

Reprinted 4/78

APR 13 1978  
Place On Calendar

HOUSE FILE 2426  
By COMMITTEE ON STATE GOVERNMENT  
(Formerly Study Bill 477)

Passed House, Date 4-20-78 (P. 1057) Passed Senate, Date 5-5-78 (P. 1282)

Vote: Ayes 78 Nays 10 Vote: Ayes 41 Nays 7

Approved June 27, 1978

## A BILL FOR

1 An Act relating to certain public retirement systems;  
2 including the Iowa public employees' retirement  
3 system relating to administration, contribution  
4 rates, coverage, and changes in benefits; and  
5 including the judicial retirement system relating  
6 to contributions assessed as court costs; and to  
7 make an appropriation.

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

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2426

1 Section 1. Section ninety-seven B point eleven (97B.11),  
2 Code 1977, is amended to read as follows:

3 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE. Each  
4 employer shall deduct from the wages of each member of the  
5 system a contribution in the amount of three and six-tenths  
6 percent of the covered wages paid by the employer through  
7 June 30, 1979, and commencing July 1, 1979 in the amount of  
6136 8 three and seven-tenths percent of the covered wages paid by  
9 the employer, until the first of the month after the member's  
10 seventieth birthday or the member's termination or retirement  
11 from employment, whichever is earlier. The contributions  
12 of the employer shall be in the amount of three and one-half  
13 percent of the covered wages of the member for service through  
14 December 31, 1975, and in the amount of five and twenty-five  
15 hundredths percent of the covered wages of the member for  
16 service commencing July 1, 1977 through June 30, 1979, and  
6136 17 in the amount of five and seventy-five hundredths percent  
18 of the covered wages of the member for service commencing  
19 July 1, 1979.

20 Sec. 2. Section ninety-seven B point twenty-six (97B.26),  
21 Code 1977, is amended to read as follows:

22 97B.26 HEARING OFFICER. Unless such appeal is withdrawn,  
23 a hearing officer to be designated by the department for this  
24 purpose, after affording the parties reasonable opportunity  
25 for fair hearing, shall affirm or modify the findings of fact  
26 and decision of the deputy. ~~At-said-hearing-all-of-the~~  
6129 27 ~~evidence-taken-and-the-proceedings-had-shall-be-taken-and~~  
28 ~~fully-reported-by-a-certified-shorthand-reporter---Said~~  
29 ~~reporter-shall-promptly-transcribe-said-evidence-and~~  
30 ~~proceedings-and-certify-to-same-~~ The hearing shall be recorded  
31 by mechanical means and a transcript of the hearing shall  
32 be made. The said transcript shall then be made available  
33 for use by the appeal board and by the courts at subsequent  
34 judicial review proceedings under the Iowa administrative  
35 procedure Act, if any. The parties shall be duly notified

1 of the hearing officer's decision, together with ~~his~~ the  
2 hearing officer's reasons therefor, which shall be deemed  
3 to be the final decision of the department unless, within  
4 thirty days after the date of notification or mailing of such  
5 decision, further appeal is initiated pursuant to section  
6 97B.27.

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7 Sec. 3. Section ninety-seven B point forty-one (97B.41),  
8 subsection one (1), paragraph a, unnumbered paragraph one  
9 (1), Code 1977, is amended to read as follows:

10 "Wages" means all remuneration for employment, including  
11 the cash value of remuneration paid in any medium other than  
12 cash, but not including the cash value of remuneration paid  
13 in any medium other than cash necessitated by the convenience  
14 of the employer, such amount as agreed upon by the employer  
15 and employee and reported to the department by the employer  
16 shall be conclusive of the value of remuneration in a medium  
17 other than cash; except that remuneration which does not equal  
18 or exceed the sum of three hundred dollars in any calendar  
19 quarter shall be excluded, ~~provided, however, that the~~  
20 ~~membership of such employee shall not be considered terminated~~  
21 ~~as long as the employer-employee relationship exists.~~ Wages  
22 for an elected official means the salary received by an elected  
23 official, exclusive of expense and travel allowances.

6104

24 Sec. 4. Section ninety-seven B point forty-one (97B.41),  
25 subsection two (2), Code 1977, is amended to read as follows:

26 2. "Employment for any calendar quarter" means any service  
27 performed under an employer-employee relationship under the  
28 provisions of this chapter if the remuneration equals or  
29 exceeds three hundred dollars in the calendar quarter. For  
30 the purposes of this chapter, elected officials, excluding  
31 members of the general assembly, are deemed to be in  
32 employment.

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33 Sec. 5. Section ninety-seven B point forty-one (97B.41),  
34 subsection three (3), paragraph b, Code 1977, is amended by  
35 adding the following new subparagraphs:

1 NEW SUBPARAGRAPH. Persons employed under the federal  
2 Comprehensive Employment Training Act as amended to January  
3 1, 1978 unless such employees shall make an application to  
4 the department to be covered under the provisions of this  
5 chapter.

6 NEW SUBPARAGRAPH. Foreign exchange teachers and visitors  
7 including alien scholars, trainees, professors, teachers,  
8 research assistants, and specialists in their field of  
9 specialized knowledge or skill.

10 NEW SUBPARAGRAPH. Members of the ministry, rabbinate,  
11 or other religious order who have taken the vow of poverty.

12 Sec. 6. Section ninety-seven B point forty-one (97B.41),  
6104-13 subsection nine (9), Code 1977, is amended to read as follows:

14 9. "Active member" ~~with-respect-to-service-after-July~~  
15 ~~4-1953-at-the-end-of-a-year~~ during a calendar year means  
16 a member who made contributions to the system at any time  
17 during the calendar year and who ~~as-of-December-31-of-the~~  
18 ~~current-year~~;

19 a. had not received or applied for a refund of his or  
20 her accumulated contributions for withdrawal or death,

21 ~~b---had-not-terminated-employment-and-applied-for-a-deferred~~  
22 ~~vested-retirement-allowance,~~ and

23 e b. had not ~~retired-and~~ commenced receiving a retire-  
24 ment allowance.

6104 25 Sec. 7. Section ninety-seven B point forty-one (97B.41),  
26 subsection twenty (20), Code 1977, is amended to read as  
27 follows:

28 20. "Final five-year average covered wage" means a member's  
29 covered wages averaged for the highest five consecutive years  
30 of the member's ~~last-ten-consecutive-years-which-will-produce~~  
31 ~~the-highest-average~~ service. If ~~the-member-has-not-completed~~  
32 ~~ten-consecutive-years-then-the-actual-years-as-a-member-shall~~  
33 ~~be-considered,-and-if~~ the member has less than five consecutive  
34 years then the average over the actual number of years as  
35 a member shall be used. For the purposes of this chapter

1 the word "consecutive" means in sequence with respect to the  
2 years of service rendered as a member and not necessarily  
3 in sequence with respect to actual periods of time measured  
4 by the calendar.

5 Sec. 8. Section ninety-seven B point forty-three (97B.43),  
6 unnumbered paragraph three (3), Code 1977, is amended to read  
7 as follows:

8 Each individual who as of ~~July-17-1973~~ January 1, 1979,  
9 was an active, vested, or retired member and who (1) made  
10 application for and received a refund of contributions made  
11 under the abolished system or (2) has on deposit with the  
12 retirement fund his or her contributions made under the  
13 abolished system shall be entitled to credit for years of  
14 prior service in the determination of retirement allowance  
15 payments by filing a written election with the department  
16 ~~between-July-17-1973-and-July-17-1974~~ on or after January  
17 1, 1979, and and by re depositing any withdrawn contributions  
18 under the abolished system together with interest as stated  
19 in this paragraph. Any individual who as of ~~July-17-1973~~  
20 January 1, 1979, is a retired member and who made application  
21 for and received a refund of contributions made under the  
22 abolished system, may, by filing a written election with the  
23 department ~~between-July-17-1973-and-July-17-1974~~ on or after  
24 January 1, 1979, have the department retain fifty percent  
25 of the monthly increase in retiree benefits that will accrue  
26 to the individual because of prior service. If the monthly  
27 increase in retirement benefits is less than ten dollars,  
28 the department shall retain five dollars of the scheduled  
29 increase, and if the monthly increase is less than five  
30 dollars, the provisions of this paragraph shall not apply.  
31 The department shall continue to retain such funds until the  
32 withdrawn contributions, together with interest accrued to  
33 ~~July-17-1973~~ the month in which the written election is filed,  
34 have been repaid. Due notice of this provision shall be sent  
35 to all retired members as of ~~July-17-1973~~ January 1, 1979.

1 However, this paragraph shall not apply to any person who  
2 received a refund of any membership service contributions;  
3 provided, however, that a refund of contributions remitted  
4 for the calendar quarter ending September 30, 1953 which was  
5 based entirely upon employment which terminated prior to July  
6 4, 1953 shall not be considered as a refund of membership  
7 service contributions. The interest to be paid into the fund  
8 shall be compounded at the rates credited to member accounts  
9 from the date of payment of the refund of contributions under  
10 the abolished system to the date the member redeposits the  
11 refunded amount. The provisions of the first paragraph of  
12 this section relating to the consideration given to credited  
13 amounts shall apply to the redeposited amounts or to amounts  
14 left on deposit. Effective January 1, ~~1976~~ 1979, the  
15 provisions of this paragraph shall apply to each individual  
16 who as of January 1, ~~1976~~ 1979, was an active, vested, or  
17 retired member, but who was not in service on July 4, 1953.  
18 The period for filing the written election with the department  
19 and redepositing any withdrawn contributions together with  
20 interest accrued ~~to~~ shall commence January 1, ~~1976-shall-be~~  
21 ~~between-January-17--1976-and-January-17--1977~~ 1979. A member  
22 who is a retired member as of January 1, ~~1976~~ 1979 may file  
23 written election with the department between on or after  
24 ~~January 1, 1976-and-January-17-1977~~ 1979 to have the department  
25 retain fifty percent of the monthly increase as provided in  
26 this paragraph.

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27 Sec. 9. Section ninety-seven B point forty-nine (97B.49),  
28 subsection five (5), Code 1977, is amended to read as follows:

29 5. For each active member retiring ~~on-or-after~~ between  
30 January 1, 1976 and June 30, 1978, with four or more complete  
31 years of service a monthly benefit shall be computed which  
32 is equal to one-twelfth of an amount equal to forty percent  
33 of the final five-year average covered wage multiplied by  
34 a fraction of years of service. For each active member  
35 retiring on or after July 1, 1978 the monthly benefit computed

1 under this subsection shall be equal to one-twelfth of an  
2 amount equal to forty-four percent of the final five-year  
3 average covered wage multiplied by a fraction of years of  
4 service. For the purposes of this subsection, "fraction of  
5 years of service" means a number, not to exceed one, equal  
6 to the sum of the years of membership service and the number  
7 of years of prior service divided by thirty years.

8 If benefits under this subsection commence on an early  
9 retirement date, the amount of benefit shall be reduced in  
10 accordance with section 97B.50.

11 Sec. 10. Section ninety-seven B point forty-nine (97B.49),  
12 subsection seven (7), Code 1977, is amended to read as follows:

13 7. Notwithstanding the provisions of this chapter, a  
14 member who is or has been employed as a conservation peace  
15 officer under the provisions of section 107.13 and who re-  
16 tires ~~en-or-after~~ between January 1, 1976 and June 30, 1978  
17 and at the time of retirement is at least sixty years of age  
18 and has completed at least twenty-five years of membership  
19 service as a conservation peace officer, may elect to re-  
20 ceive, in lieu of the receipt of any benefits under subsec-  
21 tion five (5) of this section, a monthly retirement allow-  
22 ance equal to one-twelfth of forty percent of the member's  
23 final five-year average covered wage as a conservation peace  
24 officer, with benefits payable during the member's lifetime.

6144- 25 For each such member retiring on or after July 1, 1979, the  
26 monthly benefit computed under this subsection shall be equal  
27 to one-twelfth of an amount equal to forty-four percent of  
28 the final five-year average covered wage as a conservation  
29 peace officer multiplied by a fraction of years of service.

30 There is appropriated from the general fund of the state to  
31 the department of job service from funds not otherwise ap-  
32 propriated an amount sufficient to pay the additional costs  
33 above the employee and employer contributions to pay for in-  
34 creased benefits to conservation peace officers under this  
35 subsection. ~~The provisions of this subsection shall be ef-~~

1 ~~effective-July-1, 1976-~~

2 Sec. 11. Section ninety-seven B point forty-nine (97B.49),  
3 Code 1977, is amended by adding the following new subsections:

4 NEW SUBSECTION. a. Notwithstanding the provisions of  
5 this chapter, effective July 1, 1979 to be included in county  
6 budgets for the fiscal year beginning July 1, 1979, a member  
7 who is or has been employed as a county sheriff, as defined  
8 in section thirty-nine point seventeen (39.17) of the Code,  
9 or as a deputy sheriff appointed pursuant to chapter three  
10 hundred forty-one (341) of the Code, and who retires on or  
11 after January 1, 1978, and at the time of retirement is at  
12 least sixty years of age and has completed at least twenty-  
13 five years of membership service as a county sheriff or deputy  
14 sheriff, may elect to receive, in lieu of the receipt of any  
15 benefits under subsection five (5) of this section, a month-  
16 ly retirement allowance equal to one-twelfth of forty-four  
17 percent of the member's final five-year average covered wage  
18 as a sheriff or deputy sheriff, with benefits payable during  
19 the member's lifetime.

20 b. Each county and employee eligible for benefits under  
21 this section shall annually contribute an amount determined  
22 by the Iowa department of job service, as a percentage of  
23 covered wages, to be necessary to pay for the additional  
24 benefits provided by this section. The annual contribution  
25 in excess of the employer and employee contributions required  
26 by this chapter shall be paid by the employer and the employee  
27 in the same proportion that employer and employee contributions  
28 are made under section ninety-seven B point eleven (97B.11)  
29 of the Code. The additional percentage of covered wage  
30 calculated by the department shall be an actuarially determined  
31 amount which, if contributed throughout the entire period  
32 of active service, would be sufficient to provide the pension  
33 benefit provided in this section.

34 NEW SUBSECTION. Effective July 1, 1978, for each member  
35 who retired from the system prior to January 1, 1976, the

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1 amount of regular monthly retirement allowance attributable  
2 to membership service and prior service that was payable to  
3 the member for June 1978 is increased as follows:

6108- 4 a. For the first ten years of service, fifty cents per  
5 month for each complete year of service.

6103- 6 b. For the eleventh through the twentieth years of ser-  
7 vice, one dollar and fifty cents per month for each complete  
8 year of service.

6154- 9 c. For the twenty-first through the thirtieth years of  
10 service, three dollars per month for each complete year of  
11 service.

12 The amount of monthly increase for service for a portion  
13 of a year shall be proportionally reduced.

6154- 14 Sec. 12. Section ninety-seven B point fifty-one (97B.51),  
15 subsection three (3), Code 1977, is amended to read as follows:

16 3. A member who had elected to take the option stated  
17 in subsection 1 of this section may, at any time prior to  
18 his or her retirement, revoke such an election by written  
19 notice to the ~~commission~~ department.

20 Sec. 13. Section ninety-seven B point fifty-two (97B.52),  
21 subsection one (1), paragraph c, Code 1977, is amended by  
22 striking unnumbered paragraphs two (2) and three (3) and  
23 inserting in lieu thereof the following:

24 If the beneficiary is the estate of the member or is not  
25 an individual, or if two or more persons are to share as  
26 beneficiaries, payment shall be made under the provisions  
27 of paragraph a of this subsection. If the beneficiary is  
28 an individual, the beneficiary may elect in writing to the  
29 department payment in one of the forms specified in this  
30 subsection, except that if the beneficiary does not file  
31 notice of election with the department within one hundred  
32 eighty days after the member's death, payment shall be made  
33 under the provisions of paragraph a of this subsection.

34 If the payment form prescribed in paragraphs b or c of  
35 this subsection is elected by the beneficiary, and the monthly

1 life annuity elected would equal less than ten dollars, the  
2 department may require the application of the payment form  
3 prescribed in paragraph a of this subsection in lieu of the  
4 elected payment form.

5 The provisions of this subsection shall apply if the claim  
6 under this subsection is filed with the department on or after  
7 July 1, 1978, even though the member may have specified the  
8 payment form on designation of beneficiary form filed with  
9 the department.

10 Sec. 14. Chapter ninety-seven B (97B), Code 1977, is  
11 amended by adding the following new section:

12 NEW SECTION. Persons who are members of the Sixty-eighth  
13 General Assembly who submit proof to the department of  
14 membership in the general assembly during any period beginning  
15 July 4, 1953 and ending January 8, 1979 may make contributions  
16 to the system for service equal to the accumulated  
17 contributions as defined in section ninety-seven B point  
18 forty-one (97B.41), subsection thirteen (13), of the Code  
19 which would have been made if the member of the general  
20 assembly had been a member of the system during the member's  
21 service in the general assembly. The proof of membership  
22 in the general assembly and payment of accumulated  
23 contributions shall be transmitted to the department not later  
24 than December 31, 1979. Persons eligible to receive retirement  
25 allowances under this section shall be eligible to commence  
26 receiving retirement allowances on January 8, 1979.

27 There is appropriated from the general fund of the state  
28 to the Iowa department of job service an amount sufficient  
29 to pay the contributions of the employer based on service  
30 of the members in an amount equal to the contributions which  
31 would have been made if the members of the general assembly  
32 who made employee contributions had been members of the system  
33 during their service in the general assembly plus two percent  
34 interest plus interest dividends for all completed calendar  
35 years and for any completed calendar year for which the

1 interest dividend has not been declared and for completed  
 2 months of partially completed calendar years at two percent  
 3 interest plus the interest dividend rate calculated for the  
 4 previous year, compounded annually, from the end of the  
 5 calendar year in which contribution was made to the first  
 6 day of the month of such date.

