

JUN 13 1975

HOUSE FILE 914

APPROPRIATIONS CALENDAR *Pass 6/13*

BY COMMITTEE ON APPROPRIATIONS

See 6/18, Pass 6/18
Referred " 5/27, Pass per 5972 5/27

Passed House, Date 6-17-75 (2590) Passed Senate, Date 6-19-75 (2263)

Vote: Ayes 88 Nays 3 Vote: Ayes 45 Nays 0

Approved June 28, 1976

Motion to reconsider prevailed
Repassed House 6-17-75 (2600)
92-2

A BILL FOR

1 An Act relating to retirement benefits for certain public
2 employees engaged in public safety occupations.

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

4 *Repassed House per Senate*
amendment as amended
5-19-76 (p. 2901)
5
6 *80-15*

Repassed Senate per House amendment
as amended 5-28-76 (p. 2427)
7
8
9 *44-5*

7 *Repassed House per 3rd amendment*
8 *5-28-76 (p. 3322)*
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25 *74-4*

1 Section 1. Section ninety-seven A point one (97A.1), sub-
2 sections eight (8) and fourteen (14), Code 1975, are amended
3 to read as follows:

4 8. "Surviving spouse" shall mean only such surviving
5 spouse of a marriage consummated prior to retirement of a
6 deceased member from active service or of a marriage
7 consummated after retirement but not less than two years prior
8 to the death of the retired member.

9 14. "Average final compensation" shall mean the average
10 earnable compensation of the member during his ~~last~~ highest
11 five years of service as a member of the state department
12 of public safety, or if he has had less than five years of
13 such service, then the average earnable compensation of his
14 entire period of service.

15 Sec. 2. Section ninety-seven A point one (97A.1),
16 subsection ten (10), Code 1975, is amended to read as follows:

17 10. "Regular interest" shall mean interest at the rate
18 of four percent per annum, compounded annually and credited
19 to the member's account as of the date of the member's
20 retirement or termination from employment.

21 Sec. 3. Section ninety-seven A point five (97A.5), sub-
22 section one (1), Code 1975, is amended to read as follows:

23 1. BOARD OF TRUSTEES. The general administration and
24 the responsibility for the proper operation of the system
25 and for making effective the provisions of this chapter are
26 hereby vested in a board of trustees to administer the system.
27 Such board of trustees shall be constituted as follows: The
28 commissioner of public safety, who shall be chairman of said
29 board, the treasurer of state, and a member of the system,
30 to be chosen by secret ballot by the members thereof for a
31 term of two years.

32 Sec. 4. Section ninety-seven A point six (97A.6),
33 subsection one (1), Code 1975, is amended by adding the
34 following new paragraph:

35 NEW PARAGRAPH. Any member in service who has been a member

1 of the retirement system fifteen or more years and whose
2 employment is terminated prior to his retirement, other than
3 by death or disability, shall upon attaining retirement age,
4 receive a service retirement allowance of fifteen twenty-
5 seconds of the retirement allowance he would receive at
6 retirement if his employment had not been terminated, and
7 an additional one twenty-second of such retirement allowance
8 for each additional year of service not exceeding twenty-two
9 years of service. The amount of the retirement allowance
10 shall be based on the average final compensation at the time
11 of termination of employment. The allowance shall not be
12 available to a member who has chosen to withdraw his
13 accumulated contributions as provided in subsection ten (10)
14 of this section.

15 Sec. 5. Section ninety-seven A point six (97A.6),
16 subsection two (2), paragraph b, Code 1975, is amended to
17 read as follows:

18 b. A pension given by the state ~~in-addition-to-his-annuity~~
19 which ~~together-with-his-annuity~~ shall make-a-total-service
20 ~~retirement-allowance~~ equal to one-half of his average final
21 compensation.

22 Sec. 6. Section ninety-seven A point six (97A.6),
23 subsection three (3), Code 1975, is amended to read as follows:

24 3. ORDINARY DISABILITY RETIREMENT BENEFIT. Upon the
25 application of a member in service or of the commissioner
26 of public safety, any member ~~who-has-had-five-or-more-years~~
27 ~~of-membership-service~~ shall be retired by the board of
28 trustees, not less than thirty and not more than ninety days
29 next following the date of filing such application, on an
30 ordinary disability retirement allowance, provided, that the
31 medical board after a medical examination of such member shall
32 certify that said member is mentally or physically
33 incapacitated for further performance of duty, that such
34 incapacity is likely to be permanent and that such member
35 should be retired.

1 Sec. 7. Section ninety-seven A point six (97A.6),
2 subsection four (4), paragraph b, Code 1975, is amended to
3 read as follows:

4 b. A pension which together with his annuity shall make
5 a total retirement allowance equal to ninety percent of one-
6 seventieth of his average final compensation multiplied by
7 the number of years of membership service, if such retirement
8 allowance exceeds one-half of his average final compensation,
9 otherwise a pension which together with his annuity shall
10 provide a total retirement allowance equal to one-half of
11 his average final compensation except if the member has not
12 had five or more years of membership service, the member shall
13 receive a pension which together with his annuity shall provide
14 a total retirement allowance equal to one-fourth of his average
15 final compensation.

16 Sec. 8. Section ninety-seven A point six (97A.6),
17 subsection eight (8), unnumbered paragraph one (1), paragraphs
18 a and b, and unnumbered paragraph two (2), Code 1975, are
19 amended to read as follows:

20 Upon the receipt of proper proofs of the death of a member
21 in service, or a member not in service who has completed
22 fifteen or more years of service as provided in section four
23 (4) of this Act, there shall be paid to such person having
24 an insurable interest in his life as he shall have nominated
25 by written designation duly executed and filed with the board
26 of trustees:

27 a. His accumulated contributions and, if the member has
28 had one or more years of membership service and no pension
29 is payable under the provisions of subsection 9 of this
30 section, in addition thereto--

31 b. An amount equal to fifty percent of the compensation
32 earned by him during the year immediately preceding his death
33 if the member is in service or an amount equal to fifty percent
34 of the compensation earned by him during his last year of
35 service if the member is not in service; or

1 If there be no such nomination of beneficiary, the benefits
2 provided in paragraphs "a" and "b" of this subsection 8 shall
3 be paid to his estate; or in lieu thereof, at the option of
4 the following beneficiaries, respectively, even though
5 nominated as such, for a member in service there shall be
6 paid a pension which, together with the actuarial equivalent
7 of his accumulated contributions, shall be equal to one-fourth
8 of the average final compensation of such member, but in no
9 instance less than fifty dollars per month or for a member
10 not in service the pension shall be reduced as provided in
11 section four (4) of this Act and shall be paid commencing
12 when the member would have attained the age of fifty-five
13 except if there is a child of the member under the age of
14 eighteen, or under the age of twenty-two who is a full-time
15 student, or who is disabled, under the definitions used in
16 section four hundred two (402) of the Social Security Act
17 as amended to July 1, 1974 (forty-two (42) U.S.C. four hundred
18 two (402)) the pension shall be paid commencing with the
19 member's death until the children reach the age of eighteen,
20 or twenty-two if applicable, and shall resume commencing when
21 the member would have attained the age of fifty-five;

22 Sec. 9. Section ninety-seven A point six (97A.6),
23 subsection fifteen (15), paragraph a, Code 1975, is amended
24 to read as follows:

25 a. As of the first of July of each year, the monthly
26 pensions authorized in this section payable to each retired
27 member and to each beneficiary, except children, of a deceased
28 member shall be recomputed. The formula authorized in this
29 section which was used to compute the retired member's or
30 beneficiary's pension at the time of retirement or death
31 including all amendments to the formula which may be adopted
32 subsequent to the member's retirement or death, shall be used
33 in the recomputation, except the pension compensation shall
34 be used in lieu of the average final compensation which the
35 retired or deceased member was receiving at the time of

1 retirement or death. The adjusted monthly pension shall be
2 the amount payable at the member's retirement or death adjusted
3 by ~~forty-five~~ fifty percent of the difference between the
4 recomputed pension and the amount payable at the member's
5 retirement or death. At no time shall the monthly pension
6 or payment to the beneficiary be less than the amount which
7 was paid at the time of the member's retirement or death.

8 Sec. 10. Section ninety-seven A point eight (97A.8),
9 subsection one (1), paragraph a, Code 1975, is amended to
10 read as follows:

11 a. The annuity savings fund shall be the fund in which
12 shall be accumulated contributions from the compensation of
13 the members to provide for their annuities. The rates of
14 contributions payable by members according to their ages when
15 becoming members shall be as follows:

16	Age when	Rate
17	becoming	of
18	a member	contribution
19	20	4-94 <u>7.50%</u>
20	21	4-97 <u>7.56%</u>
21	22	5-04 <u>7.63%</u>
22	23	5-11 <u>7.70%</u>
23	24	5-18 <u>7.77%</u>
24	25	5-26 <u>7.85%</u>
25	26	5-33 <u>7.92%</u>
26	27	5-41 <u>8.00%</u>
27	28	5-48 <u>8.07%</u>
28	29	5-56 <u>8.15%</u>
29	30	5-64 <u>8.23%</u>
30	31	5-72 <u>8.31%</u>
31	32	5-80 <u>8.39%</u>
32	33	5-88 <u>8.47%</u>
33	34	5-97 <u>8.56%</u>
34	35	6-05 <u>8.64%</u>
35	36	6-14 <u>8.73%</u>

1 If there be no such nomination of beneficiary, the benefits
2 provided in paragraphs "a" and "b" of this subsection 8 shall
3 be paid to his estate; or in lieu thereof, at the option of
4 the following beneficiaries, respectively, even though
5 nominated as such, for a member in service there shall be
6 paid a pension which, together with the actuarial equivalent
7 of his accumulated contributions, shall be equal to one-fourth
8 of the average final compensation of such member, but in no
9 instance less than fifty dollars per month or for a member
10 not in service the pension shall be reduced as provided in
11 section four (4) of this Act and shall be paid commencing
12 when the member would have attained the age of fifty-five
13 except if there is a child of the member under the age of
14 eighteen, or under the age of twenty-two who is a full-time
15 student, or who is disabled, under the definitions used in
16 section four hundred two (402) of the Social Security Act
17 as amended to July 1, 1974 (forty-two (42) U.S.C. four hundred
18 two (402)) the pension shall be paid commencing with the
19 member's death until the children reach the age of eighteen,
20 or twenty-two if applicable, and shall resume commencing when
21 the member would have attained the age of fifty-five;

22 Sec. 9. Section ninety-seven A point six (97A.6),
23 subsection fifteen (15), paragraph a, Code 1975, is amended
24 to read as follows:

25 a. As of the first of July of each year, the monthly
26 pensions authorized in this section payable to each retired
27 member and to each beneficiary, except children, of a deceased
28 member shall be recomputed. The formula authorized in this
29 section which was used to compute the retired member's or
30 beneficiary's pension at the time of retirement or death
31 including all amendments to the formula which may be adopted
32 subsequent to the member's retirement or death, shall be used
33 in the recomputation, except the pension compensation shall
34 be used in lieu of the average final compensation which the
35 retired or deceased member was receiving at the time of

1 retirement or death. The adjusted monthly pension shall be
 2 the amount payable at the member's retirement or death adjusted
 3 by ~~forty-five~~ fifty percent of the difference between the
 4 recomputed pension and the amount payable at the member's
 5 retirement or death. At no time shall the monthly pension
 6 or payment to the beneficiary be less than the amount which
 7 was paid at the time of the member's retirement or death.

8 Sec. 10. Section ninety-seven A point eight (97A.8),
 9 subsection one (1), paragraph a, Code 1975, is amended to
 10 read as follows:

11 a. The annuity savings fund shall be the fund in which
 12 shall be accumulated contributions from the compensation of
 13 the members to provide for their annuities. The rates of
 14 contributions payable by members according to their ages when
 15 becoming members shall be as follows:

16	Age when	Rate
17	becoming	of
18	a member	contribution
19	20	4-94 <u>7.50%</u>
20	21	4-97 <u>7.56%</u>
21	22	5-04 <u>7.63%</u>
22	23	5-14 <u>7.70%</u>
23	24	5-18 <u>7.77%</u>
24	25	5-26 <u>7.85%</u>
25	26	5-33 <u>7.92%</u>
26	27	5-44 <u>8.00%</u>
27	28	5-48 <u>8.07%</u>
28	29	5-56 <u>8.15%</u>
29	30	5-64 <u>8.23%</u>
30	31	5-72 <u>8.31%</u>
31	32	5-80 <u>8.39%</u>
32	33	5-88 <u>8.47%</u>
33	34	5-97 <u>8.56%</u>
34	35	6-05 <u>8.64%</u>
35	36	6-14 <u>8.73%</u>

1	37	6.22 <u>8.81%</u>
2	38	6.34 <u>8.90%</u>
3	39	6.40 <u>8.99%</u>
4	40	6.50 <u>9.09%</u>

5 Sec. 11. Section four hundred eleven point one (411.1),
6 subsection ten (10), Code 1975, is amended to read as follows:

7 10. "Surviving Spouse" shall mean only such surviving
8 spouse of a marriage consummated prior to retirement of a
9 deceased member from active service or of a marriage
10 consummated after retirement but not less than two years prior
11 to the death of the retired member.

12 Sec. 12. Section four hundred eleven point one (411.1),
13 subsection twelve (12), Code 1975, is amended to read as
14 follows:

15 12. "Regular interest" shall mean interest at the rate
16 of four percent per annum, compounded annually and credited
17 to the member's account as of the date of the member's
18 retirement or termination from employment.

19 Sec. 13. Section four hundred eleven point five (411.5),
20 subsection one (1), paragraphs a, b, and d, Code 1975, are
21 amended to read as follows:

22 a. The chief officer of the fire department, the city
23 treasurer, the city solicitor or attorney, two firemen elected
24 by secret ballot by the members of said department who are
25 entitled to participate in a firemen's pension fund established
26 by law, and two citizens who do not hold any other public
27 office, who shall be appointed by the mayor with the approval
28 of the city council, shall constitute the members of the board
29 of trustees of the fire retirement system.

30 b. The chief officer of the police department, the city
31 treasurer, the city solicitor or attorney, two policemen
32 elected by secret ballot by the members of said department
33 who are entitled to participate in a policemen's pension fund
34 established by law, and two citizens who do not hold any other
35 public office, who shall be appointed by the mayor with the

1 approval of the city council, shall constitute the members
2 of the board of trustees of the police retirement system.
3 d. Upon the taking effect of this chapter, such members
4 of each said department in said cities shall elect by secret
5 ballot two active members of each such department to serve
6 as members of said respective boards; one of whom shall serve
7 until the first Monday in April of the second year, and one
8 until the first Monday in April of the fourth year. Thereafter
9 each such department shall, every second year, on such date
10 and in such manner as shall be prescribed by said board of
11 trustees, elect by ballot one such member to serve for a term
12 of four years.

13 Sec. 14. Section four hundred eleven point six (411.6),
14 subsection two (2), paragraph b, Code 1975, is amended to
15 read as follows:

16 b. A pension given by the city ~~in-addition-to-his-annuity~~
17 which ~~together-with-his-annuity~~ shall ~~make-a-total-service~~
18 ~~retirement-allowance~~ equal to one-half of his average final
19 compensation.

20 Sec. 15. Section four hundred eleven point six (411.6),
21 subsection three (3), Code 1975, is amended to read as follows:

22 3. ORDINARY DISABILITY RETIREMENT BENEFIT. Upon the
23 application of a member in service or of the chief of the
24 police or fire departments, ~~respectively~~, any member ~~who-has~~
25 ~~had-five-or-more-years-of-membership-service~~ shall be retired
26 by the respective board of trustees, not less than thirty
27 and not more than ninety days next following the date of
28 filing such application, on an ordinary disability retirement
29 allowance, provided, that the medical board after a medical
30 examination of such member shall certify that said member
31 is mentally or physically incapacitated for further performance
32 of duty, that such incapacity is likely to be permanent and
33 that such member should be retired.

34 Sec. 16. Section four hundred eleven point six (411.6),
35 subsection four (4), paragraph b, Code 1975, is amended to

1 read as follows:

2 b. A pension which together with his annuity shall make
3 a total retirement allowance equal to ninety percent of 1/70
4 of his average final compensation multiplied by the number
5 of years of membership service, if such retirement allowance
6 exceeds one-half of his average final compensation, otherwise
7 a pension which together with his annuity shall provide a
8 total retirement allowance equal to one-half of his average
9 final compensation except if the member has not had five or
10 more years of membership service the member shall receive
11 a pension which together with his annuity shall provide a
12 total retirement allowance equal to one-fourth of his average
13 final compensation.

