

FEB 23 1973

Place On Calendar

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HOUSE FILE 287

By COMMITTEE ON STATE GOVERNMENT

Passed House, Date 3-2-73 (480) Passed Senate, Date _____
 Vote: Ayes 93 Nays 4 Vote: Ayes _____ Nays _____
 Approved _____

A BILL FOR

1 An Act relating to the Iowa public employees' retirement
 2 system by increasing per diem for advisory investment
 3 board members, changing the maximum age for contribu-
 4 tions, increasing the covered wages, reducing the number
 5 of years required to become a vested member, providing
 6 for prior service credit, prohibiting retirement credit
 7 after age sixty-five, permitting retroactive payments,
 8 allowing full-time employment with benefits after age
 9 sixty-five, increasing the membership benefit formula,
 10 providing a minimum monthly benefit, providing retirement
 11 at age sixty, and changing the method of computing the
 12 rate of interest credit for members.

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

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1 Section 1. Section ninety-seven B point eight (97B.8),
2 Code 1973, is amended to read as follows:

3 97B.8 ADVISORY INVESTMENT BOARD. A board shall be es-
4 tablished to be known as the "Advisory Investment Board of
5 the Iowa Public Employees' Retirement System", hereinafter
6 called the "board", whose duties shall be to advise and con-
7 fer with the commission in matters relating to the investment
8 of the trust funds of the Iowa public employees' retirement
9 system. The powers of the board shall be purely advisory
10 and the commission shall not be bound in the making of any
11 investment by the recommendations of the board. The board
12 shall consist of five members. Three of the members shall
13 be appointed by the governor, one of whom shall be an execu-
14 tive of a domestic life insurance company, one an executive
15 of a state or national bank operating within the state of
16 Iowa, and the third shall be an executive of a major indus-
17 trial corporation located within the state of Iowa. The
18 president of the senate shall appoint one member from the
19 membership of the senate and the speaker of the house of
20 representatives shall appoint one member from the member-
21 ship of the house. The two members appointed by the president
22 of the senate and the speaker of the house of representatives
23 shall be ex officio members of the board. Members appointed
24 by the governor shall be paid their actual expenses incurred
25 in performance of their duties and shall receive in addition
26 thereto the sum of ~~twenty-five~~ forty dollars for each day
27 of service not exceeding forty days per year. Ex officio
28 members shall receive their actual expenses incurred in the
29 performance of their duties. The appointive terms of the
30 members appointed by the governor shall be for a period of
31 six years dating from July 4 first of the year in which they
32 are appointed, but the governor shall designate, in the case
33 of the original appointees, one who shall serve for a period
34 of two years, a second who shall serve for a period of four
35 years, and a third who shall serve for a period of six years.

1 In the event of vacancy, through resignation or any other
2 cause, in the membership of the board, the governor shall
3 have the power of appointment. Appointees to this board shall
4 be subject to confirmation by a two-thirds vote of the senate,
5 but in the event of interim appointments, such confirmation
6 shall be necessary at the next session of the senate.

7 Sec. 2. Section ninety-seven B point eleven (97B.11),
8 Code 1973, is amended to read as follows:

9 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE. Each em-
10 ployer shall deduct from the wages of each member of the
11 system a contribution in the amount of three and one-half
12 percent of the covered wages paid by the employer until the
13 first of the month after the member's ~~seventieth~~ sixty-fifth
14 birthday or his termination or retirement from employment,
15 whichever is earlier. The contributions of the member shall
16 be matched by the employer.

17 Sec. 3. Section ninety-seven B point forty-one (97B.41),
18 subsection one (1), paragraph b, subparagraph three (3), Code
19 1973, is amended to read as follows:

20 (3) For each calendar year from January 1, 1968, through
21 December 31, 1970, wages not in excess of seven thousand
22 dollars, ~~and for each calendar year from January 1, 1971~~
23 through December 31, 1972, and thereafter, wages not in excess
24 of seven thousand eight hundred dollars, and for each calendar
25 year from January 1, 1973, and thereafter, wages not in excess
26 of ten thousand eight hundred dollars.

27 Sec. 4. Section ninety-seven B point forty-one (97B.41),
28 subsection one (1), paragraph b, subparagraph four (4), Code
29 1973, is amended to read as follows:

30 (4) Effective July 1, ~~1967~~ 1973, covered wages shall not
31 include wages to a member after the first of the month
32 coinciding with or next following his ~~seventieth~~ sixty-fifth
33 birthday, or after the effective date of his retirement unless
34 he is re-employed, as provided under section 97B.48, subsec-
35 tion 3.

1 Sec. 5. Section ninety-seven B point forty-one (97B.41),
2 subsections eleven (11) and eighteen (18), Code 1973, are
3 amended to read as follows:

4 11. "Vested member" means a member who had terminated
5 employment ~~after-having-either~~ (a) prior to July 1, 1973,
6 after having completed at least eight years of service, ~~or~~
7 (b) on or after July 1, 1973, after having completed at least
8 four years of service, or (c) after having attained the age
9 of fifty-five.

10 18. "Membership service" means service rendered by a mem-
11 ber after July 4, 1953, and prior to the first of the month
12 coinciding with or next following his ~~seventieth~~ sixty-fifth
13 birthday. Years of membership service shall be counted to
14 the complete quarter calendar year.

15 Sec. 6. Section ninety-seven B point forty-three (97B.43),
16 Code 1973, is amended by adding the following new unnumbered
17 paragraph:

18 NEW UNNUMBERED PARAGRAPH. Each individual who as of July
19 1, 1973 was an active, vested, or retired member and who (1)
20 made application for and received a refund of contributions
21 made under the abolished system or (2) has on deposit with
22 the retirement fund his contributions made under the abolished
23 system shall be entitled to credit for years of prior service
24 in the determination of retirement allowance payments by
25 filing a written election with the commission between July
26 1, 1973, and December 31, 1973, and by redepositing any
27 withdrawn contributions under the abolished system together
28 with interest as stated in this paragraph. However, this
29 paragraph shall not apply to any person who received a refund
30 of any membership service contributions. The interest to
31 be paid into the fund shall be compounded at the rates credited
32 to member accounts from the date of payment of the refund
33 of contributions under the abolished system to the date the
34 member redeposits the refunded amount. The provisions of
35 the first paragraph of this section relating to the

1 consideration given to credited amounts shall apply to the
2 redeposited amounts or to amounts left on deposit.

3 Sec. 7. Section ninety-seven B point forty-five (97B.45),
4 Code 1973, is amended by striking the section and inserting
5 in lieu thereof the following:

6 97B.45 RETIREMENT AGE AT SIXTY-FIVE. A member's normal
7 retirement date shall be the first of the month coinciding
8 with or next following his sixty-fifth birthday. A member
9 shall retire after his sixty-fifth birthday except as other-
10 wise provided in section ninety-seven B point forty-six
11 (97B.46) of the Code. A member retiring after his normal
12 retirement date, as provided in section ninety-seven B point
13 forty-six (97B.46) of the Code, shall submit a written notice
14 to the commission setting forth the date the retirement is
15 to become effective, provided that such date shall be after
16 his last day of service and not before the first day of the
17 sixth calendar month preceding the month in which the notice
18 is filed, except that credit for service shall cease after
19 the normal retirement date.

20 Sec. 8. Section ninety-seven B point forty-six (97B.46),
21 Code 1973, is amended to read as follows:

22 97B.46 SERVICE AFTER AGE ~~SEVENTY~~ SIXTY-FIVE. A member
23 may, on the request of the employer, remain in the active
24 employ of the employer beyond the date he attains the age
25 of ~~seventy~~ sixty-five for such period or periods as the
26 employer from time to time shall approve, provided, however,
27 that credit for such service shall cease when contributions
28 cease as provided in section 97B.11. The member shall retire
29 from the employment of the employer at the end of the last
30 approved period, on the first day of the month next following
31 or coinciding with such date. A member remaining in service
32 past his ~~seventy-second~~ birthday shall be entitled to receive
33 a retirement allowance under subsections 2 and 3 of section
34 97B.49 ~~on-the-first-day-of-the-month-within-which-the-notice~~
35 ~~is-filed~~ commencing with payment for the calendar month within

1 which the written notice is submitted to the commission,
2 except that if he fails to submit the notice on a timely
3 basis, retroactive payments shall be made for no more than
4 six months immediately preceding the month in which the written
5 notice is submitted.

6 Sec. 9. Section ninety-seven B point forty-seven (97B.47),
7 Code 1973, is amended to read as follows:

8 97B.47 RETIREMENT DATE. A member's early retirement date
9 shall be the first of any month coinciding with or following
10 his fifty-fifth birthday and prior to his normal retirement
11 date, provided such date shall be after the last day of ser-
12 vice. A member may retire on his early retirement date by
13 submitting written notice to the commission setting forth
14 the early retirement date which shall ~~be no more than thirty~~
15 ~~days prior to the filing of such notice~~ not be before the
16 first day of the sixth calendar month preceding the month
17 in which such notice is filed.

18 Sec. 10. Section ninety-seven B point forty-eight (97B.48),
19 Code 1973, is amended by striking subsections two (2) and
20 three (3) and inserting in lieu thereof the following:

21 2. The first monthly payment of a normal retirement allow-
22 ance shall be paid as of the normal retirement effective date,
23 which date shall be the later of the normal retirement date
24 or the first day of the sixth calendar month preceding the
25 month in which written notice of normal retirement is sub-
26 mitted to the commission. Payment of an early retirement
27 allowance or an allowance for retirement after the normal
28 retirement date shall be paid as of the effective date of
29 retirement subject to the provisions of sections ninety-seven
30 B point forty-five (97B.45), ninety-seven B point forty-six
31 (97B.46), or ninety-seven B point forty-seven (97B.47) of
32 the Code. The payments shall be continued thereafter for
33 the lifetime of the retired member except as provided in
34 subsection three (3) of this section.

35 3. If at any time after the first day of the month

1 coinciding with or next following his fifty-fifth birthday
2 and until his sixty-fifth birthday, a member who is retired
3 under this chapter is in regular full-time employment, his
4 retirement allowance shall be suspended for as long as he
5 remains in employment. However, employment shall not be
6 regarded as full-time employment until he receives remuneration
7 in an amount in excess of two thousand one hundred dollars
8 for any calendar year. Effective the first of the month
9 coinciding with or next following his sixty-fifth birthday,
10 a retired member shall be entitled to receive a retirement
11 allowance after return to covered employment regardless of
12 the amount of remuneration received. As of the first of the
13 month coinciding with or next following the member's seventy-
14 second birthday, he shall be entitled to receive a retirement
15 allowance determined under section ninety-seven B point forty-
16 nine (97B.49) of the Code, regardless of the amount of
17 remuneration received. Upon any retirement after reemployment,
18 a retired member shall be entitled to have his retirement
19 allowance redetermined under sections ninety-seven B point
20 forty-eight (97B.48), ninety-seven B point forty-nine (97B.49),
21 or ninety-seven B point fifty (97B.50) of the Code, whichever
22 is applicable, based upon the employee's and his employer's
23 additional contributions, and any membership service of the
24 employee after his reemployment and prior to his normal
25 retirement date.

26 Sec. 11. Section ninety-seven B point forty-nine (97B.49),
27 unnumbered paragraph one (1), Code 1973, is amended to read
28 as follows:

29 Each member shall, upon retirement on or after his normal
30 retirement date, be entitled to receive a monthly retirement
31 allowance determined under subsections 1, 2, and 3 of this
32 section. Any retirement allowance which is in addition to
33 the amount being paid to retired members ~~on July 4, 1970~~ as
34 of June 30, 1973, shall become effective with payments as
35 of July 1, ~~1970~~ 1973. For members retiring on and after July

1 1, ~~1970~~ 1973, the retirement allowance as determined herein
2 shall commence on the effective date of retirement.

3 Sec. 12. Section ninety-seven B point forty-nine (97B.49),
4 subsections one (1) and two (2), Code 1973, are amended to
5 read as follows:

6 1. For each active member retiring from employment after
7 July 1, 1973 with ~~five~~ four or more complete years of service,
8 a formula benefit shall be determined. The amount of the
9 monthly formula benefit for each such active member who retired
10 on or after July 1, ~~1970~~ 1973, shall be equal to one-twelfth
11 of one and ~~forty-five~~ fifty hundredths percent per year of
12 membership service multiplied by his average annual covered
13 wages; but in no case shall the amount of monthly formula
14 benefit accrued for membership service prior to July 1, 1967,
15 be less than the monthly annuity at the normal retirement
16 date determined by applying the sum of the member's accumulated
17 contributions, his employer's matching accumulated
18 contributions on or before June 30, 1967, and any retirement
19 dividends standing to his credit on or before December 31,
20 1966, to the annuity tables in use by the commission with
21 due regard to the benefits payable from such accumulated
22 contributions under sections 97B.52 and 97B.53.

