

February 3, 1970  
Place on Calendar

HOUSE FILE 1176

By COMMITTEE ON STATE GOVERNMENT

Passed House, Date.....2-13-70..... Passed Senate, Date.....

Vote: Ayes .....124..... Nays .....0..... Vote: Ayes ..... Nays .....

Approved.....

## A BILL FOR

1 An Act relating to the Iowa public employees' retirement  
2 system, wages covered and the payment of benefits under  
3 such system.

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

5 Section 1. Chapter one hundred twenty-one (121), Acts of  
6 the Sixty-second General Assembly, is hereby amended as follows:

7 1. By striking from section nine (9), lines twenty-four  
8 (24) and twenty-five (25), and inserting in lieu thereof the  
9 following:

10 "(3) For each calendar year from January 1, 1968, through  
11 December 31, 1970, wages not in excess of seven thousand dol-  
12 lars, and for each calendar year from January 1, 1971, and  
13 thereafter, wages not in excess of seven thousand eight hun-  
14 dred dollars."

15 Sec. 2. Chapter one hundred twenty-one (121), section  
16 fifteen (15), Acts of the Sixty-second General Assembly, is  
17 hereby amended as follows:

18 1. By striking lines three (3) through fifteen (15).

19 2. By striking from line sixteen (16) the word "wages;"  
20 and inserting in lieu thereof the following:

21 "Each member shall, upon retirement or after his normal  
22 retirement date, be entitled to receive a monthly retirement  
23 allowance determined under subsections one (1), two (2), and  
24 three (3) of this section. Any retirement allowance which is  
25 in addition to the amount being paid to retired members on

1 July 1, 1970, shall become effective with payments as of July 1,  
2 1970. For members retiring on and after July 1, 1970, the re-  
3 tirement allowance as determined herein shall commence on the  
4 effective date of retirement.

5 1. For each active member retiring from employment with  
6 five or more complete years of service, a formula benefit shall  
7 be determined. The amount of the monthly formula benefit for  
8 each such active member who retired on or after July 1, 1970,  
9 shall be equal to one-twelfth of one and forty-five hundredths  
10 percent per year of membership service multiplied by his average  
11 annual covered wages;”.

12 3. By adding the following new paragraph after the period  
13 in line twenty-five (25);

14 “For each active member who retired and commenced receiving  
15 a retirement allowance before July 1, 1970, the amount of  
16 regular monthly retirement allowance he received for June,  
17 1970, on account of membership service shall be increased in  
18 the same proportion as the increase granted under subsection  
19 one (1) of section ninety-seven B point forty-nine (97B.49)  
20 of the Code as amended commencing July 1, 1970.”

#### EXPLANATION

This bill increases the ceiling of wages covered under IPERS from \$7000 to \$7800.

The bill also provides a formula retirement allowance of 1.45 percent of covered earnings for each year of future service for the members of the Iowa Public Employees' Retirement System from July 4, 1953. Covered earnings, as defined by Chapter 121, Acts of the 62nd General Assembly, means the amount of the member's wages subject to contributions.

FISCAL NOTE  
HOUSE FILE 1176

Date prepared February 10, 1970

Requested by Menefee of Fayette.

Prepared in regard to amendment to House File 1176, an act relating to the Iowa public employees' retirement system, wages covered and the payment benefits under such system.

Following is the fiscal effect in dollars of the legislative proposal as required by House Rule 48:

The following information was prepared by Mr. Ed. Longnecker of the Iowa Public Employees' Retirement Fund:

IPERS PRIOR SERVICE PENSIONS  
FOR ELECTIVE OFFICIALS

1. Number of active elected officials ..... 41
2. Total years of their prior service ..... 669
3. Total estimated annual prior service pensions  
(assuming \$3,000 annual salary for each official)  
for these 41 officials .....\$20,000
4. Single sum liability for the total \$20,000.00  
annual pensions is:

Assuming Average Age  
of 41 Officials

Assuming Interest  
Rate of

	3%	4%
50	\$117,000	\$ 94,000
60	\$174,000	\$154,000

Filed  
February 12, 1970

GERRY D. RANKIN  
Legislative Fiscal Director

1 Amend House File 1176 by adding thereto the following  
2 sections:  
3 Sec. 3. Section ninety-seven B point forty-one (97B.41),  
4 Code 1966, is hereby amended by striking from subsection fifteen  
5 (15) thereof lines three (3) and four (4) and inserting in lieu there-  
6 of the following: July 4, 1953.  
7 Sec. 4. Section ninety-seven B point forty-three (97B.43)  
8 Code 1966, is hereby amended by adding thereto the following  
9 paragraph:  
10 "Any elected public official who was not eligible for member-  
11 ship under the abolished system and who was holding office as an  
12 elected official on July 4, 1953, who as of July 1, 1970, was an  
13 active member, a vested member, or a retired member, shall be en-  
14 titled to a credit for years of prior service by: (making ap-  
15 plication to the commission a form to be furnished and approved by  
16 the commission, and (2) paying to the retirement fund the amount of  
17 contributions required by a member in the abolished system plus  
18 interest on such contributions from July 1, 1953. to the date of  
19 payment computed at the same annual rates that were used to ac-  
20 cumulate the contributions of members who elected to leave their  
21 contributions in the retirement system.  
22 Such elected public officials' prior service credit shall become  
23 effective on the first day of the month following receipt and ap-  
24 proval by the commission of the member's application and lump-sum  
25 payment of contributions with interest as required by this section.  
26 Commission approval shall be with respect to the question of validity  
27 of the member's claim to prior service credit and the amount thereof.  
28 The right to prior service credit as provided by this section shall  
29 terminate on December 31, 1971".

#### EXPLANATION

Elected public officials were excluded from coverage under the Iowa Old Age and Survivors' Insurance System, and this bill would permit elected public officials who were holding office on July 1, 1953, to obtain credit for prior years of service by paying contributions at the same rate as member who elected to leave their contributions in the abolished system, plus interest.

Filed  
February 12, 1970

MENEFEE of Fayette  
EDGINGTON of Franklin  
ROORDA of Jasper  
KITNER of Buchanan  
REX of Hamilton

HOUSE FILE 1176

- 1 Amend House File 1176 as follows:
- 2 1. By striking the word "active" in line fourteen (14) on page  
two (2).
- 3 2. By adding the following new section five (5):
- 4 "Sec. 3. Chapter one hundred twenty-one (121), section nine (9),  
Acts of
- 5 the Sixty-second General Assembly, is hereby amended as follows:
- 6 "1. By adding to subsection one (1), paragraph b, the following  
subpara-
- 7 graph:
- 8 "(5) If a member is employed by more than one employer during  
a calendar
- 9 year, the total amount of wages paid to him by his several employers  
shall be
- 10 included in determining the limitation on covered wages as provided  
by para-
- 11 graph b, subparagraph three (3), of this section. If the amount of  
wages paid
- 12 to a member by his several employers during a calendar year exceeds  
the covered
- 13 wage limit, the amount of such excess shall not be subject to the  
contributions
- 14 required by section ninety-seven B point eleven (97B.11) of the Code.
- 15 "2. By adding to subsection three (3), paragraph b, the following  
subpara-
- 16 graph:
- 17 "Employees hired for temporary employment of six months or less  
duration."
- 18 3. By adding the following new section six (6):
- 19 "Sec. 6. Chapter one hundred twenty-one (121), section fifteen  
(15), Acts
- 20 of the Sixty-Second General Assembly, is hereby amended as follows:
- 21 "By striking from line forty-seven (47) the words and figures  
"two-tenths
- 22 (2/10)" and inserting in lieu thereof the words and figures "three-  
tenths
- 23 (3/10)."
- 24 4. By adding the following new section seven (7):
- 25 "Sec. 7. Section ninety-seven B point fifty-three (97B.53), Code  
1966, as
- 26 amended by chapter one hundred twenty-one (121), section nineteen  
(19), Acts
- 27 of the Sixty-second General Assembly, is hereby amended by adding  
at the end
- 28 thereof the following new subsection:
- 29 "If an employee hired to fill a permanent position terminates his  
employ-
- 30 ment within six months from the date of employment, the employer  
may file a

House 5

31 claim with the commission for a refund of the matching funds con-  
tributed to  
32 the commission by the employer for the employee."