14 Sec. 17. Section four hundred eleven point six (411.6),
15 subsection eight (8), unnumbered paragraph one (1), paragraphs
16 a and b, and unnumbered paragraph two (2), Code 1975, are
17 amended to read as follows:

18 Upon the receipt of proper proofs of the death of a member
19 in service, or a member not in service who has completed
20 fifteen or more years of service as provided in subsection
21 one (1), paragraph c, of this section, there shall be paid
22 to such person having an insurable interest in his life as
23 he shall have nominated by written designation duly executed
24 and filed with the respective board of trustees:

25 a. His accumulated contributions and, if the member has
26 had one or more years of membership service and no pension
27 is payable under the provisions of subsection 9 of this
28 section, in addition thereto--

29 b. An amount equal to fifty percent of the compensation
30 earnable by him during the year immediately preceding his
31 death if the member is in service or an amount equal to fifty
32 percent of the compensation earned by him during his last
33 year of service if the member is not in service; or

34 If there be no such nomination of beneficiary, the benefits
35 provided in paragraphs "a" and "b" shall be paid to his estate;

1 or in lieu thereof, at the option of the following
 2 beneficiaries, respectively, even though nominated as such,
 3 for a member in service there shall be paid a pension which,
 4 together with the actuarial equivalent of his accumulated
 5 contributions, shall be equal to one-fourth of the average
 6 final compensation of such member, but in no instance less
 7 than seventy-five dollars. In addition to the benefits herein
 8 enumerated, there shall also be paid for each child of a
 9 member under the age of eighteen years the sum of twenty
 10 dollars per month or for a member not in service the pension
 11 shall be reduced as provided in subsection one (1), paragraph
 12 c, of this section and shall be paid commencing when the
 13 member would have attained the age of fifty-five except if
 14 there is a child of the member under the age of eighteen,
 15 or under the age of twenty-two who is a full-time student,
 16 or who is disabled, under the definitions used in section
 17 four hundred two (402) of the Social Security Act as amended
 18 to July 1, 1974 (forty-two (42) U.S.C. four hundred two (402))
 19 the pension shall be paid commencing with the member's death
 20 until the children reach the age of eighteen, or twenty-two
 21 if applicable. The pension shall resume commencing when the
 22 member would have attained the age of fifty-five;

23 Sec. 18. Section four hundred eleven point eight (411.8),
 24 subsection one (1), paragraph a, Code 1975, is amended to
 25 read as follows:

26 a. The annuity savings fund shall be the fund in which
 27 shall be accumulated contributions from the compensation of
 28 the members to provide for their annuities. The rates of
 29 contribution payable by members according to their ages when
 30 becoming members shall be as follows:

31 Age when 32 becoming 33 a member	Rate of contribution
34 20	4-94 <u>6.135%</u>
35 21	4-97 <u>6.195%</u>

1	22	.....	5-04	<u>6.265%</u>
2	23	.....	5-14	<u>6.335%</u>
3	24	.....	5-18	<u>6.405%</u>
4	25	.....	5-26	<u>6.485%</u>
5	26	.....	5-33	<u>6.555%</u>
6	27	.....	5-44	<u>6.635%</u>
7	28	.....	5-48	<u>6.705%</u>
8	29	.....	5-56	<u>6.785%</u>
9	30	.....	5-64	<u>6.865%</u>
10	31	.....	5-72	<u>6.945%</u>
11	32	.....	5-80	<u>7.025%</u>
12	33	.....	5-88	<u>7.105%</u>
13	34	.....	5-97	<u>7.195%</u>
14	35	.....	6-05	<u>7.275%</u>
15	36	.....	6-14	<u>7.365%</u>
16	37	.....	6-22	<u>7.445%</u>
17	38	.....	6-31	<u>7.535%</u>
18	39	.....	6-40	<u>7.625%</u>
19	40	.....	6-50	<u>7.725%</u>

EXPLANATION

21 This bill provides the following for both the peace
 22 officers' retirement system and the local police and fire
 23 retirement systems:

24 1. Spouse's benefits to persons who marry retired members
 25 if the marriage occurs two years or more before the death
 26 of the retired member.

27 2. Allow a regular interest to be credit to the member's
 28 account as of the member's retirement or termination from
 29 employment.

30 3. Provides for secret ballot for election of members
 31 of the system as members of the board of trustees.

32 4. Service retirement allowance of annuity plus pension
 33 of 50% of average final compensation.

34 5. Ordinary disability retirement allowance during the
 35 first four years of employment of 25%.

1 6. Spouse's pension and allowance for children paid for
2 vested deceased members not in service commencing with the
3 vested member's death if there are children under 18 years
4 of age of under 25 years of age and enrolled in postsecondary
5 education.

6 In addition the bill makes changes in the peace officers'
7 retirement system to provide vesting after 15 years, average
8 final compensation computed on the highest five years wages,
9 and increases the escalator percent from 45% to 50%.

10 The bill increases the employee contribution level by 2.59%
11 for the members of the peace officers' retirement system and
12 1.225% for the members of the police and fire retirement
13 system to finance half the cost of the improvements.

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SENATE AMENDMENT TO HOUSE AMENDMENT TO SENATE
AMENDMENT TO HOUSE FILE 914

H-6919

1 Amend S-5883, the House amendment, to H-4350, the
2 Senate amendment, to House File 914, as amended,
3 passed and reprinted by the House as follows:

4 1. Page 1, line 6, by inserting after the figure
5 "(8)" the word "and".

6 2. Page 1, line 7, by inserting after the figure
7 "(12)" the words and figures "and sixteen (16)".

8 3. Page 1, by inserting after line 25 the follow-
9 ing:

10 "16. "Pensions" shall mean annual payments for
11 life derived from the appropriations provided by the
12 state of Iowa and from contributions of the members
13 which are deposited in the pension accumulation fund.
14 All pensions shall be paid in equal monthly
15 installments."

16 4. Page 1, by inserting after line 34 the follow-
17 ing amendment:

18 "____. Page 1, by inserting after line 31 the
19 following section:

20 "Sec. ____ Section ninety-seven A point five
21 (97A.5), subsections ten (10), eleven (11), and twelve
22 (12), Code 1975, are amended to read as follows:

23 10. TABLES--RATES. Immediately after the
24 establishment of this system, the state commissioner
25 of insurance shall make such investigation of
26 anticipated interest earnings and of the mortality,
27 service and compensation experience of the members
28 of the system as he the actuary shall recommend and
29 the board of trustees shall authorize, and on the
30 basis of such investigation he the actuary shall
31 recommend for adoption by the board of trustees such
32 tables and such rates as are required in subsection
33 11 of this section. The board of trustees shall adopt
34 the rate of interest and tables, and certify rates . .
35 of contributions to be used by the system.

36 11. ACTUARIAL INVESTIGATION. In the year 1952,
37 and at least once in each two-year period thereafter,
38 the state commissioner of insurance shall make an
39 actuarial investigation in the mortality, service
40 and compensation experience of the members and
41 beneficiaries of the system, and the interest and
42 other earnings on the moneys and other assets of the
43 system, and shall make a valuation of the assets and
44 liabilities of the funds of the system, and taking
45 into account the results of such investigation and
46 valuation, the board of trustees shall:

47 a. Adopt for the system such interest rate,
48 mortality, and other tables as shall be deemed
49 necessary;

50 b. Certify the rates of contribution payable by

1 the state of Iowa in accordance with section 97A.8.

2 12. VALUATION. On the basis of such rate of
3 interest and such tables as the board of trustees
4 shall adopt, the state commissioner of insurance shall
5 make an annual valuation of the assets and liabilities
6 of the funds of the system created by this chapter."

7 5. Page 3, by inserting after line 20 the follow-
8 ing amendment:

9 "____. Page 4, by striking lines 31 and 32 and
10 inserting in lieu thereof the words "~~including-all~~
11 ~~amendments-to-the-formula-which-may-be-adopted-subse-~~
12 ~~quent-to-the-member's-retirement-or-death,~~ shall be
13 used"."

14 6. Page 3, by striking lines 21 through 29.

15 7. Page 3, by inserting after line 29 the following
16 amendment:

17 "____. Page 5, by inserting after line 7 the fol-
18 lowing section:

19 "Sec. ____ . Section ninety-seven A point six
20 (97A.6), subsection fifteen (15). Code 1975, is amended
21 by adding the following new paragraph:

22 NEW PARAGRAPH. A retired member who became eligible
23 for benefits under the provisions of subsection one
24 (1) of this section but who did not serve twenty-two
25 years and did not attain the age of fifty-five years
26 prior to the member's termination of employment shall
27 not be eligible for the annual readjustment of pensions
28 provided for by this subsection."

29 8. Page 3, by inserting after line 29 the fol-
30 lowing:

31 "____. Page 5, by inserting after line 7 the
32 following section:

33 "Sec. ____ . Section ninety-seven A point seven
34 (97A.7), Code 1975, is amended by adding the follow-
35 ing new subsection:

36 NEW SUBSECTION. The board of trustees may invest
37 funds of fire and police retirement systems created
38 under the provisions of chapter four hundred eleven
39 (411) of the Code in the manner prescribed in this
40 section."

41 9. Page 3, by inserting after line 29 the follow-
42 ing amendment:

43 "____. Page 5, by inserting after line 7 the fol-
44 lowing section:

45 "Sec. ____ . Section ninety-seven A point seven
46 (97A.7), subsection three (3), Code 1975, is amended
47 to read as follows:

48 3. The board of trustees annually shall allow
49 regular interest on the mean amount for the preceding
50 year in each of the funds with the exception of the

1 pension accumulation fund and the expense fund. The
2 amount so allowed shall be due and payable to said
3 funds and shall be annually credited thereto by the
4 board of trustees from interest and other earnings
5 on the moneys and other assets of the system. Any
6 additional amount required to meet the interest on
7 the funds of the system shall be paid by the state
8 of Iowa and any excess of earnings over such amount
9 required shall be deductible from the amounts to be
10 contributed by the state of Iowa."

11 10. Page 3, by inserting after line 37 the follow-
12 ing:

13 "The provisions of section ninety-seven A point
14 eight (97A.8), subsection one (1), paragraphs b and
15 c, of the Code relating to the contributions of members
16 shall be applicable to this paragraph."

17 11. Page 3, line 43, by striking the words
18 "~~interest-and-of~~" and inserting in lieu thereof the
19 words "the rate of interest and of".

20 12. Page 4, line 12, by inserting after the word
21 "of" the words "the rate of interest and of".

22 13. Page 4, line 25, by striking the word "and".

23 14. Page 4, line 26, by inserting after the figure
24 "(14)," the words and figure "and eighteen (13),".

25 15. Page 4, by inserting after line 46 the follow-
26 ing:

27 "18. "Pensions" shall mean annual payments for
28 life derived from appropriations provided by the said
29 cities and from contributions of the members which
30 are deposited in the pension accumulation fund. All
31 pensions shall be paid in equal monthly installments."

32 16. Page 5, line 14, by striking the word "section"
33 and inserting in lieu thereof the word "sections".

34 17. Page 5, lines 24 through 26, by striking the
35 words "the board of fire trustees and the board of
36 police trustees jointly shall designate".

37 18. Page 5, by inserting after line 32 the follow-
38 ing:

39 "Sec. ____ . Section four hundred eleven point five
40 (411.5), subsections eleven (11), twelve (12), and
41 thirteen (13), Code 1975, are amended to read as fol-
42 lows:

43 11. TABLES--RATES. Immediately after the estab-
44 lishment of each retirement system, the actuary shall
45 make such investigation of anticipated interest
46 earnings and of the mortality, service and compensation
47 experience of the members of the system as he the
48 actuary shall recommend and the board of trustees
49 shall authorize, and on the basis of such investigation
50 he the actuary shall recommend for adoption by the

board of trustees such tables and such rates as are required in subsection 12 of this section. The board of trustees shall adopt the rate of interest and tables, and certify rates of contribution to be used by the system.

12. ACTUARIAL INVESTIGATION. In the year 1938, and at least once in each five-year period thereafter, the actuary shall make an actuarial investigation into the mortality, service and compensation experience of the members and beneficiaries of the retirement system, and the interest and other earnings on the moneys and other assets of the retirement system, and shall make a valuation of the assets and liabilities of the funds of the system, and taking into account the results of such investigation and valuation, the board of trustees shall:

a. Adopt for the retirement system such interest rate, mortality, and other tables as shall be deemed necessary;

b. Certify the rates of contribution payable by the said cities in accordance with section 411.8 of this chapter.

13. VALUATION. On the basis of such rate of interest and such tables as the boards of trustees shall adopt, the actuary shall make an annual valuation of the assets and liabilities of the funds of the retirement systems created by this chapter."

19. Page 7, line 19, by striking the word "section" and inserting in lieu thereof the word "sections".

20. Page 7, line 29, by striking the word ", including" and inserting in lieu thereof the word "~~including~~".

21. Page 7, by striking lines 30 and 31 and inserting in lieu thereof the words "~~all-amendments-to-the formula-which-may-be-adopted-subsequent-to-the-member's retirement-or-death,~~ shall".

22. Page 7, by striking lines 36 through 43 and inserting in lieu thereof the words "death. The adjusted monthly".

23. Page 7, by inserting after line 50 the following:

"Sec. ____ . Section four hundred eleven point seven (411.7), subsection three (3), Code 1975, is amended to read as follows:

3. Each board of trustees annually shall allow regular interest on the mean amount for the preceding year in each of the funds with the exception of the pension accumulation fund and the expense fund. The amount so allowed shall be due and payable to said funds and shall be annually credited thereto by the

1 respective board of trustees from interest and other
2 earnings on the moneys and other assets of the
3 retirement systems. Any additional amount required
4 to meet the interest on the funds of the retirement
5 system shall be paid by the cities and any excess
6 of earnings over such amount required shall be
7 deductible from the amounts to be contributed by the
8 said cities."

9 24. Page 8, by inserting after line 8 the follow-
10 ing:

11 "The provisions of section four hundred eleven
12 point eight (411.8), subsection one (1), paragraphs
13 b and c, of the Code relating to the contributions
14 of members shall be applicable to this paragraph."

15 25. Page 8, line 10, by striking the word "section"
16 and inserting in lieu thereof the word "sections".

17 26. Page 8, lines 11 and 12, by striking the words
18 and figures "ninety-seven A point eight (97A.8)" and
19 inserting in lieu thereof the words and figures "four
20 hundred eleven point eight (411.8)".

21 27. Page 8, line 14, by striking the words "~~in-~~
22 ~~terest-and-of~~" and inserting in lieu thereof the words
23 "the rate of interest and of".

24 28. Page 8, line 33, by inserting after the word
25 "basis" the words "of the rate of interest and".

26 29. Page 8, line 34, by striking the words "and
27 regular interest" and inserting in lieu thereof the
28 words "~~and-regular-interest~~".

29 30. Page 8, by inserting after line 36 the
30 following:

31 "Sec. _____. Chapter four hundred eleven (411),
32 Code 1975, is amended by adding the following new
33 section:

34 NEW SECTION. Each board of trustees may, in lieu
35 of investing funds as provided in section four hundred
36 eleven point seven (411.7) of the Code, transfer
37 authority to invest funds to the board of trustees
38 of the peace officers' retirement, accident, and
39 disability system under chapter ninety-seven A (97A)
40 of the Code. Assets held by the system electing to
41 transfer investment authority shall either be
42 transferred in cash or market value plus accrued
43 interest. The assets of the system may be commingled
44 with assets of the peace officers' retirement, accident
45 and disability system for purposes of investment,
46 and no system shall have any right to any specific
47 asset deposited in any of the peace officers'
48 retirement, accident and disability funds other than
49 its undivided interest in all assets. The board of
50 trustees of chapter ninety-seven A (97A) of the Code

1 shall maintain the necessary records to determine
2 the interest of any system in the funds. All income
3 or gain realized from investments of moneys in the
4 funds and all investment expense or loss shall be
5 allocated to the funds of each system in the same
6 ratio that the average quarterly balances based on
7 market values of the funds of each system bear to
8 the total average quarterly balance of the funds in
9 chapter ninety-seven A (97A) of the Code.

10 The board of trustees electing to transfer in-
11 vestment authority may withdraw in total or in part
12 its assets from the funds established under chapter
13 ninety-seven A (97A) of the Code. Withdrawal shall
14 be by written notice and the amount payable shall
15 be the balance as of the end of the quarter next
16 following receipt of the notice."