7 Sec. 15. Chapter ninety-seven B (97B), Code 1977, is  
 8 amended by adding the following new section:

9 NEW SECTION. An active, vested, or retired member who  
 10 was employed by an area school at any time between July 1,  
 11 1967 and June 30, 1971 and who during that period of employment  
 12 was a member of another retirement system in the state which  
 13 is maintained in whole or in part by public contributions  
 14 and who received a refund of contributions made to that system  
 15 may submit proof not later than June 30, 1979 to the department  
 16 of such employment and may make contributions to the system  
 17 for such employment equal to two times the accumulated  
 18 contributions as defined in section ninety-seven B point  
 19 forty-one (97B.41), subsection thirteen (13), of the Code  
 20 which would have been credited to the member's account.  
 21 Following receipt of the contributions of the member, the  
 22 period of time for which the member has made contributions  
 23 shall be counted as membership service for that member.

24 Sec. 16. Section six hundred five A point four (605A.4),  
 25 Code 1977, as amended by Acts of the Sixty-seventh General  
 26 Assembly, 1977 Session, chapter forty-eight (48), section  
 27 forty-six (46), is amended by adding the following new subsec-  
 28 tion:

29 NEW SUBSECTION. 5. Beginning January 1, 1979, there shall  
 30 be assessed as court costs in all actions before any judge  
 31 of the district court, the court of appeals and the supreme  
 32 court an amount to be credited to the judicial retirement  
 33 fund to be used to pay for benefits provided under this chapter  
 34 of the Code. Such court costs shall be paid by the losing  
 35 party to any action. Such costs shall be collected in the

1 manner provided in chapter six hundred twenty-five (625) of  
2 the Code and shall be forwarded by the collecting official  
3 to the treasurer of state to be deposited to the credit of  
4 the judicial retirement fund and said fund is hereby  
5 appropriated for the payment of annuities, refunds and  
6 allowance provided in this section.

7 Fees assessed under the provisions of this subsection shall  
8 be an amount calculated by the court administrator of the  
9 judicial department prior to December fifteenth of each year  
10 equal to an amount determined actuarially necessary to fund  
11 the judicial retirement system liabilities plus an amount  
12 to amortize the unfunded liabilities of the judicial retirement  
13 system in excess of assets on January 1, 1979, over a twenty-  
14 year period. Actuarial evaluations shall be made annually  
15 prior to December fifteenth of each year. The annual amount  
16 so calculated shall be divided by the total number of cases  
17 docketed in all courts in the state in the latest annual  
18 report available from the clerk of the supreme court on  
19 December fifteenth. The amount so calculated shall be assessed  
20 as court costs in each court action in the following calendar  
21 year. The court administrator of the judicial department  
22 shall notify all courts in the state of court costs calculated  
23 under this subsection effective for each calendar year.

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24 Sec. 17. Sections one (1) through fifteen (15) of this  
25 Act are effective July 1, 1978.

26 Sec. 18. Section sixteen (16) of this Act is effective  
27 January 1, 1979.

6107, 6124

28 EXPLANATION

29 This bill makes the following changes in the Iowa Public  
30 Employees' Retirement system: Increases the formula benefit  
31 from 40 percent to 44 percent of the final five-year average  
32 covered wage after 30 years of service and makes a  
33 corresponding change for the conservation peace officers and  
34 sheriffs and deputy sheriffs after 25 years of service;  
35 increases benefits for most members who retired before January

1 1, 1976 by \$.50 per year of service for the first ten years  
2 of service, \$1.50 per year of service for the eleventh through  
3 the twentieth years and \$3.00 per year of service for the  
4 twenty-first through the thirtieth years of service; increases  
5 the contribution rate for employees to 3.7 percent of covered  
6 wages and for employers to 5.75 percent of covered wages  
7 beginning July 1, 1979; provides a buy-back for persons who  
8 were members of the IOASI and withdrew their contributions;  
9 makes a number of technical changes relating to IPERS including  
10 changes in coverage for CETA employees, foreign exchange  
11 teachers, and religious persons who have taken the vow of  
12 poverty; and changes IPERS benefits for sheriffs and deputy  
13 sheriffs to equal those provided conservation peace officers  
14 under IPERS with the increased cost of the benefits borne  
15 by additional contributions by the sheriffs and deputies and  
16 the counties. It provides that conservation peace officers  
17 and sheriffs and deputies do not have to serve in that capacity  
18 at age 60 in order to receive the benefits at age 60.

19 It allows members of the General Assembly in 1979 to buy  
20 credit for IPERS for previous legislative service and allows  
21 employees of the area schools who were members of TIAA-CREF  
22 for a period and received a refund of their contributions  
23 to buy credit for IPERS for those years.

24 It provides for assessing as court costs an amount to be  
25 credited to the judicial retirement fund to pay for benefits  
26 for the judicial retirement system.

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FISCAL NOTE  
HOUSE FILE 2426

Requested by Representative Monroe  
April 19, 1978

In compliance with a written request there is submitted a Fiscal Note for H.F. 2426, H-6120, pursuant to Joint Rule 16: Amendment H-6120 is directed to Chapter 97B.50 of the Code

Early Retirement

It is felt that in most cases, a disabled individual would not have thirty years service prior to retirement. There are approximately 200 employees receiving state disability benefits since January 1, 1975. Pro-rating this 200 over the total IPERS membership on the same basis would indicate that there could be about 2,000 IPERS members receiving disability.

The cost increase would be related to the reduction of the one-half of one percent to one-quarter of one percent for early retirement. No cost estimate can be given without knowing the number and amount of benefits. Basically, it would not seem to be too high of a cost factor.

Source: Iowa Public Employees' Retirement System  
FILED GERRY D. RANKIN  
APRIL 19, 1978 LEGISLATIVE FISCAL BUREAU

FISCAL NOTE  
HOUSE FILE 2426

Requested by Representative Woods  
April 18, 1978

In compliance with a written request, there is submitted a Fiscal Note for H.F. 2426, H-6134, pursuant to Joint Rule 16: Amendment H-6134 changes Section 11, New Section a, b, and c on page 8 of the bill.

- a. Each eligible member shall receive one dollar per month for each year of the member's membership service and prior service..... \$ 5,509,992
- b. In addition to the increase granted in paragraph (a) of this subsection, each eligible member shall receive one dollar per month for each year of his or her membership service and prior service for the eleventh through the thirtieth years of membership service and prior service..... 2,421,864
- c. In addition to the increases granted in paragraph (b) of this subsection, each eligible member shall receive one dollar per month for each year of his or her membership service and prior service for the twenty-first through the thirtieth years of membership service and prior service..... 878,280

FIRST YEAR COST \$ 8,810,136

FILED  
APRIL 19, 1978

GERRY D. RANKIN  
LEGISLATIVE FISCAL BUREAU

HOUSE FILE 2426  
FISCAL NOTE

DATE: MAY 4, 1978  
REQUESTED BY: SENATOR READINGER

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In compliance with a written request received May 4, 19 78, there is hereby submitted a Fiscal Note for H.F. 2426, Amend. S-5802 pursuant to Joint Rule 16. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

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<u>Amendment S-5802 to S-5783 to House File 2426:</u>	<u>Cost Increases Per Year</u>
a. 50¢ per month increase for each complete year of service (not limited to 30)	\$2,754,996
b. \$1.50 per month increase for each complete year of service from 11th through 30th	3,632,796
c. \$1.00 per month increase for each complete year of service from 21st through 30th	878,280
d. 25¢ per month increase for each complete year for the 31st and above	633,717

88% - IPERS \$4,600,000  
12% - General Fund 678,898

Level Funding Cost Over 20-Year Period \$5,278,898  
SOURCE: IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

FILED  
MAY 4, 1978

GERRY D. RANKIN, DIRECTOR  
LEGISLATIVE FISCAL BUREAU

HOUSE FILE 2426  
FISCAL NOTE

Date: May 4, 1978  
Requested by: SENATOR CARR

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In compliance with a written request received May 2, 19 78, there is hereby submitted a Fiscal Note for H.F.2426,S-5783,Sec.47 pursuant to Joint Rule 16. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

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Section 47 of Amendment S-5783 to House File 2426: General Assembly

Section 47 would allow a person who served as a member of the general assembly for at least four years during any period between July 4, 1953 and January 7, 1979 who submits proof to the department of job service of such membership in the general assembly may make contributions to the Iowa public employees' retirement system.

The estimate is based on the assumption that everyone eligible would participate and excludes interest.

Total Average Salaries	\$1,123,215
Average Employer Contribution	3 1/2%

$\$1,123,215 \times .035 = \underline{\underline{\$39,313}}$  excluding any interest that would probably double this amount.

SOURCE: OFFICIAL REGISTER  
HOUSE FINANCE CLERK

FILED  
MAY 5, 1978

BY GERRY D. RANKIN, DIRECTOR  
LEGISLATIVE FISCAL BUREAU

HOUSE FILE 2426

H-6144

- 1 Amend House File 2426 as follows:
- 2 1. Page 6, line 25, by striking the figures
- 3 "1979" and inserting in lieu thereof the figures
- 4 "1978".

H-6144 FILED, ADOPTED BY BRANDT of Black Hawk  
BY UNANIMOUS CONSENT  
APRIL 20, 1978 (j. 1675)

HOUSE FILE 2426

H-6145

- 1 Amend amendment H-6108, to House File 2426, as
- 2 follows:
- 3 1. Page 1, line 9, by striking the word "Sixty-
- 4 seventh" and inserting in lieu thereof the word
- 5 "Sixty-eighth".

H-6145 FILED, ADOPTED BY SMALL of Johnson  
APRIL 20, 1978 (j. 1676)

HOUSE FILE 2426

H-6163

- 1 Amend House File 2426 as follows:
- 2 1. Title page, by striking lines 1 through 7 and
- 3 inserting in lieu thereof the following:
- 4 "An Act relating to certain public retirement systems
- 5 and making an appropriation."

H-6163 FILED, ADOPTED BY MONROE of Des Moines  
UNANIMOUS CONSENT (j. 1687)  
APRIL 20, 1978

H-6136

- 1 Amend House File 2426 as follows:  
 2 1. Page 1, line 8, by striking the words "three  
 3 and seven-tenths" and inserting in lieu thereof the  
 4 words "four and three-fourths".  
 5 2. Page 1, line 17, by striking the word "five"  
 6 and inserting in lieu thereof the word "four".

H-6136 FILED *Loss 4/19* BY HALVORSON of Clayton  
 APRIL 19, 1978 (*p. 1649*) HARBOR of Mills

## HOUSE FILE 2426

H-6137

- 1 Amend House File 2426 as follows:  
 2 1. Page 10, by striking lines 7 through 23.  
 3 2. By renumbering sections as necessary in  
 4 accordance with this amendment.

H-6137 FILED *Adopted* BY MONROE of Des Moines  
 APRIL 19, 1978 *4/20 (p. 1674)* BRANDT of Black Hawk  
 HANSEN of O'Brien

## HOUSE FILE 2426

H-6138

- 1 Amend H-6127 filed by Byerly et al to House File  
 2 2426 as follows:  
 3 1. Page 4, by inserting after line 25 the follow-  
 4 ing:  
 5 "Retroactive to July 1, 1976, the limitations on  
 6 pay of a member engaged in a gainful occupation who  
 7 is retired under accidental disability prescribed in  
 8 this paragraph shall not apply to a member who retired  
 9 before July 1, 1976."  
 10 2. Page 15, line 34, by striking the word "the" and  
 11 inserting in lieu thereof the word "an".  
 12 3. Page 20, by inserting after line 10 the fol-  
 13 lowing:  
 14 "Retroactive to July 1, 1976, the limitations on  
 15 pay of a member engaged in a gainful occupation who  
 16 is retired under accidental disability prescribed in  
 17 this paragraph shall not apply to a member who retired  
 18 before July 1, 1976."  
 19 4. Page 26, line 30, by striking the word "boards"  
 20 and inserting in lieu thereof the words "boards board".  
 21 5. Page 26, by striking line 46 and inserting in  
 22 lieu thereof the words "pursuant to law,".

H-6138 FILED *Adopted 4/19* BY BYERLY of Polk  
 APRIL 19, 1978 (*p. 1648*) SCHROEDER of Pottawattamie

H-6134

1 Amend House File 2426 as follows:

2 1. Page 7, by striking lines 34 and 35.

3 2. Page 8, by striking lines 1 through 13 and  
4 inserting in lieu thereof the following:

5 "NEW SUBSECTION. Effective July 1, 1978, for each  
6 member who retired from the system before January  
7 1, 1976, the amount of regular monthly retirement  
8 allowance attributable to membership service and prior  
9 service that was payable to the member or spouse,  
10 if elected, for June 1978 is increased by the follow-  
11 ing schedule:

12 a. Each eligible member shall receive one dollar  
13 per month for each year of the member's membership  
14 service and prior service.

15 b. In addition to the increase granted in paragraph  
16 a of the subsection, each eligible member shall  
17 receive one dollar per month for each year of his  
18 or her membership service and prior service for the  
19 eleventh through the thirtieth years of membership  
20 service and prior service.

21 c. In addition to the increases granted in para-  
22 graph b of this subsection, each eligible member shall  
23 receive one dollar per month for each year of his  
24 or her membership service and prior service for the  
25 twenty-first through the thirtieth years of membership  
26 service and prior service.

27 There is appropriated from the general fund of  
28 the state to the Iowa public employees' retirement  
29 system fund an amount sufficient to pay fifty percent  
30 of the cost of the increased benefits paid to retired  
31 members of the system pursuant to this section. The  
32 amount appropriated each year shall be an amount  
33 sufficient to fund the cost of the benefit increase  
34 provided in this section over a twenty-year period  
35 commencing July 1, 1978 and ending June 30, 1998."

H-6134 FILED *Done 4/19* BY WOODS of Polk  
APRIL 19, 1978 (*p. 1655*) PONCY of Wapello

H-6135

1 Amend H-6127 filed by Byerly et al to House  
2 File 2426 as follows:

3 1. Page 2, by inserting after line 4 the  
4 following section:

5 "Sec. \_\_\_\_ Section ninety-seven A point three  
6 (97A.3), Code 1977, is amended by adding the follow-  
7 ing new subsection:

8 NEW SUBSECTION. Effective July 1, 1979, a person  
9 shall not become a member of the system unless that  
10 person has passed the physical and mental examination  
11 given under the provisions of section eighty point  
12 fifteen (80.15) of the Code, unless that person has  
13 received a diploma for satisfactory completion of  
14 a training school held pursuant to the provisions  
15 of section eighty point thirteen (80.13) of the Code,  
16 and unless that person upon completion of service as  
17 a member would be eligible for a service retirement  
18 allowance pursuant to section ninety-seven A point  
19 six (97A.6, subsection one(1), paragraph a or c of  
20 the Code."

H-6135 FILED *Lost 4/19* BY BYERLY of Polk  
APRIL 19, 1978 (*p. 1648*)

H-6128

- 1 Amend House File 2426 as follows:  
 2 1. Page 2, lines 30 and 31, by striking the words  
 3 ", excluding members of the general assembly," and  
 4 inserting in lieu thereof the words "~~7-excluding~~  
 5 ~~members-of-the-general-assembly7~~".

H-6128 FILED *Adopted* BY BRANDT of Black Hawk  
 APRIL 19, 1978 *4/19 (p. 1653)*

## HOUSE FILE 2426

H-6129

- 1 Amend House File 2426 as follows:  
 2 1. Page 1, by striking lines 20 through 35.  
 3 2. Page 2, by striking lines 1 through 6.  
 4 3. By renumbering the remaining sections.

H-6129 FILED *Adopted 4/19* BY NIELSEN of Polk  
 APRIL 19, 1978 *(p. 1650)*

## HOUSE FILE 2426

H-6132

- 1 Amend H- 6127 filed by Byerly et al, to House File  
 2 2426 as follows:  
 3 1. Page 33, line 35, by inserting after the figure  
 4 "1979" the words and figures "except that the board  
 5 of trustees appointed pursuant to section four hundred  
 6 eleven point five (411.5), subsection one (1), of  
 7 the Code, as amended by this Act, may be appointed  
 8 at any time after July 1, 1978 to develop  
 9 administrative procedures necessary for the operation  
 10 of the system. The board shall appoint an actuary  
 11 to make a valuation of each system as of June 30,  
 12 1979".

H-6132 FILED *Adopted 4/19* BY BYERLY of Polk  
 APRIL 19, 1978 *(p. 649)*

## HOUSE FILE 2426

H-6133

- 1 Amend House File 2426 as follows:  
 2 1. Page 10, line 9, by inserting before the word  
 3 "An" the figure "1."  
 4 2. Page 10, by inserting after line 23 the  
 5 following:  
 6 "2. If the member eligible to make contributions  
 7 to the system pursuant to subsection one (1) of this  
 8 section was a member of the system at any time between  
 9 July 4, 1953 and July 1, 1971 and received a refund  
 10 of contributions for that period of membership service,  
 11 such member may elect in writing to the department  
 12 to make contributions to the system for that period  
 13 of membership service for which a refund of  
 14 contributions was made. The contributions repaid  
 15 by the member for such service shall be equal to the  
 16 accumulated contributions as defined in section ninety-  
 17 seven B point forty-one (97B.41), subsection thirteen  
 18 (13), of the Code, received by the member for that  
 19 period of membership service plus interest on the  
 20 accumulated contributions for the period from the  
 21 date of receipt by the member and to the date of  
 22 repayment equal to two percent plus the interest  
 23 dividend rate applicable for each year."