#### EXPLANATION

The word, "active," is being struck so that the increase in benefits will apply to all retired members.

This amendment excludes from coverage under the Iowa Public Employees' Retirement System individuals hired on a temporary basis for six months or less. It eliminates collecting and refunding contributions for those individuals hired to fill a temporary job with a duration of six months or less.

The amendment also limits the total deductions for each employee during each calendar year to the maximum covered wages regardless of the number of employers for whom he may have worked. Under the present law, if a member works for two or more political entities during a calendar year, such entity must deduct IPERS contributions up to the total maximum covered wages paid even though the member may have already paid contributions on the maximum taxable wages for the year. Refunds must, therefore, be made at the end of each calendar year to both the employee and the employer which entails additional administrative costs.

The amendment increases the prior service credit benefit from one per cent to one and one-tenth per cent.

The amendment also provides that if an employee terminates his employment within six months from the date of employment, the employer may file a claim with the commission for refund of matching funds contributed on behalf of such employee.

Filed - *Adopted 2-13*  
February 12, 1970

KOCH of Woodbury  
EDGINGTON of Franklin

- 1 Amend House File 1176 by striking after the
- 2 word "of" in lines thirteen (13) and all of fourteen (14)
- 3 and inserting in lieu thereof the words "ten thousand
- 4 dollars".

Offered from the floor and lost  
February 13, 1970

JOHNSTON of Johnson

### SENATE AMENDMENT TO HOUSE FILE 1176

- 1 Amend House File 1176, as passed by the House, by striking all
- 2 of section 4 and renumbering the remaining sections.

*House referred  
to committee 2-24  
passed  
2-26*

### REPORT OF CONFERENCE COMMITTEE (HOUSE FILE 1176)

To the President of the Senate and the Speaker of the House  
of Representatives:

We, the undersigned members of the conference committee  
appointed to consider the difference between the Senate  
and the House of Representatives on House File 1176, a  
bill for an act relating to the Iowa public employees'  
retirement system, wages covered and the payment of  
benefits under such system, respectfully submit the  
following recommendation:

That the House concur in the Senate amendment.

On the part of the Senate  
ANDREW G. FROMMELT  
ELMER F. LANGE  
JAMES W. GRIFFIN, SR.

On the part of the House  
EDGAR J. KOCH, Chairman  
C. RAYMOND FISHER  
TOM DOUGHERTY

*House adopted 3/6  
Senate adopted 3/9*

Filed  
March 5, 1970

- 1 Amend House File 1176, page 1, by striking the
- 2 word "and" in line 12, all of lines 13 and 14, and in-
- 3 serting in lieu thereof the following:
- 4 "through December 3, 1971, wages not in excess
- 5 of seven thousand eight hundred dollars, for each
- 6 calendar year from January 1, 1972, through December 31,
- 7 1972, wages not in excess of nine thousand dollars, for
- 8 each calendar year from January 1, 1973, through
- 9 December 31, 1972, wages not in excess of twelve thousand
- 10 dollars, and for each calendar year from January 1, 1974,
- 11 all wages."

Filed - Act 2-18  
February 16, 1970

By NEU, WALSH and DODERER

1 Amend House File 1176, as amended and passed by the House and  
2 reprinted page 3, line 35, by inserting after the period the  
3 following sentence:  
4 "However, if an employee hired for temporary employment  
5 subsequently becomes a permanent employee, he may receive credit  
6 for the time he was classified as a temporary employee by making  
7 a lump sum contribution computed to cover the time of temporary  
8 employment, and in such case the employer shall make the proper  
9 employer's contribution."