17 31. Page 8, by inserting after line 36 the follow-
18 ing amendment:

19 "____. Page 10, by inserting after line 19 the
20 following section:

21 "Sec. _____. Chapter four hundred eleven (411),
22 Code 1975, is amended by adding the following new
23 section:

24 NEW SECTION. A member of a retirement system
25 established in this chapter who terminates employment
26 with a city and is subsequently employed by another
27 city and is eligible for coverage under this chapter
28 may transfer membership service earned under the first
29 system to the system under which the member is
30 employed. Upon the written request of the member
31 with verification by the board of trustees of the
32 system under which the member is employed, the board
33 of trustees of the first system shall transmit to
34 the board of trustees of the system under which the
35 member is employed, within thirty days of the receipt
36 of the request, the member's accumulated contributions
37 to be deposited in the annuity savings fund of the
38 system under which the member is employed and the
39 actuarial equivalent of the amount in the pension
40 accumulation fund which would be necessary to fund
41 a pension equal to one twenty-second times the number
42 of years of membership service completed, under the
43 first system, to be deposited in the pension
44 accumulation fund of the system under which the member
45 is employed."

46 32. Page 8, by striking lines 37 through 40 and
47 inserting in lieu thereof the following amendments:

48 "____. Page 10, by striking line 19a and inserting
49 in lieu thereof the following:

50 "Sec. _____. Chapter four hundred eleven (411),

H-4293

1 Amend House File 914, page 10, by inserting after
 2 line 19 the following section:
 3 "Sec. __. There is allocated from the municipal
 4 assistance fund established in chapter four hundred
 5 five (405) of the Code for the fiscal year beginning
 6 July 1, 1975 and ending June 30, 1976 the sum of four
 7 hundred fifty-three thousand (453,000) dollars, or
 8 so much thereof as is necessary, to be distributed
 9 to cities which have established pension accumulation
 10 funds of fire retirement systems or police retirement
 11 systems under the provisions of chapter four hundred
 12 eleven (411) of the Code. Funds shall be used to
 13 finance the costs of benefits provided in sections
 14 eleven (11) through seventeen (17) of this Act. The
 15 amounts distributed to each eligible city shall be
 16 based upon claims filed with the state comptroller
 17 by the cities accompanied by the verified statement
 18 of the claim signed by the consulting actuary of the
 19 retirement system."

H-4293 FILED - *Adopted 6/17, Resubmitted* BY MILLER of Buchanan
 JUNE 14, 1975 *and readopted 3/17 (2579)*

Senate Amendment to House File 914

H-4350

1 Amend House File 914, as follows:
 2 1. Page 10, line 19a, by striking the words "allocated
 3 from" and inserting in lieu thereof "appropriated from
 4 the general fund to".
 5 2. In the title, line 2, by inserting after the word
 6 "occupations" the words "and to make appropriations".
 7 3. By renumbering the sections and correcting internal
 8 references in accordance with this amendment.

H-4350 FILED, RECEIVED FROM SENATE
 JUNE 19, 1975

House amended and concurred 5/10/76

S-4258

1 Amend House File 914 as amended and passed by the
 2 House, page 10, by striking lines 19a through 19g.

S-4258 FILED - *Withdrawn 6/19/75* BY LOWELL JUNKINS
 JUNE 18, 1975 CALVIN HULTMAN

S-4277

1 Amend House File 914, as amended and passed by the
 2 House, in the title, line 2, by inserting after the word
 3 "occupations" the words "and to make appropriations".

S-4277 FILED & ADOPTED *(2579)* BY EARL WILLITS
 JUNE 19, 1975

1 Code 1975, is amended by adding the following new
2 section:
3 NEW SECTION. There is appropriated from the general
4 fund of the state to the municipal".
5 . Page 10, line 19c, by striking the words
6 "the fiscal year beginning" and inserting in lieu
7 thereof the words "each fiscal year".
8 33. Page 8, by striking lines 41 through 44 and
9 inserting in lieu thereof the following:
10 " . Page 10, by striking lines 19d, 19e, and
11 19f and inserting in lieu thereof the words "an amount
12 necessary to be distributed"."

Handwritten: concurred 5/28 (3321)

H-6919 FILED
RECEIVED FROM SENATE
MAY 28, 1976

H-4290

1 Amend House File 914 as follows:
2 1. Page 6, by inserting after line 4, the follow-
3 ing section:
4 "Sec. . There is appropriated from the general
5 fund of the state to the department of public safety
6 for the fiscal year beginning July 1, 1975 and end-
7 ing June 30, 1976 the sum of one hundred fifteen
8 thousand (115,000) dollars, or so much thereof as
9 is necessary, to be deposited in the pension accumula-
10 tion fund of the department of public safety peace
11 officers' retirement, accident, and disability system
12 to finance the changes in benefits provided in sections
13 one (1) through nine (9) of this Act."
14 2. By renumbering sections as necessary.

H-4290 FILED *Readopted 6/13*
JUNE 13, 1975

BY BYERLY of Polk
SCHROEDER of Pottawattamie
NIELSEN of Polk
MONROE of Des Moines

S-5975

1 Amend House amendment, S-5888, to Senate amendment,
2 H-4350, to House File 914, as amended and passed by
3 the House, as follows:

4 1. Page 2, line 19, by striking the word "section"
5 and inserting in lieu thereof the word "sections".

6 2. Page 2, by inserting after line 19 the
7 following:

8 "Sec. _____. Section ninety-seven A point six
9 (97A.6), subsection five (5), Code 1975, is amended
10 to read as follows:

11 5. ACCIDENTAL DISABILITY BENEFIT. Upon application
12 of a member in service or of the commissioner of
13 public safety, any member who has become totally and
14 permanently incapacitated for duty as the natural
15 and proximate result of an injury, disease or exposure
16 occurring or aggravated while in the actual performance
17 of duty at some definite time and place shall be
18 retired by the board of trustees, provided, that the
19 medical board shall certify that such member is
20 mentally or physically incapacitated for further
21 performance of duty, that such incapacity is likely
22 to be permanent and that such member should be retired.

23 Should a member in service become incapacitated for
24 duty as a natural and proximate result of an injury,
25 disease, or exposure incurred or aggravated while
26 in the actual performance of duty at some definite
27 time or place, he shall, upon being found to be
28 temporarily incapacitated following an examination
29 by the board of trustees, be entitled to receive his
30 fixed pay and allowances until re-examined by the
31 board and found to be fully recovered or permanently
32 disabled. ~~Disease-under-this-section-shall-mean-heart~~
33 ~~disease-or-any-disease-of-the-lungs-or-respiratory~~
34 ~~tract-and-shall-be-presumed-to-have-been-contracted~~
35 ~~while-on-active-duty-as-a-result-of-strain,-exposure,~~
36 ~~or-the-inhalation-of-noxious-fumes,-poison,-or-gases."~~

37 3. Page 6, line 6, by striking the word "section"
38 and inserting in lieu thereof the word "sections".

39 4. Page 6, by inserting after line 6 the following:

40 "Sec. _____. Section four hundred eleven point
41 six (411.6), subsection five (5), Code 1975, is amended
42 by striking unnumbered paragraph three (3)."

BY EARL M. WILLITS
JAMES M. REDMOND
ELIZABETH SHAW
EUGENE M. HILL
MINNETTE DODERER
NORMAN RODGERS
JAMES GALLAGHER
KENNETH D. SCOTT
CLIFTON C. LAMBORN
DALE L. TIEDEN

S-5975 FILED & LOST (2424)
MAY 28, 1976

S-5977

1 Amend S-5888, the House amendment, to H-4350, the
 2 Senate amendment, to House File 914, as amended and
 3 passed by the House, as follows:
 4 1. Page 8, by inserting after line 36 the follow-
 5 ing amendment:
 6 "____. Page 10, by inserting after line 19 the
 7 following section:
 8 "Sec. ____ Chapter four hundred eleven (411),
 9 Code 1975, is amended by adding the following new
 10 section:
 11 NEW SECTION. A member of a retirement system
 12 established in this chapter who terminates employment
 13 with a city and is subsequently employed by another
 14 city and is eligible for coverage under this chapter
 15 may transfer membership service earned under the first
 16 system to the system under which the member is
 17 employed. Upon the written request of the member
 18 with verification by the board of trustees of the
 19 system under which the member is employed, the board
 20 of trustees of the first system shall transmit to
 21 the board of trustees of the system under which the
 22 member is employed, within thirty days of the receipt
 23 of the request, the member's accumulated contributions
 24 to be deposited in the annuity savings fund of the
 25 system under which the member is employed and the
 26 actuarial equivalent of the amount in the pension
 27 accumulation fund which would be necessary to fund
 28 a pension equal to one twenty-second times the number
 29 of years of membership service completed, under the
 30 first system, to be deposited in the pension
 31 accumulation fund of the system under which the member
 32 is employed."

S-5977 FILED & ADOPTED (2425)
 MAY 28, 1976

BY MINNETTE DODERER
 FORREST SCHWENGELS

S-5976

1 Amend the House amendment S-5888 to the Senate
 2 amendment H-4350, to House File 914, as amended,
 3 passed, and reprinted by the House as follows:
 4 1. Page 5, lines 24 through 26, by striking
 5 the words, "the board of fire trustees and the
 6 board of police trustees jointly shall designate".

S-5976 FILED & ADOPTED (2424)
 MAY 28, 1976

BY EARL M. WILLITS

S-5974

1 Amend S-5888, the House Amendment, to H-4350, the
 2 Senate amendment, to House File 914, as amended and
 3 passed by the House, as follows:

4 1. Page 1, by inserting after line 34 the follow-
 5 ing amendment:

5974A - Adopted

6 "____. Page 1, by inserting after line 31 the
 7 following section:

8 "Sec. _____. Section ninety-seven A point five
 9 (97A.5), subsections ten (10), eleven (11), and twelve
 10 (12), Code 1975, are amended to read as follows:

11 10. TABLES--RATES. Immediately after the
 12 establishment of this system, the state commissioner
 13 of insurance shall make such investigation of
 14 anticipated interest earnings and of the mortality,
 15 service and compensation experience of the members
 16 of the system as he the actuary shall recommend and
 17 the board of trustees shall authorize, and on the
 18 basis of such investigation he the actuary shall
 19 recommend for adoption by the board of trustees such
 20 tables and such rates as are required in subsection
 21 11 of this section. The board of trustees shall adopt
 22 the rate of interest and tables, and certify rates
 23 of contributions to be used by the system.

24 11. ACTUARIAL INVESTIGATION. In the year 1952,
 25 and at least once in each two-year period thereafter,
 26 the state commissioner of insurance shall make an
 27 actuarial investigation in the mortality, service
 28 and compensation experience of the members and
 29 beneficiaries of the system, and the interest and
 30 other earnings on the moneys and other assets of the
 31 system, and shall make a valuation of the assets and
 32 liabilities of the funds of the system, and taking
 33 into account the results of such investigation and
 34 valuation, the board of trustees shall:

35 a. Adopt for the system such interest rate,
 36 mortality, and other tables as shall be deemed
 37 necessary;

38 b. Certify the rates of contribution payable by
 39 the state of Iowa in accordance with section 97A.8.

40 12. VALUATION. On the basis of such rate of
 41 interest and such tables as the board of trustees
 42 shall adopt, the state commissioner of insurance shall
 43 make an annual valuation of the assets and liabilities
 44 of the funds of the system created by this chapter."

45 2. Page 3, by inserting after line 20 the follow-
 46 ing amendment:

S-5974B -
Adopted

47 "____. Page 4, by striking lines 31 and 32 and
 48 inserting in lieu thereof the words "~~including all~~
 49 ~~amendments to the formula which may be adopted subse-~~
 50 ~~quent to the member's retirement or death,~~ shall be

SENATE 9
May 29, 1976

S-5974
PAGE 2

1 used".

2 3. Page 3, by striking lines 21 through 29.

3 4. Page 3, by inserting after line 29 the follow-
4 ing amendment:

S-5974C-
Lost

5 "_____. Page 5, line 7, by inserting after the word
6 "death" the words "or shall the annual pension exceed
7 the average final compensation of the member at the
8 ~~time of the member's retirement or death~~".

9 5. Page 3, by inserting after line 29 the follow-
10 ing amendment:

S-5974A-
Adopted

11 "_____. Page 5, by inserting after line 7 the fol-
12 lowing section:

13 "Sec. _____. Section ninety-seven A point seven
14 (97A.7), subsection three (3), Code 1975, is amended
15 to read as follows:

16 3. The board of trustees annually shall allow
17 regular interest on the mean amount for the preceding
18 year in each of the funds with the exception of the
19 pension accumulation fund and the expense fund. The
20 amount so allowed shall be due and payable to said
21 funds and shall be annually credited thereto by the
22 board of trustees from interest and other earnings
23 on the moneys and other assets of the system. Any
24 additional amount required to meet the interest on
25 the funds of the system shall be paid by the state
26 of Iowa and any excess of earnings over such amount
27 required shall be deductible from the amounts to be
28 contributed by the state of Iowa."

29 6. Page 3, line 43, by striking the words "interest
30 and of" and inserting in lieu thereof the words "the
31 rate of interest and of".

32 7. Page 4, line 12, by inserting after the word
33 "of" the words "the rate of interest and of".

34 8. Page 7, line 29, by striking the word "
35 including" and inserting in lieu thereof the word
36 "~~r-including~~".

S-5974B-Adopt

37 9. page 7, by striking lines 30 and 31 and insert-
38 ing in lieu thereof the words "all-amendments-to-the
39 formula-which-may-be-adopted-subsequent-to-the-member's
40 retirement-or-death, shall".

41 10. Page 7, by striking lines 36 through 43 and
42 inserting in lieu thereof the words "death. The
43 adjusted monthly".

S-5974 FILED *A. B. Adopted, C. Lost*
MAY 28, 1976 *5/28/76 (24 23)*

BY MINNETTE F. DODERER

S-5972

1 Amend S-5888, the House amendment, to H-4350, the
2 Senate amendment, to House File 914, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 1, line 6, by inserting after the figure
5 "(8)" the word "and".

6 2. Page 1, line 7, by inserting after the figure
7 "(12)" the words and figures "and sixteen (16)".

8 3. Page 1, by inserting after line 34 the follow-
9 ing:

10 "16. "Pensions" shall mean annual payments for
11 life derived from the appropriations provided by the
12 state of Iowa and from contributions of the members
13 which are deposited in the pension accumulation fund.
14 All pensions shall be paid in equal monthly
15 installments."

16 4. Page 3, by inserting after line 29 the following
17 amendment:

18 "____. Page 5, by inserting after line 7 the fol-
19 lowing section:

20 "Sec. ____ . Section ninety-seven A point six
21 (97A.6), subsection fifteen (15), Code 1975, is amended
22 by adding the following new paragraph:

23 NEW PARAGRAPH. A retired member who became eligible
24 for benefits under the provisions of subsection one
25 (1) of this section but who did not serve twenty-two
26 years and did not attain the age of fifty-five years
27 prior to the member's termination of employment shall
28 not be eligible for the annual readjustment of pensions
29 provided for by this subsection.""

30 5. Page 3, by inserting after line 29 the fol-
31 lowing:

32 "____. Page 5, by inserting after line 7 the
33 following section:

34 "Sec. ____ . Section ninety-seven A point seven
35 (97A.7), Code 1975, is amended by adding the follow-
36 ing new subsection:

37 NEW SUBSECTION. The board of trustees may invest
38 funds of fire and police retirement systems under
39 the provisions of chapter four hundred eleven (411)
40 of the Code.""

41 6. Page 3, by inserting after line 37 the follow-
42 ing:

43 "The provisions of section ninety-seven A point
44 eight (97A.8), subsection one (1), paragraphs b and
45 c, of the Code relating to the contributions of members
46 shall be applicable to this paragraph."

47 7. Page 4, line 25, by striking the word "and".

48 8. Page 4, line 26, by inserting after the figure
49 "(14)," the words and figure "and eighteen (18),".

50 9. Page 4, by inserting after line 46 the follow-

1 ing:

2 "18. "Pensions" shall mean annual payments for
3 life derived from appropriations provided by the said
4 cities and from contributions of the members which
5 are deposited in the pension accumulation fund. All
6 pensions shall be paid in equal monthly installments."

7 10. Page 5, line 14, by striking the word "section"
8 and inserting in lieu thereof the word "sections".

9 11. Page 5, by inserting after line 32 the follow-
10 ing:

11 "Sec. _____. Section four hundred eleven point five
12 (411.5), subsections eleven (11), twelve (12), and
13 thirteen (13), Code 1975, are amended to read as fol-
14 lows:

15 11. TABLES--RATES. Immediately after the estab-
16 lishment of each retirement system, the actuary shall
17 make such investigation of anticipated interest
18 earnings and of the mortality, service and compensation
19 experience of the members of the system as he the
20 actuary shall recommend and the board of trustees
21 shall authorize, and on the basis of such investigation
22 he the actuary shall recommend for adoption by the
23 board of trustees such tables and such rates as are
24 required in subsection 12 of this section. The board
25 of trustees shall adopt the rate of interest and
26 tables, and certify rates of contribution to be used
27 by the system.

