

FILED APR 7 1971

State Govt. 4/7, Pass per Doderer amendment 4/20
 Has " " 4/10/72 - Pass 1-18-72
 Reported " " 4/20, Pass 4/25/72
 W. Agency Com, Amend. Pass 3/3/72

SENATE FILE 470

BY DODERER
 (Fisher of Greene,
 Grassley, Andersen,
 and Rex)

Passed Senate, Date 5-6-71

Passed House, Date 3-7-72

Vote: Ayes 35 Nays 2

Vote: Ayes 71 Nays 14

Approved

*Motion to reconsider filed 5/6 (See Rule #
 Passed Senate as amended by House
 3-14-72
 ayes 39, nays 6*

A BILL FOR

1 An Act relating to deferred compensation for governmental
 2 employees.

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

4 Section 1. Chapter five hundred nine A (509A), Code 1971,
 5 is amended by adding the following new section:

6 "The governing body may by contractual agreement acquire
 7 a life insurance contract, annuity contract, or any other
 8 deferred payment contract for the purpose of funding a deferred
 9 compensation program for an employee, with the consent of the
 10 employee, from any life underwriter duly licensed by this state
 11 who represents an insurance company licensed to contract bus-
 12 iness in this state. The deferred compensation program shall
 13 be administered so that the state comptroller shall remit one
 14 sum for the entire program according to a single billing re-
 15 ceived in advance of each pay period from which deductions are
 16 to be made. The governor, with the approval of the executive
 17 council, shall designate an agency or may provide for contract
 18 with a private agency for providing the consolidated billing
 19 and other administrative services.

20 The provisions of this Act shall be in addition to any benefit
 21 program provided by law for any employees of the state or any
 22 of its political subdivisions."

EXPLANATION

23
 24 This bill provides for a deferred compensation plan for all
 25 public employees in Iowa.

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- 1 Amend Senate File 470 as follows:
2 1. By adding in line 10 after the word "life" the
3 words "or securities".
4 2. Line 11 by striking the words "who represents
5 an insurance company licensed".

Filed - *Adopted 5/6*
April 16, 1971

By DODERER

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- 1 Amend Senate File 470 by striking all after the
2 period in line 12, and by striking lines 13 through
3 19 inclusive.

Filed - *w.o 5/6*
May 3, 1971

By DODERER

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- 1 Amend Senate File 470 as follows:
2 Line 13, by adding after the word "comptroller"
3 the words "or his designees".

Filed - *Adopted 5/6*
May 4, 1971

By DODERER

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- 1 Amend senate File 470, page 1, by striking the
2 6 through 22, inclusive, and insert in lieu thereof the
3 following:
4 "At the request of an employee through contractual
5 agreement a governing body may purchase an individual
6 annuity contract for an employee, from such insurance organi-
7 zation authorized to do business in this state and through
8 an Iowa licensed insurance agent as the employee may select,
9 for retirement or other purposes and may make payroll
10 deductions in accordance with such arrangements for the
11 purpose of paying the entire premium due and to become due
12 under such contract. The deductions shall be made in the
13 manner which will qualify the annuity premiums for the
14 benefit afforded under section 403b (26 USC #403b) of the
15 federal internal revenue code and amendments thereto. The
16 employee's rights under such annuity contract shall be non-
17 forfeitable except for the failure to pay premiums.

Filed
May 6, 1971

By PALMER

Senate

- 1 Amend Senate File 470 as follows:
2 1. Page 1, lines 7 and 8, by striking the words "or
3 any other deferred payment contract" and inserting in lieu
4 thereof the words "variable annuity contract, or mutual
5 fund".
6 2. Page 1, line 10, by inserting after the word
7 "underwriter" the words "or mutual fund salesman".
8 3. Page 1, line 11, by striking the words "who repre-
9 sents an insurance company licensed".
10 4. Page 1, line 13, by inserting after the word
11 "comptroller" the words "or his designee".
12 5. Page 1, by inserting after line 19 the following
13 new paragraph:
14 "Any funds accrued in a life insurance contract,
15 annuity contract, variable annuity contract, or mutual
16 fund under this section shall be used only to fulfill the
17 obligations incurred by the governing body to participating
18 employees."
19 6. Page 1, lines 20, 21, and 22 by striking the words
20 "be in addition to any benefit program provided by law for
21 any employees of the state or any of its political subdivi-
22 sions" and inserting in lieu thereof the words "not
23 entitle the participant to reduce his salary below the
24 maximum amount retained for full participation in the
25 federal Social Security Act".