Filed - *Lost 2-18*  
February 17, 1970

By MCGILL

1 Amend House File 1176, as amended, passed and reprinted by the  
2 House, page 4, by striking all of section 7.

Filed and lost  
February 18, 1970

By FROMMELT

1 Amend House File 1176, as amended and passed by the  
2 House and reprinted, page 4, by striking lines 5 through  
3 7, inclusive, and inserting in lieu thereof the following  
4 new subsections:  
5 1. By striking from line forty-three (43) the words  
6 and figures "eight-tenths (8/10) of one (1)" and sub-  
7 stituting therefor the words and figures "one and one-half  
8 (1½)".  
9 2. By striking from line forty-five (45) the words  
10 and figures "three thousand (3,000)" and substituting  
11 therefor the words and figures "four thousand (4,000)".  
12 3. By striking from line forty-seven (47) the words  
13 and figures "two-tenths (2/10)" and substituting therefor  
14 the words and figures "one-half (½)".  
15 4. By striking from line forty-eight (48) and line  
16 forty-nine (49), the words and figures "three thousand  
17 (3,000)" and substituting therefor the words and figures  
18 "four thousand (4,000)".

Filed - *Lost 2-18*  
February 17, 1970

By GAUDINEER and O'MALLEY

*Adopted 2-18*  
1 Amend House File 1176, as amended and passed  
2 by the House and reprinted, as follows:  
3 1. Page 2, by striking lines 26 through 35,  
4 inclusive.  
5 2. Page 3, by striking lines 1 through 16,  
6 inclusive.

Filed and adopted  
February 18, 1970

By FROMMELT

February 17, 1970

*Perk Copy*

HOUSE FILE 1176

By COMMITTEE ON STATE GOVERNMENT  
(AS AMENDED AND PASSED BY THE HOUSE)

Passed House, Date *2-13-70* Passed Senate, Date *2-12-69*

Vote: Ayes *66* Nays *0* Vote: Ayes *56* Nays *0*

Approved *3/20/70*

*Passed per Conference  
Committee Report  
3/6 108-0*

*Pass per Conference Committee Report 3-9  
58-1*

**A BILL FOR**

- 1 An Act relating to the Iowa public employees' retirement
- 2 system, wages covered and the payment of benefits under
- 3 such system.
- 4 *Be It Enacted by the General Assembly of the State of Iowa:*
- 5 Section 1. Chapter one hundred twenty-one (121), Acts of
- 6 the Sixty-second General Assembly, is hereby amended as follows:
- 7 1. By striking from section nine (9), lines twenty-four
- 8 (24) and twenty-five (25), and inserting in lieu thereof the
- 9 following:
- 10 "(3) For each calendar year from January 1, 1968, through
- 11 December 31, 1970, wages not in excess of seven thousand dol-
- 12 lars, and for each calendar year from January 1, 1971, and
- 13 thereafter, wages not in excess of seven thousand eight hun-
- 14 dred dollars."
- 15 Sec. 2. Chapter one hundred twenty-one (121), section
- 16 fifteen (15), Acts of the Sixty-second General Assembly, is
- 17 hereby amended as follows:
- 18 1. By striking lines three (3) through fifteen (15).
- 19 2. By striking from line sixteen (16) the word "wages;"
- 20 and inserting in lieu thereof the following:
- 21 "Each member shall, upon retirement or after his normal
- 22 retirement date, be entitled to receive a monthly retirement
- 23 allowance determined under subsections one (1), two (2), and
- 24 three (3) of this section. Any retirement allowance which is
- 25 in addition to the amount being paid to retired members on

*Conference Committee  
Senators Frommelt,  
Silly, Griffin and  
Lange, Representatives  
Fisher, Menzies,  
Simplicity, Koch, Chm.*

1 July 1, 1970, shall become effective with payments as of July 1,  
2 1970. For members retiring on and after July 1, 1970, the re-  
3 tirement allowance as determined herein shall commence on the  
4 effective date of retirement.

5 1. For each active member retiring from employment with  
6 five or more complete years of service, a formula benefit shall  
7 be determined. The amount of the monthly formula benefit for  
8 each such active member who retired on or after July 1, 1970,  
9 shall be equal to one-twelfth of one and forty-five hundredths  
10 percent per year of membership service multiplied by his average  
11 annual covered wages;"

12 3. By adding the following new paragraph after the period  
13 in line twenty-five (25) :

14 "For each member who retired and commenced receiving  
15 a retirement allowance before July 1, 1970, the amount of  
16 regular monthly retirement allowance he received for June,  
17 1970, on account of membership service shall be increased in  
18 the same proportion as the increase granted under subsection  
19 one (1) of section ninety-seven B point forty-nine (97B.49)  
20 of the Code as amended, commencing July 1, 1970."

