 "b. As of the first of July of each year, the monthly pension
23 payable to each surviving child in accordance with subsections
24 eight (8), nine (9), and thirteen (13) of this section shall be
25 adjusted to equal six percent of the monthly salary payable on
26 such July first to an active member having the rank of first-class
27 fireman, in the case of a child of a deceased member of the fire
28 department, or of a first-class patrolman, in the case of a child
29 of a deceased member of the police department. If the monthly
30 pension so computed is less than the amounts provided in sub-
31 sections eight (8), nine (9) and thirteen (13) of this section,
32 the amounts provided for in said subsections shall be payable.

33 "c. All monthly pensions adjusted as provided in this sub-
34 section shall be payable beginning on July one of the year which
35 the adjustment is made and shall continue in effect until the
36 next following July one at which time the monthly pensions shall
37 again be recomputed and all monthly pensions adjusted in accord-
38 ance with the recomputations.

39 "d. The adjustment of pensions required by this subsection
40 shall recognize the retired or deceased member's position on the
41 salary scale within his rank at the time of his retirement or
42 death. In the event that the rank or position held by the retired

43 or deceased member at the time of retirement or death is sub-
 44 sequently abolished, adjustments in the pensions of the member
 45 or of the member's spouse or children shall be computed by the
 46 board of trustees as though such rank or position had not been
 47 abolished and salary increases had been granted to such rank or
 48 position on the same basis as increases granted to other ranks
 49 and positions in the department."

1 Sec. 10. Section four hundred eleven point eight (411.8),
 2 Code 1962, is amended by striking from subsection one (1),
 3 paragraph a, all of lines eleven (11) through thirty-one (31),
 4 and inserting in lieu thereof the following:

5	"20	4.91%
6	21	4.97%
7	22	5.04%
8	23	5.11%
9	24	5.18%
10	25	5.26%
11	26	5.33%
12	27	5.41%
13	28	5.48%
14	29	5.56%
15	30	5.64%
16	31	5.72%
17	32	5.80%
18	33	5.88%
19	34	5.97%
20	35	6.05%
21	36	6.14%
22	37	6.22%

23	38	6.31%
24	39	6.40%
25	40	6.50%

EXPLANATION OF HOUSE FILE 7

Each year the cost-of-living index rises. The income of the working man is generally adjusted to the price-cost squeeze because he is in a bargaining position. The same cannot be said of the retired person on pension whose source of income is fixed and does not adjust to the rise in cost-of-living.

This bill provides that pensions payable to retired members of the state's police, fire, and public safety departments, or their beneficiaries, will be adjusted according to the salaries paid to active members of these departments, and would go far toward eliminating the hardships attendant to the fixed-pension buying power.

HOUSE FILE 7

- 1 Amend House File 7 by adding thereto the following new
- 2 sections:
- 3 "If the one (1) percent increase in contributions by the
- 4 members does not equal the annual cost of the adjustments
- 5 provided by this Act through normal retirement not due to
- 6 disability, the members' contributions shall be increased
- 7 each year by the necessary percentage to pay the cost of the
- 8 adjustments of the preceding year."
- 9 "If the rate of contributions by the city is reduced below
- 10 the present rate of contributions, the members' contributions
- 11 shall be reduced an equal percentage."

adopted 2/3

Filed
February 2, 1965.

WILSON of Black Hawk.

HOUSE FILE 7

- 1 Amend House File 7, section 9, line 4, after the word "section"
- 2 by adding the following: "to those who retire or become
- 3 beneficiaries after July 4, 1965".
- 4 Further amend House File 7, section 12, line 2, by striking
- 5 the words "the present rate of contributions" and in-
- 6 serting in lieu thereof the following: "seven and nine-
- 7 tenths per cent (7.9%)".

2/8/65 O'Malley

adopted 2/11

Filed
February 8, 1965.

By O'MALLEY.

HOUSE FILE 7

- 1 Amend House File 7, section 12, line 4, by adding after the
- 2 period (.) the following: "The fund created by the
- 3 one per cent (1%) increase in members' contributions
- 4 shall be maintained separately for the purpose of
- 5 paying for the annual cost of the adjustments."

Filed and adoptd
February 11, 1965.

By O'MALLEY.