23 Commencing July 1, 1973, for each member who retired and
24 commenced receiving, or who became vested in, a retirement
25 allowance before July 1, 1973, the amount of regular monthly
26 retirement allowance attributable to membership service that
27 he received, for June, 1973, or was vested in as of June 30,
28 1973, shall be increased in the same proportion as the increase
29 granted under this subsection for active members retiring
30 after July 1, 1973.

31 2. For each active member retiring with less than ~~five~~
32 four complete years of service and who therefore cannot have
33 his benefit determined under the formula benefit of subsection
34 1 of this section and for each vested member a monthly annuity
35 for membership service shall be determined by applying the

1 member's accumulated contributions and his employer's matching
2 accumulated contributions as of his effective retirement date
3 and any retirement dividends standing to his credit on or
4 before December 31, 1966, to the annuity tables in use by
5 the commission according to his age determined as follows:

6 a. If his normal retirement date coincides with or follows
7 July 1, 1967, his age on his normal retirement date.

8 b. If his normal retirement date precedes July 1, 1967,
9 and his effective date of retirement coincides with or follows
10 July 1, 1967, his age on July 1, 1967.

11 Sec. 13. Section ninety-seven B point forty-nine (97B.49),
12 Code 1973, is amended by adding the following new subsection:

13 NEW SUBSECTION. For each active member retiring on or
14 after July 1, 1973, and after completing ten or more years
15 of membership service, the total amount of monthly benefit
16 payable for prior service and membership service shall not
17 be less than fifty dollars per month.

18 Sec. 14. Section ninety-seven B point fifty (97B.50),
19 Code 1973, is amended by striking the section and inserting
20 in lieu thereof the following:

21 97B.50 A member shall upon retirement on his early re-
22 tirement date be entitled to receive a monthly retirement
23 allowance determined in the same manner as provided for normal
24 retirement in subsections one (1), three (3) and four (4)
25 of section ninety-seven B point forty-nine (97B.49) of the
26 Code subject to the following:

27 1. If the early retirement date is on the first of any
28 month coinciding with or following his sixtieth birthday and
29 the member has completed at least thirty years of membership
30 service, said allowance shall be paid without reduction.

31 2. If the early retirement date is on the first of any
32 month coinciding with or following his sixtieth birthday and
33 the member has not completed at least thirty years of mem-
34 bership service, said allowance shall be reduced by five-
35 tenths of one percent per month for each month that the early

1 retirement date precedes the normal retirement date.

2 3. If the early retirement date is on the first of any
3 month coinciding with or following his fifty-fifth birthday
4 but prior to the first of the month following his sixtieth
5 birthday, said allowance shall be reduced by five-tenths of
6 one percent per month for each month that the early retire-
7 ment date precedes the first of the month following his
8 sixtieth birthday. Any reduction in allowance according to
9 this subsection shall be in addition to any reduction in
10 allowance according to subsection two (2) of this section.

11 Sec. 15. Section ninety-seven B point fifty-three (97B.53),
12 subsections two (2) and seven (7), Code 1973, are amended
13 to read as follows:

14 2. If the employment with the employer of a member is
15 terminated prior to his retirement, other than by death, but
16 after he has either (a) completed at least ~~eight~~ four years
17 of service, or (b) has attained the age of fifty-five, he
18 shall receive a monthly retirement allowance commencing on
19 the first day of the month next following or coinciding with
20 the date he attains the age of sixty-five, if he is then
21 alive, or, if the member so elects in accordance with section
22 97B.47, commencing on the first day of any month coinciding
23 or next following the date he attains the age of fifty-five
24 and prior to the date he attains the age of sixty-five, and
25 continuing on the first day of each month thereafter during
26 his lifetime, provided the member does not receive prior to
27 the date his retirement allowance is to commence a refund
28 of accumulated contributions under any of the provisions of
29 this chapter. The amount of each such monthly retirement
30 allowance shall be determined as provided in either section
31 97B.49 or in section 97B.50, whichever is applicable.

32 7. Any member whose employment is terminated after one
33 year of employment but before he has accumulated ~~five~~ four
34 or more years of employment, either under the provisions of
35 this chapter or as a result of prior service credits, may

1 elect to leave his accumulated contributions in the retirement
 2 fund. In the event he returns to public employment at any
 3 time within ~~five~~ four years after this termination of
 4 employment, he shall be entitled to resume membership in the
 5 system with the same credits for prior service and accumulated
 6 contributions that he had earned when his original employment
 7 was terminated. No interest shall be credited on his
 8 accumulated contributions nor on his employer's accumulated
 9 contributions during the period from the time of his
 10 termination of employment to his resumption of employment.

11 Any member who has resumed employment under the provisions
 12 of this subsection shall not be eligible for any second period
 13 of absence from membership as a result of termination of ser-
 14 vice ~~until he shall have been employed for a period of five~~
 15 ~~years or more from the date of resumption of employment.~~

16 Sec. 16. Section ninety-seven B point seventy (97B.70),
 17 subsection one (1), paragraph d, Code 1973, is amended to
 18 read as follows:

19 d. Mean assets shall include fixed income investments
 20 valued at cost or on an amortized basis, and common stocks
 21 at market values or cost, whichever is lower.

22 Sec. 17. Section three (3) of this Act shall take effect
 23 on and be in force retroactive to January 1, 1973 upon publica-
 24 tion as provided in section eighteen (18) of this Act. Sec-
 25 tions one (1) and two (2) and four (4) through sixteen (16),
 26 inclusive, of this Act shall become effective on July 1, 1973.

27 Sec. 18. This Act, being deemed of immediate importance,
 28 shall take effect and be in force from and after its publica-
 29 tion in The Sioux City Journal, a newspaper published
 30 in Sioux City, Iowa, and in The Manchester Press,
 31 a newspaper published in Manchester, Iowa.

32 EXPLANATION

33 Section 1 increases from \$25 to \$40 the per diem pay for
 34 the appointed members of the Advisory Investment Board.

35 Sections 2 and 4 terminate contributions at age 65 instead

1 of at the present age of 70.

2 Section 3 increases the annual covered salary under IPERS
3 from \$7,800 to \$10,800, effective January 1, 1973.

4 Section 5 redefines "vested member" to allow for vesting
5 after four years of service, whereas eight years were pre-
6 viously required for vesting.

7 Section 5 redefines "membership service" so that such ser-
8 vice stops at age 65 instead of at the present age of 70.

9 Section 6 provides that any active, vested or retired mem-
10 ber of IPERS may get prior service credit by having left IOASI
11 contributions in the fund or by repaying by December 31, 1973
12 the IOASI contributions he withdrew plus interest computed
13 to the time the money is deposited; provided, however, that
14 this privilege is not available to anyone who at any time
15 withdrew IPERS contributions.

16 Section 7 requires that employees retire at age sixty-five
17 unless the employer requests that the employee continue.
18 No retirement credit is given for employment after age 65.

19 Sections 8, 9, and 10 permit retroactive payments up to
20 6 months if a retired member fails to apply for benefits at
21 time of retirement.

22 Section 10 also provides that after age 65 a retired member
23 can return to covered employment and earn any amount and re-
24 ceive his full IPERS benefits. A \$2100 earnings limitation
25 would still apply for a retired member between the age of
26 55 and 65.

27 Section 11 makes current the references to dates as of
28 which benefits are effective.

29 Section 12 increases the membership benefit formula from
30 1.45% to 1.50% for each year of membership service, and re-
31 duces the service requirement to four years in order to be
32 consistent with vesting after four years of service.

33 Section 13 provides a minimum monthly benefit (for prior
34 and membership service credits combined) of \$50.00 per month.

35 Section 14 provides for receiving benefits without reduc-

1 tion if a member retires early between the ages of 60 and
2 65 and has 30 years of membership service.

3 Section 15 reduces the number of years of employment for
4 vesting in IPERS from eight to four years.

5 Section 16 provides that the interest earned by that portion
6 of the retirement fund invested in common stocks would be
7 calculated upon the lower of cost or market value, rather
8 than the market value of the stocks. This would achieve a
9 more accurate picture of the cash return on investments, and,
10 consequently give a fairer rate of interest credit to members
11 of the System.

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1 Amend House File 287, as amended, passed, and re-
2 printed by the House, as follows:

3 1. Page 3, by inserting after line 35 the fol-
4 lowing section:

5 Sec. _____. Section ninety-seven B point forty-
6 one (97B.41), subsection one (1), paragraph b, Code
7 1973, is amended by adding the following new sub-
8 paragraph:

9 NEW SUBPARAGRAPH. For each member of the general
10 assembly, wages includes annual salary received by
11 the member pursuant to section two point ten (2.10)
12 of the Code and any per diem compensation received for
13 attendance at authorized committee meetings or official
14 duties during the legislative interim, but does not
15 include payments for expenses and travel.

16 Sec. _____. Section ninety-seven B point forty-one
17 (97B.41), subsection three (3), paragraph b, subpara-
18 graph one (1), Code 1973, is amended to read as follows:

19 (1) ~~Members of the general assembly, elective~~
20 Elective officials, except members of the general
21 assembly, in positions for which the compensation is
22 on a fee basis, elective officials of school districts,
23 elective officials of townships, and elective officials
24 of other political subdivisions who are in part-time
25 positions, graduate medical students while serving as

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1 interns or resident doctors in training at any hospital,
2 or county medical examiners and deputy county medical
3 examiners under chapter 339.

4 2. Page 11B, by inserting after line 44 the fol-
5 lowing sections:

6 Sec. _____. Chapter ninety-seven B (97B), Code
7 1973, is amended by adding the following new section:

8 NEW SECTION. Persons who are members of the general
9 assembly on the effective date of this Act shall be
10 eligible to make contributions to the system and receive
11 credit for years of prior service in the general assembly
12 pursuant to the provisions of this section. Members of
13 the general assembly who elect in writing to the employ-
14 ment security commission within ninety days after the
15 effective date of this Act to make contributions for
16 years of prior service shall contribute three and one-
17 half percent of the compensation received during each
18 year, whether on an annual salary or per diem, but not
19 including payments for expenses or travel, not exceeding
20 the covered wages for that year. Members shall also
21 contribute the accumulated interest for each year of
22 prior service in an amount determined by the employment
23 security commission.

24 Sec. _____. There is appropriated from the general
25 fund of the state to the Iowa public employee's retire-
1 ment system fund a sum sufficient to pay three and one-
2 half percent of covered wages employer contributions to
3 match the three and one-half percent of covered wages
4 employee contributions for members of the general
5 assembly who have made contributions for years of
6 prior service in the general assembly.

7 3. Amend the title, page 1, line 12, by inserting
8 after the word "members" the words ", and making an
9 appropriation".

10 4. By renumbering sections as necessary.

- 1 Amend House File 287, as amended, passed, and re-
- 2 printed by the House, as follows:
- 3 1. Page 3, by striking lines 17 through 26, inclu-
- 4 sive.
- 5 2. Page 4, line 2, by striking the words and
- 6 figure "subsections eleven (11) and" and inserting in
- 7 lieu thereof the word "subsection".
- 8 3. Page 4, line 2, by striking the word "are" and
- 9 inserting in lieu thereof the word "is".
- 10 4. Page 4, by striking lines 4 through 9, inclu-
- 11 sive.
- 12 5. Page 4, by striking lines 15 through 35,
- 13 inclusive.
- 14 6. Page 5A, by striking lines 1 and 2.
- 15 7. Page 8, line 4, by striking the words and
- 16 figures "subsections one (1) and two (2), Code 1973,
- 17 are" and inserting in lieu thereof the words and
- 18 figures "subsection one (1), Code 1973, is".
- 19 8. Page 8, line 7, by striking the words "~~five~~
- 20 four" and inserting in lieu thereof the word "five".
- 21 9. Page 8, line 11, by striking the word "~~fifty-~~
- 22 seven" and inserting in lieu thereof the word "~~sixty~~".
- 23 10. Page 9, by striking lines 11 through 17,
- 24 inclusive.
- 25 11. Page 10, by striking lines 1 through 25,

withdrawn 3/29
withdrawn 3/29

Page 2

- 1 inclusive.
- 2 12. Page 11A, by striking lines 1 through 15,
- 3 inclusive.
- 4 13. Amend the title, page 1, line 4, by striking
- 5 the words "increasing the covered wages, reducing the
- 6 number".
- 7 14. Amend the title, page 1, by striking line 5.
- 8 15. Amend the title, page 1, line 6, by striking
- 9 the words "for prior service credit,".
- 10 16. Amend the title, page 1, by striking line 10.
- 11 17. By renumbering the sections to conform with this
- 12 amendment.