28 12. ACTUARIAL INVESTIGATION. In the year 1938,
29 and at least once in each five-year period thereafter,
30 the actuary shall make an actuarial investigation
31 into the mortality, service and compensation experience
32 of the members and beneficiaries of the retirement
33 system, and the interest and other earnings on the
34 moneys and other assets of the retirement system,
35 and shall make a valuation of the assets and
36 liabilities of the funds of the system, and taking
37 into account the results of such investigation and
38 valuation, the board of trustees shall:

39 a. Adopt for the retirement system such interest
40 rate, mortality, and other tables as shall be deemed
41 necessary;

42 b. Certify the rates of contribution payable by
43 the said cities in accordance with section 411.8 of
44 this chapter.

45 13. VALUATION. On the basis of such rate of
46 interest and such tables as the boards of trustees
47 shall adopt, the actuary shall make an annual valuation
48 of the assets and liabilities of the funds of the
49 retirement systems created by this chapter."

50 12. Page 7, line 19, by striking the word "section"

1 and inserting in lieu thereof the word "sections".
2 13. Page 7, by inserting after line 50 the follow-
3 ing:

4 "Sec. _____. Section four hundred eleven point seven
5 (411.7), subsection three (3), Code 1975, is amended
6 to read as follows:

7 3. Each board of trustees annually shall allow
8 regular interest on the mean amount for the preceding
9 year in each of the funds with the exception of the
10 pension accumulation fund and the expense fund. The
11 amount so allowed shall be due and payable to said
12 funds and shall be annually credited thereto by the
13 respective board of trustees from interest and other
14 earnings on the moneys and other assets of the
15 retirement systems. Any additional amount required
16 to meet the interest on the funds of the retirement
17 system shall be paid by the cities and any excess
18 of earnings over such amount required shall be
19 deductible from the amounts to be contributed by the
20 said cities."

21 14. Page 8, by inserting after line 8 the follow-
22 ing:

23 "The provisions of section four hundred eleven
24 point eight (411.8), subsection one (1), paragraphs
25 b and c, of the Code relating to the contributions
26 of members shall be applicable to this paragraph."

27 15. Page 8, line 10, by striking the word "section"
28 and inserting in lieu thereof the word "sections".

29 16. Page 8, lines 11 and 12, by striking the words
30 and figures "ninety-seven A point eight (97A.8)" and
31 inserting in lieu thereof the words and figures "four
32 hundred eleven point eight (411.8)".

33 17. Page 8, line 14, by striking the words "~~in-~~
34 ~~terest-and-of~~" and inserting in lieu thereof the words
35 "the rate of interest and of".

36 18. Page 8, line 33, by inserting after the word
37 "basis" the words "of the rate of interest and".

38 19. Page 8, line 34, by striking the words "and
39 regular interest" and inserting in lieu thereof the
40 words "~~and-regular-interest~~".

41 20. Page 8, by inserting after line 36 the
42 following:

43 "Sec. _____. Chapter four hundred eleven (411),
44 Code 1975, is amended by adding the following new
45 section:

46 NEW SECTION. Each board of trustees may, in lieu
47 of investing funds as provided in section four hundred
48 eleven point seven (411.7) of the Code, transfer
49 authority to invest funds to the board of trustees
50 of the peace officers' retirement, accident, and

1 disability system under chapter ninety-seven A (97A)
2 of the Code. Assets held by the system electing to
3 transfer investment authority shall either be
4 transferred in cash or market value plus accrued
5 interest. The assets of the system may be commingled
6 with assets of the peace officers' retirement, accident
7 and disability system for purposes of investment,
8 and no system shall have any right to any specific
9 asset deposited in any of the peace officers'
10 retirement, accident and disability funds other than
11 its undivided interest in all assets. The board of
12 trustees of chapter ninety-seven A (97A) of the Code
13 shall maintain the necessary records to determine
14 the interest of any system in the funds. All income
15 or gain realized from investments of moneys in the
16 funds and all investment expense or loss shall be
17 allocated to the funds of each system in the same
18 ratio that the average quarterly balances based on
19 market values of the funds of each system bear to
20 the total average quarterly balance of the funds in
21 chapter ninety-seven A (97A) of the Code.

22 The board of trustees electing to transfer in-
23 vestment authority may withdraw in total or in part
24 its assets from the funds established under chapter
25 ninety-seven A (97A) of the Code. Withdrawal shall
26 be by written notice and the amount payable shall
27 be the balance as of the end of the quarter next
28 following receipt of the notice."

29 21. Page 8, by striking lines 37 through 40 and
30 inserting in lieu thereof the following amendments:

31 "_____. Page 10, by striking line 19a and inserting
32 in lieu thereof the following:

33 "Sec. _____. Chapter four hundred eleven (411),
34 Code 1975, is amended by adding the following new
35 section:

36 NEW SECTION. There is appropriated from the general
37 fund of the state to the municipal".

38 _____. Page 10, line 19c, by striking the words
39 "the fiscal year beginning" and inserting in lieu
40 thereof the words "each fiscal year".

41 22. Page 8, by striking lines 41 through 44 and
42 inserting in lieu thereof the following:

43 "_____. Page 10, by striking lines 19d, 19e, and
44 19f and inserting in lieu thereof the words "an amount
45 necessary to be distributed".

S-5959

1 Amend S-5888, the House amendment, to H-4350, the
 2 Senate amendment, to House File 914, as amended
 3 and passed by the House as follows:

4 1. Page 3, by inserting after line 29 the
 5 following:

6 "____. Page 5, by inserting after line 7 the
 7 following section:

8 "Sec. _____. Section ninety-seven A point seven
 9 (97A.7), Code 1975, is amended by adding the following
 10 new subsection:

11 NEW SUBSECTION. The board of trustees may invest
 12 funds of fire and police retirement systems under
 13 the provisions of chapter four hundred eleven (411)
 14 of the Code."

15 2. Page 8, line 10, by striking the word "section"
 16 and inserting in lieu thereof the word "sections".

17 3. Page 8, by inserting after line 36 the
 18 following:

19 "Sec. _____. Chapter four hundred eleven (411),
 20 Code 1975, is amended by adding the following new
 21 section:

22 NEW SECTION. Each board of trustees may, in lieu
 23 of investing funds as provided in section four hundred
 24 eleven point seven (411.7) of the Code, transfer
 25 authority to invest funds to the board of trustees
 26 of the peace officers' retirement, accident, and
 27 disability system under chapter ninety-seven A (97A)
 28 of the Code. Assets held by the system electing to
 29 transfer investment authority shall either be
 30 transferred in cash or market value plus accrued
 31 interest. The assets of the system may be commingled
 32 with assets of the peace officers' retirement, accident
 33 and disability system for purposes of investment,
 34 and no system shall have any right to any specific
 35 asset deposited in any of the peace officers'
 36 retirement, accident and disability funds other than
 37 its undivided interest in all assets. The board of
 38 trustees of chapter ninety-seven A (97A) of the Code
 39 shall maintain the necessary records to determine
 40 the interest of any system in the funds. All income
 41 or gain realized from investments of moneys in the
 42 funds and all investment expense or loss shall be
 43 allocated to the funds of each system in the same
 44 ratio that the average quarterly balances based on
 45 market values of the funds of each system bear to
 46 the total average quarterly balance of the funds in
 47 chapter ninety-seven A (97A) of the Code.

48 The board of trustees electing to transfer in-
 49 vestment authority may withdraw in total or in part
 50 its assets from the funds established under chapter

S-5959

1 ninety-seven A (97A) of the Code. Withdrawal shall
 2 be by written notice and the amount payable shall
 3 be the balance as of the end of the quarter next
 4 following receipt of the notice."

S-5959 FILED - *Withdrawn 5/28(242)* BY MINNETTE F. DODERER
 MAY 27, 1976 WILLIAM D. PALMER
 EUGENE M. HILL

S-5973

- 1 Amend amendment 5972 to the House amend-
2 ment (S-5888) to the Senate amendment (H-4350) to
3 House File 914, as amended, passed and reprinted
4 by the House as follows:
5 1. Page 1, line 38, by inserting after the word
6 "systems" the word "created".
7 2. Page 1, line 40, by inserting after the word
8 "Code" the words "in the manner prescribed in
9 this section".

S-5973 FILED - *adopted 5/28 (2420)*
MAY 27, 1976

BY EARL M. WILLITS

S-5978

- 1 Amend the House amendment, S-5888, to Senate
2 amendment, H-4350, to House File 914 as amended
3 and passed by the House, as follows:
4 1. Page 7, line 50, by inserting after the
5 word "death" the words "or shall the annual pension
6 exceed the average final compensation at the time of
7 the member's retirement or death".

S-5978 FILED & WITHDRAWN
MAY 28, 1976

BY MINNETTE DODERER

HOUSE FILE 914

S-4259

- 1 Amend House File 914 as follows:
2 1. Page 1, by striking lines 21 through 31. A
3 2. Page 10, line 19a, by striking the words "allocated from
4 and inserting in lieu thereof "appropriated from the general B
5 fund to."
6
7 3. By renumbering the sections and correcting internal
8 references in accordance with this amendment.

S-4259 FILED - *A. Withdrawn*
JUNE 18, 1975 *B. adopted 6/19 (2202)*

BY MINNETTE DODERER
CHARLES P. MILLER
KENNETH D. SCOTT
JOHN N. NYSTROM
HILARIUS HEYING
CLIFTON C. LAMBORN

H-6760

1 Amend H-6739 to Senate amendment (H-4350) to
2 House File 914, as amended and passed by the House,
3 as follows:

4 1. Page 3, by inserting after line 22 the follow-
5 ing amendment:

6 "_____. Page 7, by inserting after line 12: the
7 following section:

8 "Sec. _____. Section four hundred eleven point
9 five (411.5), subsection nine (9), Code 1975, is amended
10 to read as follows:

11 9. MEDICAL BOARD. The board of fire trustees
12 and the board of police trustees jointly shall
13 designate a medical board to be composed of three
14 physicians who shall arrange for and pass upon all
15 medical examinations required under the provisions
16 of this chapter, except that for examinations re-
17 quired because of disability the board of fire
18 trustees and the board of police trustees jointly
19 shall designate three physicians from the university
20 of Iowa hospitals and clinics who shall pass upon
21 the medical examinations required for disability
22 retirements, and shall report in writing to each
23 board of trustees, respectively, its conclusions and
24 recommendations upon all matters duly referred to
25 it."

26 2. By renumbering sections as necessary.

H-6760 FILED - *Adopted 5/19/76* BY SCHROEDER of Pottawattamie
MAY 19, 1976

H-6758

1 Amend H-6739, to the Senate amendment (H-4350)
2 to House File 914, as amended and passed by the House,
3 as follows:

4 1. Page 5, line 49, by striking the word "section"
5 and inserting in lieu thereof the word "sections".

6 2. Page 6, by inserting after line 5 the following
7 section:

8 "Sec. _____. Chapter four hundred eleven (411),
9 Code 1975, is amended by adding the following new
10 section:

11 NEW SECTION. If state revenues are available,
12 it is the intent of the general assembly that increases
13 in benefits under the provisions of chapter four
14 hundred eleven (411) of the Code should be financed
15 from the general fund of the state and should not
16 be financed from trust and agency funds of the cities."

H-6758 FILED, WITHDRAWN BY BYERLY of Polk
MAY 19, 1976 (2400)

S-5888
PAGE 9

1 normal contribution rate which would be required
2 to pay the city's share in the retirement systems
3 and the total amount payable to the pension
4 accumulation funds by the city under the formula by
5 which benefits were computed prior to July 1, 1976
6 and the normal contribution rate which would be
7 required to pay the city's share in the retirement
8 systems and the total amount payable to the pension
9 accumulation funds by the city under chapter four
10 hundred eleven (411) of the Code. The state comp-
11 troller shall pay the difference between the two
12 amounts.
13 65. Amend the title, line 2, by inserting after
14 the word "occupations" the words "and to make an
15 appropriation".
16 66. By renumbering sections and correcting internal
17 references as necessary."

S-5888 FILED
MAY 24, 1976

RECEIVED FROM THE HOUSE
Senate concurred as amended 5/27/76 (2426)

S-5941

1 Amend House amendment, S-5888, to Senate amendment,
2 H-4350, to House File 914, as amended and passed by
3 the House, as follows:
4 1. Page 8, by striking lines 37, through 40 and
5 inserting in lieu thereof the following amendments:
6 "_____. Page 10, by striking line 19a and inserting
7 in lieu thereof the following:
8 "Sec. _____. Chapter four hundred eleven (411),
9 Code 1975, is amended by adding the following new
10 section:
11 NEW SECTION. There is appropriated from the general
12 fund of the state to the municipal".
13 _____. Page 10, line 19c, by striking the words
14 "the fiscal year beginning" and inserting in lieu
15 thereof the words "each fiscal year".
16 2. Page 8, by striking lines 41 through 44 and
17 inserting in lieu thereof the following:
18 "_____. Page 10, by striking lines 19d, 19e, and
19 19f and inserting in lieu thereof the words "an amount
20 necessary to be distributed"."

BY EARL M. WILLITS
MINNETTE F. DODERER
GEORGE R. KINLEY
WARREN E. CURTIS
CLIFTON C. LAMBORN

S-5941 FILED - *Withdrawn 5/28/76 (2425)*
MAY 26, 1976

59. Page 9, by striking lines 24 through 35 and inserting in lieu thereof the following: "subsection three (3), Code 1975, is amended by adding the following new paragraph:

NEW PARAGRAPH. An amount equal to one and twenty-one hundredths percent of each member's compensation from the compensation of the member shall be paid to the pension accumulation fund."

60. Page 10, by striking lines 1 through 19 and inserting in lieu thereof the following section:

"Sec. ____ . Section ninety-seven A point eight (97A.8), subsection three (3), paragraph b, Code 1975, is amended to read as follows:

b. On the basis of ~~regular-interest-and-of~~ such mortality, interest, and other tables as shall be adopted by the board of trustees, the actuary engaged by the said boards to make each valuation required by this chapter, shall immediately after making such valuation, determine the uniform and constant percentage of the earnable compensation of the average new entrant, which, if contributed throughout his entire period of active service, would be sufficient to provide for the payment of any death benefit or pension payable on this account. The rate percent so determined shall be known as the "normal contribution rate". The normal contribution rate shall be the rate percent of the earnable compensation of all members obtained by deducting from the total liabilities of the fund the amount of the funds in hand to the credit of the fund and dividing the remainder by one percent of the present value of the prospective future compensation of all members as computed on the basis of mortality and service tables adopted by the boards of trustees and regular interest. The normal rate of contribution shall be determined by the actuary after each valuation."

61. Page 10, line 19a, by striking the words "allocated from" and inserting in lieu thereof the words "appropriated from the general fund of the state to".

62. Page 10, by striking lines 19d and 19e and inserting in lieu thereof the words and figures "July 1, 1976 and ending June 30, 1977 the sum of five hundred seven thousand (507,000) dollars,".

63. Page 10, line 19m, by inserting after the word "city" the words "in the manner provided in chapter four hundred five (405) of the Code".

64. Page 10, line 19q, by inserting after the word "system." the following:

"The claim shall specify for each fiscal year the

1 and inserting in lieu thereof the words "him the
2 member".

3 52. Page 8, line 30, by striking the word "his"
4 and inserting in lieu thereof the words "his the
5 member's".

6 53. Page 8, line 32, by striking the word "him"
7 and inserting in lieu thereof the words "the member".

8 54. Page 8, line 32, by striking the word "his"
9 and inserting in lieu thereof the words "the member's".

10 55. Page 8, line 35, by striking the word "his"
11 and inserting in lieu thereof the words "his the
12 member's".

13 56. Page 9, line 4, by striking the word "his"
14 and inserting in lieu thereof the words "his the
15 member's".

16 57. Page 9, line 18, by striking the figure "1974"
17 and inserting in lieu thereof the figure "1976".