H-6133 FILED *Lost 4/20* BY HORN of Linn  
 APRIL 19, 1978 *(p. 1679)*

THURSDAY, APRIL 20, 1978

HOUSE FILE 2426

H-6127

1 Amend House File 2426 as follows:

2 1. Page 1, by inserting before line 1 the follow-  
3 ing sections:

4 "Sec. \_\_\_\_ . Section ninety-seven A point one  
5 (97A.1), subsections seven (7), eight (8), twelve  
6 (12), seventeen (17), nineteen (19), and twenty (20),  
7 Code 1977, are amended to read as follows:

8 7. "Beneficiary" shall mean any person receiving  
9 ~~a pension, an annuity,~~ a retirement allowance or other  
10 benefit as provided by this chapter.

11 8. "Surviving Spouse" shall mean only such surviv-  
12 ing spouse of a marriage consummated prior to  
13 retirement of a deceased member from active service  
14 or a surviving spouse of a marriage of two years or  
15 more duration consummated subsequent to retirement.

16 12. "Earnable compensation" or "compensation  
17 earnable" shall mean the regular compensation which  
18 a member would earn during one year on the basis of  
19 the stated compensation for ~~his~~ the member's rank  
20 or position including compensation for longevity and  
21 excluding any amount received for overtime compensation  
22 or other special additional compensation, meal and  
23 travel expenses, and uniform allowances and excluding  
24 any amount received upon termination or retirement  
25 in payment for accumulated sick leave or vacation.

26 17. "Retirement allowance" shall mean the sum  
27 ~~of the annuity and the~~ pension, or any benefits in  
28 lieu thereof, granted to a member upon retirement.

29 19. "Pension reserve" shall mean the present value  
30 of all payments to be made on account of any pension,  
31 or benefit in lieu of a pension, granted under the  
32 provisions of this chapter, upon the basis of such  
33 mortality tables as shall be adopted by the board  
34 of trustees and ~~regular~~ interest computed at a rate  
35 adopted by the board upon the recommendation of the  
36 actuary.

37 20. "Actuarial equivalent" shall mean a benefit  
38 of equal value, when computed upon the basis of  
39 mortality tables adopted by the board of trustees,  
40 and ~~regular~~ interest computed at a rate adopted by  
41 the board upon the recommendation of the actuary.

42 Sec. \_\_\_\_ . Section ninety-seven A point one (97A.1),  
43 Code 1977, is amended by striking subsections ten  
44 (10), eleven (11), fifteen (15), and eighteen (18).

45 Sec. \_\_\_\_ . Section ninety-seven A point three  
46 (97A.3), subsection two (2), Code 1977, is amended  
47 to read as follows:

48 2. Should any member in any period of five  
49 consecutive years after last becoming a member, be  
50 absent from service for more than four years, ex

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1 ~~should he withdraw his accumulated contributions~~ or  
2 ~~should he or she~~ become a beneficiary or die, he or  
3 she shall thereupon cease to be a member of this  
4 system.

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5 Sec. \_\_\_\_ . Section ninety-seven A point six (97A.6),  
6 subsection one (1), paragraph c, Code 1977, is amended  
7 to read as follows:

8 c. Any member in service who has been a member  
9 of the retirement system fifteen or more years and  
10 whose employment is terminated prior to the member's  
11 retirement, other than by death or disability, shall  
12 upon attaining retirement age, receive a service  
13 retirement allowance of fifteen twenty-seconds of  
14 the retirement allowance the member would receive  
15 at retirement if the member's employment had not been  
16 terminated, and an additional one twenty-second of  
17 such retirement allowance for each additional year  
18 of service not exceeding twenty-two years of service.  
19 The amount of the retirement allowance shall be based  
20 on the average final compensation at the time of  
21 termination of employment. ~~The allowance shall not~~  
22 ~~be available to a member who has chosen to withdraw~~  
23 ~~the member's accumulated contributions as provided~~  
24 ~~in subsection 10 of this section.~~

25 Sec. \_\_\_\_ . Section ninety-seven A point six (97A.6),  
26 subsections two (2), four (4), and six (6), Code 1977,  
27 are amended to read as follows:

28 2. ALLOWANCE ON SERVICE RETIREMENT. Upon  
29 retirement from service, a member shall receive a  
30 service retirement allowance which shall consist of:

- 31 a. ~~An annuity which shall be the actuarial~~  
32 ~~equivalent of his accumulated contributions at the~~  
33 ~~time of his retirement, and~~
- 34 b. ~~A~~ a pension given by the state which shall  
35 equal one-half of the member's average final  
36 compensation.

37 4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT.  
38 Upon retirement for ordinary disability a member shall  
39 receive a service retirement allowance if he the  
40 member has attained the age of fifty-five, otherwise  
41 he the member shall receive an ordinary disability  
42 retirement allowance which shall consist of:

- 43 a. ~~An annuity which shall be the actuarial~~  
44 ~~equivalent of his accumulated contributions at the~~  
45 ~~time of retirement, and~~
- 46 b. ~~A~~ a pension which together with the member's  
47 annuity shall make a total retirement allowance equal  
48 to ninety forty percent of one-seventieth of the  
49 member's average final compensation multiplied by  
50 the number of years of membership service, if such

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1 ~~retirement-allowance-exceeds-one-half-of-the-member's~~  
2 ~~average-final-compensation,--otherwise-a-pension-which~~  
3 ~~together-with-the-member's-annuity-shall-provide-a~~  
4 ~~total-retirement-allowance-equal-to-one-half-of-the~~  
5 ~~member's-average-final-compensation~~ except if the  
6 member has not had five or more years of membership  
7 service, the member shall receive a pension which  
8 ~~together-with-the-member's-annuity-shall-provide-a~~  
9 ~~total-retirement-allowance~~ equal to one-fourth of  
10 the member's average final compensation.

11 6. RETIREMENT AFTER ACCIDENT. Upon retirement  
12 for accidental disability a member shall receive a  
13 service retirement allowance if he the member has  
14 attained the age of fifty-five, otherwise he the  
15 member shall receive an accidental disability  
16 retirement allowance which shall consist of:

17 a. ~~An annuity which shall be the actuarial~~  
18 ~~equivalent of his accumulated contributions at the~~  
19 ~~time of his retirement,--and~~

20 b. ~~A~~ a pension, ~~in addition to the annuity, of~~  
21 equal to sixty-six and two-thirds percent of his the  
22 member's average final compensation.

23 Sec. \_\_\_\_ . Section ninety-seven A point six (97A.6),  
24 subsection seven (7), paragraph a, Code 1977, is  
25 amended to read as follows:

26 a. Should any beneficiary for either ordinary  
27 or accidental disability, except a beneficiary who  
28 is fifty-five years of age or over and would have  
29 completed twenty-two years of service if he or she  
30 had remained in active service, be engaged in a gainful  
31 occupation paying more than the difference between  
32 his the member's retirement allowance and his-average  
33 final-compensation the current earnable compensation  
34 of an active member at the same position on the salary  
35 scale within the member's rank as the member held  
36 at retirement, then the amount of ~~his-pension~~ the  
37 retirement allowance shall be reduced to an amount  
38 which together with his-annuity-and the amount earned  
39 by him the member shall equal the amount of his-average  
40 final-compensation the current earnable compensation  
41 of an active member at the same position on the salary  
42 scale within the member's rank as the member held  
43 at retirement. Should his the member's earning  
44 capacity be later changed, the amount of ~~his-pension~~  
45 the retirement allowance may be further modified,  
46 provided, that the new pension retirement allowance  
47 shall not exceed the amount of the pension retirement  
48 allowance originally granted adjusted by annual  
49 readjustments of pensions pursuant to subsection  
50 fifteen (15) of this section nor an amount which,

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1 when added to the amount earned by the beneficiary  
2 ~~together-with-his-annuity~~, equals the amount of his  
3 ~~average-final-compensation~~ the current earnable  
4 compensation of an active member at the same position  
5 on the salary scale within the member's rank as the  
6 member held at retirement. A beneficiary restored  
7 to active service at a salary less than the average  
8 final compensation upon the basis of which he the  
9 member was retired at age fifty-five or greater, shall  
10 not again become a member of the retirement system  
11 and shall have his or her retirement allowance  
12 suspended while in active service. If the rank or  
13 position held by the retired member is subsequently  
14 abolished, adjustments to the allowable limit on the  
15 amount of income which can be earned in a gainful  
16 occupation shall be computed in the same manner as  
17 provided in subsection fifteen (15) of paragraph d  
18 of this section for readjustment of pensions when  
19 a rank or position has been abolished.

20 A beneficiary retired under the provisions of this  
21 paragraph in order to be eligible for continued receipt  
22 of retirement benefits shall no later than May  
23 fifteenth of each year submit to the board of trustees  
24 a copy of his or her state income tax return for the  
25 preceding year.

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26 Sec. \_\_\_\_ Section ninety-seven A point six (97A.6),  
27 subsections eight (8), nine (9), thirteen (13),  
28 nineteen (19), and twenty (20), Code 1977, are amended  
29 to read as follows:

30 8. ORDINARY DEATH BENEFIT. Upon the receipt of  
31 proper proofs of the death of a member in service,  
32 or a member not in service who has completed fifteen  
33 or more years of service as provided in subsection  
34 1, paragraph "c", of this section, there shall be  
35 paid to such person having an insurable interest in  
36 the member's life as the member shall have nominated  
37 by written designation duly executed and filed with  
38 the board of trustees:

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

44 b. ~~As~~ an amount equal to fifty percent of the  
45 compensation earned by the member during the year  
46 immediately preceding the member's death if the member  
47 is in service or an amount equal to fifty percent  
48 of the compensation earned by the member during the  
49 member's last year of service if the member is not  
50 in service; or

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1     b. If there be no such nomination of beneficiary,  
2 the benefits provided in ~~paragraphs~~ paragraph "a"  
3 ~~and "b"~~ of this subsection 8 shall be paid to the  
4 member's estate; or in lieu thereof, at the option  
5 of the following beneficiaries, respectively, even  
6 though nominated as such, for a member in service  
7 there shall be paid a pension which, ~~together with~~  
8 ~~the actuarial equivalent of the member's accumulated~~  
9 ~~contributions,~~ shall be equal to one-fourth of the  
10 average final compensation of such member, but in  
11 no instance less than fifty dollars per month or for  
12 a member not in service the pension shall be reduced  
13 as provided in subsection 1, paragraph "c", of this  
14 section and shall be paid commencing when the member  
15 would have attained the age of fifty-five except if  
16 there is a child of the member under the age of  
17 eighteen, or under the age of twenty-two who is a  
18 full-time student, or who is disabled, under the  
19 definitions used in section 402 of the Social Security  
20 Act as amended to July 1, ~~1976~~ 1978 (42 U.S.C. 402)  
21 the pension shall be paid commencing with the member's  
22 death until the children reach the age of eighteen,  
23 or twenty-two if applicable, and shall resume  
24 commencing when the member would have attained the  
25 age of fifty-five;

26     c. To the surviving spouse to continue so long  
27 as said partner remains unmarried; or

28     d. If there be no surviving spouse, or if the  
29 spouse dies or remarries before any child of such  
30 deceased member shall have attained the age of eighteen  
31 years, then to the guardian of the member's child  
32 or children under said age, divided in such manner  
33 as the board of trustees in its discretion shall  
34 determine, to continue as a joint and survivor pension  
35 until every such child dies or attains the age of  
36 eighteen; or

37     e. If there be no surviving spouse or child under  
38 age eighteen, then to the member's dependent father  
39 or mother, as the board of trustees in its discretion  
40 shall determine, to continue until remarriage or  
41 death.

42     f. In addition to the benefits herein enumerated,  
43 there shall also be paid for each child of a member  
44 under the age of eighteen years ~~the sum of twenty~~  
45 ~~dollars per month~~ a monthly pension equal to six  
46 percent of the monthly earnable compensation payable  
47 to an active member having the rank of senior patrolman  
48 of the Iowa highway safety patrol.

49     For the purpose of this chapter, a senior patrolman  
50 is a man or woman who has completed ten years of

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1 service in the Iowa highway safety patrol.  
2 9. ACCIDENTAL DEATH BENEFIT. If, upon the receipt  
3 of evidence and proof that the death of a member was  
4 the natural and proximate result of an accident or  
5 exposure occurring at some definite time and place  
6 while the member was in the actual performance of  
7 duty, the board of trustees shall decide that death  
8 was so caused in the performance of duty there shall  
9 be paid, in lieu of the ordinary death benefit provided  
10 in subsection 8 of this section, to ~~his~~ the member's  
11 estate or to such person having an insurable interest  
12 in his or her life as he the member shall have  
13 nominated by written designation duly executed and  
14 filed with the board of trustees:

15 a. ~~His-accumulated-contributions,-and-in-addition~~  
16 ~~thereto--~~

17 b. A pension equal to one-half of the average  
18 final compensation of such member shall be paid to  
19 the surviving spouse, children or dependent parents  
20 as provided in paragraphs "c", "d", and "e" of  
21 subsection 8 of this section.

22 e b. If there be no surviving spouse, children  
23 under the age of eighteen years or dependent parent  
24 surviving such deceased member, the death shall be  
25 treated as an ordinary death case and the benefit  
26 payable in accordance with the provisions of subsection  
27 8, paragraph "b a" of this section, in lieu of the  
28 pension provided in paragraph "b a" of this subsection  
29 9, shall be paid to the member's estate.

30 d c. In addition to the benefits for the surviving  
31 spouse herein enumerated, there shall also be paid  
32 for each dependent child of a member under the age  
33 of eighteen years ~~the sum of twenty dollars per month~~  
34 a monthly pension equal to six percent of the monthly  
35 earnable compensation payable to an active member  
36 having the rank of senior patrolman of the Iowa highway  
37 safety patrol.

38 13. PENSION TO SURVIVING SPOUSE AND CHILDREN OF  
39 DECEASED PENSIONED MEMBERS. In the event of the death  
40 of any member receiving a retirement allowance under  
41 the provisions of subsections 2, 4 or 6 of this section  
42 there shall be paid a pension:

43 a. To the member's surviving spouse to continue  
44 so long as said party remains unmarried, equal to  
45 one-half the amount received by such deceased  
46 beneficiary, but in no instance less than fifty dollars  
47 per month, and in addition thereto ~~the sum of twenty~~  
48 dollars per month a monthly pension equal to the  
49 monthly pension payable under subsection nine (9),  
50 paragraph c, of this section for each child under

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1 eighteen years of age; or  
2 b. In the event of the death of the spouse either  
3 prior or subsequent to the death of the member, to  
4 the guardian of each surviving child under eighteen  
5 years of age, ~~in the sum of twenty dollars per month~~  
6 a monthly pension equal to the monthly pension payable  
7 under subsection nine (9), paragraph c, of this section  
8 for the support of such child.

9 Sec. \_\_\_\_ Section ninety-seven A point six (97A.6),  
10 Code 1977, is amended by striking subsection ten (10)  
11 and subsection fifteen (15), paragraph b.

12 Sec. \_\_\_\_ Section ninety-seven A point six (97A.6),  
13 subsection fifteen (15), paragraph a, Code 1977, is  
14 amended to read as follows:

15 a. As of the first of July of each year, the  
16 monthly pensions authorized in this section payable  
17 to each retired member and to each beneficiary, except  
18 children, of a deceased member shall be recomputed.  
19 The formula authorized in this section which was used  
20 to compute the retired member's or beneficiary's  
21 pension at the time of retirement or death shall be  
22 used in the recomputation, except the pension  
23 compensation shall be used in lieu of the average  
24 final compensation which the retired or deceased  
25 member was receiving at the time of retirement or  
26 death. The adjusted monthly pension shall be the  
27 amount payable at the member's retirement or death  
28 adjusted by fifty percent of the difference between  
29 the recomputed pension and the amount payable at the  
30 member's retirement or death. At no time shall the  
31 monthly pension or payment to the beneficiary be less  
32 than the amount which was paid at the time of the  
33 member's retirement or death.

34 As of the first of July of each year, the monthly  
35 pension payable to each surviving child under the  
36 provisions of subsections eight (8), nine (9), and  
37 thirteen (13) of this section shall be adjusted to  
38 equal six percent of the monthly earnable compensation  
39 payable on that July first to an active member having  
40 the rank of senior patrolman of the Iowa highway  
41 safety patrol.

42 Sec. \_\_\_\_ Section ninety-seven A point seven  
43 (97A.7), Code 1977, is amended by striking subsection  
44 three (3).

45 Sec. \_\_\_\_ Section ninety-seven A point seven  
46 (97A.7), subsection six (6), Code 1977, is amended  
47 to read as follows:

48 6. The board of trustees may invest funds of the  
49 fire and police retirement systems system created  
50 under the provisions of chapter 411 in the manner

1 prescribed in this section.

2 Sec. \_\_\_\_\_. Section ninety-seven A point eight  
3 (97A.8), unnumbered paragraph one (1), Code 1977,  
4 is amended to read as follows:

5 All the assets of the system created and established  
6 by this chapter shall be credited according to the  
7 purpose for which they are held to one of ~~five~~ three  
8 funds, namely, ~~the annuity-savings-fund, the annuity~~  
9 ~~reserve-fund,~~ the pension accumulation fund, the  
10 pension reserve fund, and the expense fund.