S-299 Filed Lost 3/29
 March 27, 1973

By SHAW

S-303

- 1 Amend the Griffin amendment S-279 to House File 287,
- 2 as amended, passed and reprinted by the House by
- 3 on page 1, lines 11 through 25 and page 2, lines 1
- 4 and inserting in lieu thereof the following: "5. Page
- 5 by striking lines 11 through 17, inclusive."

striking
through 3,
9,

S-303 Filed and lost,
 motion to reconsider lost
 March 28, 1973

By SHAW

S-301

1 Amend House File 287 as amended, passed and
reprinted

2 by the House, as follows:

3 1. Page 3, line 15, by striking the words "The
4 contributions of the member shall" and inserting in
5 lieu thereof the words "~~The-contributions-of-the~~
6 ~~member-shall~~".

7 2. Page 3, by striking line 16 and inserting in
lieu

8 thereof the words "~~be-matched-by-the-employer~~
9 Commencing July 1, 1973, contributions by the employer
10 shall be in the amount of four percent of the covered
11 wages of the employee paid by the employer until the
12 first of the month after the member's sixty-fifth
13 birthday or his termination or retirement from
14 employment, whichever is earlier".

15 3. Page 8, line 11, by striking the word "fifty-
seven"
16 and inserting in lieu thereof the word "sixty-two".

17 4. Page 9, by inserting after line 17 the
following
18 new section and by renumbering the remaining sections:

19 Sec. ____ . Section ninety-seven B point forty-nine
20 (97B.49), subsection three (3), Code 1973, is amended to read
21 as follows:

22 3. For each member who has qualified for prior service
23 credit in accordance with the first paragraph of section
24 97B.43, there shall be determined a benefit of eight-tenths
25 nine-tenths of one percent per year of prior service credit

Page 2

1 multiplied by the monthly rate of the member's total remun-
2 eration not in excess of three thousand dollars annually
3 during the twelve consecutive months of his prior service
4 for which such total remuneration was the highest. An addi-
5 tional three-tenths of one percent of such remuneration not
6 in excess of three thousand dollars annually shall be pay-
7 able for prior service during each year in which the accrued
8 liability for benefit payments created by the abolished system
9 is funded by appropriation from the general fund of the state
10 of Iowa as provided under section 97B.56.

11 5. Amend the title, page 1, line 3, by inserting after
12 the word "emembers," the words "increasing employer
13 contributions,".

S-301 Filed - *Last 3/29*
March 27, 1973

By WILLITS
DODERER
BLOUIN
KINLEY
ORR

S-304

1 Amend the Glenn amendment S-292 to House File 287 as
2 follows:

3 Lines 4 and 5 by striking the words "seven-tenths" and

4 inserting in lieu thereof the words "seventy-three
hundredths".

S-304 Filed - *adopted 3/29*
March 28, 1973

By GLENN

S-305

1 Amend the Willits, et. al., amendment S-301 to House
File
2 287, by striking lines 15 through 25 on page 1 and lines
1
3 through 13 on page 2 and inserting in lieu thereof the
following:
4 "2. Page 8, by inserting after line 22 the following:
5 Commencing January 1, 1974 the amount of the monthly
formula
6 benefit for each retiree shall be determined annually
for each
7 calendar year by the employment security commission upon
the
8 recommendation of the advisory investment board and
following
9 a study of the system by a consulting actuary."

S-305 Filed - *Withdrawn 3/29* By ANDERSEN
March 28, 1973

S-306

1 Amend Amendment S-279 to House File 287 by striking
in
2 line 10 the word "nonvoting" and inserting in lieu
thereof
3 the word "ex officio".

S-306 Filed - *Adopted 3/29* By DODERER
March 28, 1973

S-307

1 Amend Griffin amendment S-279 filed March 22 to House
File
2 287, page 1, line 18, by inserting after the period
the
3 following: "The employment security commission shall
4 certify the additional cost of this benefit and the
state
5 comptroller shall reimburse the Iowa Public Employees'
6 Retirement System fund the sum of the amount
certified,
7 and there is appropriated annually from the general
fund
8 of the state an amount sufficient to provide such
reimburse-
9 ment."

S-307 Filed and lost By DODERER
March 28, 1973

S-313

1 Amend the Schwieger-Nystrom amendment S-296, to House
File
2 287, line 6, by inserting after the word "commission"
the
3 words "on an annual basis after an actuarial study and
4 upon the recommendation of the advisory investment
board".

S-313 Filed - *Adopted 3/29* By SCHABEN
March 28, 1973

S-314

1 Amend House File 287, as amended, passed, and
reprinted
2 by the House, as follows:
3 1. Page 11B, after line 44, by adding the following:
4 "Sec. _____. The provisions of this Act providing
5 members of the general assembly shall become members of that
6 Iowa public employees retirement system shall not be the
7 tive until January 13, 1975." effec-
8 2. Renumber the remaining section as required by
9 amendment. this

S-314 Filed and withdrawn
March 29, 1973

By ANDERSEN

S-318

1 Amend House File 287, as amended, passed, and re-
2 printed by the House, as follows:
3 1. Page 3, line 13, by striking the words
4 "~~seventieth sixty-fifth~~" and inserting in lieu thereof
5 the word "seventieth".
6 2. Page 3, line 14, by inserting after the word
7 "birthday" the words ", except a school district,
8 county school system, joint county system, and merged
9 area shall deduct from the wages of each member of the
10 system a contribution in the amount of three and one-
11 half percent of the covered wages paid by the employer
12 until the first of the month after the member's sixty-
13 fifth birthday,".
14 3. Page 3, line 32, by striking the words
15 "~~seventieth sixty-fifth~~" and inserting in lieu thereof
16 the word "seventieth".
17 4. Page 3, line 33, by inserting after the word
18 "birthday" the words "except covered wages shall not
19 include wages to a member who is an employee of a
20 school district, county school system, joint county
21 system, or merged area, after the first of the month
22 coinciding with or next following his sixty-fifth
23 birthday,".
24 5. Page 4, line 12, by striking the words "~~seventieth~~
25 ~~sixty-fifth~~" and inserting in lieu thereof the word

Page 2

1 "seventieth".
2 6. Page 4, line 13, by inserting after the word
3 "birthday" the words ", except membership service by a
4 member who is an employee of a school district, county
5 school system, joint county system, or merged area
6 means service rendered by a member after July 4, 1953
7 and prior to the first of the month coinciding with
8 or next following his sixty-fifth birthday".

S-318 Filed and adopted
March 29, 1973

By DODERER and CURTIS

S-319

1 Amend House File 287 as amended, passed and reprinted by
2 the House, page 4, line 28 by inserting after the word
3 "paragraph" the words ", or by electing in writing to the
4 commission to have twenty-five percent of the monthly
5 retirement benefit after retirement under the Iowa public
6 employees' retirement system retained by the commission
7 to repay withdrawn contributions under the abolished
8 system together with interest. Deductions shall be made
9 until the withdrawn contributions together with interest
10 have been repaid or the retiree dies".

S-319 Filed and lost
March 29, 1973

By GLUBA and SCOTT

S-320

1 Amend House File 287, as amended, passed, and
reprinted
2 by the House, as follows:
3 1. Page 4, line 17, by striking the word "paragraph"
and
4 inserting in lieu thereof the word "paragraphs".
5 2. Page 5A, by inserting after line 2, the following
new
6 unnumbered paragraph:
7 NEW UNNUMBERED PARAGRAPH. Any member who has been a
8 member of the system continuously from July 4, 1953
to
9 July 1, 1973 and who was not a member of the
abolished
10 system and who completed thirty or more years of
serv-
11 ice as a public employee, including service as a
full-
12 time elected county official, prior to July 4, 1953,
13 shall receive credit for years of prior service in
the
14 manner provided in this section for members who were
15 members of the abolished system.

S-320 Filed and lost
March 29, 1973

By TIEDEN

H-285

1 Amend the Senate amendment to House File 287 as
2 follows:
3 1. By inserting after line 35 the following amend-
4 ment:
5 _____ . Page 4, line 28, by inserting after the
6 period the following:
7 "Any individual who as of July 1, 1973 is a retired
8 member and who made application for and received a
9 refund of contributions made under the abolished system,
10 may, by filing a written election with the commission
11 between July 1, 1973 and July 1, 1974, have the com-
12 mission retain fifty percent of the monthly increase
13 in retiree benefits that will accrue to the individual
14 because of prior service. If the monthly increase in
15 retirement benefits is less than ten dollars, the com-
16 mission shall retain five dollars of the scheduled
17 increase, and if the monthly increase is less than
18 five dollars, the provisions of this paragraph shall
19 not apply. The commission shall continue to retain
20 such funds until the withdrawn contributions, together
21 with interest accrued to July 1, 1973, have been re-
22 paid, or until the retiree dies. If a retiree dies
23 before the withdrawn contributions, together with
24 interest accrued to July 1, 1973, have been repaid,
25 the commission shall not require any further payment.
26 Due notice of this provision shall be sent to all re-
27 tired members as of July 1, 1973."

*Adapted
as amended
4/16*

H-285 Filed
April 12, 1973

By MILLER of Buchanan

H-310

1 Amend the Senate amendment to House File 287, by
2 striking from lines 44 and 45 the following: "retir-
3 ing on or after June 30, 1973, and" and inserting in
4 lieu thereof the following: ", upon retirement,".

H-310 Filed
April 16, 1973

By LIPSKY of Linn

*Withdrawn
4/23*

H-311

1 Amend the Miller of Buchanan amendment H-285, to
2 the Senate amendment to House File 287, by striking
3 all of lines 22 through 25 and inserting in lieu
4 thereof the word "paid."

H-311 Filed and adopted
April 16, 1973

By MILLER of Buchanan
BITTLE of Polk
FISHER of Greene

H-313

1 Amend the Senate amendment to House File 287 as
2 follows:

3 1. Line 44, by inserting after the word "active"
4 the words "or retired".

313A-
Foot
4x3

5 2. Lines 44 and 45, by striking the words "retiring
6 on or after June 30, 1973, and".

7 3. Line 47, by inserting after the word "date" the
8 words "or commencing July 1, 1973, whichever is
9 earlier,".

10 4. Line 55, by striking the word "An".

313B.

11 5. By striking lines 56 through 59, inclusive and
12 inserting in lieu thereof the following sentence:

Withdrawn
4/23

13 "Additional funds needed to increase a monthly
14 benefit to fifty dollars shall be paid from funds
15 appropriated from the general fund of the state."

H-313 Filed
April 16, 1973

By McCORMICK of Delaware
NORLAND of Worth
PATCHETT of Johnson
AVENSON of Fayette

H-361

1 Amend the title to House File 287 by
2 striking all of said title after line 1 and
3 inserting in lieu thereof the following:

4 "system by increasing the membership and the per
5 diem of the advisory investment board, increasing
6 the covered wages, reducing the number of years
7 required to become a vested member, providing
8 for prior service credit, providing for service
9 after age sixty-five, permitting retroactive
10 payments, allowing full-time employment with
11 benefits after age sixty-five, increasing the
12 membership benefit formula, providing a
13 minimum monthly benefit, changing the method of
14 computing the rate of interest credit for members,
15 and increasing the percent of the total cost price
16 of common stocks held by the retirement fund."