18 58. Page 9, by inserting after line 22 the
19 following section:

20 "Sec. ____ . Section four hundred eleven point six
21 (411.6), subsection fourteen (14), paragraph a, Code
22 1975, is amended to read as follows:

23 a. As of the first of July of each year, the
24 monthly pensions authorized in this section payable
25 to each retired member and to each beneficiary, except
26 children, of a deceased member shall be recomputed.
27 The formula authorized in this section which was used
28 to compute the retired member's or beneficiary's
29 pension at the time of retirement or death, including
30 all amendments to the formula which may be adopted
31 subsequent to the member's retirement or death, shall
32 be used in the recomputation except the pension
33 compensation shall be used in lieu of the average
34 final compensation which the retired or deceased
35 member was receiving at the time of retirement or
36 death, and except that the pensions payable to re-
37 tired members and beneficiaries, except children,
38 for members who retired or died before July 1, 1976
39 shall be recomputed to provide only an adjusted monthly
40 pension because of salary increases to active members
41 at the same rank or position on the salary scale as
42 the retired or deceased member held at the time of
43 the member's retirement or death. The adjusted monthly
44 pension shall be the amount payable at the member's
45 retirement or death adjusted by one-half of the differ-
46 ence between the recomputed pension and the amount
47 payable at the member's retirement or death. At no
48 time shall the monthly pension or payment to the bene-
49 ficiary be less than the amount which was paid at
50 the time of the member's retirement or death."

1 44. Page 8, line 11, by striking the word "his"
2 and inserting in lieu thereof the words "the member's".

3 45. Page 8, line 12, by striking the word "his"
4 and inserting in lieu thereof the words "the member's".

5 46. Page 8, by inserting after line 13 the
6 following section:

7 "Sec. ____ . Section four hundred eleven point six
8 (411.6), subsection six (6), unnumbered paragraph
9 one (1), Code 1975, is amended to read as follows:

10 Upon retirement for accidental disability a member
11 shall receive a service retirement allowance if the
12 member has attained the age of fifty-five, otherwise
13 the member shall receive an accidental disability
14 retirement allowance which shall consist of:".

15 47. Page 8, by inserting after line 13 the
16 following section:

17 "Sec. ____ . Section four hundred eleven point six
18 (411.6), subsection seven (7), paragraph a, Code 1975,
19 is amended to read as follows:

20 a. Should any beneficiary for either ordinary
21 or accidental disability not-incurred-in-line-of-duty
22 be engaged in a gainful occupation paying more than
23 the difference between his retirement allowance and
24 his average final compensation, then the amount of
25 his pension shall be reduced to an amount which
26 together with his annuity and the amount earned by
27 him shall equal the amount of his average final
28 compensation. Should his earning capacity be later
29 changed, the amount of his pension may be further
30 modified, provided, that the new pension shall not
31 exceed the amount of the pension originally granted
32 nor an amount which, when added to the amount earned
33 by the beneficiary together with his annuity, equals
34 the amount of his average final compensation. A
35 beneficiary restored to active service at a salary
36 less than the average final compensation upon the
37 basis of which he was retired at age fifty-five or
38 greater, shall not again become a member of the
39 retirement system and shall have his retirement
40 allowance suspended while in active service."

41 48. Page 8, line 22, by striking the word "his"
42 and inserting in lieu thereof the words "his the
43 member's".

44 49. Page 8, line 23, by striking the word "he"
45 and inserting in lieu thereof the words "he the
46 member".

47 50. Page 8, line 25, by striking the word "His"
48 and inserting in lieu thereof the words "His The
49 member's".

50 51. Page 8, line 30, by striking the word "him"

new subsection:

1 NEW SUBSECTION. COMMISSIONER OF INSURANCE. Within
2 five days following its submission to the city council,
3 each board of trustees shall transmit to the
4 commissioner of insurance a copy of the report
5 submitted to the city council and the amount of
6 contributions deposited in the pension accumulation
7 fund by the city. The commissioner of insurance shall
8 review the report and the adequacy of the contribution
9 of the city. The commissioner of insurance shall
10 inform the city council of each city in which the
11 contribution of a city is deemed to ~~be~~ inadequate."

12 37. Page 7, by inserting after line 12 the
13 following section:

14 "Sec. . . . Section four hundred eleven point
15 five (411.5), subsection nine (9), Code 1975, is amended
16 to read as follows:

17 9. MEDICAL BOARD. The board of fire trustees
18 and the board of police trustees jointly shall
19 designate a medical board to be composed of three
20 physicians who shall arrange for and pass upon all
21 medical examinations required under the provisions
22 of this chapter, except that for examinations re-
23 quired because of disability the board of fire
24 trustees and the board of police trustees jointly
25 shall designate three physicians from the university
26 of Iowa hospitals and clinics who shall pass upon
27 the medical examinations required for disability
28 retirements, and shall report in writing to each
29 board of trustees, respectively, its conclusions and
30 recommendations upon all matters duly referred to
31 it."

32 38. Page 7, line 18, by striking the word "his"
33 and inserting in lieu thereof the words "his the
34 member's".

35 39. Page 8, line 2, by striking the word "his"
36 and inserting in lieu thereof the words "his the
37 member's".

38 40. Page 8, line 4, by striking the word "his"
39 and inserting in lieu thereof the words "his the
40 member's".

41 41. Page 8, line 6, by striking the word "his"
42 and inserting in lieu thereof the words "his the
43 member's".

44 42. Page 8, line 7, by striking the word "his"
45 and inserting in lieu thereof the words "his the
46 member's".

47 43. Page 8, line 8, by striking the word "his"
48 and inserting in lieu thereof the words "his the
49 member's".
50

1 throughout his entire period of active service, would
2 be sufficient to provide for the payment of any death
3 benefit or pension payable on this account. The rate
4 percent so determined shall be known as the "normal
5 contribution rate". The normal contribution rate
6 shall be the rate percent of the earnable compensation
7 of all members obtained by deducting from the total
8 liabilities of the fund the amount of the funds in
9 hand to the credit of the fund and dividing the
10 remainder by one percent of the present value of the
11 prospective future compensation of all members as
12 computed on the basis of mortality and service tables
13 adopted by the board of trustees and regular interest.
14 The normal rate of contribution shall be determined
15 by the state commissioner of insurance after each
16 valuation."

17 32. Page 6, by striking lines 4c and 4d and in-
18 serting in lieu thereof the words and figures "fis-
19 cal year beginning July 1, 1976 and ending June 30,
20 1977 the sum of two hundred seventy-seven thousand (277,000)".

21 33. Page 6, by striking lines 5 through 11.

22 34. Page 6, line 13, by striking the words and
23 figures "subsection twelve (12), Code 1975, is"
24 and inserting in lieu thereof the words and figures
25 "subsections twelve (12), thirteen (13), and fourteen
26 (14), Code 1975, are".

27 35. Page 6, by inserting after line 18 the
28 following:

29 "13. "Accumulated contributions" shall mean the
30 sum of all amounts deducted from the compensation
31 of a member and credited to his the member's
32 individual account in the annuity savings fund
33 together with regular interest thereon as provided
34 in section 411.8. Accumulated contributions do not
35 include any amount deducted from the compensation
36 of a member and credited to the pension accumulation
37 fund."

38 "14. "Earnable compensation" or "compensation
39 earnable" shall mean the regular compensation which
40 a member would earn during one year on the basis of
41 the stated compensation for his rank or position
42 excluding any amount received for overtime
43 compensation, meal and travel expenses, and uniform
44 allowances and excluding any amount received upon
45 termination or retirement in payment for accumulated
46 sick leave."

47 36. Page 7, by inserting after line 12 the fol-
48 lowing section:

49 "Sec. ____ . Section four hundred eleven point five
50 (411.5), Code 1975, is amended by adding the following

and inserting in lieu thereof the words "His The member's".

22. Page 3, line 32, by striking the word "him" and inserting in lieu thereof the words "him the member".

23. Page 3, line 32, by striking the word "his" and inserting in lieu thereof the words "his the member's".

24. Page 3, line 34, by striking the word "him" and inserting in lieu thereof the words "the member".

25. Page 3, line 34, by striking the word "his" and inserting in lieu thereof the words "the member's".

26. Page 4, line 3, by striking the word "his" and inserting in lieu thereof the words "his the member's".

27. Page 4, line 7, by striking the word "his" and inserting in lieu thereof the words "his the member's".

28. Page 4, line 17, by striking the figure "1974" and inserting in lieu thereof the figure "1976".

29. Page 5, line 1, by inserting after the word "death" the words ", and except that the pensions payable to retired members and beneficiaries, except children, for members who retired or died before July 1, 1976 shall be recomputed to provide only an adjusted monthly pension because of salary increases to active members at the same rank or position on the salary scale as the retired or deceased member held at the time of the member's retirement or death".

30. Page 5, by striking lines 9 through 35 and inserting in lieu thereof the following: "subsection three (3), Code 1975, is amended by adding the following new paragraph:

NEW PARAGRAPH. An amount equal to one and twenty-one hundredths percent of each member's compensation from the compensation of the member shall be paid to the pension accumulation fund."

31. Page 6, by striking lines 1 through 4 and inserting in lieu thereof the following section:

"Sec. ____ . Section ninety-seven A point eight (97A.8), subsection three (3), paragraph b, Code 1975, is amended to read as follows:

b. On the basis of ~~regular-interest-and-of~~ such mortality, interest, and other tables as shall be adopted by the board of trustees, the state commissioner of insurance shall make each valuation required by this chapter and shall immediately after making such valuation, determine the uniform and constant percentage of the earnable compensation of the average new entrant, which, if contributed

12. Page 3, line 6, by striking the word "his"
1 and inserting in lieu thereof the words "his the
2 member's".
13. Page 3, line 8, by striking the word "his"
3 and inserting in lieu thereof the words "his the
4 member's".
14. Page 3, line 9, by striking the word "his"
5 and inserting in lieu thereof the words "his the
6 member's".
15. Page 3, line 11, by striking the word "his"
7 and inserting in lieu thereof the words "his the
8 member's".
16. Page 3, line 13, by striking the word "his"
9 and inserting in lieu thereof the words "the mem-
10 ber's".
17. Page 3, line 14, by striking the word "his"
11 and inserting in lieu thereof the words "the member's".
18. Page 3, by inserting after line 15 the fol-
12 lowing section:
- 19 "Sec. ____ . Section ninety-seven A point six
20 (97A.6), subsection seven (7), paragraph a, Code 1975,
21 is amended to read as follows:
- 22 a. Should any beneficiary for either ordinary
23 or accidental disability ~~not-incurred-in-line-of-duty,~~
24 be engaged in a gainful occupation paying more than
25 the difference between his retirement allowance and
26 his average final compensation, then the amount of
27 his pension shall be reduced to an amount which
28 together with his annuity and the amount earned by
29 him shall equal the amount of his average final
30 compensation. Should his earning capacity be later
31 changed, the amount of his pension may be further
32 modified, provided, that the new pension shall not
33 exceed the amount of the pension originally granted
34 nor an amount which, when added to the amount earned
35 by the beneficiary together with his annuity, equals
36 the amount of his average final compensation. A
37 beneficiary restored to active service at a salary
38 less than the average final compensation upon the
39 basis of which he was retired at age fifty-five or
40 greater, shall not again become a member of the re-
41 tirement system and shall have his retirement allow-
42 ance suspended while in active service.""
19. Page 3, line 24, by striking the word "his"
43 and inserting in lieu thereof the words "his the mem-
44 ber's".
20. Page 3, line 24, by striking the word "he"
45 and inserting in lieu thereof the words "he the mem-
46 ber".
21. Page 3, line 27, by striking the word "His"

S-5888

1 Amend the Senate amendment (H-4350) to House File
2 914 as amended and passed by the House, by striking
3 lines 2 through 8 and inserting in lieu thereof the
4 following:

5 1. Page 1, line 2, by striking the word and
6 figure "eight (8)" and inserting in lieu thereof
7 the word and figure "eleven (11), twelve (12),".

8 2. Page 1, by striking lines 4 through 8 and
9 inserting in lieu thereof the following:

10 "11. "Accumulated contributions" shall mean the
11 sum of all amounts deducted from the compensation
12 of a member and credited to his the member's individual
13 account in the annuity savings fund together with
14 regular interest thereon as provided in section 97A.8.
15 Accumulated contributions do not include any amount
16 deducted from the compensation of a member and credited
17 to the pension accumulation fund."

18 "12. "Earnable compensation" or "compensation
19 earnable" shall mean the regular compensation which
20 a member would earn during one year on the basis of
21 the stated compensation for his rank or position ex-
22 cluding any amount received for overtime compensa-
23 tion, meal and travel expenses, and uniform allowances
24 and excluding any amount received upon termination
25 or retirement in payment for accumulated sick leave."

26 3. Page 1, line 10, by striking the word "his"
27 and inserting in lieu thereof the words "his the
28 member's".

29 4. Page 1, line 12, by striking the word "he"
30 and inserting in lieu thereof the words "he the mem-
31 ber".

32 5. Page 1, line 13, by striking the word "his"
33 and inserting in lieu thereof the words "his the
34 member's".

35 6. Page 2, line 2, by striking the word "his"
36 and inserting in lieu thereof the words "the member's"

37 7. Page 2, line 5, by striking the word "he" and
38 inserting in lieu thereof the words "the member".

39 8. Page 2, line 6, by striking the word "his"
40 and inserting in lieu thereof the words "the mem-
41 ber's".

42 9. Page 2, line 12, by striking the word "his"
43 and inserting in lieu thereof the words "the mem-
44 ber's".

45 10. Page 2, line 20, by striking the word "his"
46 and inserting in lieu thereof the words "his the
47 member's".

48 11. Page 3, line 4, by striking the word "his"
49 and inserting in lieu thereof the words "his the
50 member's".

H-6750

1 Amend H-6739 , to the Senate amendment (H-4350)
2 to House File 914, as amended and passed by the House
3 as follows:

4 1. Page 3, line 3, by inserting after the fi-
5 gure "4" the following: "and inserting in lieu thereof
6 the following section:

7 "Sec. ____ . Section ninety-seven A point eight
8 (97A.8), subsection three (3), paragraph b, Code 1975,
9 is amended to read as follows:

10 b. On the basis of ~~regular-interest-and-of~~ such
11 mortality, interest, and other tables as shall be
12 adopted by the board of trustees, the state
13 commissioner of insurance shall make each valuation
14 required by this chapter and shall immediately after
15 making such valuation, determine the uniform and
16 constant percentage of the earnable compensation of
17 the average new entrant, which, if contributed
18 throughout his entire period of active service, would
19 be sufficient to provide for the payment of any death
20 benefit or pension payable on this account. The rate
21 percent so determined shall be known as the "normal
22 contribution rate". The normal contribution rate
23 shall be the rate percent of the earnable compensation
24 of all members obtained by deducting from the total
25 liabilities of the fund the amount of the funds in
26 hand to the credit of the fund and dividing the
27 remainder by one percent of the present value of the
28 prospective future compensation of all members as
29 computed on the basis of mortality and service tables
30 adopted by the board of trustees and regular interest.
31 The normal rate of contribution shall be determined
32 by the state commissioner of insurance after each
33 valuation.""

34 2. Page 5, line 13, by inserting after the fi-
35 gure "19" the following: "and inserting in lieu
36 thereof the following section:

37 "Sec. ____ . Section ninety-seven A point eight
38 (97A.8), subsection three (3), paragraph b, Code 1975,
39 is amended to read as follows:

40 b. On the basis of ~~regular-interest-and-of~~ such
41 mortality, interest, and other tables as shall be
42 adopted by the board of trustees, the actuary engaged
43 by the said boards to make each valuation required
44 by this chapter, shall immediately after making such
45 valuation, determine the uniform and constant
46 percentage of the earnable compensation of the average
47 new entrant, which, if contributed throughout his
48 entire period of active service, would be sufficient
49 to provide for the payment of any death benefit or
50 pension payable on this account. The rate percent

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1 so determined shall be known as the "normal
2 contribution rate". The normal contribution rate
3 shall be the rate percent of the earnable compensation
4 of all members obtained by deducting from the total
5 liabilities of the fund the amount of the funds in
6 hand to the credit of the fund and dividing the
7 remainder by one percent of the present value of the
8 prospective future compensation of all members as
9 computed on the basis of mortality and service tables
10 adopted by the boards of trustees and regular interest.
11 The normal rate of contribution shall be determined
12 by the actuary after each valuation."
13 3. By renumbering sections as necessary.

H-6750 FILED, ADOPTED BY BYERLY of Polk
MAY 19, 1976 (2896)

H-6757

1 Amend H-6739, to the Senate amendment (H-4350)
2 to House File 914, as amended and passed by the House,
3 as follows:
4 1. Page 5, by striking lines 14 through 23, and
5 inserting in lieu thereof the following amendment:
6 "____. Page 10, line 19a, by striking the words
7 "allocated from" and inserting in lieu thereof the
8 words "appropriated from the general fund of the state
9 to".
10 2. Page 5, by striking line 25 and inserting in
11 lieu thereof the words and figures "inserting in lieu
12 thereof the words and figures "July 1, 1976 and ending
13 June 30, 1977 the sum of".