21 **Sec. 3. Section ninety-seven B point forty-one**  
22 **(97B.41), Code 1966, is hereby amended by striking from**  
23 **subsection fifteen (15) thereof lines three (3) and four**  
24 **(4) and inserting in lieu thereof the following:**  
25 **July 4, 1953.**

26 **Sec. 4. Section ninety-seven B point forty-three (97B.43),**  
27 **Code 1966, is hereby amended by adding thereto the following**  
28 **paragraphs:**

29 "Any elected public official who was not eligible for  
30 membership under the abolished system and who was holding  
31 office as an elected official on July 4, 1953, who as of  
32 July 1, 1970 was an active member, a vested member, or  
33 a retired member, shall be entitled to a credit for years  
34 of prior service by: (1) making application to the  
35 commission on a form to be furnished and approved by the

1 commission, and (2) paying to the retirement fund the amount  
2 of contributions required by a member in the abolished  
3 system plus interest on such contributions from July 1, 1953,  
4 to the date of payment computed at the same annual rates that  
5 were used to accumulate the contributions of members who  
6 elected to leave their contributions in the retirement  
7 system.

8 Such elected public officials prior service credit  
9 shall become effective on the first day of the month  
10 following receipt and approval by the commission of the  
11 member's application and lump-sum payment of  
12 contributions with interest as required by this section.  
13 Commission approval shall be with respect to the question  
14 of validity of the member's claim to prior service credit  
15 and the amount thereof. The right to prior service credit  
16 as provided by this section shall terminate on December 31, 1971."

17 Sec. 5. Chapter one hundred twenty-one (121), section  
18 nine (9), Acts of the Sixty-second General Assembly, is  
19 hereby amended as follows:

20 1. By adding to subsection one (1), paragraph b, the  
21 following subparagraph:

22 "(5) If a member is employed by more than one employer  
23 during a calendar year, the total amount of wages paid  
24 to him by his several employers shall be included in de-  
25 termining the limitation on covered wages as provided by  
26 paragraph b, subparagraph three (3), of this section. If  
27 the amount of wages paid to a member by his several employers  
28 during a calendar year exceeds the covered wage limit, the  
29 amount of such excess shall not be subject to the contributions  
30 required by section ninety-seven B point eleven (97B.11) of  
31 the Code."

32 2. By adding to subsection three (3), paragraph b, the  
33 following subparagraph:

34 "Employees hired for temporary employment of six months  
35 or less duration."

1 3. By adding the following new section:

2 Sec. 6. Chapter one hundred twenty-one (121), section  
3 fifteen (15), Acts of the Sixty-second General Assembly, is  
4 hereby amended as follows:

5 By striking from line forty-seven (47) the words and  
6 figures "two-tenths (2/10)" and inserting in lieu thereof  
7 the words and figures "three-tenths (3/10)".

8 4. By adding the following new section:

9 Sec. 7. Section ninety-seven B point fifty-three (97B.53),  
10 Code 1966, as amended by chapter one hundred twenty-one  
11 (121), section nineteen (19), Acts of the Sixty-second  
12 General Assembly, is hereby amended by adding at the end  
13 thereof the following new subsection:

14 "If an employee hired to fill a permanent position  
15 terminates his employment within six months from the date of  
16 employment, the employer may file a claim with the commission  
17 for a refund of the matching funds contributed to the  
18 commission by the employer for the employee."

#### EXPLANATION

This bill increases the ceiling of wages covered under IPERS from \$7,000 to \$7,800.

The bill also provides a formula retirement allowance of 1.45 percent of covered earnings for each year of future service for the members of the Iowa Public Employees' Retirement System from July 4, 1953. Covered earnings, as defined by chapter 121, Acts of the Sixty-second General Assembly, means the amount of the member's wages subject to contributions.