H-361 Filed and adopted
April 23, 1973

By FISHER of Greene

SENATE AMENDMENT TO HOUSE FILE 287

1 Amend House File 287 as amended, passed and reprinted by
the
2 House as follows:
3 1. Page 2A, by striking lines 28 and 29.
4 2. Page 2A, line 30, by inserting after the period the
5 words "The two active members of the system shall be
6 ex officio members of the board."
7 3. Page 3, line 13, by striking the words "seventieth
8 sixty-fifth" and inserting in lieu thereof the word
9 "seventieth".
10 4. Page 3, line 14, by inserting after the word
"birthday"
11 the words ", except a school district, county school
12 system, joint county system, and merged area shall
13 deduct:
14 from the wages of each member of the system a
contribution
15 in the amount of three and one-half percent of the
covered
16 wages paid by the employer until the first of the month
17 after the member's sixty-fifth birthday,."
18 5. Page 3, line 32, by striking the words "seventieth
19 sixty-fifth" and inserting in lieu thereof the word
20 "seventieth".
21 6. Page 3, line 33, by inserting after the word
"birthday"
22 the words "except covered wages shall not include wages
23 to a member who is an employee of a school district,
county
24 school system, joint county system, or merged area,
after
25 the first of the month coinciding with or next following
his
26 sixty-fifth birthday,."
27 7. Page 4, line 12, by striking the words "seventieth
28 sixty-fifth" and inserting in lieu thereof the word
29 "seventieth".
30 8. Page 4, line 13, by inserting after the word
"birthday"
31 the words ", except membership service by a member who
is an employee of a school district, county school
system,

House
conferred
4/4

House
referred
to
confer
4/6

House
referred
to
confer
4/4
Motion to
reconsider
4/5
Motion
Prevalent
4/6

House
conferred
4/6

House
referred
to
confer
4/6

House
conferred
2/16

House
referred
to
confer
4/6

32 joint county system, or merged area means service
33 rendered
34 by a member after July 4, 1953 and prior to the first
35 of the month coinciding with or next following his
36 sixty-fifth birthday".
37 9. Page 8, line 13, by inserting after the word
38 the words "and thereafter the monthly formula benefit
39 shall be determined by the employment security
40 commission
41 on an annual basis after an actuarial study and upon
42 the recommendation of the advisory investment board,
43 maintaining the system on an actuarially sound basis".
44 10. Page 9, by striking lines 13 through 17,
45 inclusive,
46 and inserting in lieu thereof the following:
47 NEW SUBSECTION. For each active member retiring on
48 or after June 30, 1973, and who has completed ten or
49 more years of membership service, the total amount of
50 monthly benefit payable at the normal retirement date
51 for
52 prior service and membership service shall not be less
53 than fifty dollars per month. If benefits commence on
54 an early retirement date, the amount of benefit shall
55 be reduced in accordance with section ninety-seven B
56 point
57 fifty (97B.50) of the Code. If an optional allowance
58 is selected under section ninety-seven B point fifty-
59 one (97B.51) of the Code, the amount payable shall be
the actuarial equivalent of the minimum benefit. An
employee who is in employment on a school year or
academic year basis, will be considered to be an active
member as of June 30, 1973, if he completed the 1972-73
school year or academic year.

House
referred to
Committee 4/16

House
referred to
Committee 4/16

action on
amended 10 -
deferred 4/16

House
Concurred
4/23/73
(957)

Received from the Senate
April 2, 1973

CORRECTED HOUSE AMENDMENT TO SENATE AMENDMENT TO HOUSE FILE 287

1 Amend the Senate amendment to House File 287 as
2 follows:

- 3 1. By striking line 3.
- 4 2. By striking lines 4 through 6.
- 5 3. By striking lines 10 through 16.
- 6 4. By striking lines 20 through 25.
- 7 5. By striking lines 29 through 35.
- 8 6. By striking lines 36 through 41.
- 9 7. The House has amended the Senate amendment by

10 adding thereto the following amendment:

11 Page 4, line 28, by inserting after the period the
12 following:

13 "Any individual who as of July 1, 1973 is a re-
14 tired member and who made application for and received
15 a refund of contributions made under the abolished
16 system, may, by filing a written election with the
17 commission between July 1, 1973 and July 1, 1974, have
18 the commission retain fifty percent of the monthly in-
19 crease in retiree benefits that will accrue to the in-
20 dividual because of prior service. If the monthly in-
21 crease in retirement benefits is less than ten dollars,
22 the commission shall retain five dollars of the scheduled
23 increase, and if the monthly increase is less than five
24 dollars, the provisions of this paragraph shall not apply.
25 The commission shall continue to retain such funds until

Page 2

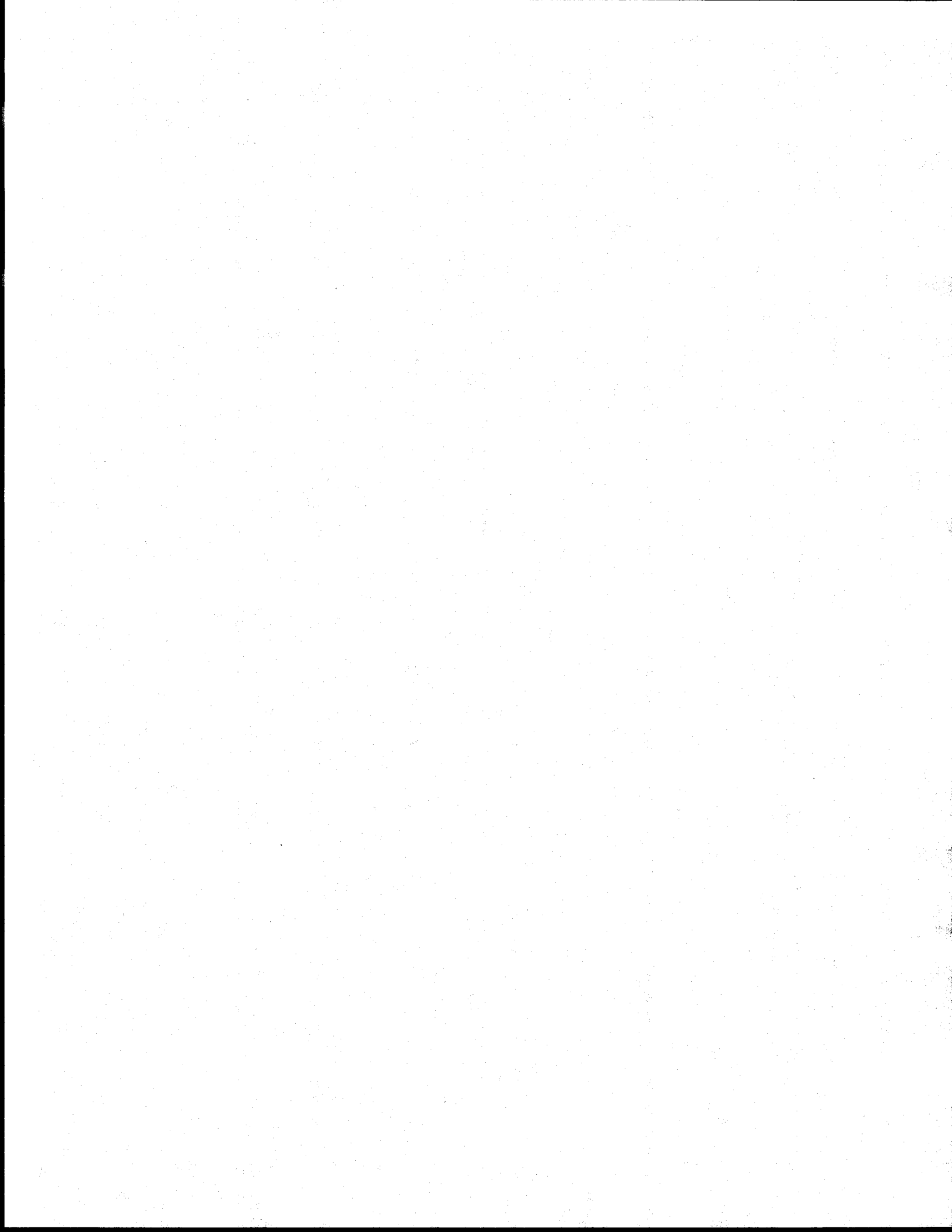
1 the withdrawn contributions, together with interest
2 accrued to July 1, 1973, have been repaid. Due notice
3 of this provision shall be sent to all retired members
4 as of July 1, 1973."

5 8. The House has further amended the Senate
6 amendment by adding thereto the following amendment:

7 Amend the title by striking all of said title
8 after line 1 and inserting in lieu thereof the
9 following:

10 "system by increasing the membership and the per
11 diem of the advisory investment board, increasing the
12 covered wages, reducing the number of years required
13 to become a vested member, providing for prior service
14 credit, providing for service after age sixty-five,
15 permitting retroactive payments, allowing full-time
16 employment with benefits after age sixty-five, in-
17 creasing the membership benefit formula, providing a
18 minimum monthly benefit, changing the method of com-
19 puting the rate of interest credit for members, and
20 increasing the percent of the total cost price of
21 common stocks held by the retirement fund." *Senate concurred 5/1*

Filed April 25, 1973



FISCAL NOTE
HOUSE FILE 287

Date prepared February 21, 1973

Requested by Representative Patchett.

Prepared in regard to Amendment to H.F. 287 - An Act relating to the Iowa public employees' retirement system by increasing per diem for advisory investment board members, changing the maximum age for contributions, increasing the covered wages, reducing the number of years required to become a vested member, providing for prior service credit, prohibiting retirement credit after age sixty-five, permitting retroactive payments, allowing full time employment with benefits after age sixty-five, etc. Following is the fiscal effect in dollars of the legislative proposal as required by House Rule 48.

The present IPERS wage base is \$7,800 per year and the contribution rate is 3.5 percent for the employee and 3.5 percent for the employer. If the wage base is raised to \$10,800 and the contribution rate to 4.5 percent, the total estimated additional cost to the employer for the 65th Biennium based on the total covered payroll is as follows:

Fiscal year ending June 30, 1974	\$10,560,076
Fiscal year ending June 30, 1975	12,244,676
Total for the 65th Biennium	<u>\$22,804,752</u>

The increased cost of the second year over the first year assumes a wage increase of approximately 5 percent.
Source: Employment Security Commission.

Filed
February 27, 1973

GERRY D. RANKIN
Legislative Fiscal Director

HOUSE FILE 207

Date prepared February 27, 1973

Requested by Representative Patchett.

Prepared in regard to H.F. 287, Amendment thereto - An Act relating to the Iowa public retirement system by increasing per diem for advisory investment board members, changing the maximum age for contributions, increasing the covered wages, reducing the number of years required to become a vested member, etc. Following is the fiscal effect in dollars of the legislative proposal as required by House Rule 48.

Section 2 - Estimated additional cost to employer over the current level of \$7,800 if the wage base is changed to \$10,800 and employer contribution rate increased to 4%:

Year ended June 30, 1974	\$ 6,816,664
Year ended June 30, 1975	8,314,046
	<u>\$15,130,710</u>

Increase in cost is estimated on entire amount of covered salaries.

Source: Iowa Employment Security Commission
Ed Longnecker

Filed
March 1, 1973

GERRY D. RANKIN
Legislative Fiscal Director

FISCAL NOTE
HOUSE FILE 287

Date prepared February 28, 1973

Requested by Representative Miller.

Prepared in regard to H.F. 287 amendment thereto - An Act relating to the Iowa public retirement system by increasing per diem for advisory investment board members, changing the maximum age for contributions, increasing the covered wages, etc. Following is the fiscal effect in dollars of the legislative proposal as required by House Rule 48.

Miller amendment to H.F. 287.

It is estimated the average amount of money necessary per employee, to repay withdrawn contributions together with interest, would be \$540. If 5,000 persons were to choose this option, this would amount to \$2,700,000 owed to the fund. Since the fund earns approximately 7-1/2% annual interest on its investments, the cost to the fund would be \$189,000 the first year. This amount would decrease by about \$12,500 per year.

Source: Iowa Employment Security Commission
Ed Longnecker

Filed
March 1, 1973

GERRY D. RANKIN
Legislative Fiscal Director

FISCAL NOTE
HOUSE FILE 287

Date prepared March 1, 1973

Requested by Representative Drake.

Prepared in regard to Revised Drake-Stanley Amendment to H.F. 287. Following is the fiscal effect in dollars of the legislative proposal as required by House Rule 48.

H.F. 287 as amended would utilize the total 7 percent contribution and the total dollar contribution as follows:

	<u>Percent</u>	<u>Dollars</u>
10,800 Level	.371	\$ 2,831,000
Vesting after 4 years	NO COST	
Formula:		
1.57	.982	7,300,000
Buy Back Prior Service	.040	299,000
Minimum of \$50 after 10 Years Service	.100	749,000
Base	<u>5.507</u>	<u>41,230,000</u>
	<u>7.000</u>	<u>\$52,409,000</u>

The firm of Milliman & Robertson, Inc., Consulting Actuaries, Actuary for IPERS has advised that the IPERS plan as amended by the Drake-Stanley amendment is actuarially sound.

Source: Employment Security Commission
Ed Longnecker

Filed
March 1, 1973

GERRY D. RANKIN
Legislative Fiscal Director

HOUSE FILE 287
FISCAL NOTE

Date prepared March 26, 1973

Requested by Senator Warren Curtis.

Prepared in regard to H.F. 287 - An Act relating to the Iowa public employees' retirement system by increasing per diem for advisory investment board members, changing the maximum age for contributions, etc. Following is the fiscal effect in dollars of the legislative proposal as required by Senate Rule 31.

Senate File 411 would utilize the total 7 percent contribution and the total dollar contribution as follows:

	<u>Percent</u>	<u>Dollars</u>
10,800 Level	.371	\$ 2,831,000
Vesting after 4 years	NO COST	
Formula:		
1.57	.982	7,300,000
Buy back prior service	.040	299,000
Minimum of \$50 after 10 years service	.100	749,000
Base	5.507	41,230,000
	<u>7.000</u>	<u>\$52,409,000</u>

The firm of Milliman & Robertson, Inc., Consulting Actuaries, Actuary for IPERS has advised that the IPERS plan as contained in S.F. 411 is actuarially sound.