H-6757 FILED, ADOPTED BY SCHROEDER of Pottawattamie
MAY 19, 1976 (2897)

1 Amend H-6739, to the Senate amendment (H-4350)
2 to House File 914, as amended and passed by the House,
3 as follows:

4 1. Page 2, by inserting after line 8 the follow-
5 ing amendment:

6 "____. Page 3, by inserting after line 15 the fol-
7 lowing section:

8 "Sec. _____. Section ninety-seven A point six
9 (97A.6), subsection seven (7), paragraph a, Code 1975,
10 is amended to read as follows:

11 a. Should any beneficiary for either ordinary
12 or accidental disability ~~not-incurred-in-line-of-duty~~,
13 be engaged in a gainful occupation paying more than
14 the difference between his retirement allowance and
15 his average final compensation, then the amount of
16 his pension shall be reduced to an amount which
17 together with his annuity and the amount earned by
18 him shall equal the amount of his average final
19 compensation. Should his earning capacity be later
20 changed, the amount of his pension may be further
21 modified, provided, that the new pension shall not
22 exceed the amount of the pension originally granted
23 nor an amount which, when added to the amount earned
24 by the beneficiary together with his annuity, equals
25 the amount of his average final compensation. A
26 beneficiary restored to active service at a salary
27 less than the average final compensation upon the
28 basis of which he was retired at age fifty-five or
29 greater, shall not again become a member of the re-
30 tirement system and shall have his retirement allow-
31 ance suspended while in active service.""

32 2. Page 3, by inserting after line 44 the fol-
33 lowing amendment:

34 "____. Page 8, by inserting after line 13 the
35 following section:

36 "Sec. _____. Section four hundred eleven point six
37 (411.6), subsection seven (7), paragraph a, Code 1975,
38 is amended to read as follows:

39 a. Should any beneficiary for either ordinary
40 or accidental disability ~~not-incurred-in-line-of-duty~~,
41 be engaged in a gainful occupation paying more than
42 the difference between his retirement allowance and
43 his average final compensation, then the amount of
44 his pension shall be reduced to an amount which
45 together with his annuity and the amount earned by
46 him shall equal the amount of his average final
47 compensation. Should his earning capacity be later
48 changed, the amount of his pension may be further
49 modified, provided, that the new pension shall not
50 exceed the amount of the pension originally granted

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1 nor an amount which, when added to the amount earned
2 by the beneficiary together with his annuity, equals
3 the amount of his average final compensation. A
4 beneficiary restored to active service at a salary
5 less than the average final compensation upon the
6 basis of which he was retired at age fifty-five or
7 greater, shall not again become a member of the
8 retirement system and shall have his retirement
9 allowance suspended while in active service.""

MAY

H-6743

- 1 Amend H-6739, to the Senate amendment (H-4350)
- 2 to House File 914, as amended and passed by the House,
- 3 page 5, by striking lines 45, 46, and 47.

H-6743 FILED, ADOPTED BY BYERLY of Polk
MAY 19, 1976 (2399)

H
M

H-6745

- 1 Amend H-6739, to the Senate amendment (H-4350)
- 2 to House File 914, as amended and passed by the House,
- 3 as follows:
- 4 1. Page 3, by inserting after line 22 the follow-
- 5 ing amendment:
- 6 "____. Page 7, by inserting after line 12 the fol-
- 7 lowing section:
- 8 "Sec. ____ Section four hundred eleven point five
- 9 (411.5), Code 1975, is amended by adding the following
- 10 new subsection:
- 11 NEW SUBSECTION. COMMISSIONER OF INSURANCE. Within
- 12 five days following its submission to the city council,
- 13 each board of trustees shall transmit to the
- 14 commissioner of insurance a copy of the report
- 15 submitted to the city council and the amount of
- 16 contributions deposited in the pension accumulation
- 17 fund by the city. The commissioner of insurance shall
- 18 review the report and the adequacy of the contribution
- 19 of the city. The commissioner of insurance shall
- 20 inform the city council of each city in which the
- 21 contribution of a city is deemed to be inadequate."

H-6745 FILED, ADOPTED BY BYERLY of Polk
MAY 19, 1976 (2306)

H-6746

- 1 Amend H-6739, to the Senate amendment (H-4350)
- 2 to House File 914, as amended and passed by the House,
- 3 as follows:
- 4 1. Page 3, by inserting after line 44 the fol-
- 5 lowing amendment:
- 6 "____. Page 8, by inserting after line 13 the
- 7 following section:
- 8 "Sec. ____ Section four hundred eleven point six
- 9 (411.6), subsection six (6), unnumbered paragraph
- 10 one (1), Code 1975, is amended to read as follows:
- 11 Upon retirement for accidental disability a member
- 12 shall receive a service retirement allowance if the
- 13 member has attained the age of fifty-five, otherwise
- 14 the member shall receive an accidental disability
- 15 retirement allowance which shall consist of:."
- 16 2. By renumbering sections as necessary.

H-6746 FILED, ADOPTED BY BYERLY of Polk
MAY 19, 1976 (2597)

HOUSE CLIP SHEET

Thursday, May 20, 1976

HOUSE FILE 914

H-6739

1 Amend the Senate amendment (H-4350) to House File
2 914 as amended and passed by the House, by striking
3 lines 2 through 8 and inserting in lieu thereof the
4 following:

5 "1. Page 1, line 2, by inserting after the figure
6 "(8)" the word and figure ", eleven (11),".

7 2. Page 1, by inserting after line 8 the follow-
8 ing:

9 "11. "Accumulated contributions" shall mean the
10 sum of all amounts deducted from the compensation
11 of a member and credited to ~~his~~ the member's individual
12 account in the annuity savings fund together with
13 regular interest thereon as provided in section 97A.8.
14 Accumulated contributions does not include any amount
15 deducted from the compensation of a member and credited
16 to the pension accumulation fund."

17 3. Page 1, line 10, by striking the word "his"
18 and inserting in lieu thereof the words "~~his~~ the
19 member's".

20 4. Page 1, line 12, by striking the word "he"
21 and inserting in lieu thereof the words "~~he~~ the mem-
22 ber".

23 5. Page 1, line 13, by striking the word "his"
24 and inserting in lieu thereof the words "~~his~~ the
25 member's".

26 6. Page 2, line 2, by striking the word "his"
27 and inserting in lieu thereof the words "the member's".

28 7. Page 2, line 5, by striking the word "he" and
29 inserting in lieu thereof the words "the member".

30 8. Page 2, line 6, by striking the word "his"
31 and inserting in lieu thereof the words "the mem-
32 ber's".

33 9. Page 2, line 12, by striking the word "his"
34 and inserting in lieu thereof the words "the mem-
35 ber's".

36 10. Page 2, line 20, by striking the word "his"
37 and inserting in lieu thereof the words "~~his~~ the
38 member's".

39 11. Page 3, line 4, by striking the word "his"
40 and inserting in lieu thereof the words "~~his~~ the
41 member's".

42 12. Page 3, line 6, by striking the word "his"
43 and inserting in lieu thereof the words "~~his~~ the
44 member's".

45 13. Page 3, line 8, by striking the word "his"
46 and inserting in lieu thereof the words "~~his~~ the
47 member's".

48 14. Page 3, line 9, by striking the word "his"
49 and inserting in lieu thereof the words "~~his~~ the
50 member's".

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Page 2

- 1 15. Page 3, line 11, by striking the word "his"
2 and inserting in lieu thereof the words "his the
3 member's".
- 4 16. Page 3, line 13, by striking the word "his"
5 and inserting in lieu thereof the words "the mem-
6 ber's".
- 7 17. Page 3, line 14, by striking the word "his"
8 and inserting in lieu thereof the words "the member's".
- 9 18. Page 3, line 24, by striking the word "his"
10 and inserting in lieu thereof the words "his the mem-
11 ber's".
- 12 19. Page 3, line 24, by striking the word "he"
13 and inserting in lieu thereof the words "he the mem-
14 ber".
- 15 20. Page 3, line 27, by striking the word "His"
16 and inserting in lieu thereof the words "His The
17 member's".
- 18 21. Page 3, line 32, by striking the word "him"
19 and inserting in lieu thereof the words "him the
20 member".
- 21 22. Page 3, line 32, by striking the word "his"
22 and inserting in lieu thereof the words "his the
23 member's".
- 24 23. Page 3, line 34, by striking the word "him"
25 and inserting in lieu thereof the words "the member".
- 26 24. Page 3, line 34, by striking the word "his"
27 and inserting in lieu thereof the words "the member's".
- 28 25. Page 4, line 3, by striking the word "his"
29 and inserting in lieu thereof the words "his the mem-
30 ber's".
- 31 26. Page 4, line 7, by striking the word "his"
32 and inserting in lieu thereof the words "his the
33 member's".
- 34 27. Page 4, line 17, by striking the figure "1974"
35 and inserting in lieu thereof the figure "1976".
- 36 28. Page 5, line 1, by inserting after the word
37 "death" the words ", and except that the pensions
38 payable to retired members and beneficiaries, except
39 children, for members who retired or died before July
40 1, 1976 shall be recomputed to provide only an adjusted
41 monthly pension because of salary increases to active
42 members at the same rank or position on the salary
43 scale as the retired or deceased member held at the
44 time of the member's retirement or death".
- 45 29. Page 5, by striking lines 9 through 35 and
46 inserting in lieu thereof the following: "subsection
47 three (3), Code 1975, is amended by adding the
48 following new paragraph:
49 NEW PARAGRAPH. An amount equal to two and six-
50 tenths percent of each member's compensation from

H-6739

Page 3

7

1 the compensation of the member shall be paid to the
2 pension accumulation fund."

3 30. Page 6, by striking lines 1 through 4.

4 31. Page 6, by striking lines 4c and 4d and in-
5 serting in lieu thereof the words and figures "fis-
6 cal year beginning July 1, 1976 and ending June 30,
7 1977 the sum of one hundred eighty thousand (180,000)".

8 32. Page 6, line 13, by striking the words and
9 figures "subsection twelve (12), Code 1975, is" and
10 inserting in lieu thereof the words and figures
11 "subsections twelve (12) and thirteen (13), Code 1975,
12 are".

13 33. Page 6, by inserting after line 18 the fol-
14 lowing:

15 "13. "Accumulated contributions" shall mean the
16 sum of all amounts deducted from the compensation
17 of a member and credited to ~~his~~ the member's individual
18 account in the annuity savings fund together with
19 regular interest thereon as provided in section 411.8.
20 Accumulated contributions do not include any amount
21 deducted from the compensation of a member and credited
22 to the pension accumulation fund."

23 34. Page 7, line 18, by striking the word "his"
24 and inserting in lieu thereof the words "his the
25 member's".

26 35. Page 8, line 2, by striking the word "his"
27 and inserting in lieu thereof the words "his the
28 member's".

29 36. Page 8, line 4, by striking the word "his"
30 and inserting in lieu thereof the words "his the
31 member's".

32 37. Page 8, line 6, by striking the word "his"
33 and inserting in lieu thereof the words "his the
34 member's".

35 38. Page 8, line 7, by striking the word "his"
36 and inserting in lieu thereof the words "his the
37 member's".

38 39. Page 8, line 8, by striking the word "his"
39 and inserting in lieu thereof the words "his the
40 member's".

41 40. Page 8, line 11, by striking the word "his"
42 and inserting in lieu thereof the words "the member's".

43 41. Page 8, line 12, by striking the word "his"
44 and inserting in lieu thereof the words "the member's".

45 42. Page 8, line 22, by striking the word "his"
46 and inserting in lieu thereof the words "his the
47 member's".

48 43. Page 8, line 23, by striking the word "he"
49 and inserting in lieu thereof the words "he the
50 member".

- 1 44. Page 8, line 25, by striking the word "His"
2 and inserting in lieu thereof the words "His The
3 member's".
- 4 45. Page 8, line 30, by striking the word "him"
5 and inserting in lieu thereof the words "him the
6 member".
- 7 46. Page 8, line 30, by striking the word "his"
8 and inserting in lieu thereof the words "his the
9 member's".
- 10 47. Page 8, line 32, by striking the word "him"
11 and inserting in lieu thereof the words "the member".
- 12 48. Page 8, line 32, by striking the word "his"
13 and inserting in lieu thereof the words "the member's".
- 14 49. Page 8, line 35, by striking the word "his"
15 and inserting in lieu thereof the words "his the
16 member's".
- 17 50. Page 9, line 4, by striking the word "his"
18 and inserting in lieu thereof the words "his the
19 member's".
- 20 51. Page 9, line 18, by striking the figure "1974"
21 and inserting in lieu thereof the figure "1976".
- 22 52. Page 9, by inserting after line 22 the
23 following section:
- 24 "Sec. _____. Section four hundred eleven point six
25 (411.6), subsection fourteen (14), paragraph a, Code
26 1975, is amended to read as follows:
- 27 a. As of the first of July of each year, the
28 monthly pensions authorized in this section payable
29 to each retired member and to each beneficiary, except
30 children, of a deceased member shall be recomputed.
31 The formula authorized in this section which was used
32 to compute the retired member's or beneficiary's
33 pension at the time of retirement or death, including
34 all amendments to the formula which may be adopted
35 subsequent to the member's retirement or death, shall
36 be used in the recomputation except the pension
37 compensation shall be used in lieu of the average
38 final compensation which the retired or deceased
39 member was receiving at the time of retirement or
40 death, and except that the pensions payable to re-
41 tired members and beneficiaries, except children,
42 for members who retired or died before July 1, 1976
43 shall be recomputed to provide only an adjusted monthly
44 pension because of salary increases to active members
45 at the same rank or position on the salary scale as
46 the retired or deceased member held at the time of
47 the member's retirement or death. The adjusted monthly
48 pension shall be the amount payable at the member's
49 retirement or death adjusted by one-half of the differ-
50 ence between the recomputed pension and the amount

1 payable at the member's retirement or death. At no
2 time shall the monthly pension or payment to the bene-
3 ficiary be less than the amount which was paid at
4 the time of the member's retirement or death."

5 53. Page 9, by striking lines 24 through 35 and
6 inserting in lieu thereof the following: "subsection
7 three (3), Code 1975, is amended by adding the
8 following new paragraph:

9 NEW PARAGRAPH. An amount equal to one and twenty-
10 one hundredths percent of each member's compensation
11 from the compensation of the member shall be paid
12 to the pension accumulation fund."

13 54. Page 10, by striking lines 1 through 19.

14 55. Page 10, by striking line 19a and insert-
15 ing in lieu thereof the following:

16 "Sec. ____ Chapter four hundred eleven (411),
17 Code 1975, is amended by adding the following new
18 section.

19 NEW SECTION. There is appropriated from the general
20 fund of the state to the municipal".

21 56. Page 10, line 19c, by striking the words "the
22 fiscal year beginning" and inserting in lieu thereof
23 the words "each fiscal year".

24 57. Page 10, by striking lines 19d and 19e and
25 inserting in lieu thereof the words "the sum of five
26 hundred seven thousand (507,000) dollars,".

27 58. Page 10, line 19m, by inserting after the
28 word "city" the words "in the manner provided in
29 chapter four hundred five (405) of the Code".

30 59. Page 10, line 19q, by inserting after the
31 word "system." the following:

32 "The claim shall specify for each fiscal year the
33 normal contribution rate which would be required
34 to pay the city's share in the retirement systems
35 and the total amount payable to the pension
36 accumulation funds by the city under the formula by
37 which benefits were computed prior to July 1, 1976
38 and the normal contribution rate which would be
39 required to pay the city's share in the retirement
40 systems and the total amount payable to the pension
41 accumulation funds by the city under chapter four
42 hundred eleven (411) of the Code. The state comp-
43 troller shall pay the difference between the two
44 amounts.

45 If the amount appropriated under this section
46 is insufficient to pay all claims, the state
47 comptroller shall prorate the amount appropriated."

48 60. Page 10, by inserting after line 19q the
49 following section:

50 "Sec. ____ Persons who meet the qualifications

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1 of surviving spouse in section one (1) or section
2 twelve (12) of this Act on July 1, 1976 are eligible
3 to receive benefits under either chapter ninety-seven
4 A (97A) or four hundred eleven (411) of the Code
5 commencing July 1, 1976."

6 61. Amend the title, line 2, by inserting after
7 the word "occupations" the words "and to make an
8 appropriation".

9 62. By renumbering sections and correcting internal
10 references as necessary."

1 Amend H-6739, to the Senate amendment (H-4350)
 2 to House File 914, as amended and passed by the House,
 3 as follows:

4 1. Page 1, by striking line 6 and inserting in
 5 lieu thereof the words and figures ""(8)" the words
 6 and figures ", eleven (11), twelve (12),".

