

January 20, 1969

HOUSE FILE 14

Passed on File

State Government 1-21, By KLEIN, GANNON, LIPSKY, PELTON, CAFFREY,
Pass 2-11 CROSIER, DOUGHERTY, HANSON of Howard-
Sen. State Gov. 2-17, 3-12 Mitchell, MILLER of Des Moines, DUNTON, WELLS,
MIDDLESWART, DOYLE, BLOUIN, JOHNSTON
of Johnson, WINKELMAN and McCORMICK
(Frommelt, Lange, Balloun, Doderer and Coleman)
Request of the Legislative Research Committee

Passed House, Date *2-14-69* Passed Senate, Date *4-1-69*

Vote: Ayes *113* Nays *0* Vote: Ayes *54* Nays *0*

Approved *April 10, 1969*

A BILL FOR

- 1 An Act relating to optional payment of accumulated contributions
- 2 upon death of an active member of the Iowa public employees'
- 3 retirement system.
- 4 *Be It Enacted by the General Assembly of the State of Iowa:*

This is a Companion Bill; for complete text see Senate File 14.

EXPLANATION OF HOUSE FILE 14

Section 97B.52 presently requires a lump sum payment of accumulated employee and employer contributions to the beneficiary upon the death of an active IPERS member prior to retirement. This bill permits selection of the following optional methods of death benefits:

1. Lump sum.
2. Monthly life annuity with no certainty period.
3. Monthly life annuity with a ten-year certainty period.

The monthly benefit provided in the two additional alternatives would be the actuarial equivalent of the lump sum benefit otherwise payable. The bill provides that the active member may specify which of the options is to be paid the beneficiary, and the decision of the active member cannot be changed by the beneficiary. The beneficiary may elect the option if the active member does not specify the method of payment. The Employment Security Commission is granted authority to require payment in a lump sum if the calculated monthly annuity under the other two options is less than \$10.

For further information, see the report of the Legislative Research Committee.