Source: Employment Security Commission
Ed Longnecker

Filed
March 26, 1973

GERRY D. RANKIN
Legislative Fiscal Director

FISCAL NOTE
HOUSE FILE 287

<u>Year Beginning July 1 -</u>	<u>Amount of Annual pay-out</u>
1973	\$875,000
1974	847,133
1975	817,462
1976	785,980
1977	752,703
1978	717,675
1979	680,975
1980	642,717
1981	603,056
1982	562,195
1983	520,382
1984	477,915
1985	435,135
1986	392,429
1987	350,222
1988	308,964
1989	269,120
1990	231,150
1991	195,495
1992	162,551
1993	132,650
1994	106,037
1995	82,858
1996	63,145
1997	46,812
1998	33,665
1999	23,413
2000	15,694
2001	10,101
2002	6,216
2003	3,618
2004	2,021
2005	1,056
2006	517
2007	235
2008	99
2009	38
2010	0

Filed
April 18, 1973

GERRY D. RANKIN
Legislative Fiscal Director

1 Amend House File 287 as follows:
 2 1. Page 5, after line 2, by adding the following
 3 new section:
 4 Effective July 1, 1973, an active contributing mem-
 5 ber of the retirement system who made application for
 6 and received a refund of contributions based on service
 7 after July 1, 1953, shall be entitled to credit for
 8 years of service covered by such refund by redepotit-
 9 ing, before July 1, 1974, any withdrawn contributions
 10 with interest compounded at the rates credited to
 11 member accounts from the date of payment of the refund
 12 of contributions to the date the member redeposits the
 13 refunded amount. Any person who becomes an active
 14 contributing member of the retirement system after
 15 July 1, 1973, and who made application for and re-
 16 ceived a refund of contributions based on service
 17 after July 1, 1953, shall be entitled to credit for
 18 years of service covered by such refund by redepotit-
 19 ing, within one year after the date of renewing his
 20 membership, withdraw contributions with interest com-
 21 pounded at the rates credited to member accounts from
 22 the date of payment of the refund of contributions to
 23 the date the member redeposits the refunded amount.
 24 The renewed credit shall be as earned up to the time
 25 of such termination. No person shall take advantage
 26 of the provisions of this section more than once.
 27 2. By renumbering all sections as necessary.

Filed - *Last 3/2*
 February 28, 1973

By SCHROEDER of Pottawattamie
 KNOKE of Pottawattamie
 DRAKE of Muscatine
 CRABB of Crawford

1 Amend the Drake and Stanley amendment H-110 to
 2 House File 287 as follows:
 3 In line 3 strike the word "fifty-five" and
 4 insert in lieu thereof the word "fifty-seven".

Filed - *adopted 3/2*
 March 1, 1973

By DRAKE of Muscatine
 STANLEY of Muscatine

EXPLANATION OF AMENDMENT

This amendment further increases the formula benefit. Under the present law the formula benefit is 1.45% of average annual covered wages multiplied by years of membership service.

The original Drake and Stanley amendment would increase this to 1.55%. It has now been established that the money in the system is sufficient to raise this formula benefit to 1.57% and still maintain an actuarially sound system. The cost of increasing the formula benefit from the present 1.45% to 1.57% is substantially equal to the cost of allowing early retirement with full benefits at age sixty which the Drake and Stanley amendment replaces. A member would still have the right to retire with proportionately reduced benefits at any time after attaining age fifty-five.

See Sections 97B.47 and 97B.50.
 See attached fiscal note.

H-126

1 Amend House File 287 as follows:
 2 1. Page 5, line 9, by striking the word "shall"
 3 and inserting in lieu thereof the word "may".
 4 2. Page 5, by inserting after the period in
 5 line 19 the following:
 6 "Notwithstanding the provisions of this section
 7 and section ninety-seven B point forty-six (97B.46)
 8 of the Code, an employer may adopt policies which
 9 prescribe retirement at an age not less than sixty-
 10 five years."

Filed - *Adopted 3/2*
 March 1, 1973

By SCHROEDER of Pottawattamie
 ROORDA of Jasper
 BATTLE of Polk
 WICKOFF of Benton
 WELDON of Hardin
 KNOKE of Pottawattamie

H-127

1 Amend the IPERS Bill (LSB 827), Draft III, as
 2 follows:
 3 1. Page 3, line 9, by striking the word "Each"
 4 and inserting in lieu thereof the words "Each
 5 Commencing July 1, 1973 each".
 6 2. Page 3, line 11, by striking the words "three
 7 and one-half" and inserting in lieu thereof the words
 8 "three-and-one-half four".
 9 3. Page 8, line 11, by striking the word "fifty"
 10 and inserting in lieu thereof the word "sixty".
 11 4. Amend the title, page 1, line 3, by inserting
 12 after the word "members," the words "increasing the
 13 employer and employee contribution rates,".

Law
3/1

Whitman
3/1

Filed *1, 2, 3 last, 4 w.d. 3/1/73*
 March 1, 1973

By PATCHETT of Johnson
 AVENSON of Fayette

EXPLANATION OF AMENDMENT

This amendment increases employer and employee matching contributions from 3-1/2% to 4% and increases the membership benefit formula to 1.60%.

H-134

1 Amend the Drake, Stanley Amendment H-110 as
 2 follows:
 3 Line 3, by striking the words fifty-five and
 4 inserting in lieu thereof the words sixty-one.
 5 By striking all of line 8, and adding in lieu
 6 thereof the following:
 7 "4. Page 3, by striking line 16 and inserting in
 8 lieu thereof the words "~~be-matched-by-the-employer~~
 9 Commencing July 1, 1973 contributions by the employer
 10 shall be in the amount of four percent of the covered
 11 wages of the employee paid by the employer until the
 12 first of the month after the member's sixty-fifth
 13 birthday or his termination or retirement from
 14 employment, whichever is earlier."
 15 5. By renumbering the sections as necessary.

Offered and ruled out
 of order
 March 2, 1973

By PATCHETT of Johnson
 AVENSON of Fayette
 JESSE of Polk

53 Sec. _____. Acts of the General Assembly, 1972
54 Session, chapter one thousand eighty-eight (1088),
55 section ninety-three (93), unnumbered paragraph one
56 (1) is amended to read as follows:
57 SEC. 93. A city may certify, for the general fund
58 levy, taxes which are not subject to the ~~thirty-mill~~
59 thirty-one-mill limit provided in section eighty-two
60 (82) of this Act, and which are in addition to any
61 other moneys the city may wish to spend for such
62 purposes, as follows:
63 2. Amend the title, page 1, line 12, by insert-
64 ing after the word "members" the words ", and by
65 increasing certain millage limitations".

Offered and withdrawn
March 2, 1973

By BRINCK of Lee

H-132

1 Amend House File 287 as follows:
2 1. Page 3, line 15, by striking the words "The
3 contributions of the members shall" and inserting in
4 lieu thereof the words "~~The-contributions-of-the~~
5 ~~members-shall~~".
6 2. Page 3, by striking line 16 and inserting in
7 lieu thereof the words "~~be-matched-by-the-employer~~
8 Commencing July 1, 1973 contributions by the employer
9 shall be in the amount of four percent of the covered
10 wages of the employee paid by the employer until the
11 first of the month after the member's sixty-fifth
12 birthday or his termination or retirement from
13 employment, whichever is earlier".
14 3. Page 8, line 11, by striking the word "fifty"
15 and inserting in lieu thereof the word "sixty-two".
16 4. Page 9, by striking lines 18 through 35,
17 inclusive.
18 5. Page 10, by striking lines 1 through 10,
19 inclusive.
20 6. By renumbering the sections as necessary.
21 7. Amend the title, page 1, line 3, by inserting
22 after the word "members," the words "increasing
23 employer contributions,".
24 8. Amend the title, page 1, lines 10 and 11 by
25 striking the words "providing retirement at age
26 sixty,".

Filed and lost
Motion to reconsider lost
March 2, 1973

By RAPP of Black Hawk
BYERLY of Polk
AVENSON of Fayette
PATCHETT of Johnson

H-137

1 Amend the title to House File 287 by striking
2 from lines 10 and 11 the words "providing retirement
3 at age sixty,".

Filed and adopted
March 2, 1973

By DRAKE of Muscatine

H-133

1 Amend House File 287 as follows:

2 1. By adding the following new sections:

3 Sec. _____. Section four hundred four point two
4 (404.2), Code 1973, is amended to read as follows:

5 404.2 FUNCTIONAL FUNDS--MAXIMUM LEVY. Municipal
6 corporations shall have power to establish the
7 functional funds provided by sections 404.6 to 404.12,
8 inclusive, and to cause taxes to be levied on all
9 taxable property within the corporate limits according
10 to the needs of the particular corporation for each
11 particular function, and in the aggregate not to
12 exceed ~~thirty~~ thirty-one mills on the dollar in any
13 tax year for all of said functions, and they shall
14 also have power to establish a debt service fund, and
15 trust or agency funds. The aforesaid aggregate
16 millage rate shall be exclusive of all sources of
17 income received or receivable by cities and towns
18 other than taxes caused to be levied under the pro-
19 visions of sections 404.6 to 404.12, inclusive, and
20 those taxes in lieu of which allocations may be made
21 under said sections by express authorization contained
22 therein.

23 Sec. _____. Section four hundred forty-four
24 point nine (444.9), subsection two (2), Code 1973, is
25 amended to read as follows:

26 2. ORDINARY COUNTY REVENUE. For ordinary county
27 revenue, not to exceed ~~four~~ five and one-half mills on
28 a dollar in counties having an assessed valuation of
29 less than sixteen million dollars, not to exceed ~~four~~
30 five mills on a dollar in counties having an assessed
31 valuation of sixteen million dollars or more and less
32 than twenty-six million dollars, not to exceed ~~three~~
33 four and one-half mills on a dollar in counties having
34 an assessed valuation of twenty-six million dollars or
35 more and less than thirty-two million dollars, and not
36 to exceed ~~three~~ four mills on a dollar in counties
37 having an assessed valuation of thirty-two million
38 dollars or more.

39 Sec. _____. Acts of the General Assembly, 1972
40 Session, Chapter one thousand eighty-eight (1088),
41 section eighty-two (82) is amended to read as follows:

42 SEC. 82. A city may certify taxes to be levied by
43 the county on all taxable property within the city
44 limits, for all city government purposes. However,
45 the tax levied by a city on lots of more than ten
46 acres and the personal property thereon, occupied and
47 used for agricultural or horticultural purposes, may
48 not exceed one and one-fourth mills in any year. A
49 city's tax levy for the general fund may not exceed
50 ~~thirty~~ thirty-one mills on the dollar of taxable value
51 in any tax year, except for the levies authorized in
52 section ninety-three (93) of this Act.

H-119

1 Amend the IPERS Bill (H.F. 287), page 4, line
2 28, by inserting after the word "paragraph" the
3 words ", or by electing in writing to the
4 commission to have twenty-five percent of the
5 monthly retirement benefit after retirement under
6 the Iowa public employees' retirement system
7 retained by the commission to repay withdrawn
8 contributions under the abolished system together
9 with interest. Deductions shall be made until
10 the withdrawn contributions together with interest
11 have been repaid or the retiree dies".

Filed - *Last 3/2*
February 28, 1973

By MILLER of Buchanan

H-118

1 Amend House File 287, page 4, line 26, by striking
2 the words "December 31, 1973", and inserting in lieu
3 thereof the words "July 1, 1974".

Filed - *Adopted 3/2*
February 28, 1973

By MILLER of Buchanan

H-123

1 Amend House File 287, page 11, by adding after
2 line 31 the following new section:
3 "Sec. 19. Section ninety-seven B point seven
4 (97B.7), subsection seven (7), unnumbered paragraph
5 one, Code 1973, is amended to read as follows:
6 7. The total cost price of common stocks held
7 by the retirement fund shall not exceed ~~ten~~
8 twenty-five per cent of the total value of
9 the retirement fund. The cost price of stock invest-
10 ments in any one corporation shall not exceed five
11 per cent of the maximum amount which may be invested
12 in stocks. Not more than five per cent of the
13 issued stock of any one corporation may be owned by
14 the fund. For purposes of this chapter value con-
15 sists of cash, the par value or unpaid balance of
16 all unmatured or unpaid investments requiring the
17 payment of a fixed amount at payment date, and the
18 cost price of all other investments. The total cost
19 of common stocks purchased during any year shall not
20 exceed twenty-five per cent of all moneys collected
21 under chapter 97B together with investment income
22 received by the system during that year."