11 Sec. \_\_\_\_\_. Section ninety-seven A point eight  
12 (97A.8), subsection three (3), unnumbered paragraph  
13 one (1) and paragraphs a and b, Code 1977, are amended  
14 to read as follows:

15 The pension accumulation fund shall be the fund  
16 in which shall be accumulated all ~~reserves moneys~~  
17 for the payment of all pensions and other benefits  
18 payable from contributions made by the state and from  
19 which shall be paid the lump-sum death benefits for  
20 all members payable from the said contributions.  
21 Contributions to and payments from the pension  
22 accumulation fund shall be as follows:

23 a. On account of each member there shall be paid  
24 annually into the pension accumulation fund by the  
25 state of Iowa an amount equal to a certain percentage  
26 of the earnable compensation of the member to be known  
27 as the "normal contribution". The rate percent of  
28 such contribution shall be fixed on the basis of the  
29 liabilities of the retirement system as shown by  
30 annual actuarial valuations. ~~Until the first valuation~~  
31 ~~the normal contribution shall be eight percent.~~

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

1. as computed on the basis of the rate of interest and  
 2 of mortality and service tables adopted by the board  
 3 of trustees and ~~regular interest~~, all reduced by the  
 4 employee contribution made pursuant to paragraph f  
 5 of this subsection. The normal rate of contribution  
 6 shall be determined by the state commissioner of  
 7 insurance after each valuation.

8 Sec. \_\_\_\_\_. Section ninety-seven A point eight  
 9 (97A.8), subsection three (3), paragraph f, Code 1977,  
 10 is amended to read as follows:

11 f. An amount equal to one two and twenty-one  
 12 hundredths percent of each member's compensation from  
 13 the earnable compensation of the member shall be paid  
 14 to the pension accumulation fund. ~~The provisions~~  
 15 ~~of this section, subsection 1, paragraphs "b" and~~  
 16 ~~"c", of the Code relating to the contributions of~~  
 17 ~~members shall be applicable to this paragraph.~~

18 Sec. \_\_\_\_\_. Section ninety-seven A point eight  
 19 (97A.8), subsection three (3), Code 1977, is amended  
 20 by adding the following new paragraph:

21 NEW PARAGRAPH. The board of trustees shall certify  
 22 to the state comptroller and the state comptroller  
 23 shall cause to be deducted from the earnable  
 24 compensation of each member the contribution required  
 25 under this subsection and shall forward the  
 26 contributions to the board of trustees for recording  
 27 and for deposit in the pension accumulation fund.

28 The deductions provided for under this subsection  
 29 shall be made notwithstanding that the minimum  
 30 compensation provided by law for any member is reduced.  
 31 Every member is deemed to consent to the deductions  
 32 made under this section.

33 Sec. \_\_\_\_\_. Section ninety-seven A point eight  
 34 (97A.8), Code 1977, is amended by striking subsections  
 35 one (1) and two (2).

36 Sec. \_\_\_\_\_. Chapter ninety-seven A (97A), Code 1977,  
 37 is amended by adding the following new section:

38 NEW SECTION.

39 1. Members who became vested and terminated service  
 40 prior to July 1, 1979, and members receiving an annuity  
 41 from accumulated contributions made prior to July  
 42 1, 1979, shall continue to receive the benefits the  
 43 member was entitled to under the provisions of chapter  
 44 ninety-seven A (97A), as chapter ninety-seven A (97A)  
 45 was effective on the date of the member's retirement  
 46 or vested termination.

47 2. For the purposes of this section:

48 a. "Accumulated contributions" means the sum of  
 49 all amounts deducted from the compensation of a member  
 50 and credited to the member's individual account in

H-6127 1 the annuity savings fund together with regular interest  
Page 10 2 thereon as provided in this subsection. Accumulated  
3 contributions do not include any amount deducted from  
4 the compensation of a member and credited to the  
5 pension accumulation fund.

6 b. "Annuity" means annual payments for life derived  
7 from the accumulated contributions of a member. All  
8 annuities shall be payable in monthly installments.

9 c. "Annuity reserve" shall mean the present value  
10 of all payments to be made on account of an annuity,  
11 or benefit in lieu of an annuity, granted under the  
12 provisions of this chapter, upon the basis of such  
13 mortality tables as shall be adopted by the board  
14 of trustees, and regular interest.

15 d. "Annuity savings fund" means the account main-  
16 tained by the board of trustees in which the  
17 accumulated contributions of the members were deposited  
18 prior to July 1, 1979, to provide for their annuities.

19 e. "Annuity reserve fund" means the account  
20 maintained by the board of trustees from which shall  
21 be paid all annuities and all benefits in lieu of  
22 annuities payable as provided in this chapter as this  
23 chapter was effective on June 30, 1978.

24 f. "Regular interest" means interest at the rate  
25 of four percent per annum, compounded annually and  
26 credited to the member's account as of the date of  
27 the member's retirement or termination from employment.

28 3. Beginning July 1, 1979, the board of trustees  
29 shall maintain and invest funds in the annuity reserve  
30 fund and the annuity savings fund which had been  
31 contributed by members prior to July 1, 1979. Mem-  
32 bers receiving an annuity as a portion of their  
33 retirement or disability benefits on June 30, 1979,  
34 shall continue to receive such annuity from the annuity  
35 reserve fund maintained by the board of trustees.  
36 Members receiving an annuity, if reemployed under  
37 service covered by this chapter, shall cease to receive  
38 retirement benefits.

39 4. The accumulated contributions of a member with-  
40 drawn by the member or paid to the member's estate  
41 or designated beneficiary in the event of the member's  
42 death shall be paid from the annuity savings fund  
43 account. Upon the retirement of a member, the member's  
44 accumulated contributions shall be transferred from  
45 the annuity savings fund to the annuity reserve fund.

46 5. A member of the retirement system prior to  
47 July 1, 1979 with fifteen or more years of service  
48 whose employment was terminated prior to retirement,  
49 other than by death or disability, shall be entitled  
50 to receipt of his or her accumulated contributions

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1 upon retirement together with other retirement benefits  
2 provided in the law on the date of the member's  
3 retirement. However, the member shall not be eligible  
4 for a service retirement allowance under section  
5 ninety-seven A point six (97A.6) of the Code if he  
6 or she has chosen to withdraw his or her accumulated  
7 contributions from the annuity savings fund prior  
8 to the member's retirement.

9 6. Any member in service prior to July 1, 1979  
10 may at the time of his or her retirement withdraw  
11 his or her accumulated contributions made before July  
12 1, 1979 or receive an annuity which shall be the  
13 actuarial equivalent of his or her accumulated  
14 contributions at the time of his or her retirement.

15 7. Notwithstanding the provisions of subsections  
16 one (1), three (3), four (4), five (5), and six (6)  
17 of this section, beginning January 1, 1981, an active  
18 or vested member may request in writing and receive  
19 from the board of trustees, his or her accumulated  
20 contributions from the annuity savings fund.

21 8. The actuary shall annually determine the amount  
22 required in the annuity reserve fund. If the amount  
23 required is less than the amount in the annuity reserve  
24 fund, the board of trustees shall transfer the excess  
25 funds from the annuity reserve fund to the pension  
26 accumulation fund. If the amount required is more  
27 than the amount in the annuity reserve fund, the board  
28 of trustees shall transfer the amount prescribed  
29 by the actuary to the annuity reserve fund from the  
30 pension accumulation fund."

31 2. Page 10, by inserting after line 23 the follow-  
32 ing sections:

33 "Sec. \_\_\_\_ . Section four hundred eleven point one  
34 (411.1), subsections one (1), four (4), six (6), nine  
35 (9), ten (10), fourteen (14), nineteen (19), twenty-  
36 one (21), twenty-two (22), and twenty-three (23),  
37 Code 1977, are amended to read as follows:

38 1. "Retirement system" shall mean ~~either~~ the fire  
39 ~~or-the-~~ and police retirement system of the said  
40 ~~cities~~ state as defined in section 411.2.

41 4. "Member" shall mean a member of ~~either~~ the  
42 ~~police-or~~ fire and police retirement systems system  
43 as defined by section 411.3.

44 6. "Board of ~~fire~~ trustees" and "~~board-of-police~~  
45 ~~trustees~~" shall mean the boards board provided in  
46 section 411.5 to administer the fire retirement-system  
47 and the police retirement system ~~respectively~~.

48 9. "Beneficiary" shall mean any person receiving  
49 ~~a-pension,-an-annuity,~~ a retirement allowance or other  
50 benefit as provided by this chapter.

1 10. "Surviving spouse" shall mean only such surviving  
 2 spouse of a marriage consummated prior to retirement  
 3 of a deceased member from active service or a surviving  
 4 spouse of a marriage of two years or more duration  
 5 consummated subsequent to retirement.

6 14. "Earnable compensation" or "compensation  
 7 earnable" shall mean the regular compensation which  
 8 a member would earn during one year on the basis of  
 9 the stated compensation for ~~his~~ the member's rank  
 10 or position including compensation for longevity and  
 11 excluding any amount received for overtime compensation  
 12 or other special additional compensation, meal and  
 13 travel expenses, and uniform allowances and excluding  
 14 any amount received upon termination or retirement  
 15 in payment for accumulated sick leave or vacation.

16 19. "Retirement allowance" shall mean the ~~sum~~  
 17 ~~of the annuity and the~~ pension, or any benefits in  
 18 lieu thereof, granted to a member upon retirement.

19 21. "Pension reserve" shall mean the present value  
 20 of all payments to be made on account of any pension,  
 21 or benefit in lieu of a pension, granted under the  
 22 provisions of this chapter, upon the basis of such  
 23 mortality tables as shall be adopted by the boards  
 24 of trustees, and ~~regular~~ interest computed at a rate  
 25 adopted by the board upon the recommendation of the  
 26 actuary.

27 22. "Actuarial equivalent" shall mean a benefit  
 28 of equal value, when computed upon the basis of  
 29 mortality tables adopted by the boards of trustees,  
 30 and ~~regular~~ interest computed at a rate adopted by  
 31 the board upon the recommendation of the actuary.

32 23. "City" or "cities" shall mean any city or  
 33 cities in which employees are members of the fire  
 34 ~~or~~ and police retirement systems-are system established  
 35 by this chapter.

36 Sec. \_\_\_\_\_. Section four hundred eleven point one  
 37 (411.1), Code 1977, is amended by striking subsections  
 38 twelve (12), thirteen (13), seventeen (17), and twenty  
 39 (20).

40 Sec. \_\_\_\_\_. Section four hundred eleven point two  
 41 (411.2), Code 1977, is amended by striking the section  
 42 and inserting in lieu thereof the following:

43 411.2 ESTABLISHMENT OF SYSTEM. There is  
 44 established the Iowa fire and police retirement system.  
 45 In any city in which the fire fighters or police  
 46 officers are appointed under chapter four hundred  
 47 (400) of the Code, such fire fighters and police  
 48 officers shall be members of the fire and police  
 49 retirement system. The cities which have fire fighters  
 50 or police officers who are members of the system shall

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1 make contributions to the system as provided in this  
2 chapter. The system shall be under the management  
3 of a board of trustees as provided in section four  
4 hundred eleven point five (411.5) of the Code and  
5 shall transact all of its business, invest all of  
6 its funds, and hold all of its cash and security and  
7 other property in the name of the Iowa fire and police  
8 retirement system. The system shall be administered  
9 by the department of job service.

10 Sec. \_\_\_\_ Section four hundred eleven point three  
11 (411.3), Code 1977, is amended to read as follows:

12 1. All persons who are or become policemen police  
13 officers or firemen fire fighters after the date such  
14 the retirement systems-are system is established by  
15 this chapter, shall become members thereof as a  
16 condition of their employment. Such members shall  
17 not be required to make contributions under any other  
18 pension or retirement system of city, county, or state  
19 of Iowa, anything to the contrary notwithstanding.  
20 2. Should any member in any period of five consecu-  
21 tive years after last becoming a member, be absent  
22 from service for more than four years, ~~ex-should-he~~  
23 ~~withdraw-his-accumulated-contributions,~~ or should  
24 he or she become a beneficiary or die, he or she shall  
25 thereupon cease to be a member of the system.

26 Sec. \_\_\_\_ Section four hundred eleven point five  
27 (411.5), subsection one (1), Code 1977, is amended  
28 by striking the subsection and inserting in lieu  
29 thereof the following:

30 1. BOARD. The general administration and the  
31 responsibility for the proper operation of the  
32 retirement system and for making effective the  
33 provisions of this chapter are hereby vested in a  
34 board of trustees which shall consist of eight members  
35 as follows:

36 a. A chief of a fire department and a member of  
37 a fire department covered under the system who shall  
38 be appointed by governor.

39 b. A chief of a police department and a member  
40 of a police department covered under the system who  
41 shall be appointed by the governor.

42 c. The treasurer of state.

43 d. Two citizens of the state who reside in cities  
44 covered under the system appointed by the governor  
45 who are not members of the system and who do not hold  
46 any other public office.

47 e. A city attorney of a city which is covered  
48 under the system appointed by the governor.

49 The members appointed by the governor shall serve  
50 for four-year terms commencing on July first of each

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1 year, except that for the initial board the terms  
of the members shall be staggered so that two members  
will be appointed for a one-year term, two members  
for a two-year term, two members for a three-year  
term, and one member for a four-year term.

If a vacancy occurs on the board of trustees, the  
vacancy shall be filled for the unexpired term in  
the same manner as the original appointment.

Sec. \_\_\_\_ . Section four hundred eleven point five  
(411.5), subsections two (2), four (4), five (5),  
six (6), seven (7), eight (8), nine (9), eleven (11),  
twelve (12) and thirteen (13), Code 1977, are amended  
to read as follows:

2. VOTING. Each trustee shall be entitled to  
one vote on each the board. ~~Four~~ Five concurring  
votes shall be necessary for a decision by the trustees  
at any meeting of ~~either~~ the board.

4. RULES. Subject to the limitations of this  
chapter, ~~each~~ the board of trustees shall, from time  
to time, establish rules ~~and regulations~~ for the  
administration of funds created by this chapter and  
for the transaction of its business.

5. EMPLOYEES. ~~Each~~ The board of trustees shall  
elect from its membership a ~~chairman~~ chairperson,  
and shall, by majority vote of its members, appoint  
a secretary, who may, but need not be, one of its  
members. It shall engage such actuarial and other  
services as shall be required to transact the business  
of the retirement system. The compensation of all  
persons engaged by ~~each~~ the board of trustees and  
all other expenses of ~~each~~ the board necessary for  
the operation of the retirement system, shall be paid  
at such rates and in such amounts as ~~each~~ the board  
of trustees shall approve.

6. DATA. ~~Each~~ The board of trustees shall keep  
in convenient form such data as shall be necessary  
for actuarial valuation of the various funds of the  
retirement system and for checking the experience  
of the system.

7. RECORDS--REPORTS. ~~Each~~ The board of trustees  
shall keep a record of all its proceedings, which  
record shall be open to public inspection. It shall  
annually make a report to ~~the~~ each city council showing  
the fiscal transactions of the retirement system for  
the preceding fiscal year, the amount of the  
accumulated cash and securities of the system, and  
the last balance sheet showing the financial condition  
of the system by means of an actuarial valuation of  
the assets and liabilities of the retirement system.

8. LEGAL ADVISOR. The ~~city~~ attorney ~~or seieiter~~

1 ~~of-the-said-cities~~ general shall be the legal adviser  
2 of the ~~boards~~ board of trustees.

3 9. MEDICAL BOARD. The board of ~~fire~~ trustees  
4 ~~and-the-board-of-police-trustees-jointly~~ shall  
5 designate a medical board to be composed of ~~three~~  
6 eighteen physicians ~~who~~ from throughout the state,  
7 three of whom at a time based upon the location of  
8 the city shall arrange for and pass upon all medical  
9 examinations required under the provisions of this  
10 chapter, except that for examinations and re-  
11 examinations required because of disability ~~three~~  
12 physicians from the University of Iowa hospitals and  
13 clinics ~~who~~ shall conduct and pass upon the medi-  
14 cal examinations required for disability retirements,  
15 and shall report in writing to ~~each~~ the board of  
16 trustees, ~~respectively,~~ its conclusions and  
17 recommendations upon all matters duly referred to  
18 it.

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

32 12. ACTUARIAL INVESTIGATION. In the year ~~1938~~  
33 1978, and at least once in each five-year period  
34 ~~thereafter~~, the actuary shall make an actuarial  
35 investigation into the mortality, service and  
36 compensation experience of the members and  
37 beneficiaries of the retirement system, and the  
38 interest and other earnings on the moneys and other  
39 assets of the retirement system, and shall make a  
40 valuation of the assets and liabilities of the funds  
41 of the system, and taking into account the results  
42 of such investigation and valuation, the board of  
43 trustees shall:

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

47 b. Certify the ~~rates~~ rate of contribution payable  
48 by the said cities in accordance with section ~~411.8~~  
49 of this chapter.

50 13. VALUATION. On the basis of such rate of

H-6127 1 interest and such tables as the ~~boards~~ board of  
Page 16 2 trustees shall adopt, the actuary shall make an annual  
3 valuation of the assets and liabilities of the funds  
4 of the retirement ~~systems~~ system created by this  
5 chapter.

6 Sec. \_\_\_\_\_. Section four hundred eleven point five  
7 (411.5), Code 1977, is amended by striking subsection  
8 fourteen (14).