Filed
May 20, 1971

By DODERER

1 Amend Senate File 470, as amended and passed by
2 the Senate, as follows:
3 Page 1, line 17, by inserting after the word
4 "shall" the following:
5 ", after having received sealed bids,".

House

Filed January 26, 1972 *W.A. 3/7* By KREAMER of Polk

SENATE FILE 470

1 Amend Senate File 470, as amended and passed by
2 the Senate, on page 1, by striking lines 10 and 11
3 and inserting in lieu thereof the following:
4 "employee, from any life underwriter or regis-
5 tered securities representative duly licensed by
6 this state to contract bus-".

Filed January 27, 1972 *W.A. 3/7* By FREEMAN of Buena Vista

SENATE FILE 470

1 Amend Senate File 470, as passed by the Senate, by
2 striking everything after the enacting clause and
3 inserting in lieu thereof the following:
4 Section 1. Chapter five hundred nine A (509A),
5 Code 1971, is amended by adding the following new
6 section:
7 "The governing body may by contractual agreement
8 acquire a life insurance contract, annuity contract,
9 or any other individual deferred payment contract for
10 the purpose of funding a deferred compensation program
11 for an employee, with the consent of the employee,
12 from any life or securities underwriter duly licensed
13 by this state to contract business in this state.
14 The provisions of this Act shall be in addition to
15 any benefit program provided by law for any employees
16 of the state or any of its political subdivisions."

Filed January 27, 1972 *W.A. 3/7* BY ANDERSEN of Woodbury

1 Amend Senate File 470, line 17, by striking the
2 word "for" and inserting in lieu thereof the word
3 "by".

Filed January 28, 1972 *W.A. 3/7* By UBAN of Black Hawk

1 Amend Senate File 470, as passed by the Senate, page 1
2 line 7, by inserting after the word "other" the words
3 "individual or group".

Filed January 28, 1972 *W.A. 3/7* By FREEMAN of Buena Vista

1 Amend Senate File 470, as passed by the Senate,
2 by striking everything after the enacting clause and
3 inserting in lieu thereof the following:
4 "Section 1. Chapter five hundred nine A (509A),
5 Code 1971, is amended by adding the following new
6 section:
7 At the request of an employee the governing body
8 may by contractual agreement acquire a life insurance
9 contract, annuity contract, security or any other
10 deferred payment contract for the purpose of funding
11 a deferred compensation program for an employee, from
12 any company that is authorized to do business in this
13 state, and from any life underwriter duly licensed
14 by this state or from any securities dealer or sales-
15 man registered in this state to contract business in
16 this state. The deferred compensation program may be
17 administered so that the state comptroller or his
18 designees may remit one sum for the entire program
19 each pay period from which reductions are to be made.
20 The provisions of this Act shall be in addition
21 to any benefit program provided by law for any employ-
22 ees of the state or any of its political subdivisions."

Filed
February 7, 1972

W.D. 3/7

By ANDERSEN of Woodbury
FISHER of Greene

SENATE FILE 470
FISCAL NOTE
HOUSE

Date Prepared: February 10, 1972

Requested by: Representative Andersen

Prepared in regard to Representative Andersen's amendment to S.F. 470, an Act relating to deferred compensation for governmental employees. Following is the fiscal effect in dollars of the legislative proposal as required by House Rule 48.

It is anticipated that to implement the provisions of the Andersen Amendment to S. F. 470, if enacted, the State Comptroller would need to add one additional employee to his staff. The estimated cost to the State of this additional employee is from \$8,000 to \$9,000 per year.