Filed - *Adopted 3/2*
March 1, 1973

By SMALL of Johnson

H-125

1 Amend the Small amendment H-123 to House File 287
2 by striking from line 8 the words "twenty-five"
3 and inserting in lieu thereof the word "fifteen".

Filed - *Last 3/2*
March 1, 1973

By EGENES of Story
DRAKE of Muscatine

H--110

- 1 Amend House File 287 as follows:
- 2 1. Page 8, line 11, by striking the word "fifty"
- 3 and inserting in lieu thereof the word "fifty-five".
- 4 2. Page 9, by striking lines 18 through 35,
- 5 inclusive.
- 6 3. Page 10, by striking lines 1 through 10,
- 7 inclusive.
- 8 4. By renumbering the sections as necessary.

Filed - *Adopted as amended by R-124* By DRAKE of Muscatine
February 27, 1973 ^{3/2} STANLEY of Muscatine

H--111

- 1 Amend House File 287 as follows:
- 2 1. Page 3, line 15, by striking the words "The
- 3 contributions of the members shall" and inserting in
- 4 lieu thereof the words "~~The-contributions-of-the~~
- 5 ~~members-shall~~".
- 6 2. Page 3, by striking line 16 and inserting in
- 7 lieu thereof the words "~~be-matched-by-the-employer~~
- 8 Commencing July 1, 1973 contributions by the employer
- 9 shall be in the amount of four and one-half percent
- 10 of the covered wages of the employee paid by the
- 11 employer until the first of the month after the
- 12 member's sixty-fifth birthday or his termination or
- 13 retirement from employment, whichever is earlier".
- 14 3. Page 8, line 11, by striking the word "fifty"
- 15 and inserting in lieu thereof the word "sixty".
- 16 4. Amend the title, page 1, line 3, by inserting
- 17 after the word "members," the words "increasing
- 18 employer contributions,".

Filed - *Withdrawn 2/1/73* By PATCHETT of Johnson
February 27, 1973 AVENSON of Fayette

EXPLANATION OF AMENDMENT

This amendment increases the employer contribution from 3-1/2 to 4-1/2% of covered wages and increases the membership benefit formula to 1.60%.

H--113

- 1 Amend House File 287 as follows:
- 2 1. Page 2, line 12, by striking the word "five"
- 3 and inserting in lieu thereof the words "five six".
- 4 2. Page 2, line 12, by striking the word "Three"
- 5 and inserting in lieu thereof the words "~~Three~~ Four".
- 6 3. Page 2, line 16, by striking the word "and" and
- 7 inserting in lieu thereof the word "and".
- 8 4. Page 2, line 17, by inserting after the word
- 9 "Iowa" the words ", and the fourth shall be an active
- 10 member of the system".
- 11 5. Page 2, by inserting after line 35, the follow-
- 12 ing: "The active member of the system shall be
- 13 appointed for an initial term of four years."

Filed - *Adopted as amended by S-121, 3/1* By FISHER of Greene
February 28, 1973 McCORMICK of Delaware
DRAKE of Muscatine
DOYLE of Woodbury
BITTLE of Polk

H-122-A

1 Amend House File 287 as follows:

2 1. Page 3, line 11, by striking the words "three
3 and one-half" and inserting in lieu thereof the words
4 "~~three-and-one-half~~ four".

5 2. Page 3, by striking lines 20 through 26,
6 inclusive, and inserting in lieu thereof the follow-
7 ing:

8 "(3) For each calendar year from January 1, 1968,
9 through December 31, 1970, wages not in excess of
10 seven thousand dollars; ~~and~~; for each calendar year
11 from January 1, 1971, ~~and-thereafter~~ through Decem-
12 ber 31, 1973, wages not in excess of seven thousand
13 eight hundred dollars; for the calendar year com-
14 mencing January 1, 1974, and ending December 31,
15 1974, wages not in excess of nine thousand dollars;
16 for the calendar year commencing January 1, 1975, and
17 ending December 31, 1975, wages not in excess of ten
18 thousand eight hundred dollars; and for each calendar
19 year from January 1, 1976, and thereafter, wages not
20 in excess of twelve thousand dollars."

21 3. Page 8, line 11, by striking the words "~~forty-~~
22 ~~five fifty~~" and inserting in lieu thereof the word
23 "forty-five".

24 4. Page 8, line 13, by striking the words "; but
25 in" and inserting in lieu thereof the words "~~;-but-in~~
26 during the five (or actual number if less than five)
27 continuous years membership service out of the last
28 ten (or actual number if less than ten) years of
29 membership service for which the average is highest.
30 In".

31 5. Page 8, line 28, by striking the words
32 "increased in the same proportion as the increase".

33 6. Page 8, line 29, by striking the words
34 "granted under" and inserting in lieu thereof the
35 words "recomputed in the manner specified in".

Lost
3/1

H-122-B

36 7. Page 9, by striking lines 18 through 35
37 inclusive.

38 8. Page 10, by striking lines 1 through 10
39 inclusive.

Withdrawn
3/1

H-122-C

40 9. Amend the title, page 1, line 9, by striking
41 the words "membership benefit formula" and inserting in
42 lieu thereof "employer and employee contributions,
43 changing the method of determining average annual
44 covered wages".

45 10. Amend the title, page 1, lines 10 and 11, by
46 striking the words "providing retirement at age
47 sixty,".

48 11. By renumbering the sections as necessary.

Withdrawn
3/1/73

Offered
Division H-122-C withdrawn
Division H-122-A lost
Division H-122-B withdrawn
March 1, 1973

By HILL of Polk
LIPSKY of Linn

- 1 Amend the Fisher of Greene et al. amendment H-113
 2 to House File 287 by striking everything after line 1
 3 and inserting in lieu thereof the following:
 4 1. Page 2, line 12, by striking the word "five"
 5 and inserting in lieu thereof the words "five seven".
 6 2. Page 2, line 12, by striking the word "Three"
 7 and inserting in lieu thereof the words "Three Five".
 8 3. Page 2, line 16, by striking the word "and"
 9 and inserting in lieu thereof the word "and".
 10 4. Page 2, line 17, by inserting after the word
 11 "Iowa" the words ", and two shall be active members
 12 of the system, one of whom shall be an employee of a
 13 school district, county school system, joint county
 14 system, or merged area and one of whom shall not be
 15 an employee of a school district, county school sys-
 16 tem, joint county system, or merged area".
 17 5. Page 2, line 22, by inserting after the word
 18 "representatives" the words "and the two active mem-
 19 bers of the system appointed by the governor".
 20 6. Page 2, lines 23 and 24, by striking the words
 21 "Members appointed by the governor" and inserting in
 22 lieu thereof the words "Members-appointed-by-the-gov-
 23 ernor The members who are executives of a domestic
 24 life insurance company, a state or national bank, and
 25 a major industrial corporation".
 26 7. Page 2, line 29, by inserting after the period
 27 the following: "The members who are active members
 28 of the system shall be paid their actual expenses in-
 29 curring in the performance of their duties as members
 30 of the board and performance of their duties as mem-
 31 bers of the board shall not affect their salaries,
 32 vacation, or leaves of absence for sickness or
 33 injury."
 34 8. Page 2, line 35, by inserting after the period
 35 the following: "For the initial appointments one
 36 active member of the system shall serve for a term of
 37 two years and the other active member of the system
 38 shall serve for a term of four years."

Filed and adopted
 March 1, 1973

By PATCHETT of Johnson
 AVENSON of Fayette

EXPLANATION OF AMENDMENT

This amendment adds two active members of IPERS to the membership of the Advisory Investment Board. One of the members must be employed in the educational field, because 53% of the members of IPERS are employed in the educational field and the other active member must represent the other members of IPERS.

The active members of the system cannot be penalized with respect to salaries, vacation, or sick leave for time taken to perform official duties as members of the Board.

- 1 Amend House File 287, page 3, by adding to Section 2
 2 the following new paragraph:
 3 "In no case shall any subdivision, department, or
 4 instrumentality of the state contribute more to any
 5 retirement system than that to which the employee
 6 contributes."

Filed - *Last 3/2*
 March 1, 1973

By SCHROEDER of Pottawattamie

March 6, 1973

HOUSE FILE 287

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

Passed House, Date 4-23-73 (957) Passed Senate, Date 3-29-73 (712)

Vote: Ayes 93 Nays 1 Vote: Ayes 48 Nays 0

Approved 5-15-73

~~Passed House as amended by Senate~~
~~5-1-73 (1054)~~
~~44-0~~

A BILL FOR

Substituted for S.F. 411 3/28
Passed Senate as further amended by House
5-1-73 (1054)
44-0

- 1 An Act relating to the Iowa public employees' retirement
- 2 system by increasing per diem for advisory investment
- 3 board members, changing the maximum age for contribu-
- 4 tions, increasing the covered wages, reducing the number
- 5 of years required to become a vested member, providing
- 6 for prior service credit, prohibiting retirement credit
- 7 after age sixty-five, permitting retroactive payments,
- 8 allowing full-time employment with benefits after age
- 9 sixty-five, increasing the membership benefit formula,
- 10 providing a minimum monthly benefit,
- 11 and changing the method of computing the
- 12 rate of interest credit for members.
- 13 *Be It Enacted by the General Assembly of the State of Iowa:*

1 Section 1. Section ninety-seven B point eight (97B.8),
2 Code 1973, is amended to read as follows:

3 97B.8 ADVISORY INVESTMENT BOARD. A board shall be es-
4 tablished to be known as the "Advisory Investment Board of
5 the Iowa Public Employees' Retirement System", hereinafter
6 called the "board", whose duties shall be to advise and con-
7 fer with the commission in matters relating to the investment
8 of the trust funds of the Iowa public employees' retirement
9 system. The powers of the board shall be purely advisory
10 and the commission shall not be bound in the making of any
11 investment by the recommendations of the board. The board
12 shall consist of [~~five~~] *seven* members. [~~Three~~] *Five* of the members
13 be appointed by the governor, one of whom shall be an execu-
14 tive of a domestic life insurance company, one an executive
15 of a state or national bank operating within the state of
16 Iowa, [~~and~~] the third shall be an executive of a major indus-
17 trial corporation located within the state of Iowa, *and two*
18 *shall be active members of the system, one of whom shall be*
19 *an employee of a school district, county school system,*
20 *joint county system, or merged area and one of whom shall*
21 *not be an employee of a school district, county school*
22 *system, joint county system, or merged area.* The
23 president of the senate shall appoint one member from the
24 membership of the senate and the speaker of the house of
25 representatives shall appoint one member from the member-
26 ship of the house. The two members appointed by the president
27 of the senate and the speaker of the house of representatives
28 *and the two active members of the system appointed by the*
29 *governor*

30 shall be ex officio members of the board. **[Members appointed**
31 **by the governor]** *The members who are executives of a domestic*
32 *life insurance company, a state or national bank, and a*
33 *major industrial corporation*

34 shall be paid their actual expenses incurred
35 in performance of their duties and shall receive in addition

36 thereto the sum of [twenty-five] *forty* dollars for each day
37 of service not exceeding forty days per year. Ex officio
38 members shall receive their actual expenses incurred in the
39 performance of their duties. *The members who are active*
40 *members of the system shall be paid their actual expenses*
41 *incurred in the performance of their duties as members of*
42 *the board and performance of their duties as members of*
43 *the board shall not affect their salaries, vacation, or*
44 *leaves of absence for sickness or injury.*

45 The appointive terms of the
46 members appointed by the governor shall be for a period of
47 six years dating from July [1] *first* of the year in which they
48 are appointed, but the governor shall designate, in the case
49 of the original appointees, one who shall serve for a period
50 of two years, a second who shall serve for a period of four
51 years, and a third who shall serve for a period of six years.
52 *For the initial appointments one active member of the*
53 *system shall serve for a term of two years and the other*
54 *active member of the system shall serve for a term of*
55 *four years.*

1 In the event of vacancy, through resignation or any other
2 cause, in the membership of the board, the governor shall
3 have the power of appointment. Appointees to this board shall
4 be subject to confirmation by a two-thirds vote of the senate,
5 but in the event of interim appointments, such confirmation
6 shall be necessary at the next session of the senate.

7 Sec. 2. Section ninety-seven B point eleven (97B.11),
8 Code 1973, is amended to read as follows:

9 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

Each em-
10 ployer shall deduct from the wages of each member of the
11 system a contribution in the amount of three and one-half
12 percent of the covered wages paid by the employer until the
13 first of the month after the member's [seventieth] *sixty-fifth*
14 birthday or his termination or retirement from employment,
15 whichever is earlier. The contributions of the member shall
16 be matched by the employer.