9 Sec. \_\_\_\_\_. Section four hundred eleven point six  
10 (411.6), subsection one (1), Code 1977, is amended  
11 to read as follows:

12 SERVICE RETIREMENT BENEFIT. Retirement of a member  
13 on a service retirement allowance shall be made by  
14 each the board of trustees as follows:

15 a. Any member in service may retire upon his or  
16 her written application to the board of ~~police-er~~  
17 ~~fire~~ trustees ~~as-the-case-may-be~~, setting forth at  
18 what time, not less than thirty nor more than ninety  
19 days subsequent to the execution and filing therefor,  
20 ~~he~~ the member desires to be retired, provided, that  
21 the said member at the time so specified for ~~his~~ the  
22 member's retirement shall have attained the age of  
23 fifty-five and shall have served twenty-two years  
24 or more in said department, and notwithstanding that,  
25 during such period of notification, ~~he~~ the member  
26 may have separated from the service.

27 b. Any member in service who has attained the  
28 age of sixty-five years, shall be retired forthwith,  
29 provided, that upon the request of the superintendent  
30 of public safety as defined in this chapter, the  
31 ~~respective~~ board of trustees may permit such member  
32 to remain in service for periods not to exceed one  
33 year from the date of the last request from the  
34 superintendent of public safety as defined in this  
35 chapter. Provided further that no member of said  
36 departments employed on July 4, 1965, shall be so  
37 retired until ~~he~~ the member has completed twenty-two  
38 years' service for service retirement and will receive  
39 his or her pension benefits.

40 c. Any member in service who has been a member  
41 of the retirement system fifteen or more years and  
42 whose employment is terminated prior to ~~his~~ the  
43 member's retirement, other than by death or disability,  
44 shall upon attaining retirement age, receive a service  
45 retirement allowance of fifteen ~~twenty-seconds~~ of  
46 the retirement allowance ~~he~~ the member would receive  
47 at retirement if his or her employment had not been  
48 terminated, and an additional one ~~twenty-second~~ of  
49 such retirement allowance for each additional year  
50 of service not exceeding twenty-two years of service.

1 The amount of the retirement allowance shall be based  
 2 on the average final compensation at the time of  
 3 termination of employment. ~~The allowance shall not~~  
 4 ~~be available to a member who has chosen to withdraw~~  
 5 ~~his accumulated contributions as provided in subsection~~  
 6 ~~10 of this section.~~

7 Sec. \_\_\_\_ . Section four hundred eleven point six  
 8 (411.6), subsections two (2), three (3), and four  
 9 (4), Code 1977, are amended to read as follows:

10 2. ALLOWANCE ON SERVICE RETIREMENT. Upon  
 11 retirement from service, a member shall receive a  
 12 service retirement allowance which shall consist of:

13 a. ~~An annuity which shall be the actuarial~~  
 14 ~~equivalent of his accumulated contributions at the~~  
 15 ~~time of his retirement, and~~

16 b. ~~A~~ a pension given by the city which shall equal  
 17 one-half of the member's average final compensation.

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

31 4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT.  
 32 Upon retirement for ordinary disability a member shall  
 33 receive a service retirement allowance if he the  
 34 member has attained the age of fifty-five, otherwise  
 35 he the member shall receive an ordinary disability  
 36 retirement allowance which shall consist of:

37 a. ~~An annuity which shall be the actuarial~~  
 38 ~~equivalent of his accumulated contributions at the~~  
 39 ~~time of retirement, and~~

40 b. ~~A~~ a pension which together with the member's  
 41 annuity shall make a total retirement allowance equal  
 42 to ninety forty percent of ~~1/70~~ of the member's average  
 43 final compensation multiplied by the number of years  
 44 of membership service, ~~if such retirement allowance~~  
 45 ~~exceeds one-half of the member's average final~~  
 46 ~~compensation, otherwise a pension which together with~~  
 47 ~~with the member's annuity shall provide a total~~  
 48 ~~retirement allowance equal to one-half of the member's~~  
 49 ~~average final compensation~~ except if the member has  
 50 not had five or more years of membership service the

H-6127 1 member shall receive a pension ~~which-together-with~~  
 Page 18 2 ~~the-member's-annuity-shall-provide-a-total-retirement~~  
 3 ~~allowance~~ equal to one-fourth of the member's average  
 4 final compensation.

5 Sec. \_\_\_\_\_. Section four hundred eleven point six  
 6 (411.6), subsection five (5), unnumbered paragraph  
 7 one (1), Code 1977, is amended to read as follows:

8 Upon application of a member in service or of the  
 9 chief of the police or fire departments, respectively,  
 10 any member who has become totally and permanently  
 11 incapacitated for duty as the natural and proximate  
 12 result of an injury or disease incurred in or  
 13 aggravated by the actual performance of duty at some  
 14 definite time and place, or while acting pursuant  
 15 to order, outside of the city by which he the member  
 16 is regularly employed, shall be retired by the  
 17 ~~respective~~ board of trustees, provided, that the  
 18 medical board shall certify that such member is  
 19 mentally or physically incapacitated for further  
 20 performance of duty, that such incapacity is likely  
 21 to be permanent and that such member should be retired.

22 Sec. \_\_\_\_\_. Section four hundred eleven point six  
 23 (411.6), subsection six (6), Code 1977, is amended  
 24 to read as follows:

25 6. RETIREMENT AFTER ACCIDENT. Upon retirement  
 26 for accidental disability a member shall receive a  
 27 service retirement allowance if the member has attained  
 28 the age of fifty-five, otherwise the member shall  
 29 receive an accidental disability retirement allowance  
 30 which shall consist of:

31 ~~a---an-annuity-which-shall-be-the-actuarial~~  
 32 ~~equivalent-of-his-accumulated-contributions-at-the~~  
 33 ~~time-of-his-retirement,--and~~

34 ~~b---A~~ a pension, ~~--in-addition-to-the-annuity,--of~~  
 35 equal to 66 2/3 percent of his the member's average  
 36 final compensation.

37 Sec. \_\_\_\_\_. Section four hundred eleven point six  
 38 (411.6), subsection seven (7), unnumbered paragraph  
 39 one (1), and paragraph a, Code 1977, are amended to  
 40 read as follows:

41 RE-EXAMINATION OF BENEFICIARIES RETIRED ON ACCOUNT  
 42 OF DISABILITY. Once each year during the first five  
 43 years following the retirement of a member on a  
 44 disability retirement allowance, and once in every  
 45 three-year period thereafter, the ~~respective~~ board  
 46 of trustees may, and upon his the member's application  
 47 shall, require any disability beneficiary who has  
 48 not yet attained age fifty-five to undergo a medical  
 49 examination at a place designated by the medical  
 50 board. Such examination shall be made by the medical

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1. board or in special cases, by an additional physician  
 2 or physicians designated by such board. Should any  
 3 disability beneficiary who has not attained the age  
 4 of fifty-five refuse to submit to such medical  
 5 examination, ~~his~~ the member's allowance may be  
 6 discontinued until ~~his~~ the member's withdrawal of  
 7 such refusal, and should ~~his~~ the member's refusal  
 8 continue for one year all rights in and to ~~his~~ the  
 9 member's pension may be revoked by the ~~respective~~  
 10 board of trustees.

11 a. Should any beneficiary for either ordinary  
 12 or accidental disability, except a beneficiary who  
 13 is fifty-five years of age or over and would have  
 14 completed twenty-two years of service if he or she  
 15 had remained in active service, be engaged in a gainful  
 16 occupation paying more than the difference between  
 17 his the member's retirement allowance and his-average  
 18 final-compensation the earnable compensation of an  
 19 active member at the same position on the salary scale  
 20 within the member's rank as the member held at  
 21 retirement, then the amount of his-pension the member's  
 22 retirement allowance shall be reduced to an amount  
 23 which together with his-annuity-and the amount earned  
 24 by him the member shall equal the amount of his-average  
 25 final-compensation the current earnable compensation  
 26 of an active member at the same position on the salary  
 27 scale within the member's rank as the member held  
 28 at retirement. Should his the member's earning  
 29 capacity be later changed, the amount of his-pension  
 30 the member's retirement allowance may be further  
 31 modified, provided, that the new pension retirement  
 32 allowance shall not exceed the amount of the pension  
 33 originally-granted retirement allowance adjusted by  
 34 annual readjustments of pensions pursuant to subsection  
 35 fourteen (14) of this section nor an amount which,  
 36 when added to the amount earned by the beneficiary  
 37 together-with-his-annuity, equals the amount of his  
 38 average-final-compensation the earnable compensation  
 39 of an active member at the same position on the salary  
 40 scale within the member's rank as the member held  
 41 at retirement. A beneficiary restored to active  
 42 service at a salary less than the average final  
 43 compensation upon the basis of which he the member  
 44 was retired at age fifty-five or greater, shall not  
 45 again become a member of the retirement system and  
 46 shall have his or her retirement allowance suspended  
 47 while in active service. If the rank or position  
 48 held by the retired member is subsequently abolished,  
 49 adjustments to the allowable limit on the amount of  
 50 income which can be earned in a gainful occupation

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1 shall be computed in the same manner as provided in  
2 subsection fourteen (14) of paragraph d of this section  
3 for readjustment of pensions when a rank or position  
4 has been abolished.

5 A beneficiary retired under the provisions of this  
6 paragraph in order to be eligible for continued receipt  
7 of retirement benefits shall no later than May  
8 fifteenth of each year submit to the board of trustees  
9 a copy of his or her state income tax return for the  
10 preceding year.

6/35

11 Sec. \_\_\_\_ . Section four hundred eleven point six  
12 (411.6), subsections eight (8) and nine (9), Code  
13 1977, are amended to read as follows:

14 8. ORDINARY DEATH BENEFIT. Upon the receipt of  
15 proper proofs of the death of a member in service,  
16 or a member not in service who has completed fifteen  
17 or more years of service as provided in subsection  
18 1, paragraph "c", of this section, there shall be  
19 paid to such person having an insurable interest in  
20 the member's life as the member shall have nominated  
21 by written designation duly executed and filed with  
22 the respective board of trustees:

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

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

35 b. If there be no such nomination of beneficiary,  
36 the benefits provided in ~~paragraphs~~ paragraph "a"  
37 ~~and "b"~~ shall be paid to the member's estate; or in  
38 lieu thereof, at the option of the following  
39 beneficiaries, respectively, even though nominated  
40 as such for a member in service, there shall be paid  
41 a pension which, ~~together with the actuarial equivalent~~  
42 ~~of the member's accumulated contributions,~~ shall be  
43 equal to one-fourth of the average final compensation  
44 of such member, but in no instance less than seventy-  
45 five dollars. In addition to the benefits herein  
46 enumerated, there shall also be paid for each child  
47 of a member under the age of eighteen years ~~the sum~~  
48 ~~of twenty dollars per month~~ a monthly pension equal  
49 to six percent of the monthly earnable compensation  
50 paid to an active member holding the highest grade

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1 in the rank of fire fighter, for a child of a deceased  
 2 member of a fire department, or the highest grade  
 3 in the rank of police patrol officer, for a child  
 4 of a deceased member of a police department or for  
 5 a member not in service the pension shall be reduced  
 6 as provided in subsection 1, paragraph "c," of this  
 7 section and shall be paid commencing when the member  
 8 would have attained the age of fifty-five except if  
 9 there is a child of the member under the age of  
 10 eighteen, or under the age of twenty-two who is a  
 11 full-time student, or who is disabled, under the  
 12 definitions used in section 402 of the Social Security  
 13 Act as amended to July 1, 1976 1978 U.S.C. 402 the  
 14 pension shall be paid commencing with the member's  
 15 death until the children reach the age of eighteen,  
 16 or twenty-two if applicable. The pension shall resume  
 17 commencing when the member would have attained the  
 18 age of fifty-five;

19 c. To the spouse to continue so long as said party  
 20 remains unmarried; or

21 d. If there be no spouse, or if the spouse dies  
 22 or remarries before any child of such deceased member  
 23 shall have attained the age of eighteen years, then  
 24 to the guardian of his or her child or children under  
 25 said age, divided in such manner as the board of  
 26 trustees in its discretion shall determine, to continue  
 27 as a joint and survivor pension until every such child  
 28 dies or attains the age of eighteen; or

29 e. If there be no surviving spouse or child under  
 30 age eighteen, then to his or her dependent father  
 31 or mother or both, as the board of trustees in its  
 32 discretion shall determine, to continue until  
 33 remarriage or death.

34 9. ACCIDENTAL DEATH BENEFIT. If, upon the receipt  
 35 of evidence and proof that the death of a member in  
 36 service or the chief of police or fire departments  
 37 was the natural and proximate result of an injury  
 38 or disease incurred in or aggravated by the actual  
 39 performance of duty at some definite time and place,  
 40 or while acting pursuant to order, outside of the  
 41 city by which he the member is regularly employed,  
 42 the board of trustees shall decide that death was  
 43 so caused in the performance of duty there shall be  
 44 paid, in lieu of the ordinary death benefit provided  
 45 in subsection 8 of this section, to his the member's  
 46 estate or to such person having an insurable interest  
 47 in his the member's life as he the member shall have  
 48 nominated by written designation duly executed and  
 49 filed with the ~~respective~~ board of trustees the  
 50 benefits set forth in paragraphs "a", and "b" and

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1 "e" of this subsection:  
2 a. ~~His accumulated contributions, and in addition~~  
3 ~~thereto--~~  
4 b. A pension equal to one-half of the average  
5 final compensation of such member shall be paid to  
6 ~~his~~ the member's spouse, children or dependent parents  
7 as provided in paragraphs "c", "d" and "e" of  
8 subsection 8 of this section. In addition to the  
9 benefits for the spouse herein enumerated, there shall  
10 also be paid for each dependent child of a member  
11 under the age of eighteen years ~~the sum of twenty~~  
12 ~~dollars per month~~ a monthly pension equal to six  
13 percent of the monthly earnable compensation paid  
14 to an active member holding the highest grade in the  
15 rank of fire fighter, for a child of a deceased member  
16 of a fire department, or holding the highest grade  
17 in the rank of police patrol officer, for a child  
18 of a deceased member of a police department.  
19 e b. If there be no spouse, children under the  
20 age of eighteen years or dependent parent surviving  
21 such deceased member, the death shall be treated as  
22 an ordinary death case and the benefit payable in  
23 accordance with the provisions of subsection 8,  
24 paragraph "b a", in lieu of the pension provided in  
25 paragraph "b a" of this subsection 9, shall be paid  
26 to ~~his~~ the member's estate.  
27 Disease under this subsection shall mean heart  
28 disease or any disease of the lungs or respiratory  
29 tract and shall be presumed to have been contracted  
30 while on active duty as a result of strain or the  
31 inhalation of noxious fumes, poison, or gases.  
32 Sec. \_\_\_\_\_. Section four hundred eleven point six  
33 (411.6), Code 1977, is amended by striking subsection  
34 ten (10).  
35 Sec. \_\_\_\_\_. Section four hundred eleven point six  
36 (411.6), subsection thirteen (13), Code 1977, is  
37 amended to read as follows:  
38 13. PENSION TO SPOUSE AND CHILDREN OF DECEASED  
39 PENSIONED MEMBER. In the event of the death of any  
40 member receiving a retirement allowance under the  
41 provisions of subsections 2, 4, or 6 of this section  
42 there shall be paid a pension:  
43 a. To the spouse to continue so long as said  
44 partner remains unmarried, equal to one-half the  
45 amount received by such deceased beneficiary, but  
46 in no instance less than seventy-five dollars per  
47 month, and in addition thereto ~~the sum of twenty~~  
48 ~~dollars per month~~ a monthly pension equal to the  
49 monthly pension payable under subsection nine (9)  
50 of this section for each child under eighteen years

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1 of age; or  
2 b. In the event of the death of the spouse either  
3 prior or subsequent to the death of the member, to  
4 the guardian of each surviving child under eighteen  
5 years of age, ~~in-the-sum-of-twenty-dollars-per-month~~  
6 a monthly pension equal to the monthly pension payable  
7 under subsection eight (8) of this section for the  
8 support of such child.

9 Sec. \_\_\_\_ Section four hundred eleven point six  
10 (411.6), subsection fourteen (14), paragraph a, Code  
11 1977, is amended to read as follows:

12 a. As of the first of July of each year, the  
13 monthly pensions authorized in this section payable  
14 to each retired member and to each beneficiary, except  
15 children, of a deceased member shall be recomputed.  
16 The formula authorized in this section which was used  
17 to compute the retired member's or beneficiary's  
18 pension at the time of retirement or death shall be  
19 used in the recomputation except the pension  
20 compensation shall be used in lieu of the average  
21 final compensation which the retired or deceased  
22 member was receiving at the time of retirement or  
23 death. The adjusted monthly pension shall be the  
24 amount payable at the member's retirement or death  
25 adjusted by one-half of the difference between the  
26 recomputed pension and the amount payable at the  
27 member's retirement or death. At no time shall the  
28 monthly pension or payment to the beneficiary be less  
29 than the amount which was paid at the time of the  
30 member's retirement or death.

31 As of the first of July of each year, the monthly  
32 pension payable to each surviving child under the  
33 provisions of subsections eight (8), nine (9), and  
34 thirteen (13) of this section shall be adjusted to  
35 equal six percent of the monthly earnable compensation  
36 payable on that July first to an active member holding  
37 the highest grade in the rank of fire fighter, for  
38 a child of a deceased member of a fire department,  
39 or holding the highest grade in the rank of police  
40 patrol officer, for a child of a deceased member of  
41 a police department.

42 Sec. \_\_\_\_ Section four hundred eleven point six  
43 (411.6), subsection fourteen (14), Code 1977, is  
44 amended by striking paragraph b.

45 Sec. \_\_\_\_ Section four hundred eleven point six  
46 (411.6), Code 1977, is amended by striking subsection  
47 eleven (11).