HOUSE FILE 7

- 1 Amend House File 7 by striking all after the enacting clause
- 2 and inserting in lieu thereof the following:
- 3 "Section 1. Section four hundred eleven point one (411.1),
- 4 Code 1962, is hereby amended by adding the following new sub-
- 5 section:
- 6 " 'Pension compensation' shall mean the member's average final
- 7 compensation adjusted in the ratio of the earnable compensation
- 8 payable on each July 1 to an active member having the same or
- 9 equivalent rank or portion as was held by the retired or de-
- 10 ceased member at the time of retirement or death to the earnable
- 11 compensation of such member at his retirement or death."
- 12 Sec. 2. Section four hundred eleven point six (411.6), Code
- 13 1962, is further amended by adding thereto the following
- 14 subsection:
- 15 "Pensions payable under this section shall be adjusted as
- 16 follows:

18 pensions authorized in this section payable to each retired
 19 member and to each beneficiary, except children, of a deceased
 20 member shall be recomputed. The formula authorized in this
 21 section which was used to compute the retired member's or ben-
 22 eficiary's pension at the time of retirement or death, including
 23 all amendments to the formula which may be adopted subsequent
 24 to the member's retirement or death, shall be used in the recom-
 25 putation except the pension compensation shall be used in lieu
 26 of the average final compensation which the retired or deceased
 27 member was receiving at the time of retirement or death. The
 28 adjusted monthly pension shall be the amount payable at the
 29 member's retirement or death adjusted by one-half of the differ-
 30 ence between the recomputed pension and the amount payable at
 31 the member's retirement or death. At no time shall the monthly
 32 pension or payment to the beneficiary be less than the amount
 33 which was paid at the time of the member's retirement or death.

34 "b. As of the first of July of each year, the monthly
 35 pension payable to each surviving child in accordance with sub-
 36 sections eight (8), nine (9), and thirteen (13) of this section
 37 shall be adjusted to equal six percent of the monthly salary
 38 payable on such July first to an active member having the rank
 39 of first-class fireman, in the case of a child of a deceased
 40 member of the fire department, or of a first-class patrolman,
 41 in the case of a child of a deceased member of the police depart-
 42 ment. If the monthly pension so computed is less than the amounts
 43 provided in subsections eight (8), nine (9) and thirteen (13) of
 44 this section, the amounts provided for in said subsections shall
 45 be payable.

46 "c. All monthly pensions adjusted as provided in this
 47 subsection shall be payable beginning on July 1 of the year in
 48 which the adjustment is made and shall continue in effect until
 49 the next following July 1 at which time the monthly pensions
 50 shall again be recomputed and all monthly pensions shall be ad-
 51 justed in accordance with the recomputations.

52 "d. The adjustment of pensions required by this subsec- *adopted 2/24*
 53 tion shall recognize the retired or deceased member's position
 54 on the salary scale within his rank at the time of his retire-
 55 ment or death. In the event that the rank or position held by

56 the retired or deceased member at the time of retirement or
 57 death is subsequently abolished, adjustments in the pensions of
 58 the member or of the member's spouse or children shall be com-
 59 puted by the board of trustees as though such rank or position
 60 had not been abolished and salary increases had been granted
 61 to such rank or position on the same basis as increases granted
 62 to other ranks and positions in the department."

63 Sec. 3. Section four hundred eleven point eight (411.8),
 64 Code 1962, is amended by striking from subsection one (1),
 65 paragraph "a", all of lines eleven (11) through thirty-one (31),
 66 and inserting in lieu thereof the following:

67	20	4.91%
68	21	4.97%
69	22	5.04%
70	23	5.11%
71	24	5.18%
72	25	5.26%
73	26	5.33%
74	27	5.41%
75	28	5.48%
76	29	5.56%
77	30	5.64%
78	31	5.72%
79	32	5.80%
80	33	5.88%
81	34	5.97%
82	35	6.05%
83	36	6.14%
84	37	6.22%
85	38	6.31%
86	39	6.40%
87	40	6.50%

Filed
 February 22, 1965.

By O'MALLEY, REPERT, DENMAN,
 McNALLY, FROMMELT, STANLEY,
 SHAFF and RILEY. *adopted 2/24*

EXPLANATION OF HOUSE FILE 7

1 This bill will provide that pensions payable to retired
 2 members of the fire or police departments, or their benefi-
 3 ciaries, will be adjusted according to salaries being paid to
 4 active members of these departments, and would go far toward
 5 eliminating the hardships to those on a fixed-pension income
 6 caused by inflationary increases in the cost of living.