17 Sec. 3. Section ninety-seven B point forty-one (97B.41),
18 subsection one (1), paragraph b, subparagraph three (3), Code
19 1973, is amended to read as follows:

20 (3) For each calendar year from January 1, 1968, through
21 December 31, 1970, wages not in excess of seven thousand
22 dollars, [and] for each calendar year from January 1, 1971
23 *through December 31, 1972, [and thereafter,] wages not in excess*
24 *of seven thousand eight hundred dollars, and for each calendar*
25 *year from January 1, 1973, and thereafter, wages not in excess*
26 *of ten thousand eight hundred dollars.*

27 Sec. 4. Section ninety-seven B point forty-one (97B.41),
28 subsection one (1), paragraph b, subparagraph four (4), Code
29 1973, is amended to read as follows:

30 (4) Effective July 1, [1967] *1973*, covered wages shall not
31 include wages to a member after the first of the month
32 coinciding with or next following his [seventieth] *sixty-fifth*
33 birthday, or after the effective date of his retirement unless
34 he is re-employed, as provided under section 97B.48, subsec-
35 tion 3.

1 Sec. 5. Section ninety-seven B point forty-one (97B.41),
2 subsections eleven (11) and eighteen (18), Code 1973, are
3 amended to read as follows:

4 11. "Vested member" means a member who had terminated
5 employment [after having either] (a) *prior to July 1, 1973,*
6 *after having* completed at least eight years of service, [or]
7 (b) *on or after July 1, 1973, after having completed at least*
8 *four years of service, or (c) after having attained the age*
9 *of fifty-five.*

10 18. "Membership service" means service rendered by a mem-
11 ber after July 4, 1953, and prior to the first of the month
12 coinciding with or next following his [seventieth] *sixty-fifth*
13 birthday. Years of membership service shall be counted to
14 the complete quarter calendar year.

15 Sec. 6. Section ninety-seven B point forty-three (97B.43),
16 Code 1973, is amended by adding the following new unnumbered
17 paragraph:

18 *NEW UNNUMBERED PARAGRAPH.* Each individual who as
19 1, 1973 was an active, vested, or retired member and who (1)
20 made application for and received a refund of contributions
21 made under the abolished system or (2) has on deposit with
22 the retirement fund his contributions made under the abolished
23 system shall be entitled to credit for years of prior service
24 in the determination of retirement allowance payments by
25 filing a written election with the commission between July
26 1, 1973, and July 1, 1974, and by redepositing any
27 withdrawn contributions under the abolished system together
28 with interest as stated in this paragraph. However, this
29 paragraph shall not apply to any person who received a refund
30 of any membership service contributions. The interest to
31 be paid into the fund shall be compounded at the rates credited
32 to member accounts from the date of payment of the refund
33 of contributions under the abolished system to the date the
34 member redeposits the refunded amount. The provisions of
35 the first paragraph of this section relating to the

1 consideration given to credited amounts shall apply to the
2 redeposited amounts or to amounts left on deposit.

3 Sec. 7. Section ninety-seven B point forty-five (97B.45),
4 Code 1973, is amended by striking the section and inserting
5 in lieu thereof the following:

6 97B.45 RETIREMENT AGE AT SIXTY-FIVE. A member's
normal
7 retirement date shall be the first of the month coinciding
8 with or next following his sixty-fifth birthday. A member
9 may retire after his sixty-fifth birthday except as other-
10 wise provided in section ninety-seven B point forty-six
11 (97B.46) of the Code. A member retiring after his normal
12 retirement date, as provided in section ninety-seven B point
13 forty-six (97B.46) of the Code, shall submit a written notice
14 to the commission setting forth the date the retirement is
15 to become effective, provided that such date shall be after
16 his last day of service and not before the first day of the
17 sixth calendar month preceding the month in which the notice
18 is filed, except that credit for service shall cease after
19 the normal retirement date. Notwithstanding the provisions
20 of this section and section ninety-seven B point forty-six
21 (97B.46) of the Code, an employer may adopt policies which
22 prescribe retirement at an age not less than sixty-five years.

23 Sec. 8. Section ninety-seven B point forty-six (97B.46),
24 Code 1973, is amended to read as follows:

25 97B.46 SERVICE AFTER AGE [SEVENTY] *SIXTY-FIVE*. A
member
26 may, on the request of the employer, remain in the active
27 employ of the employer beyond the date he attains the age
28 of [seventy] *sixty-five* for such period or periods as the
29 employer from time to time shall approve, provided, however,
30 that credit for such service shall cease when contributions
31 cease as provided in section 97B.11. The member shall retire
32 from the employment of the employer at the end of the last
33 approved period, on the first day of the month next following
34 or coinciding with such date. A member remaining in service
35 past his seventy-second birthday shall be entitled to receive

36 a retirement allowance under subsections 2 and 3 of section
37 97B.49 [on the first day of the month within which the notice
38 is filed] *commencing with payment for the calendar month within*

1 *which the written notice is submitted to the commission,*
2 *except that if he fails to submit the notice on a timely*
3 *basis, retroactive payments shall be made for no more than*
4 *six months immediately preceding the month in which the written*
5 *notice is submitted.*

6 Sec. 9. Section ninety-seven B point forty-seven (97B.47),
7 Code 1973, is amended to read as follows:

8 97B.47 RETIREMENT DATE. A member's early retirement date
9 shall be the first of any month coinciding with or following
10 his fifty-fifth birthday and prior to his normal retirement
11 date, provided such date shall be after the last day of ser-
12 vice. A member may retire on his early retirement date by
13 submitting written notice to the commission setting forth
14 the early retirement date which shall [be no more than thirty
15 days prior to the filing of such notice] *not be before the*
16 *first day of the sixth calendar month preceding the month*
17 *in which such notice is filed.*

18 Sec. 10. Section ninety-seven B point forty-eight (97B.48),
19 Code 1973, is amended by striking subsections two (2) and
20 three (3) and inserting in lieu thereof the following:

21 2. The first monthly payment of a normal retirement allow-
22 ance shall be paid as of the normal retirement effective date,
23 which date shall be the later of the normal retirement date
24 or the first day of the sixth calendar month preceding the
25 month in which written notice of normal retirement is sub-
26 mitted to the commission. Payment of an early retirement
27 allowance or an allowance for retirement after the normal
28 retirement date shall be paid as of the effective date of
29 retirement subject to the provisions of sections ninety-seven
30 B point forty-five (97B.45), ninety-seven B point forty-six
31 [97B.46], or ninety-seven B point forty-seven (97B.47) of
32 the Code. The payments shall be continued thereafter for
33 the lifetime of the retired member except as provided in
34 subsection three (3) of this section.

35 3. If at any time after the first day of the month

1 coinciding with or next following his fifty-fifth birthday
2 and until his sixty-fifth birthday, a member who is retired
3 under this chapter is in regular full-time employment, his
4 retirement allowance shall be suspended for as long as he
5 remains in employment. However, employment shall not be
6 regarded as full-time employment until he receives remuneration
7 in an amount in excess of two thousand one hundred dollars
8 for any calendar year. Effective the first of the month
9 coinciding with or next following his sixty-fifth birthday,
10 a retired member shall be entitled to receive a retirement
11 allowance after return to covered employment regardless of
12 the amount of remuneration received. As of the first of the
13 month coinciding with or next following the member's seventy-
14 second birthday, he shall be entitled to receive a retirement
15 allowance determined under section ninety-seven B point forty-
16 nine (97B.49) of the Code, regardless of the amount of
17 remuneration received. Upon any retirement after reemployment,
18 a retired member shall be entitled to have his retirement
19 allowance redetermined under sections ninety-seven B point
20 forty-eight (97B.48), ninety-seven B point forty-nine (97B.49),
21 or ninety-seven B point fifty (97B.50) of the Code, whichever
22 is applicable, based upon the employee's and his employer's
23 additional contributions, and any membership service of the
24 employee after his reemployment and prior to his normal
25 retirement date.

26 Sec. 11. Section ninety-seven B point forty-nine (97B.49),
27 unnumbered paragraph one (1), Code 1973, is amended to read
28 as follows:

29 Each member shall, upon retirement *on* or after his normal
30 retirement date, be entitled to receive a monthly retirement
31 allowance determined under subsections 1, 2, and 3 of this
32 section. Any retirement allowance which is in addition to
33 the amount being paid to retired members [on July 1, 1970] *as*
34 *of June 30, 1973*, shall become effective with payments as
35 of July 1, [1970] *1973*. For members retiring on and after July

1 1, [1970] *1973*, the retirement allowance as determined herein
2 shall commence on the effective date of retirement.

3 Sec. 12. Section ninety-seven B point forty-nine (97B.49),
4 subsections one (1) and two (2), Code 1973, are amended to
5 read as follows:

6 1. For each active member retiring from employment *after*
7 *July 1, 1973* with [five] *four* or more complete years of service,
8 a formula benefit shall be determined. The amount of the
9 monthly formula benefit for each such active member who retired
10 on or after July 1, [1970] *1973*, shall be equal to one-twelfth
11 of one and [forty-five] *fifty-seven* hundredths percent per year of
12 membership service multiplied by his average annual covered
13 wages; but in no case shall the amount of monthly formula
14 benefit accrued for membership service prior to July 1, 1967,
15 be less than the monthly annuity at the normal retirement
16 date determined by applying the sum of the member's accumulated
17 contributions, his employer's matching accumulated
18 contributions on or before June 30, 1967, and any retirement
19 dividends standing to his credit on or before December 31,
20 1966, to the annuity tables in use by the commission with
21 due regard to the benefits payable from such accumulated
22 contributions under sections 97B.52 and 97B.53.

23 *Commencing July 1, 1973, for each member who retired and*
24 *commenced receiving, or who became vested in, retirement*
25 *allowance before July 1, 1973, the amount of regular monthly*
26 *retirement allowance attributable to membership service that*
27 *he received, for June, 1973, or was vested in as of June 30,*
28 *1973, shall be increased in the same proportion as the increase*
29 *granted under this subsection for active members retiring*
30 *after July 1, 1973.*

31 2. For each active member retiring with less than [five]
32 *four* complete years of service and who therefore cannot have
33 his benefit determined under the formula benefit of subsection
34 1 of this section and for each vested member a monthly annuity
35 for membership service shall be determined by applying the

1 member's accumulated contributions and his employer's matching
2 accumulated contributions as of his effective retirement date
3 and any retirement dividends standing to his credit on or
4 before December 31, 1966, to the annuity tables in use by
5 the commission according to his age determined as follows:

6 a. If his normal retirement date coincides with or follows
7 July 1, 1967, his age on his normal retirement date.

8 b. If his normal retirement date precedes July 1, 1967,
9 and his effective date of retirement coincides with or follows
10 July 1, 1967, his age on July 1, 1967.

11 Sec. 13. Section ninety-seven B point forty-nine (97B.49),
12 Code 1973, is amended by adding the following new subsection:

13 *NEW SUBSECTION.* For each active member retiring on or
14 after July 1, 1973, and after completing ten or more years
15 of membership service, the total amount of monthly benefit
16 payable for prior service and membership service shall not
17 be less than fifty dollars per month.

1 Sec. 14. Section ninety-seven B point fifty-three (97B.53),
2 subsections two (2) and seven (7), Code 1973, are amended
3 to read as follows:

4 2. If the employment with the employer of a member is
5 terminated prior to his retirement, other than by death, but
6 after he has either (a) completed at least [eight] *four* years
7 of service, or (b) has attained the age of fifty-five, he
8 shall receive a monthly retirement allowance commencing on
9 the first day of the month next following or coinciding with
10 the date he attains the age of sixty-five, if he is then
11 alive, or, if the member so elects in accordance with section
12 97B.47, commencing on the first day of any month coinciding
13 or next following the date he attains the age of fifty-five
14 and prior to the date he attains the age of sixty-five, and
15 continuing on the first day of each month thereafter during
16 his lifetime, provided the member does not receive prior to
17 the date his retirement allowance is to commence a refund
18 of accumulated contributions under any of the provisions of
19 this chapter. The amount of each such monthly retirement
20 allowance shall be determined as provided in either section
21 97B.49 or in section 97B.50, whichever is applicable.

22 7. Any member whose employment is terminated after *one*
23 *year of employment but before* he has accumulated [five] *four*
24 or more years of employment, either under the provisions of
25 this chapter or as a result of prior service credits, may

1 elect to leave his accumulated contributions in the retirement
2 fund. In the event he returns to public employment at any
3 time within [five] *four* years after this termination of
4 employment, he shall be entitled to resume membership in the
5 system with the same credits for prior service and accumulated
6 contributions that he had earned when his original employment
7 was terminated. No interest shall be credited on his
8 accumulated contributions nor on his employer's accumulated
9 contributions during the period from the time of his
10 termination of employment to his resumption of employment.