48 Sec. \_\_\_\_ Section four hundred eleven point seven  
49 (411.7), Code 1977, is amended to read as follows:

50 411.7 MANAGEMENT OF FUNDS.

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1. The ~~respective-boards~~ board of trustees shall be the trustees of the several funds created by this chapter as provided in section 411.8 and shall have full power to invest and reinvest such funds subject to the terms, conditions, limitations and restrictions imposed by subsection 2 of this section, and subject to like terms, conditions, limitations, and restrictions said trustees shall have full power to hold, purchase, sell, assign, transfer, or dispose of any of the securities and investments in which any of the funds created herein shall have been invested, as well as of the proceeds of said investments and any moneys belonging to said funds.

2. The ~~city~~ city treasurer of state may invest at the direction of the ~~respective-boards~~ board of trustees such portion of the several funds created by this chapter as in the judgment of the ~~respective-boards~~ board are not needed for current payment of benefits under this chapter in interest-bearing securities issued by the United States, or interest-bearing bonds issued by the state of Iowa, or make deposits of such funds in banks as provided in chapter 453, or in bonds issued by counties, school districts, or general obligation or limited levy bonds issued by municipal corporations in this state as authorized for investment by insurance companies under section 511.8 and subject to all limitations contained in said section. In the event of loss on the redemption or sale of securities, where invested as prescribed by law, ~~neither-the-treasurer-nor~~ the trustees shall not be personally liable, but such loss shall be charged against the retirement funds. The ~~city~~ city treasurer of state may sell any securities in such funds and reinvest the proceeds in accordance with the direction of the ~~respective-boards~~ board of trustees when such action may be deemed advisable by the trustees for the protection of said funds or the preservation of the value of the investment.

~~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~~

1 ~~deductible-from-the-amounts-to-be-contributed-by-the~~  
2 ~~said-cities.~~  
3 4 3. The treasurer of ~~the-said-cities~~ state shall  
4 be the custodian of the several funds. All payments  
5 from said funds shall be made by ~~him~~ the treasurer  
6 of state only upon vouchers signed by two persons  
7 designated by the ~~respective~~ board of trustees. A  
8 duly attested copy of the resolution of the ~~respective~~  
9 board of trustees designating such persons and bearing  
10 on its face specimen signatures of such persons shall  
11 be filed with the treasurer of state as his or her  
12 authority for making payments upon such vouchers.  
13 No voucher shall be drawn unless it shall previously  
14 have been allowed by resolution of the ~~respective~~  
15 board of trustees.

16 5 4. For the purpose of meeting disbursements  
17 for ~~pensions,--annuities,~~ and other payments, there  
18 may be kept available cash not exceeding ten percent  
19 of the total amount in the several funds of the  
20 retirement system on deposit in one or more banks  
21 or trust companies ~~in-said-cities,~~ organized under  
22 the laws of the state of Iowa, or of the United States,  
23 provided, that the amount on deposit in any one bank  
24 or trust company shall not exceed twenty-five percent  
25 of the paid-up capital and surplus of such bank or  
26 trust company.

27 6 5. No trustee and no employee of ~~either~~ the  
28 board shall have any direct interest in the gains  
29 or profits of any investment made by the ~~respective~~  
30 boards board of trustees. No trustee shall receive  
31 any pay or emolument for his or her services except  
32 as secretary. No trustee or employee of ~~either~~ the  
33 board of trustees shall directly or indirectly for  
34 himself or herself or as an agent in any manner use  
35 the assets of the retirement system except to make  
36 such current and necessary payments as are authorized  
37 by the board of trustees, nor shall any trustee or  
38 employee of the boards board become an endorser or  
39 surety or become in any manner an obligor for moneys  
40 loaned by or borrowed from the ~~respective~~ board of  
41 trustees.

42 Sec. \_\_\_\_ . Section four hundred eleven point eight  
43 (411.8), unnumbered paragraph one (1), Code 1977,  
44 is amended to read as follows:

45 All the assets of each the retirement system created  
46 and established by this chapter shall be credited  
47 according to the purpose for which they are held to  
48 one of ~~five~~ three funds, namely, ~~the-annuity-savings~~  
49 ~~fund,--the-annuity-reserve-fund,~~ the pension  
50 accumulation fund, the pension reserve fund, and the

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Page 26 2 Sec. \_\_\_\_\_. Section four hundred eleven point eight  
3 (411.8), Code 1977, is amended by striking subsections  
4 one (1) and two (2).

5 Sec. \_\_\_\_\_. Section four hundred eleven point eight  
6 (411.8), subsections three (3) and five (5), Code  
7 1977, are amended to read as follows:

8 3. PENSION ACCUMULATION FUND. The pension  
9 accumulation fund shall be the fund in which shall  
10 be accumulated all ~~reserves moneys~~ for the payment  
11 of all pensions and other benefits payable from  
12 contributions made by the said cities and the members  
13 and from which shall be paid the lump-sum death  
14 benefits for all members payable from the said  
15 contributions. Contributions to and payments from  
16 the pension accumulation fund shall be as follows:

17 a. On account of each member there shall be paid  
18 annually into the pension accumulation fund by the  
19 said cities an amount equal to a certain percentage  
20 of the earnable compensation of the member to be known  
21 as the "normal contribution". The rate percent of  
22 such contribution by the member cities shall be fixed  
23 on the basis of the liabilities of the retirement  
24 system as shown by annual actuarial valuations. ~~Until~~  
25 ~~the first valuation the normal contribution shall~~  
26 ~~be 7.9 percent.~~

27 b. On the basis of the rate of interest and of  
28 such mortality, interest and other tables as shall  
29 be adopted by the boards board of trustees, the actuary  
6138 - 30 engaged by the said boards to make each valuation  
31 required by this chapter, shall immediately after  
32 making such valuation, determine ~~the uniform and~~  
33 ~~constant percentage of the earnable compensation of~~  
34 ~~the average new entrant, which, if contributed~~  
35 ~~throughout his entire period of active service, would~~  
36 ~~be sufficient to provide for the payment of any death~~  
37 ~~benefit or pension payable on this account. The rate~~  
38 ~~percent so determined shall be known as the "normal~~  
39 ~~contribution rate". The normal contribution rate~~  
40 shall be the rate percent of the earnable compensation  
41 of all members obtained by deducting from the total  
42 liabilities of the fund the sum of the amount of the  
43 funds in hand to the credit of the fund and the  
44 remaining unfunded portion of the unfunded sup-  
45 plemental actuarial value for all cities determined  
6138 - 46 pursuant to section fifty-eight (58) of this Act,  
47 and dividing the remainder by one percent of the  
48 present value of the prospective future compensation  
49 of all members as computed on the basis of the rate  
50 of interest and of mortality and service tables adopted

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1 by the ~~boards~~ board of trustees, all reduced by the  
2 employee contribution made pursuant to paragraph f  
3 of this subsection. The normal rate of contribution  
4 shall be determined by the actuary after each  
5 valuation.

6 c. The total amount payable in each year to the  
7 pension accumulation fund shall be not less than the  
8 rate percent known as the normal contribution rate  
9 of the total compensation earnable by all members  
10 during the year, provided, however, that the aggregate  
11 payment by the said cities shall be sufficient when  
12 combined with the amount in the fund to provide the  
13 pensions and other benefits payable out of the fund  
14 during the then current year.

15 d. All lump-sum death benefits on account of death  
16 in active service payable from contributions of the  
17 said cities shall be paid from the pension accumulation  
18 fund.

19 e. Upon the retirement or death of a member an  
20 amount equal to the pension reserve on any pension  
21 payable to him or her or on account of his or her  
22 death shall be transferred from the pension  
23 accumulation fund to the pension reserve fund.

24 f. An amount equal to one two and twenty-one  
25 hundredths percent of each member's compensation from  
26 the earnable compensation of the member shall be paid  
27 to the pension accumulation fund by each applicable  
28 ~~city. The provisions of this section, subsection~~  
29 ~~17, paragraphs "b" and "c", relating to the~~  
30 ~~contributions of members shall be applicable to this~~  
31 ~~paragraph.~~

32 g. The board of trustees shall certify to the  
33 superintendent of public safety as defined in this  
34 chapter and the superintendent of public safety as  
35 defined in this chapter shall cause to be deducted  
36 from the earnable compensation of each member the  
37 contribution required under paragraph f of this  
38 subsection and shall forward the contributions to  
39 the board of trustees for recording and for deposit  
40 in the pension accumulation fund.

41 The deductions provided for under this subsection  
42 shall be made notwithstanding that the minimum  
43 compensation provided by law for any member is reduced.  
44 Every member is deemed to consent to the deductions  
45 made under this section.

46 5. EXPENSE FUND. The expense fund shall be the  
47 fund to which shall be credited all money provided  
48 by the said cities to pay the administration expenses  
49 of the retirement system and from which shall be paid  
50 all the expenses necessary in connection with the

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1 administration and operation of the system. Annually  
2 the ~~boards~~ board of trustees shall estimate the amount  
3 of money necessary to be paid into the expense fund  
4 during the ensuing year to provide for the expense  
5 of operation of the retirement system and shall bill  
6 each city for its portion based upon the ratio that  
7 the number of active and retired members in the  
8 retirement system from that city on July first of  
9 each year bears to the total number of active and  
10 retired members in the retirement system on July first  
11 of each year.

12 Sec. \_\_\_\_\_. Section four hundred eleven point eleven  
13 (411.11), subsection one (1), Code 1977, is amended  
14 to read as follows:

15 1. On or before January 1 first of each year the  
16 ~~respective-boards~~ board of trustees shall certify  
17 to the superintendent of public safety of each member  
18 city the amounts which will become due and payable  
19 during the fiscal year next following to the pension  
20 accumulation fund and the expense fund for that city.  
21 The amounts so certified shall be included by the  
22 superintendent of public safety of each member city  
23 in his the superintendent's annual budget estimate.  
24 The amounts so certified shall be appropriated by  
25 the said cities and transferred to the retirement  
26 system for the ensuing fiscal year. Said cities shall  
27 annually levy a tax sufficient in amount to cover  
28 such appropriations.

29 Sec. \_\_\_\_\_. Section four hundred eleven point eleven  
30 (411.11), Code 1977, is amended by striking subsection  
31 two (2).

32 Sec. \_\_\_\_\_. Section four hundred eleven point twelve  
33 (411.12), Code 1977, is amended to read as follows:

34 411.12 GUARANTY. ~~Regular-interest-charges-payable,~~  
35 ~~the~~ The creation and maintenance of ~~reserves moneys~~  
36 in the pension accumulation fund and the maintenance  
37 of ~~annuity-reserves-and~~ pension reserves as provided  
38 for the payment of all pensions, ~~annuities,~~ ~~retirement~~  
39 ~~allowances,~~ ~~refunds,~~ and other benefits granted under  
40 the provisions of this chapter and all expenses in  
41 connection with the administration and operation of  
42 the retirement ~~systems~~ system are hereby made direct  
43 liability obligations of the said cities. ~~All-income,~~  
44 ~~interest,-and-dividends-derived-from-deposits-and~~  
45 ~~investments-authorized-by-this-chapter-shall-be-used~~  
46 ~~for-the-payment-of-the-said-obligations-of-the-said~~  
47 ~~cities,-,-Any-amounts-derived-therefrom,-which,-when~~  
48 ~~combined-with-regular-appropriations-made-under-the~~  
49 ~~provisions-of-this-chapter,-exceed-the-amount-required~~  
50 ~~to-provide-for-the-discharge-of-such-obligations,~~

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1 ~~shall-be-used-to-reduce-the-regular-appropriations~~  
2 ~~otherwise-required-~~  
3 Sec. \_\_\_\_ Section four hundred eleven point  
4 fourteen (411.14), 1977 Code Supplement, is amended  
5 to read as follows:  
6 411.14 PROTECTION AGAINST FRAUD. Any person who  
7 shall knowingly make any false statement, or shall  
8 falsify or permit to be falsified any record or records  
9 of such retirement system in any attempt to defraud  
10 such system as a result of such act, shall be guilty  
11 of a fraudulent practice. Should any change or errors  
12 in records result in any member or beneficiary  
13 receiving from the retirement system more or less  
14 than he or she would have been entitled to receive  
15 had the records been correct, the ~~respective~~ board  
16 of trustees shall correct such error, and, as far  
17 as practicable, shall adjust the payments in such  
18 a manner that the actuarial equivalent of the benefit  
19 to which such member or beneficiary was correctly  
20 entitled, shall be paid.  
21 Sec. \_\_\_\_ Section four hundred eleven point  
22 nineteen (411.19), Code 1977, is amended to read as  
23 follows:  
24 411.19 TRANSFER OF BENEFITS MEMBERSHIP SERVICE  
25 TO ANOTHER CITY. A member of a the retirement system  
26 established in this chapter who terminates employment  
27 with a city and is subsequently employed by another  
28 city and is eligible for coverage under this chapter  
29 may transfer membership service earned ~~under-the-first~~  
30 ~~system-to-the-system-under-which-the-member-is-employed~~  
31 from one city to another. Upon-the-written-request  
32 ~~of-the-member-with-verification-by-the-board-of~~  
33 ~~trustees-of-the-system-under-which-the-member-is~~  
34 ~~employed,-the-board-of-trustees-of-the-first-system~~  
35 ~~shall-transmit-to-the-board-of-trustees-of-the-system~~  
36 ~~under-which-the-member-is-employed,-within-thirty~~  
37 ~~days-of-the-receipt-of-the-request,-the-member's~~  
38 ~~accumulated-contributions-to-be-deposited-in-the~~  
39 ~~annuity-savings-fund-of-the-system-under-which-the~~  
40 ~~member-is-employed-and-the-actuarial-equivalent-of~~  
41 ~~the-amount-in-the-pension-accumulation-fund-which~~  
42 ~~would-be-necessary-to-fund-a-pension-equal-to-one~~  
43 ~~twenty-second-times-the-number-of-years-of-membership~~  
44 ~~service-completed,-under-the-first-system,-to-be~~  
45 ~~deposited-in-the-pension-accumulation-fund-of-the~~  
46 ~~system-under-which-the-member-is-employed-~~  
47 Sec. \_\_\_\_ Section four hundred eleven point twenty  
48 (411.20), Code 1977, is amended by striking the section  
49 and inserting in lieu thereof the following:  
50 411.20 APPROPRIATION TO MUNICIPAL ASSISTANCE FUND.

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1 There is appropriated from the general fund of the  
2 state to the municipal assistance fund established  
3 in chapter four hundred five (405) of the Code for  
4 each fiscal year an amount necessary to be distributed  
5 to cities which are members of the fire and police  
6 retirement system under the provisions of this chapter.  
7 Funds shall be used to finance the costs of benefits  
8 provided in this chapter by amendments of the Acts  
9 of the Sixty-sixth General Assembly, chapter one  
10 thousand eighty-nine (1089).

11 Commencing with the fiscal year beginning July  
12 1, 1979, the amounts distributed to each eligible  
13 city to pay the state's portion of the costs of benefit  
14 improvements provided by the Sixty-sixth General  
15 Assembly, chapter one thousand eighty-nine (1089)  
16 shall be computed by the actuary employed by the  
17 system on the basis of the results of a study performed  
18 by such actuary for the fiscal years beginning July  
19 1, 1978 and July 1, 1979 as provided in this section.

20 The actuary employed by the system shall be provided  
21 copies of all data, including dates of birth and  
22 employment, sex, salary and asset information, used  
23 in the actuarial valuations performed as of June 30,  
24 1978 by the consulting actuaries signing the verified  
25 statements required to be filed under this section  
26 as this section was effective on June 30, 1978.

27 Prior to December 31, 1979 the actuary employed  
28 by the system shall perform the actuarial valuations  
29 of the system which are needed to determine the state's  
30 portion of the cost of the benefit improvements  
31 provided by the Acts of the Sixty-sixth General  
32 Assembly, chapter one thousand eighty-nine (1089),  
33 for the fiscal year commencing July 1, 1979, under  
34 this section as this section was effective on June  
35 30, 1978. In addition, the actuary shall perform  
36 the actuarial valuations of the system which would  
37 have been needed to determine the state's portion  
38 of the cost of the benefit improvements under this  
39 section as this section was effective on June 30,  
40 1978, for the fiscal year commencing July 1, 1978  
41 if the single system had existed at that time, using  
42 the data supplied by the actuaries employed by the  
43 cities as provided in this section.

44 On the basis of the results of the actuarial  
45 valuations described above, the actuary employed by  
46 the system shall determine a ratio of the payroll  
47 which is determined by dividing the total of the  
48 state's portion of the cost of said benefit  
49 improvements as determined by the actuarial valua-  
50 tions described for the two fiscal years by the total

H-6127 1 payroll of the members of the systems for the two  
 Page 31 2 fiscal years. The actuary shall certify the ratio  
 3 so determined.

4 For the fiscal year commencing July 1, 1979 and  
 5 each fiscal year thereafter, the state comptroller  
 6 shall pay to each city an amount equal to the ratio  
 7 of payroll times the payroll of the active members  
 8 employed by that city for the fiscal year.

9 Sec. \_\_\_\_\_. Sections ninety-seven A point ten  
 10 (97A.10), four hundred eleven point ten (411.10) and  
 11 four hundred eleven point eighteen (411.18), Code  
 12 1977, are repealed.