7 2. Page 1, by inserting after line 16 the fol-
 8 lowing subsection:

9 "12. "Earnable compensation" or "compensation
 10 earnable" shall mean the regular compensation which
 11 a member would earn during one year on the basis of
 12 the stated compensation for his rank or position ex-
 13 cluding any amount received for overtime compensa-
 14 tion, meal and travel expenses, and uniform allowances
 15 and excluding any amount received upon termination
 16 or retirement in payment for accumulated sick leave."

17 3. Page 3, line 11, by striking the figure
 18 and word "(12) and" and inserting in lieu thereof
 19 the figure "(12),".

20 4. Page 3, line 11, by inserting after the figure
 21 "(13)," the words and figure "and fourteen (14),".

22 5. Page 3, by inserting after line 22 the fol-
 23 lowing subsection:

24 "14. "Earnable compensation" or "compensation
 25 earnable" shall mean the regular compensation which
 26 a member would earn during one year on the basis of
 27 the stated compensation for his rank or position
 28 excluding any amount received for overtime
 29 compensation, meal and travel expenses, and uniform
 30 allowances and excluding any amount received upon
 31 termination or retirement in payment for accumulated
 32 sick leave."
 33

H-6748 FILED, ADOPTED BY SCHROEDER of Pottawattamie
 MAY 19, 1976 (2842)

H-6747

1 Amend H-6739, to the Senate amendment (H-4350)
 2 to House File 914, as amended and passed by the House
 3 as follows:

4 1. Page 1, by striking lines 5 through 8 and
 5 inserting in lieu thereof the following amendments:

6 "___". Page 1, line 2, by striking the word and
 7 figure "eight (8)" and inserting in lieu thereof the
 8 word and figure "eleven (11)".

9 "___". Page 1, by striking lines 4 through 8 and
 10 inserting in lieu thereof the following:".

11 2. Page 3, by inserting after line 7 the following
 12 amendment:

13 "___". Page 6, by striking lines 5 through 11."

14 3. Page 5, by striking lines 48 through 50.

15 4. Page 6, by striking lines 1 through 5.

H-6747 FILED, ADOPTED BY BYERLY of Polk
 MAY 19, 1976 (2841)

H-6741

1 Amend H-6739, to the Senate amendment (H-4350)
2 to House File 914, as amended, passed, and reprinted
3 by the House, as follows:
4 1. Page 2, lines 49 and 50, by striking the words
5 "two and six-tenths" and inserting in lieu thereof
6 the words "one and twenty-one hundredths".
7 2. Page 3, line 7, by striking the words and
8 figures "one hundred eighty thousand (180,000)" and
9 inserting in lieu thereof the words and figures "two
10 hundred seventy-seven thousand (277,000)".

H-6741 FILED, ADOPTED BY BYERLY of Polk
MAY 19, 1976 (1895)

FISCAL NOTE
HOUSE FILE 914

Date Prepared April 1, 1976

Requested by Representative Byerly

Prepared in regard to H.F. 914, An Act relating to retirement benefits for certain public employees engaged in public safety occupations. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16:

House File 914 provides that service retirement benefits for employees covered under Chapter 97 and Chapter 411 of the Code be increased from 50 percent of high five year average pay less the annuity provided by employee contributions to 50 percent of high five year average pay plus the annuity provided by employee contributions.

An Actuarial study was requested of Milliman and Robertson. Their study was based on data used in their 1974 study for nine of the 40 plus systems in Iowa plus the Peace Officer Retirement System. Since the costs were determined on this basis, the costs are not intended to reflect the exact cost for any particular city. An accurate estimate of the costs for any one city could be determined only by a valuation for that city.

Section 411.6, subsection 14, provides that retired members pensions shall be recomputed July 1 of each year "including all amendments to the formula which may be adopted subsequent to members retirement or death." This was not considered in the cost estimate received from Milliman & Robertson.

Applying the average figure provided by the study, the total increase in cost for the Peace Officer's Retirement System for which an appropriation would be required is \$180,000 for fiscal year 1976-77. It should be noted that this is a recurring cost and may change as system costs vary by age of members, salaries, length of service, age at retirement, earnings of the funds of the system, actual experience of death, withdrawals, and inflation. This also provides that the increase in employee contributions provided in the bill are irrevocably deposited in the pension accumulation fund. This is not permitted for private pension plans under ERISA and if ERISA is extended to public plans, as intended, could be reversed thus increasing state contribution.

Applying the average figure provided by the study to the estimated payroll of the affected cities, the cost is approximately \$500,000. The notes applying to Peace Officers Retirement System also apply here. In addition, it should be noted that lines 19 m. through 19 q. on Page 10 do not provide for the method of computing claims by cities. It would be necessary to compute claims as the change in normal contribution rate times payroll to keep the method of computation on a basis comparable to that used in the cost estimate.

As indicated above, each system currently has different normal contribution rates due to characteristics of participants and other variables and these vary from 10% to 38.06% of payroll. Therefore it is likely the cost of the benefits added in House File 914 would also vary from city to city. The normal contribution rate determined by each system's actuary will determine the increase in cost appropriate to that system and which the city or town must, in fact, contribute in order to assure the payment of benefits when due.

FILED
APRIL 5, 1976

GERRY D. RANKIN
Legislative Fiscal Director

HOUSE FILE 914

AN ACT

RELATING TO RETIREMENT BENEFITS FOR CERTAIN PUBLIC EMPLOYEES
ENGAGED IN PUBLIC SAFETY OCCUPATIONS AND TO MAKE AN APPROPRIATION.

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

Section 1. Section ninety-seven A point one (97A.1), subsections eleven (11), twelve (12), fourteen (14) and sixteen (16), Code 1975, are amended to read as follows:

11. "Accumulated contributions" shall mean the sum of all amounts deducted from the compensation of a member and credited to ~~his~~ the member's individual account in the annuity savings fund together with regular interest thereon as provided in section 97A.8. Accumulated contributions do not include any amount deducted from the compensation of a member and credited to the pension accumulation fund.

12. "Earnable compensation" or "compensation earnable" shall mean the regular compensation which a member would earn during one year on the basis of the stated compensation for his rank or position excluding any amount received for overtime compensation, meal and travel expenses, and uniform allowances and excluding any amount received upon termination or retirement in payment for accumulated sick leave.

14. "Average final compensation" shall mean the average earnable compensation of the member during ~~his~~ the member's last highest five years of service as a member of the state department of public safety, or if ~~he~~ the member has had less than five years of such service, then the average earnable compensation of ~~his~~ the member's entire period of service.

16. "Pensions" shall mean annual payments for life derived from the appropriations provided by the state of Iowa and from contributions of the members which are deposited in the pension accumulation fund. All pensions shall be paid in equal monthly installments.

Sec. 2. Section ninety-seven A point one (97A.1), subsection ten (10), Code 1975, is amended to read as follows:

10. "Regular interest" shall mean interest at the rate of four percent per annum, compounded annually and credited to the member's account as of the date of the member's retirement or termination from employment.

Sec. 3. Section ninety-seven A point five (97A.5), subsection one (1), Code 1975, is amended to read as follows:

1. BOARD OF TRUSTEES. The general administration and the responsibility for the proper operation of the system and for making effective the provisions of this chapter are hereby vested in a board of trustees to administer the system. Such board of trustees shall be constituted as follows: The commissioner of public safety, who shall be chairman of said board, the treasurer of state, and a member of the system, to be chosen by secret ballot by the members thereof for a term of two years.

Sec. 4. Section ninety-seven A point five (97A.5), subsections ten (10), eleven (11), and twelve (12), Code 1975, are amended to read as follows:

10. TABLES--RATES. Immediately after the establishment of this system, the state commissioner of insurance shall make such investigation of anticipated interest earnings and of the mortality, service and compensation experience of the members of the system as he the actuary shall recommend and the board of trustees shall authorize, and on the basis of such investigation he the actuary shall recommend for adoption by the board of trustees such tables and such rates as are required in subsection 11 of this section. The board of trustees shall adopt the rate of interest and tables, and certify rates of contributions to be used by the system.

11. ACTUARIAL INVESTIGATION. In the year 1952, and at least once in each two-year period thereafter, the state commissioner of insurance shall make an actuarial investigation in the mortality, service and compensation experience of the members and beneficiaries of the system, and the interest and other earnings on the moneys and other assets of the

system, and shall make a valuation of the assets and liabilities of the funds of the system, and taking into account the results of such investigation and valuation, the board of trustees shall:

- a. Adopt for the system such interest rate, mortality, and other tables as shall be deemed necessary;
- b. Certify the rates of contribution payable by the state of Iowa in accordance with section 97A.8.

12. VALUATION. On the basis of such rate of interest and such tables as the board of trustees shall adopt, the state commissioner of insurance shall make an annual valuation of the assets and liabilities of the funds of the system created by this chapter.

Sec. 5. Section ninety-seven A point six (97A.6), subsection one (1), Code 1975, is amended by adding the following new paragraph:

NEW PARAGRAPH. Any member in service who has been a member of the retirement system fifteen or more years and whose employment is terminated prior to the member's retirement, other than by death or disability, shall upon attaining retirement age, receive a service retirement allowance of fifteen twenty-seconds of the retirement allowance the member would receive at retirement if the member's employment had not been terminated, and an additional one twenty-second of such retirement allowance for each additional year of service not exceeding twenty-two years of service. The amount of the retirement allowance shall be based on the average final compensation at the time of termination of employment. The allowance shall not be available to a member who has chosen to withdraw the member's accumulated contributions as provided in subsection ten (10) of this section.

Sec. 6. Section ninety-seven A point six (97A.6), subsection two (2), paragraph b, Code 1975, is amended to read as follows:

- b. A pension given by the state ~~in-addition-to-his-annuity~~ which ~~together-with-his-annuity~~ shall ~~make-a-total-service retirement-allowance~~ equal to one-half of his the member's

average final compensation.

Sec. 7. Section ninety-seven A point six (97A.6), subsection three (3), Code 1975, is amended to read as follows:

3. ORDINARY DISABILITY RETIREMENT BENEFIT. Upon the application of a member in service or of the commissioner of public safety, any member ~~who-has-had-five-or-more-years of-membership-service~~ shall be retired by the board of trustees, not less than thirty and not more than ninety days next following the date of filing such application, on an ordinary disability retirement allowance, provided, that the medical board after a medical examination of such member shall certify that said member is mentally or physically incapacitated for further performance of duty, that such incapacity is likely to be permanent and that such member should be retired.

Sec. 8. Section ninety-seven A point six (97A.6), subsection four (4), paragraph b, Code 1975, is amended to read as follows:

- b. A pension which together with ~~his~~ the member's annuity shall make a total retirement allowance equal to ninety percent of one-seventieth of ~~his~~ the member's average final compensation multiplied by the number of years of membership service, if such retirement allowance exceeds one-half of ~~his~~ the member's average final compensation, otherwise a pension which together with ~~his~~ the member's annuity shall provide a total retirement allowance equal to one-half of ~~his~~ the member's average final compensation except if the member has not had five or more years of membership service, the member shall receive a pension which together with the member's annuity shall provide a total retirement allowance equal to one-fourth of the member's average final compensation.

Sec. 9. Section ninety-seven A point six (97A.6), subsection seven (7), paragraph a, Code 1975, is amended to read as follows:

- a. Should any beneficiary for either ordinary or accidental disability not-incurred-in-line-of-duty, be engaged in a gainful occupation paying more than the difference between

his retirement allowance and his average final compensation, then the amount of his pension shall be reduced to an amount which together with his annuity and the amount earned by him shall equal the amount of his average final compensation. Should his earning capacity be later changed, the amount of his pension may be further modified, provided, that the new pension shall not exceed the amount of the pension originally granted nor an amount which, when added to the amount earned by the beneficiary together with his annuity, equals the amount of his average final compensation. A beneficiary restored to active service at a salary less than the average final compensation upon the basis of which he was retired at age fifty-five or greater, shall not again become a member of the retirement system and shall have his retirement allowance suspended while in active service.

Sec. 10. Section ninety-seven A point six (97A.6), subsection eight (8), unnumbered paragraph one (1), paragraphs a and b, and unnumbered paragraph two (2), Code 1975, are amended to read as follows:

Upon the receipt of proper proofs of the death of a member in service, or a member not in service who has completed fifteen or more years of service as provided in section five (5) of this Act, there shall be paid to such person having an insurable interest in his the member's life as he the member shall have nominated by written designation duly executed and filed with the board of trustees:

a. His The member's accumulated contributions and, if the member has had one or more years of membership service and no pension is payable under the provisions of subsection 9 of this section, in addition thereto--

b. An amount equal to fifty percent of the compensation earned by him the member during the year immediately preceding his the member's death if the member is in service or an amount equal to fifty percent of the compensation earned by the member during the member's last year of service if the member is not in service; or

If there be no such nomination of beneficiary, the benefits

provided in paragraphs "a" and "b" of this subsection 8 shall be paid to his the member's estate; or in lieu thereof, at the option of the following beneficiaries, respectively, even though nominated as such, for a member in service there shall be paid a pension which, together with the actuarial equivalent of his the member's accumulated contributions, shall be equal to one-fourth of the average final compensation of such member, but in no instance less than fifty dollars per month or for a member not in service the pension shall be reduced as provided in section five (5) of this Act and shall be paid commencing when the member would have attained the age of fifty-five except if there is a child of the member under the age of eighteen, or under the age of twenty-two who is a full-time student, or who is disabled, under the definitions used in section four hundred two (402) of the Social Security Act as amended to July 1, 1976 (forty-two (42) U.S.C. four hundred two (402)) the pension shall be paid commencing with the member's death until the children reach the age of eighteen, or twenty-two if applicable, and shall resume commencing when the member would have attained the age of fifty-five;

Sec. 11. Section ninety-seven A point six (97A.6), subsection fifteen (15), paragraph a, Code 1975, is amended to read as follows:

a. As of the first of July of each year, the monthly pensions authorized in this section payable to each retired member and to each beneficiary, except children, of a deceased member shall be recomputed. The formula authorized in this section which was used to compute the retired member's or beneficiary's pension at the time of retirement or death ~~including all amendments to the formula which may be adopted subsequent to the member's retirement or death~~, shall be used in the recomputation, except the pension compensation shall be used in lieu of the average final compensation which the retired or deceased member was receiving at the time of retirement or death. The adjusted monthly pension shall be the amount payable at the member's retirement or death adjusted

by ~~forty-five~~ fifty percent of the difference between the recomputed pension and the amount payable at the member's retirement or death. At no time shall the monthly pension or payment to the beneficiary be less than the amount which was paid at the time of the member's retirement or death.

Sec. 12. Section ninety-seven A point six (97A.6), subsection fifteen (15), Code 1975, is amended by adding the following new paragraph:

NEW PARAGRAPH. A retired member who became eligible for benefits under the provisions of subsection one (1) of this section but who did not serve twenty-two years and did not attain the age of fifty-five years prior to the member's termination of employment shall not be eligible for the annual readjustment of pensions provided for by this subsection.

Sec. 13. Section ninety-seven A point seven (97A.7), Code 1975, is amended by adding the following new subsection:

NEW SUBSECTION. The board of trustees may invest funds of fire and police retirement systems created under the provisions of chapter four hundred eleven (411) of the Code in the manner prescribed in this section.

Sec. 14. Section ninety-seven A point seven (97A.7), subsection three (3), Code 1975, is amended to read as follows:

3. The board of trustees annually shall allow regular interest on the mean amount for the preceding year in each of the funds with the exception of the pension accumulation fund and the expense fund. The amount so allowed shall be due and payable to said funds and shall be annually credited thereto by the board of trustees from interest and other earnings on the moneys and other assets of the system. Any additional amount required to meet the interest on the funds of the system shall be paid by the state of Iowa and any excess of earnings over such amount required shall be deductible from the amounts to be contributed by the state of Iowa.

Sec. 15. Section ninety-seven A point eight (97A.8), subsection three (3), Code 1975, is amended by adding the following new paragraph:

NEW PARAGRAPH. An amount equal to one and twenty-one hundredths percent of each member's compensation from the compensation of the member shall be paid to the pension accumulation fund.

The provisions of section ninety-seven A point eight (97A.8), subsection one (1), paragraphs b and c, of the Code relating to the contributions of members shall be applicable to this paragraph.