No estimate is available as to the additional costs which will be involved for the political subdivisions of the State.

Source: State Comptroller

Filed
February 10, 1972

By Gerry D. Rankin
Legislative Fiscal Director

1 Amend Senate File 470, as passed by the Senate, by
2 striking everything after the enacting clause and
3 inserting in lieu thereof the following:

4 Section 1. Chapter five hundred nine A (509A),
5 Code 1971, is amended by adding the following new
6 section:

7 "At the request of an employee the governing body
8 shall be contractual agreement acquire an individual
9 or group life insurance contract, annuity contract,
10 security or any other deferred payment contract for
11 the purpose of funding a deferred compensation
12 program for an employee, from any company the employee
13 may choose that is authorized to do business in this
14 state and from any life underwriter duly licensed by
15 this state or from any securities dealer or salesman
16 registered in this state to contract business in this
17 state. The deferred compensation program may be
18 administrated so that the state comptroller or his
19 designees may remit one sum for the entire program
20 according to a single billing. The governor, with the
21 approval of the executive council, may designate a
22 governmental agency for providing the consolidated
23 billing and other administrative services.

24 "The provisions of this act shall be in addition to
25 any benefit program provided by law for any employees
26 of the state or any of its political sub-divisions."

Filed
March 1, 1972

W.S. 3/7

By FISHER of Greene
SCHMEISER of Des Moines
SCHROEDER Of Pottawattamie

1 Amend Senate File 470, as passed by the Senate, by
2 striking everything after the enacting clause and in-
3 serting in lieu thereof the following:

4 "Section 1. Chapter five hundred nine A (509A),
5 Code 1971, is amended by adding the following new
6 section:

7 "At the request of an employee the governing body
8 shall be contractual agreement acquire an individual
9 or group life insurance contract, annuity contract,
10 security or any other deferred payment contract for
11 the purpose of funding a deferred compensation program
12 for an employee, from any company the employee may
13 choose that is authorized to do business in this state
14 and from any life underwriter duly licensed by this
15 state or from any securities dealer or salesman regis-
16 tered in this state to contract business in this state.
17 The deferred compensation program shall be adminis-
18 trated so that the state comptroller or his designees
19 may remit one sum for the entire program according to
20 a single billing.

21 The provision of this act shall be in addition to
22 any benefit program provided by law for any employee
23 of the state or any of its political subdivisions."

Filed
March 3, 1972

adopted 3/6

By COMMITTEE ON APPROPRIATIONS

HOUSE AMENDMENT TO SENATE FILE 470

1 Amend Senate File 470, as passed by the Senate, by striking
2 everything after the enacting clause and inserting in lieu
3 thereof the following:
4 Section 1. Chapter five hundred nine A (509A), Code 1971,
5 is amended by adding the following new section:
6 "At the request of an employee the governing body shall by
7 contractual agreement acquire an individual or group life
8 insurance contract, annuity contract, security or any other
9 deferred payment contract for the purpose of funding a
10 deferred compensation program for an employee, from any company
11 the employee may choose that is authorized to do business in
12 this state and from any life underwriter duly licensed by this
13 state or from any securities dealer or salesman registered in
14 this state to contract business in this state. The deferred
15 compensation program shall be administrated so that the state
16 comptroller or his designees may remit one sum for the entire
17 program according to a single billing.
18 The provisions of this Act shall be in addition to any
19 benefit program provided by law for any employees of the state
20 or any of its political subdivisions."

Received from the House
March 8, 1972

Senate concurred 3/14/72 (881)

1 Amend the House amendment to Senate File 470 as follows:
2 1. Line 7, by striking the words "individual or group
3 life" and line 8, by striking the words "insurance contract,".
4 2. Line 12, by striking the words "life underwriter
5 duly licensed by this" and line 13, by striking the words
6 "state or from any".

Filed - *Lat* 3/14/72 (881)
March 8, 1972

By PALMER