13 Sec. \_\_\_\_\_. Chapter four hundred eleven (411), Code  
 14 1977, as amended by Acts of the Sixty-seventh General  
 15 Assembly, 1977 Session, chapters forty-eight (48)  
 16 and one hundred eighteen (118), is amended by adding  
 17 the following new sections:

18 NEW SECTION.

19 1. Members who became vested and terminated service  
 20 prior to July 1, 1979, and members receiving an annuity  
 21 from accumulated contributions made prior to July  
 22 1, 1979, shall continue to receive the benefits the  
 23 member was entitled to under the provisions of chapter  
 24 four hundred eleven (411), as chapter four hundred  
 25 eleven (411) was effective on the date of the member's  
 26 retirement or vested termination.

27 2. For the purposes of this section:

28 a. "Accumulated contributions" means the sum of  
 29 all amounts deducted from the compensation of a member  
 30 and credited to the member's individual account in  
 31 the annuity savings fund together with regular interest  
 32 thereon as provided in this subsection. Accumulated  
 33 contributions do not include any amount deducted from  
 34 the compensation of a member and credited to the  
 35 pension accumulation fund.

36 b. "Annuity" means annual payments for life derived  
 37 from the accumulated contributions of a member. All  
 38 annuities shall be payable in monthly installments.

39 c. "Annuity reserve" shall mean the present value  
 40 of all payments to be made on account of an annuity,  
 41 or benefit in lieu of an annuity, granted under the  
 42 provisions of this chapter, upon the basis of such  
 43 mortality tables as shall be adopted by the board  
 44 of trustees, and regular interest.

45 d. "Annuity savings fund" means the account main-  
 46 tained by the board of trustees of funds forwarded  
 47 by the custodians of the annuity savings funds  
 48 maintained by the cities prior to July 1, 1979, in  
 49 which the accumulated contributions of the members  
 50 were deposited prior to July 1, 1979, to provide for

H-6127 1 their annuities.

Page 32 2 e. "Annuity reserve fund" means the account  
3 maintained by the board of trustees of funds forwarded  
4 by the custodians of the annuity reserve funds  
5 maintained by the cities prior to July 1, 1979, from  
6 which shall be paid all annuities and all benefits  
7 in lieu of annuities payable as provided in this  
8 chapter as this chapter was effective on June 30,  
9 1979.

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

14 3. Beginning July 1, 1979, each custodian of the  
15 funds of the police and fire retirement systems in  
16 cities shall forward the funds remaining in the annuity  
17 reserve fund and the annuity savings fund to the board  
18 of trustees for maintenance and investment of the  
19 funds which had been contributed by members prior  
20 to July 1, 1979. Members receiving an annuity as  
21 a portion of their retirement or disability benefits  
22 on June 30, 1979, shall continue to receive such  
23 annuity from the account maintained by the board of  
24 trustees. Members receiving an annuity, if reemployed  
25 under service covered by this chapter, shall cease  
26 to receive retirement benefits.

27 4. The accumulated contributions of a member with-  
28 drawn by the member or paid to the member's estate  
29 or designated beneficiary in the event of the member's  
30 death shall be paid from the annuity savings fund  
31 account. Upon the retirement of a member, the member's  
32 accumulated contributions shall be transferred from  
33 the annuity savings fund to the annuity reserve fund.

34 5. A member of the retirement system prior to  
35 July 1, 1979 with fifteen or more years of service  
36 whose employment was terminated prior to retirement,  
37 other than by death or disability, shall be entitled  
38 to receipt of his or her accumulated contributions  
39 upon retirement together with other retirement benefits  
40 provided in the law on the date of the member's  
41 retirement. However, the member shall not be eligible  
42 for a service retirement allowance under section  
43 ninety-seven A point six (97A.6) of the Code if he  
44 or she has chosen to withdraw his or her accumulated  
45 contributions from the annuity savings fund.

46 6. Any member in service prior to July 1, 1979  
47 may at the time of his or her retirement withdraw  
48 his or her accumulated contributions made before July  
49 1, 1979 or receive an annuity which shall be the  
50 actuarial equivalent of his or her accumulated

1 contributions at the time of his or her retirement.

2 7. Notwithstanding the provisions of subsections  
3 one (1), three (3), four (4), five (5), and six (6)  
4 of this section, beginning January 1, 1981, an active  
5 or vested member may request in writing and receive  
6 from the board of trustees, his or her accumulated  
7 contributions from the annuity savings fund.

8 8. The actuary shall annually determine the amount  
9 required in the annuity reserve fund. If the amount  
10 required is less than the amount in the annuity reserve  
11 fund, the board of trustees shall transfer the excess  
12 funds from the annuity reserve fund to the pension  
13 accumulation fund. If the amount required is more  
14 than the amount in the annuity reserve fund, the board  
15 of trustees shall transfer the amount prescribed  
16 by the actuary to the annuity reserve fund from the  
17 pension accumulation fund.

18 NEW SECTION. On the basis of funds in the pension  
19 reserve fund and the pension accumulation fund of  
20 each retirement system in existence on June 30, 1979,  
21 the actuary shall determine an unfunded supplemental  
22 actuarial value for each city to be paid over a twenty-  
23 year period beginning July 1, 1979 and ending June  
24 30, 1999 in accordance with the accrued benefit  
25 actuarial cost method, with accrued benefits based  
26 on the pro rata portion of total anticipated service,  
27 reduced by the pension accumulation fund. The  
28 supplemental actuarial value for each city shall be  
29 approved by the treasurer of state."

30 3. Page 11, by inserting after line 27 the follow-  
31 ing sections:

32 "Sec. \_\_\_\_\_. The sections of this Act amending  
33 sections of chapters ninety-seven A (97A) and four  
34 hundrd eleven (411) of the Code are effective July  
35 1, 1979."

6132

36 4. By numbering and renumbering sections as neces-  
37 sary in accordance with this amendment.

H-6127 FILED *Adopted* BY BYERLY of Polk  
APRIL 19, 1978 *amended by* CONNORS of Polk  
*6132 4/19* MONROE of Des Moines  
*(p. 1649)* SCHROEDER of Pottawattamie  
BRANDT of Black Hawk

HOUSE FILE 2426

H-6124

- 1 Amend amendment H-6117, to House File 2426, as
- 2 follows:
- 3 1. Page 1, line 11, by striking the word "two"
- 4 and inserting in lieu thereof the word "four".

H-6124 FILED *Adopted* BY MILLER of Buchanan  
APRIL 19, 1978 *4/20 (p. 1671)*

HOUSE FILE 2426

H-6125

- 1 Amend House File 2426 as follows:
- 2 1. Page 9, by inserting after line 9 the follow-
- 3 ing section:
- 4 "Sec. \_\_\_\_\_. Section ninety-seven B point fifty-
- 5 nine (97B.59), Code 1977, is amended to read as
- 6 follows:
- 7 97B.59 ACTUARY EMPLOYED. The department shall
- 8 employ an actuary as its technical advisor subject
- 9 to the approval of the legislative council. The
- 10 compensation of the actuary and of other employees
- 11 shall be fixed by the department within the
- 12 appropriations made therefor."

H-6125 FILED *Lost* 4/20 BY BYERLY of Polk  
APRIL 19, 1978 *(p. 1672)*

HOUSE FILE 2426

H-6126

- 1 Amend House File 2426 as follows:
- 2 1. Page 11, by inserting after line 27 the follow-
- 3 ing section:
- 4 "Sec. \_\_\_\_\_. Section ninety-seven C point two (97C.2),
- 5 Code 1977, is amended by striking subsection three (3)."
- 6 2. By numbering and renumbering sections as neces-
- 7 sary.

H-6126 FILED *withdrawn* BY SCHROEDER of Pottawattamie  
APRIL 19, 1978 *4/20 (p. 1685)*

H-6120

- 1 Amend House File 2426 as follows:  
 2 1. Page 8, by inserting after line 13 the follow-  
 3 ing section:  
 4 "Sec. \_\_\_\_ . Section ninety-seven B point fifty  
 5 (97B.50), Code 1977, is amended to read as follows:  
 6 97B.50 EARLY RETIREMENT.  
 7 1. A member shall upon retirement on his early  
 8 retirement date be entitled to receive a monthly  
 9 retirement allowance determined in the same manner  
 10 as provided for normal retirement in subsections 1,  
 11 4 and 5 of section 97B.49 reduced by five-tenths of  
 12 one percent per month for each month that the early  
 13 retirement date precedes the normal retirement date.  
 14 2. A member who has completed thirty or more years  
 15 of service who retires from the system and commences  
 16 receiving disability benefits pursuant to the United  
 17 States Social Security Act (42 U.S.C.), as amended  
 18 to July 1, 1978, who is eligible for early retirement,  
 19 but has not reached the normal retirement date, shall  
 20 receive full benefits under section ninety-seven B  
 21 point forty-nine (97B.49) of the Code and shall not  
 22 have benefits reduced upon retirement as required  
 23 under subsection one (1) of this section.  
 24 3. A member who has not completed thirty years  
 25 of service who retires from the system and commences  
 26 receiving disability benefits pursuant to the United  
 27 States Social Security Act (42 U.S.C.), as amended  
 28 to July 1, 1978, who is eligible for early retirement,  
 29 but has not reached the normal retirement date, shall  
 30 upon retirement have benefits received under section  
 31 ninety-seven B point forty-nine (97B.49) of the Code  
 32 reduced by twenty-five hundredths of one percent per  
 33 month for each month that the early retirement date  
 34 precedes the normal retirement date."  
 35 2. By numbering and renumbering sections as  
 36 necessary.

H-6120 FILED *Adopted 4/20* BY BYERLY of Polk  
 APRIL 18, 1978 (*p. 1670*)

## HOUSE FILE 2426

H-6121

- 1 Amend H-6109, the Stromer amendment, to House File  
 2 2426 as follows:  
 3 1. Page 1, line 12, by striking the words "in  
 4 writing to the department".  
 5 2. Page 1, line 15, by inserting after the word  
 6 "made." the words "The election shall be made in  
 7 writing to the department not later than June 30, 1979."

H-6121 FILED *Adopted* BY HANSEN of O'Brien  
 APRIL 18, 1978 *4/20 (p. 1677)*

## HOUSE FILE 2426

H-6123

- 1 Amend amendment H-6110 to House File 2426 as  
 2 follows:  
 3 1. Page 1, line 9, by striking "except" and  
 4 inserting in lieu thereof the word "except".

H-6123 FILED *Adopted 4/20* BY SCHROEDER of Pottawattamie  
 APRIL 18, 1978 (*p. 1680*)

## HOUSE FILE 2426

H-6116

1 Amend House File 2426 as follows:

2 1. Page 9, by inserting after line 9 the following  
3 section:

4 "Sec. \_\_\_\_ . Section ninety-seven B point fifty-three  
5 (97B.53), subsection one (1), Code 1977, is amended to  
6 read as follows:

7 1. Upon the termination of employment with the  
8 employer prior to retirement other than by death of  
9 a member, the accumulated contributions by the member  
10 at the date of such termination will be paid to such  
11 member if such member has completed at least one year  
12 of service, except as may be provided in subsection 2,  
13 subsection 5 and subsection 6 of this section."

14 2. By numbering and renumbering sections as neces-  
15 sary in accordance with this amendment.

H-6116 FILED *withdrawn* BY MILLER of Buchanan  
APRIL 18, 1978 *4/20 (p. 1672)*

## HOUSE FILE 2426

H-6117

1 Amend House File 2426 as follows:

2 1. Page 9, by inserting after line 9 the following  
3 section:

4 "Sec. \_\_\_\_ . Section ninety-seven B point fifty-three  
5 (97B.53), subsection one (1), Code 1977, is amended to  
6 read as follows:

7 1. Upon the termination of employment with the  
8 employer prior to retirement other than by death of  
9 a member, the accumulated contributions by the member  
10 at the date of such termination will be paid to such  
11 member if such member has completed at least two years  
12 of service, except as may be provided in subsection 2,  
13 subsection 5 and subsection 6 of this section."

14 2. By numbering and renumbering sections as neces-  
15 sary in accordance with this amendment.

H-6117 FILED *Last 4/20* BY MILLER of Buchanan  
APRIL 18, 1978 *(p. 1672)*

## HOUSE FILE 2426

H-6122

1 Amend House File 2426 as follows:

2 1. Page 11, line 11, by inserting after the word  
3 "liabilities" the words "for future benefits for  
4 active members in excess of the projected contributions  
5 by contributing judges and the state".

6 2. Page 11, line 11, by inserting after the word  
7 "amount" the words "for the period beginning January  
8 1, 1979 and ending December 31, 1998,".

9 3. Page 11, line 18, by striking the words "clerk  
10 of the supreme court" and inserting in lieu thereof  
11 the words "court administrator of the judicial  
12 department".

H-6122 FILED *Adopted 4/20* BY MONROE of Des Moines  
APRIL 18, 1978 *(p. 1684)*

H-6109

1 Amend House File 2426 as follows:

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

4 2. Page 10, by inserting after line 23 the follow-  
5 ing:

6 "NEW SECTION. An active, vested, or retired member  
7 who at any time between July 4, 1953 and July 1, 1973  
8 was a member of the system, but who did not meet the  
9 requirements to be a vested member for that period  
10 of membership service, and who received a refund of  
11 contributions for that period of membership service  
12 may elect in writing to the department to make  
13 contributions to the system for that period of member-  
14 ship service for which a refund of contributions was  
6121-15 made. The contributions repaid by the member for  
16 such service shall be equal to the accumulated  
17 contributions as defined in section ninety-seven B  
18 point forty-one (97B.41), subsection thirteen (13),  
19 of the Code, received by the member for that period  
20 of membership service plus interest on the accumulated  
21 contributions for the period from the date of receipt  
22 by the member and to the date of repayment equal to  
23 two percent plus the interest dividend rate applicable  
24 for each year.

25 The provisions of this section shall only be avail-  
26 able to a member if that member's total years of  
27 membership and prior service, with the addition of  
28 service for that period of membership service for  
29 which contributions are repaid, equals or exceeds  
30 fifteen years."

H-6109 FILED *A. W. D. 4/20* BY STROMER of Hancock  
APRIL 18, 1978 *B. L. Cook (p. 1671)*

## HOUSE FILE 2426

H-6110

1 Amend House File 2426 as follows:

2 1. Page 10, by inserting after line 23 the  
3 following section:

4 "Sec. \_\_\_\_\_. Section ninety-seven C point two  
5 (97C.2), subsection three (3), Code 1977, is amended  
6 to read as follows:

7 3. The term "employee" includes elective and  
8 appointive officials of the state or any political  
6123-9 subdivision thereof; ~~except members of the general~~  
10 ~~assembly,~~ elective officials in positions; the compen-  
11 sation for which is on a fee basis, elective officials  
12 of school districts, elective officials of townships,  
13 and elective officials of other political subdivisions  
14 who are in part-time positions; provided that no member  
15 of a county board of supervisors shall be deemed to be  
16 an elective official in a part-time position, but  
17 every member of a county board of supervisors shall be  
18 deemed to be an employee within the purview of this  
19 chapter and shall be eligible to receive all of the  
20 benefits provided by this chapter to which he may be  
21 entitled as an employee."

H-6110 FILED *Adopted as amended by* BY TAUKE of Dubuque  
APRIL 18, 1978 *6123 4/20 (p. 1671)*

H-6107

1 Amend House File 2426 as follows:

- 2 1. Page 10, line 8, by striking the word "section"  
3 and inserting in lieu thereof the word "sections".  
4 2. Page 10, by inserting after line 23 the follow-  
5 ing:

6 "NEW SECTION. An active, vested, or retired member  
7 who was in employment with an employer, as defined  
8 in section ninety-seven B point forty-one (97B.41),  
9 subsection three (3), paragraph a, of the Code except  
10 that the employment occurred prior to July 4, 1947,  
11 during any period prior to July 4, 1947 but was not  
12 in employment with an employer between July 4, 1947  
13 and July 4, 1953, may file verification of employment  
14 prior to July 4, 1947 with the department of job  
15 service. If the years of membership service and prior  
16 service of the member equal fifteen or more and  
17 verification of such employment has been filed with  
18 the department of job service, the department shall  
19 add the years of prior service to the years of  
20 membership service in computing benefits pursuant  
21 to section ninety-seven B point forty-nine (97B.49)  
22 of the Code."

H-6107 FILED *withdrawn 4/20* BY BRANDT of Black Hawk  
APRIL 18, 1978 (*p. 1675*)

## HOUSE FILE 2426

H-6108

1 Amend House File 2426 as follows:

- 2 1. Page 10, line 8, by striking the word "section"  
3 and inserting in lieu thereof the word "sections".  
4 2. Page 10, by inserting after line 23 the follow-  
5 ing:

6 "NEW SECTION. A person who served as a member  
7 of the general assembly during any period between  
8 July 4, 1953 and January 7, 1979 who is not a member  
9 of the Sixty-seventh General Assembly who submits  
10 proof to the department of such membership in the  
11 general assembly may make contributions to the system  
12 for service equal to the accumulated contributions  
13 as defined in section ninety-seven B point forty-one  
14 (97B.41), subsection three (3), of the Code which  
15 would have been made if the former member of the  
16 general assembly had been a member of the system  
17 during the member's service in the general assembly.  
18 In addition, the former member of the general assembly  
19 shall pay to the department an amount sufficient to  
20 pay the employer contributions which would have been  
21 made for the former member of the general assembly  
22 plus two percent interest plus interest dividends  
23 for all completed calendar years and for any completed  
24 calendar year for which the interest dividend has  
25 not been declared and for completed months of partially  
26 completed calendar years at two percent interest plus  
27 the interest dividend rate calculated for the previous  
28 year, compounded annually, from the end of the calen-  
29 dar year in which the contribution would have been  
30 made to the first day of the month in which payment  
31 is made."