11 Any member who has resumed employment under the provisions
12 of this subsection shall not be eligible for any second period
13 of absence from membership as a result of termination of ser-
14 vice [until he shall have been employed for a period of five
15 years or more from the date of resumption of employment].

16 **Sec. 15.** Section ninety-seven B point seventy (97B.70),
17 subsection one (1), paragraph d, Code 1973, is amended to
18 read as follows:

19 d. Mean assets shall include fixed income investments
20 valued at cost or on an amortized basis, and common stocks
21 at market values *or cost, whichever is lower.*

22 **Sec. 16.** Section three (3) of this Act shall take effect
23 on and be in force retroactive to January 1, 1973 upon publica-
24 tion as provided in section eighteen (18) of this Act. Sec-
25 tions one (1) and two (2) and four (4) through fifteen (15),
26 inclusive, of this Act shall become effective on July 1, 1973.

27 **Sec. 17.** Section ninety-seven B point seven (97B.7),
28 subsection seven (7), unnumbered paragraph one, Code 1973,
29 is amended to read as follows:

30 7. The total cost price of common stocks held by the
31 retirement fund shall not exceed [ten] *twenty-five* percent
32 of the total value of the retirement fund. The cost price
33 of stock investments in any one corporation shall not
34 exceed five percent of the maximum amount which may be
35 invested in stocks. Not more than five percent of the

36 issued stock of any one corporation may be owned by the
37 fund. For purposes of this chapter value consists of
38 cash, the par value or unpaid balance of all unmatured
39 or unpaid investments requiring the payment of a fixed
40 amount at payment date, and the cost price of all other
41 investments. The total cost of common stocks purchased
42 during any year shall not exceed twenty-five percent of all
43 moneys collected under chapter 97B together with investment
44 income received by the system during that year.

45 Sec. 18. This Act, being deemed of immediate importance,
46 shall take effect and be in force from and after its publica-
47 tion in The Sioux City Journal, a newspaper published
48 in Sioux City, Iowa, and in The Manchester Press,
49 a newspaper published in Manchester, Iowa.

50 EXPLANATION

51 Section 1 increases from \$25 to \$40 the per diem pay for
52 the appointed members of the Advisory Investment Board.

53 Sections 2 and 4 terminate contributions at age 65 instead

1 of at the present age of 70.

2 Section 3 increases the annual covered salary under IPERS
3 from \$7,800 to \$10,800, effective January 1, 1973.

4 Section 5 redefines "vested member" to allow for vesting
5 after four years of service, whereas eight years were pre-
6 viously required for vesting.

7 Section 5 redefines "membership service" so that such ser-
8 vice stops at age 65 instead of at the present age of 70.

9 Section 6 provides that any active, vested or retired mem-
10 ber of IPERS may get prior service credit by having left IOASI
11 contributions in the fund or by repaying by December 31, 1973
12 the IOASI contributions he withdrew plus interest computed
13 to the time the money is deposited; provided, however, that
14 this privilege is not available to anyone who at any time
15 withdrew IPERS contributions.

16 Section 7 requires that employees retire at age sixty-five
17 unless the employer requests that the employee continue.

18 No retirement credit is given for employment after age 65.

19 Sections 8, 9, and 10 permit retroactive payments up to
20 6 months if a retired member fails to apply for benefits at
21 time of retirement.

22 Section 10 also provides that after age 65 a retired member
23 can return to covered employment and earn any amount and re-
24 ceive his full IPERS benefits. A \$2100 earnings limitation
25 would still apply for a retired member between the age of
26 55 and 65.

27 Section 11 makes current the reference to dates as of
28 which benefits are effective.

29 Section 12 increases the membership benefit formula from
30 1.45% to 1.50% for each year of membership service, and re-
31 duces the service requirement to four years in order to be
32 consistent with vesting after four years of service.

33 Section 13 provides a minimum monthly benefit (for prior
34 and membership service credits combined) of \$50.00 per month.

35 Section 14 provides for receiving benefits without reduc-

- 1 tion if a member retires early between the ages of 60 and
- 2 65 and has 30 years of membership service.
- 3 Section 15 reduces the number of years of employment for
- 4 vesting in IPERS from eight to four years.
- 5 Section 16 provides that the interest earned by that portion
- 6 of the retirement fund invested in common stocks would be
- 7 calculated upon the lower of cost or market value, rather
- 8 than the market value of the stocks. This would achieve a
- 9 more accurate picture of the cash return on investments, and,
- 10 consequently give a fairer rate of interest credit to members
- 11 of the System.

Proof of Publication 6/6 (1583)
The Manchester Press 5/23
The Sioux City Journal 5/21

S-279

1 Amend House File 287, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 2A, line 18, by striking the words
4 ", one of whom shall be".

5 2. Page 2A, by striking lines 19, 20, 21, and
6 22 and inserting in lieu thereof the word ".The".

7 3. Page 2A, by striking lines 28 and 29.

8 4. Page 2A, line 30, by inserting after the period
9 the words "The two active members of the system shall
10 be nonvoting members of the board."

11 5. Page 9, by striking lines 13 through 17,
12 inclusive, and inserting in lieu thereof the following:

13 NEW SUBSECTION. For each active member retiring on
14 or after June 30, 1973, and who has completed ten or
15 more years of membership service, the total amount of
16 monthly benefit payable at the normal retirement date
17 for prior service and membership service shall not be
18 less than fifty dollars per month. If benefits com-
19 mence on an early retirement date, the amount of
20 benefit shall be reduced in accordance with section
21 ninety-seven B point fifty (97B.50) of the Code. If an
22 optional allowance is selected under section ninety-
23 seven B point fifty-one (97B.51) of the Code, the amount
24 payable shall be the actuarial equivalent of the
25 minimum benefit. An employee who is in employment on a

a

c

B

*Adopted
3/29*

~~_____~~
~~_____~~
~~_____~~
~~_____~~

Page 2

1 school year or academic year basis, will be considered
2 to be an active member as of June 30, 1973, if he com-
3 pletes the 1972-73 school year or academic year.

S-279 Filed, *1 and 2 last* By GRIFFIN
March 22, 1973 *3, 4, 5 adopted on*
amended 3/29 by 306

S-295

1 Amend House File 287, as amended, passed, and
reprinted

2 by the House, as follows:

3 1. Page 3, line 24, by striking the words "and for
4 each" and inserting in lieu thereof the words "for the".

5 2. Page 3, line 25, by striking the words ", and
6 thereafter" and inserting in lieu thereof the words and
7 figures "through December 31, 1973".

8 3. Page 3, line 26, by inserting after the word
9 "dollars" the words and figures ", and for each calendar
10 year from January 1, 1974, and thereafter, wages not in
11 excess of twelve thousand dollars".

S-295 Filed - *Withdrawn 3/29* By ANDERSEN and DODERER
March 27, 1973

S—250

- 1 Amend House File 287 as amended, passed, and
- 2 reprinted by the House as follows:
- 3 1. Page 2A, line 12, by striking the words
- 4 "five seven" and inserting in lieu thereof the
- 5 word "five".
- 6 2. Page 2A, line 12, by striking the words
- 7 "Three Five" and inserting in lieu thereof the
- 8 word "Three".
- 9 3. Page 2A, line 16, by striking the word
- 10 "and" and inserting in lieu thereof the word
- 11 "and".
- 12 4. Page 2A, line 17, by striking the words
- 13 ", and two".
- 14 5. Page 2A, by striking lines 18 through
- 15 22, inclusive, and inserting in lieu thereof
- 16 the word "The".
- 17 6. Page 2A, by striking lines 28 and 29.
- 18 7. Page 2A, line 30, by striking the words
- 19 "Members-appointed" and inserting in lieu thereof
- 20 the words "Members appointed".
- 21 8. Page 2A, by striking lines 31, 32, and 33
- 22 and inserting in lieu thereof the words "by the
- 23 governor".
- 24 9. Page 2B, line 39, by striking the words
- 25 "The members who are active".

Page 2

- 1 10. Page 2B, by striking lines 40 through 44,
- 2 inclusive.
- 3 11. Page 2B, by striking lines 52 through 55,
- 4 inclusive.
- 5 12. Page 11A, by striking lines 27 through
- 6 35, inclusive.
- 7 13. Page 11B, by striking lines 36 through
- 8 44, inclusive.
- 9 14. By renumbering the sections as necessary.

S—250 Filed - *Withdrawn 3/28*
March 19, 1973

By GRIFFIN

S—292

- 1 Amend House File 287, as amended, passed, and
- 2 reprinted
- 3 by the House, as follows:
- 4 1. Page 3, line 11, by striking the word "one-
- 5 half"
- 6 and inserting in lieu thereof the words "one-half
- 7 seven-
- 8 tenths".
- 9 2. Page 8, line 11, by striking the word
- 10 "fifty-seven"
- 11 and inserting in lieu thereof the word "sixty".

S—292 Filed - *Lost 3/29*
March 27, 1973

By GLENN

S-298

1 Amend House File 287, as amended, passed, and re-
2 printed by the House, as follows:

3 1. Page 3, line 16, by inserting after the period
4 the following: "Commencing January 1, 1974 for the
5 calendar year, contributions by the employer shall be
6 in the amount of three and six-tenths percent of the
7 covered wages of the employee paid by the employer
8 until the first of the month after the member's sixty-
9 fifth birthday or his termination or retirement from
10 employment, whichever is earlier. Commencing January 1,
11 1975 and for each calendar year thereafter, the contribu-
12 tions by the employer shall be increased annually two-
13 tenths of one percent of the covered wages of the
14 employee paid by the employer until the percent of
15 covered wages of the employee paid by the employer
16 reaches seven percent on January 1, 1991."

17 2. Page 8, by inserting after line 22, the follow-
18 ing:

19 "Commencing January 1, 1974 the amount of the monthly
20 formula benefit for each retiree shall be determined an-
21 nually for each calendar year by the employment security
22 commission upon the recommendation of the advisory
23 investment board and following a study of the system
24 by a consulting actuary."

S-298 Filed - *Withdrawn 3/29*
March 27, 1973

By ANDERSEN

S-302

1 Amend the Willits, et. al., amendment S-301 to House
2 287, page 1, by striking lines 9 through 14, inclusive, File
and

3 inserting in lieu thereof the following:

4 "Commencing January 1, 1974, contributions by the
5 shall be in the amount of three point six (3.6) percent
6 covered wages of the employee paid by the employer
7 first of the month after the member's sixty-fifth
8 his termination or retirement from employment, whichever
9 earlier. The percent of covered wages paid by the
10 shall be increased by one-tenth of one percent, per year
11 a maximum of four percent is achieved."

S-302 Filed - *Last 3/29*
March 28, 1973

By ANDERSEN

S-290

- 1 Amend House File 287, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 7, line 27, by striking the words and
4 figure "unnumbered paragraph one (1)".
5 2. Page 7, line 29, by inserting before the word
6 "Each" the figure and words "97B.49 MONTHLY PAYMENTS
7 OF ALLOWANCE."
8 3. Page 8, by striking lines 3, 4, and 5.
9 4. Page 9, by inserting after line 10 the following:
10 3. For each member who has qualified for prior
service
11 credit in accordance with the first paragraph of section
12 97B.43, there shall be determined a benefit of eight-
13 tenths of one percent per year of prior service credit
14 multiplied by the monthly rate of the member's total
15 remuneration not in excess of three thousand dollars
16 annually during the twelve consecutive months of his
17 prior service for which such total remuneration was the
18 highest. An additional ~~three-tenths~~ four-tenths of one
19 percent of such remuneration not in excess of three
20 thousand dollars annually shall be payable for prior
21 service during each year in which the accrued liability
22 for benefit payments created by the abolished system is
23 funded by appropriation from the general fund of the
24 state of Iowa as provided under section 97B.56.
25 5. By renumbering the sections as necessary.

S-290 Filed - *Lost 3/29*
March 26, 1973

By BLOUIN

S-296

- 1 Amend House File 287, as amended, passed, and re-
2 printed by the House, as follows:
3 1. Page 8, line 13, by inserting after the word
4 "wages" the words "and thereafter the monthly formula
5 benefit shall be determined by the employment security
6 commission, maintaining the system on an actuarially
7 sound basis".

S-296 Filed - *Adopted as amended*
March 27, 1973 *By 3/13 3/29*

By SCHWIEGER and NYSTROM

S-297

- 1 Amend House File 287, as amended, passed, and reprinted
2 by the House as follows:
3 1. Page 2A, line 9 by inserting after the word "system."
4 the following new sentence:
5 "Public employees of any county may submit a
6 unanimously agreed upon program if the desire of the
7 group is to make investments of any part of their Iowa
8 public employees' retirement system contributions for
9 projects in their own counties."

S-297 Filed - *Withdrawn 3/28*
March 27, 1973

By HEYING