Sec. 16. Section ninety-seven A point eight (97A.8), subsection three (3), paragraph b, Code 1975, is amended to read as follows:

b. On the basis of ~~regular~~ the rate of interest and of such mortality, interest, and other tables as shall be adopted by the board of trustees, the state commissioner of insurance shall make each valuation required by this chapter and shall immediately after making such valuation, determine the uniform and constant percentage of the earnable compensation of the average new entrant, which, if contributed throughout his entire period of active service, would be sufficient to provide for the payment of any death benefit or pension payable on this account. The rate percent so determined shall be known as the "normal contribution rate". The normal contribution rate shall be the rate percent of the earnable compensation of all members obtained by deducting from the total liabilities of the fund the amount of the funds in hand to the credit of the fund and dividing the remainder by one percent of the present value of the prospective future compensation of all members as computed on the basis of the rate of interest and of mortality and service tables adopted by the board of trustees and regular interest. The normal rate of contribution shall be determined by the state commissioner of insurance after each valuation.

Sec. 17. There is appropriated from the general fund of the state to the department of public safety for the fiscal year beginning July 1, 1976 and ending June 30, 1977 the sum of two hundred seventy-seven thousand (277,000) dollars, or so much thereof as is necessary, to be deposited in the pension

accumulation fund of the department of public safety peace officers' retirement, accident, and disability system to finance the changes in benefits provided in sections one (1) through sixteen (16) of this Act.

Sec. 18. Section four hundred eleven point one (411.1), subsections twelve (12), thirteen (13), fourteen (14), and eighteen (18), Code 1975, are amended to read as follows:

12. "Regular interest" shall mean interest at the rate of four percent per annum, compounded annually and credited to the member's account as of the date of the member's retirement or termination from employment.

13. "Accumulated contributions" shall mean the sum of all amounts deducted from the compensation of a member and credited to ~~his~~ the member's individual account in the annuity savings fund together with regular interest thereon as provided in section 411.8. Accumulated contributions do not include any amount deducted from the compensation of a member and credited to the pension accumulation fund.

14. "Earnable compensation" or "compensation earnable" shall mean the regular compensation which a member would earn during one year on the basis of the stated compensation for his rank or position excluding any amount received for overtime compensation, meal and travel expenses, and uniform allowances and excluding any amount received upon termination or retirement in payment for accumulated sick leave.

18. "Pensions" shall mean annual payments for life derived from appropriations provided by the said cities and from contributions of the members which are deposited in the pension accumulation fund. All pensions shall be paid in equal monthly installments.

Sec. 19. Section four hundred eleven point five (411.5), subsection one (1), paragraphs a, b, and d, Code 1975, are amended to read as follows:

a. The chief officer of the fire department, the city treasurer, the city solicitor or attorney, two firemen elected by secret ballot by the members of said department who are entitled to participate in a firemen's pension fund established

by law, and two citizens who do not hold any other public office, who shall be appointed by the mayor with the approval of the city council, shall constitute the members of the board of trustees of the fire retirement system.

b. The chief officer of the police department, the city treasurer, the city solicitor or attorney, two policemen elected by secret ballot by the members of said department who are entitled to participate in a policemen's pension fund established by law, and two citizens who do not hold any other public office, who shall be appointed by the mayor with the approval of the city council, shall constitute the members of the board of trustees of the police retirement system.

d. Upon the taking effect of this chapter, such members of each said department in said cities shall elect by secret ballot two active members of each such department to serve as members of said respective boards; one of whom shall serve until the first Monday in April of the second year, and one until the first Monday in April of the fourth year. Thereafter each such department shall, every second year, on such date and in such manner as shall be prescribed by said board of trustees, elect by ballot one such member to serve for a term of four years.

Sec. 20. Section four hundred eleven point five (411.5), Code 1975, is amended by adding the following new subsection:

NEW SUBSECTION. COMMISSIONER OF INSURANCE. Within five days following its submission to the city council, each board of trustees shall transmit to the commissioner of insurance a copy of the report submitted to the city council and the amount of contributions deposited in the pension accumulation fund by the city. The commissioner of insurance shall review the report and the adequacy of the contribution of the city. The commissioner of insurance shall inform the city council of each city in which the contribution of a city is deemed to be inadequate.

Sec. 21. Section four hundred eleven point five (411.5), subsection nine (9), Code 1975, is amended to read as follows:

9. MEDICAL BOARD. The board of fire trustees and the

board of police trustees jointly shall designate a medical board to be composed of three physicians who shall arrange for and pass upon all medical examinations required under the provisions of this chapter, except that for examinations required because of disability three physicians from the university of Iowa hospitals and clinics who shall pass upon the medical examinations required for disability retirements, and shall report in writing to each board of trustees, respectively, its conclusions and recommendations upon all matters duly referred to it.

Sec. 22. Section four hundred eleven point five (411.5), subsections eleven (11), twelve (12), and thirteen (13), Code 1975, are amended to read as follows:

11. TABLES--RATES. Immediately after the establishment of each retirement system, the actuary shall make such investigation of anticipated interest earnings and of the mortality, service and compensation experience of the members of the system as he the actuary shall recommend and the board of trustees shall authorize, and on the basis of such investigation he the actuary shall recommend for adoption by the board of trustees such tables and such rates as are required in subsection 12 of this section. The board of trustees shall adopt the rate of interest and tables, and certify rates of contribution to be used by the system.

12. ACTUARIAL INVESTIGATION. In the year 1938, and at least once in each five-year period thereafter, the actuary shall make an actuarial investigation into the mortality, service and compensation experience of the members and beneficiaries of the retirement system, and the interest and other earnings on the moneys and other assets of the retirement system, and shall make a valuation of the assets and liabilities of the funds of the system, and taking into account the results of such investigation and valuation, the board of trustees shall:

- a. Adopt for the retirement system such interest rate, mortality, and other tables as shall be deemed necessary;
- b. Certify the rates of contribution payable by the said

cities in accordance with section 411.8 of this chapter.

13. VALUATION. On the basis of such rate of interest and such tables as the boards of trustees shall adopt, the actuary shall make an annual valuation of the assets and liabilities of the funds of the retirement systems created by this chapter.

Sec. 23. Section four hundred eleven point six (411.6), subsection two (2), paragraph b, Code 1975, is amended to read as follows:

b. A pension given by the city ~~in addition to his annuity which together with his annuity shall make a total service retirement allowance equal to one-half of his the member's~~ average final compensation.

Sec. 24. Section four hundred eleven point six (411.6), subsection three (3), Code 1975, is amended to read as follows:

3. ORDINARY DISABILITY RETIREMENT BENEFIT. Upon the application of a member in service or of the chief of the police or fire departments, respectively, any member ~~who has had five or more years of membership service~~ shall be retired by the respective board of trustees, not less than thirty and not more than ninety days next following the date of filing such application, on an ordinary disability retirement allowance, provided, that the medical board after a medical examination of such member shall certify that said member is mentally or physically incapacitated for further performance of duty, that such incapacity is likely to be permanent and that such member should be retired.

Sec. 25. Section four hundred eleven point six (411.6), subsection four (4), paragraph b, Code 1975, is amended to read as follows:

b. A pension which together with ~~his~~ the member's annuity shall make a total retirement allowance equal to ninety percent of 1/70 of ~~his~~ the member's average final compensation multiplied by the number of years of membership service, if such retirement allowance exceeds one-half of ~~his~~ the member's average final compensation, otherwise a pension which together with ~~his~~ the member's annuity shall provide a total retirement

allowance equal to one-half of his the member's average final compensation except if the member has not had five or more years of membership service the member shall receive a pension which together with the member's annuity shall provide a total retirement allowance equal to one-fourth of the member's average final compensation.

Sec. 26. Section four hundred eleven point six (411.6), subsection six (6), unnumbered paragraph one (1), Code 1975, is amended to read as follows:

Upon retirement for accidental disability a member shall receive a service retirement allowance if the member has attained the age of fifty-five, otherwise the member shall receive an accidental disability retirement allowance which shall consist of:

Sec. 27. Section four hundred eleven point six (411.6), subsection seven (7), paragraph a, Code 1975, is amended to read as follows:

a. Should any beneficiary for either ordinary or accidental disability not-incurred-in-line-of-duty, be engaged in a gainful occupation paying more than the difference between his retirement allowance and his average final compensation, then the amount of his pension shall be reduced to an amount which together with his annuity and the amount earned by him shall equal the amount of his average final compensation. Should his earning capacity be later changed, the amount of his pension may be further modified, provided, that the new pension shall not exceed the amount of the pension originally granted nor an amount which, when added to the amount earned by the beneficiary together with his annuity, equals the amount of his average final compensation. A beneficiary restored to active service at a salary less than the average final compensation upon the basis of which he was retired at age fifty-five or greater, shall not again become a member of the retirement system and shall have his retirement allowance suspended while in active service.

Sec. 28. Section four hundred eleven point six (411.6), subsection eight (8), unnumbered paragraph one (1), paragraphs

a and b, and unnumbered paragraph two (2), Code 1975, are amended to read as follows:

Upon the receipt of proper proofs of the death of a member in service, or a member not in service who has completed fifteen or more years of service as provided in subsection one (1), paragraph c, of this section, there shall be paid to such person having an insurable interest in his the member's life as he the member shall have nominated by written designation duly executed and filed with the respective board of trustees:

a. His The member's accumulated contributions and, if the member has had one or more years of membership service and no pension is payable under the provisions of subsection 9 of this section, in addition thereto--

b. An amount equal to fifty percent of the compensation earnable by him the member during the year immediately preceding his the member's death if the member is in service or an or an amount equal to fifty percent of the compensation earned by the member during the member's last year of service if the member is not in service; or

If there be no such nomination of beneficiary, the benefits provided in paragraphs "a" and "b" shall be paid to his the member's estate; or in lieu thereof, at the option of the following beneficiaries, respectively, even though nominated as such, for a member in service there shall be paid a pension which, together with the actuarial equivalent of his the member's accumulated contributions, shall be equal to one-fourth of the average final compensation of such member, but in no instance less than seventy-five dollars. In addition to the benefits herein enumerated, there shall also be paid for each child of a member under the age of eighteen years the sum of twenty dollars per month or for a member not in service the pension shall be reduced as provided in subsection one (1), paragraph c, of this section and shall be paid commencing when the member would have attained the age of fifty-five except if there is a child of the member under the age of eighteen, or under the age of twenty-two who is

a full-time student, or who is disabled, under the definitions used in section four hundred two (402) of the Social Security Act as amended to July 1, 1976 (forty-two (42) U.S.C. four hundred two (402)) the pension shall be paid commencing with the member's death until the children reach the age of eighteen, or twenty-two if applicable. The pension shall resume commencing when the member would have attained the age of fifty-five;

Sec. 29. Section four hundred eleven point six (411.6), subsection fourteen (14), paragraph a, Code 1975, is amended to read as follows:

a. As of the first of July of each year, the monthly pensions authorized in this section payable to each retired member and to each beneficiary, except children, of a deceased member shall be recomputed. The formula authorized in this section which was used to compute the retired member's or beneficiary's pension at the time of retirement or death ~~including all amendments to the formula which may be adopted subsequent to the member's retirement or death,~~ shall be used in the recomputation except the pension compensation shall be used in lieu of the average final compensation which the retired or deceased member was receiving at the time of retirement or death. The adjusted monthly pension shall be the amount payable at the member's retirement or death adjusted by one-half of the difference between the recomputed pension and the amount payable at the member's retirement or death. At no time shall the monthly pension or payment to the beneficiary be less than the amount which was paid at the time of the member's retirement or death.

Sec. 30. Section four hundred eleven point seven (411.7), subsection three (3), Code 1975, is amended to read as follows:

3. Each board of trustees annually shall allow regular interest on the mean amount for the preceding year in each of the funds with the exception of the pension accumulation fund and the expense fund. The amount so allowed shall be due and payable to said funds and shall be annually credited thereto by the respective board of trustees from interest

and other earnings on the moneys and other assets of the retirement systems. Any additional amount required to meet the interest on the funds of the retirement system shall be paid by the cities and any excess of earnings over such amount required shall be deductible from the amounts to be contributed by the said cities.

Sec. 31. Section four hundred eleven point eight (411.8), subsection three (3), Code 1975, is amended by adding the following new paragraph:

NEW PARAGRAPH. An amount equal to one and twenty-one hundredths percent of each member's compensation from the compensation of the member shall be paid to the pension accumulation fund.

The provisions of section four hundred eleven point eight (411.8), subsection one (1), paragraphs b and c, of the Code relating to the contributions of members shall be applicable to this paragraph.

Sec. 32. Section four hundred eleven point eight (411.8), subsection three (3), paragraph b, Code 1975, is amended to read as follows:

b. On the basis of ~~regular~~ the rate of interest and of such mortality, interest, and other tables as shall be adopted by the boards of trustees, the actuary engaged by the said boards to make each valuation required by this chapter, shall immediately after making such valuation, determine the uniform and constant percentage of the earnable compensation of the average new entrant, which, if contributed throughout his entire period of active service, would be sufficient to provide for the payment of any death benefit or pension payable on this account. The rate percent so determined shall be known as the "normal contribution rate". The normal contribution rate shall be the rate percent of the earnable compensation of all members obtained by deducting from the total liabilities of the fund the amount of the funds in hand to the credit of the fund and dividing the remainder by one percent of the present value of the prospective future compensation of all members as computed on the basis of the rate of interest and of

mortality and service tables adopted by the boards of trustees ~~and regular interest~~. The normal rate of contribution shall be determined by the actuary after each valuation.

Sec. 33. Chapter four hundred eleven (411), Code 1975, is amended by adding the following new section:

NEW SECTION. Each board of trustees may, in lieu of investing funds as provided in section four hundred eleven point seven (411.7) of the Code, transfer authority to invest funds to the board of trustees of the peace officers' retirement, accident, and disability system under chapter ninety-seven A (97A) of the Code. Assets held by the system electing to transfer investment authority shall either be transferred in cash or market value plus accrued interest. The assets of the system may be commingled with assets of the peace officers' retirement, accident and disability system for purposes of investment, and no system shall have any right to any specific asset deposited in any of the peace officers' retirement, accident and disability funds other than its undivided interest in all assets. The board of trustees of chapter ninety-seven A (97A) of the Code shall maintain the necessary records to determine the interest of any system in the funds. All income or gain realized from investments of moneys in the funds and all investment expense or loss shall be allocated to the funds of each system in the same ratio that the average quarterly balances based on market values of the funds of each system bear to the total average quarterly balance of the funds in chapter ninety-seven A (97A) of the Code.

The board of trustees electing to transfer investment authority may withdraw in total or in part its assets from the funds established under chapter ninety-seven A (97A) of the Code. Withdrawal shall be by written notice and the amount payable shall be the balance as of the end of the quarter next following receipt of the notice.

Sec. 34. Chapter four hundred eleven (411), Code 1975, is amended by adding the following new section:

NEW SECTION. A member of a retirement system established

in this chapter who terminates employment with a city and is subsequently employed by another city and is eligible for coverage under this chapter may transfer membership service earned under the first system to the system under which the member is employed. Upon the written request of the member with verification by the board of trustees of the system under which the member is employed, the board of trustees of the first system shall transmit to the board of trustees of the system under which the member is employed, within thirty days of the receipt of the request, the member's accumulated contributions to be deposited in the annuity savings fund of the system under which the member is employed and the actuarial equivalent of the amount in the pension accumulation fund which would be necessary to fund a pension equal to one twenty-second times the number of years of membership service completed, under the first system, to be deposited in the pension accumulation fund of the system under which the member is employed.

Sec. 35. Chapter four hundred eleven (411), Code 1975, is amended by adding the following new section:

NEW SECTION. There is appropriated from the general fund of the state to the municipal assistance fund established in chapter four hundred five (405) of the Code for each fiscal year an amount necessary to be distributed to cities which have established pension accumulation funds of fire retirement systems or police retirement systems under the provisions of chapter four hundred eleven (411) of the Code. Funds shall be used to finance the costs of benefits provided in sections eighteen (18) through thirty-four (34) of this Act. The amounts distributed to each eligible city in the manner provided in chapter four hundred five (405) of the Code shall be based upon claims filed with the state comptroller by the cities accompanied by the verified statement of the claim signed by the consulting actuary of the retirement system. The claim shall specify for each fiscal year the normal contribution rate which would be required to pay the city's share in the retirement systems and the total amount payable

to the pension accumulation funds by the city under the formula by which benefits were computed prior to July 1, 1976 and the normal contribution rate which would be required to pay the city's share in the retirement systems and the total amount payable to the pension accumulation funds by the city under chapter four hundred eleven (411) of the Code. The state comptroller shall pay the difference between the two amounts.

DALE M. COCHRAN
Speaker of the House

ARTHUR A. NEU
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 914, Sixty-sixth General Assembly.

DAVID L. WRAY
Chief Clerk of the House

Approved _____, 1976

ROBERT D. RAY
Governor