H-6108 FILED *A. W. Johnson* BY SMALL of Johnson  
APRIL 18, 1978 *B. Last 4/20 (p. 1676)*

1 Amend House File 2426 as follows:

2 1. Page 2, by inserting after line 23 the follow-  
3 ing section:

4 "Sec. \_\_\_\_\_. Section ninety-seven B point forty-  
5 one (97B.41), subsection one (1), paragraph b,  
6 subparagraph five (5), Code 1977, is amended to read  
7 as follows:

8 (5) Effective July 1, ~~1973~~ 1978, covered wages  
9 shall not include wages to a member on or after the  
10 first of the month coinciding with or next following  
11 his seventieth birthday in which the member attains  
12 the age of seventy years, or after the effective  
13 date of his the member's retirement unless he the  
14 member is re-employed, as provided under section  
15 97B.48, subsection 3."

16 2. Page 3, line 13, by striking the words and  
17 figures "subsection nine (9), Code 1977, is" and  
18 inserting in lieu thereof the words and figures  
19 "subsections nine (9) and eighteen (18), Code 1977,  
20 are".

21 3. Page 3, by inserting after line 24 the follow-  
22 ing:

23 "18. "Membership service" means service rendered  
24 by a member after July 4, 1953, and prior to the first  
25 of the month coinciding with or next following his  
26 seventieth birthday in which the member attains the  
27 age of seventy years. Years of membership service  
28 shall be counted to the complete quarter calendar  
29 year."

30 4. Page 5, by inserting after line 26 the follow-  
31 ing sections:

32 "Sec. \_\_\_\_\_. Section ninety-seven B point forty-  
33 five (97B.45), unnumbered paragraph one (1), Code  
34 1977, is amended to read as follows:

35 A member's normal retirement date shall be the  
36 first of the month coinciding with or next following  
37 his sixty-fifth birthday in which a member attains  
38 the age of sixty-five years. A member may retire  
39 after his the member's sixty-fifth birthday except  
40 as otherwise provided in section 97B.46. A member  
41 retiring on or after his the normal retirement date,  
42 as provided in section 97B.46, shall submit a written  
43 notice to the department setting forth the date the  
44 retirement is to become effective, provided that such  
45 date shall be after his the member's last day of  
46 service and not before the first day of the sixth  
47 calendar month preceding the month in which the notice  
48 is filed, except that credit for service shall cease  
49 when contributions cease as provided in section 97B.11.

50 Sec. \_\_\_\_\_. Section ninety-seven B point forty-six

1 (97B.46), Code 1977, is amended to read as follows:  
2 97B.46 SERVICE AFTER AGE SIXTY-FIVE. A member  
3 may, on the request of the employer, remain in the  
4 active employ of the employer beyond the date he the  
5 member attains the age of sixty-five for such period  
6 or periods as the employer from time to time shall  
7 approve, provided, however, that credit for such  
8 service shall cease when contributions cease as  
9 provided in section 97B.11. The member shall retire  
10 ~~from the employment of the employer~~ at the end of  
11 the last approved period, on the first day of the  
12 month ~~next following or coinciding with such date~~  
13 in which the member retires. A member remaining in  
14 service past his seventieth birthday after attaining  
15 the age of seventy years shall be entitled to receive  
16 a retirement allowance under section 97B.49 as  
17 applicable commencing with payment for the calendar  
18 month within which the written notice is submitted  
19 to the department, except that if he the member fails  
20 to submit the notice on a timely basis, retroactive  
21 payments shall be made for no more than six months  
22 immediately preceding the month in which the written  
23 notice is submitted.

24 Sec. \_\_\_\_ . Section ninety-seven B point forty-seven  
25 (97B.47), Code 1977, is amended to read as follows:

26 97B.47 EARLY RETIREMENT DATE. A member's early  
27 retirement date shall be the first of any the month  
28 coinciding with or following his fifty-fifth birthday  
29 and in which a member attains the age of fifty-five  
30 years or the first of any month after attaining the  
31 age of fifty-five years prior to his the member's  
32 normal retirement date, provided such date shall be  
33 after the last day of service. A member may retire  
34 on his the member's early retirement date by submitting  
35 written notice to the department setting forth the  
36 early retirement date which shall not be before the  
37 first day of the sixth calendar month preceding the  
38 month in which such notice is filed.

39 Sec. \_\_\_\_ . Section ninety-seven B point forty-eight  
40 (97B.48), subsection three (3), Code 1977, is amended  
41 to read as follows:

42 3. If at any time after the first day of the month  
43 coinciding with or next following his fifty-fifth  
44 birthday in which the member attains the age of fifty-  
45 five years and until his the member's sixty-fifth  
46 birthday, a member who is retired under this chapter  
47 is in regular full-time employment, his the member's  
48 retirement allowance shall be suspended for as long  
49 as he the member remains in employment. However,  
50 employment shall not be regarded as full-time

1 employment until he the member receives remuneration  
2 in an amount in excess of two thousand one hundred  
3 dollars for any calendar year. Effective the first  
4 of the month ~~coinciding with or next following his~~  
5 sixty-fifth birthday in which a member attains the  
6 age of sixty-five years, a retired member shall be  
7 entitled to receive a retirement allowance after  
8 return to covered employment regardless of the amount  
9 of remuneration received. As of the first of the  
10 month ~~coinciding with or next following the member's~~  
11 seventieth birthday in which the member attains the  
12 age of seventy years, ~~he the member~~ shall be entitled  
13 to receive a retirement allowance determined under  
14 section 97B.49, regardless of the amount of  
15 remuneration received. Upon any retirement after  
16 re-employment, a retired member shall be entitled  
17 to have his or her retirement allowance redetermined  
18 under this section or sections 97B.49 or 97B.50,  
19 whichever is applicable, based upon the employee's  
20 and his employer's additional contributions, and any  
21 membership service of the employee after his re-  
22 employment."

23 5. Page 11, by inserting after line 23 the follow-  
24 ing section:

25 "Sec. \_\_\_\_\_. There is appropriated from the general  
26 fund of the state for the fiscal period beginning  
27 July 1, 1978 and ending June 30, 1979 to the Iowa  
28 department of job service an amount sufficient to  
29 pay to each retired member of the system the difference  
30 between the total amount of retirement allowance the  
31 member would have received prior to July 1, 1978 if  
32 the member's retirement allowance had been computed  
33 under the provisions of this Act and the total amount  
34 of retirement allowance the member received prior  
35 to July 1, 1978. The amount due each retired member  
36 shall be paid by the Iowa department of job service  
37 no later than June 30, 1979 to each retired member  
38 who is living."

39 6. By numbering and renumbering sections as  
40 necessary.

H-6104 FILED BY CRAWFORD of Story  
APRIL 18, 1978

*Post*  
m/d 4/19  
(p. 1653)

## HOUSE FILE 2426

H-6102

- 1 Amend House File 2426 as follows:  
 2 1. Page 10, by striking lines 24 through 35.  
 3 2. Page 11, by striking lines 1 through 23.

H-6102 FILED *Lost 4/20* BY LIPSKY of Linn  
 APRIL 18, 1978 (*p. 1684*)

## HOUSE FILE 2426

H-6103

- 1 Amend House File 2426 as follows:  
 2 1. Page 8, line 4, by striking the words "fifty  
 3 cents" and inserting in lieu thereof the words "one  
 4 dollar".  
 5 2. Page 8, line 7, by striking the words "one  
 6 dollar" and inserting in lieu thereof the words  
 7 "two dollars".  
 8 3. Page 9, by striking lines 10 through 35.  
 9 4. Page 10, by striking lines 1 through 6.

H-6103 FILED *Lost 4/19* BY WELDEN of Hardin  
 APRIL 18, 1978 (*pp. 1657-58*) LIPSKY of Linn  
*Motion to reconsider p. 1659*  
*Lost 4/20 (p. 1686)*

## HOUSE FILE 2426

H-6105

- 1 Amend House File 2426 as follows:  
 2 1. Page 9, by striking lines 10 through 35.  
 3 2. Page 10, by striking lines 1 through 6.  
 4 3. By renumbering sections as necessary.

H-6105 FILED *Out of order* BY THOMPSON of Polk  
 APRIL 18, 1978 *4/20 (p. 1673)* GENTLEMAN of Polk  
 HALVORSON of Clayton

## HOUSE FILE 2426

H-6106

- 1 Amend House File 2426 as follows:  
 2 1. Page 9, by striking lines 10 through 35.  
 3 2. Page 10, by striking lines 1 through 6.  
 4 3. Page 11, by inserting after line 23 the follow-  
 5 ing section:  
 6 "Sec. \_\_\_\_ . Acts of the Sixty-seventh General  
 7 Assembly, 1977 Session, chapter fifty-six (56),  
 8 sections one (1) and two (2), are repealed."  
 9 4. By numbering and renumbering sections as  
 10 necessary.

H-6106 FILED BY THOMPSON of Polk  
 APRIL 18, 1978 GENTLEMAN of Polk

*A. Withdrawn 4/20 (p. 1673)*  
*B. Lost (p. 1674)*

FISCAL NOTE  
HOUSE FILE 2426

Requested by Representative Monroe  
April 17, 1978

In compliance with a written request, there is submitted  
a Fiscal Note for H.F. 2426, pursuant to Joint Rule 16:

House File 2426, An Act relating to certain public retirement systems; including the Iowa public employees' retirement system relating to administration, contribution rates, coverage, and changes in benefits; and including the judicial retirement system relating to contributions assessed as court costs; and to make an appropriation.

Section 1. Increase in contribution rate for employer from 5.25% to 5.75%.

Estimated additional costs for all political entities reporting under IPERS is an estimated \$6,500,000 per year. This is based on an estimated covered payroll of \$1.3 billion.

Section 9, Subsection 5. The contribution rate for employer is now 5.25% and for the employee 3.60% for a total of 8.85%. A benefit formula of 44% of final average covered wage can be supported by contributions equal to 8.39% of payroll. Thus there is sufficient funding to support the 44% formula starting July, 1978.

Section 10, Subsection 7. The additional contribution now being collected for the increased benefits for Conservation Peace Officers will support the benefit formula change from 40% to 44%.

Section 11, New Subsection a. County Sheriffs

A study done by Stennes & Associates, Inc. indicated an additional 5.23% of payroll would be needed to fund the sheriffs and deputies retirement benefits. This 5.23% of payroll would be in addition to the contributions presently being made by the employee of 3.6% and by the employer of 5.25%.

The study was based on employee data as of January 1, 1976 and assumed the present IPERS benefit formula would remain unchanged.

Section 11, New Subsection. Cost to increase benefits for retirees before January 1, 1976:

\$ .50 a month 1 thru 10 years  
1.50 a month 11 thru 20 years  
3.00 a month 21 thru 30 years

Annual level funding for 20 years is \$4,161,200.

Section 14, New Section. Members of Sixty-eighth General Assembly

Not knowing who will be members of the 68th General Assembly, it is difficult to arrive at an estimate of the cost for members of the General Assembly to be covered retroactively under IPERS.

A study made in 1975 has indicated the cost for this type of coverage for members of the General Assembly at that time would have been approximately \$179,329. Because of the change in the membership that will take place in the 68th General Assembly to include new members without retroactive coverage, the cost should be somewhat less than the above figure.

Section 15, New Section. Area School Employees

Assuming all 288 area school employees (employed between July 1, 1967 and June 30, 1971) were able to buy back four years credit under IPERS and that credit was worth \$22.00 per month for each of the four years service, they would receive \$88.00 per month in increased benefits, or \$1,056 annually. With an average lifetime experience of 10 years for the group, total benefits would be \$10,560 per employee.

$$288 \times \$10,560 = \$3,041,280 \text{ Maximum Increased Benefits}$$

Section 16, New Subsection 5. Judicial Retirement Fund

An appropriation would be needed to cover the cost of an actuarial study. Depending on the depth and scope of the actuarial study, a maximum of \$5,000 would be necessary.

Source: Iowa Public Employees' Retirement System  
GERRY D. RANKIN  
Legislative Fiscal Bureau  
FILED  
APRIL 18, 1978

HOUSE FILE 2426  
By COMMITTEE ON STATE GOVERNMENT  
(As Amended and Passed by the House)

Passed House, Date 5-9-78 (p. 2334) Passed Senate, Date 5-5-78 (p. 1282)  
Vote: Ayes 84 Nays 7 Vote: Ayes 41 Nays 7  
Approved June 27 1978

# A BILL FOR

1 An Act relating to certain public retirement systems and  
2 making an appropriation.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4  
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House Amendments \_\_\_\_\_

HOUSE FILE 2426

S-5717

1 Amend House File 2426 as amended, passed and  
2 reprinted by the House as follows:  
3 1. Page 15, by inserting after line 21 the follow-  
4 ing new section:  
5 "Sec. \_\_\_\_\_. Section ninety-seven B point forty-  
6 one (97B.41), subsection one (1), paragraph b, subpara-  
7 graph five (5), Code 1977, is amended to read as  
8 follows:  
9 (5) Effective July 1, ~~1973~~ 1978, covered wages  
10 shall not include wages to a member on or after the first  
11 of the month ~~coinciding with or next following his~~  
12 seventieth birthday in which the member attains the age  
13 of seventy years, or after the effective date of his  
14 the member's retirement unless he the member is  
15 re-employed, as provided under section 97B.48,  
16 subsection 3."

S-5717 FILED withdrawn 5/5 (p. 1277) BY LUCAS J. DE KOSTER  
APRIL 28, 1978

1 Section 1. Section ninety-seven A point one (97A.1),  
2 subsections seven (7), eight (8), twelve (12), seventeen (17),  
3 nineteen (19), and twenty (20), Code 1977, are amended to  
4 read as follows:

5 7. "Beneficiary" shall mean any person receiving a-pension,  
6 an-annuity, a retirement allowance or other benefit as provided  
7 by this chapter.

8 8. "Surviving Spouse" shall mean only such surviving  
9 spouse of a marriage consummated prior to retirement of a  
10 deceased member from active service or a surviving spouse  
11 of a marriage of two years or more duration consummated  
12 subsequent to retirement.

13 12. "Earnable compensation" or "compensation earnable"  
14 shall mean the regular compensation which a member would earn  
15 during one year on the basis of the stated compensation for  
16 his the member's rank or position including compensation for  
17 longevity and excluding any amount received for overtime  
18 compensation or other special additional compensation, meal  
19 and travel expenses, and uniform allowances and excluding  
20 any amount received upon termination or retirement in payment  
21 for accumulated sick leave or vacation.

22 17. "Retirement allowance" shall mean the sum-of-the  
23 annuity-and-the pension, or any benefits in lieu thereof,  
24 granted to a member upon retirement.

25 19. "Pension reserve" shall mean the present value of  
26 all payments to be made on account of any pension, or benefit  
27 in lieu of a pension, granted under the provisions of this  
28 chapter, upon the basis of such mortality tables as shall  
29 be adopted by the board of trustees and regular interest  
30 computed at a rate adopted by the board upon the recommendation  
31 of the actuary.

32 20. "Actuarial equivalent" shall mean a benefit of equal  
33 value, when computed upon the basis of mortality tables adopted  
34 by the board of trustees, and regular interest computed at  
35 a rate adopted by the board upon the recommendation of the

1 actuary.

2 Sec. 2. Section ninety-seven A point one (97A.1), Code  
3 1977, is amended by striking subsections ten (10), eleven  
4 (11), fifteen (15), and eighteen (18).

5 Sec. 3. Section ninety-seven A point three (97A.3),  
6 subsection two (2), Code 1977, is amended to read as follows:

7 2. Should any member in any period of five consecutive  
8 years after last becoming a member, be absent from service  
9 for more than four years, ~~or should he withdraw his accumulated~~  
10 ~~contributions~~ or should he or she become a beneficiary or  
11 die, he or she shall thereupon cease to be a member of this  
12 system.

13 Sec. 4. Section ninety-seven A point six (97A.6),  
14 subsection one (1), paragraph c, Code 1977, is amended to  
15 read as follows:

16 c. Any member in service who has been a member of the  
17 retirement system fifteen or more years and whose employment  
18 is terminated prior to the member's retirement, other than  
19 by death or disability, shall upon attaining retirement age,  
20 receive a service retirement allowance of fifteen twenty-  
21 seconds of the retirement allowance the member would receive  
22 at retirement if the member's employment had not been  
23 terminated, and an additional one twenty-second of such  
24 retirement allowance for each additional year of service not  
25 exceeding twenty-two years of service. The amount of the  
26 retirement allowance shall be based on the average final  
27 compensation at the time of termination of employment. ~~The~~  
28 ~~allowance shall not be available to a member who has chosen~~  
29 ~~to withdraw the member's accumulated contributions as provided~~  
30 ~~in subsection 16 of this section.~~

31 Sec. 5. Section ninety-seven A point six (97A.6),  
32 subsections two (2), four (4), and six (6), Code 1977, are  
33 amended to read as follows:

34 2. ALLOWANCE ON SERVICE RETIREMENT. Upon retirement from  
35 service, a member shall receive a service retirement allowance

1 which shall consist of:

2 a--An annuity which shall be the actuarial equivalent  
3 of his accumulated contributions at the time of his retirement,  
4 and

5 b--A a pension given by the state which shall equal one-  
6 half of the member's average final compensation.

7 4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT. Upon  
8 retirement for ordinary disability a member shall receive  
9 a service retirement allowance if he the member has attained  
10 the age of fifty-five, otherwise he the member shall receive  
11 an ordinary disability retirement allowance which shall consist  
12 of:

13 a--An annuity which shall be the actuarial equivalent  
14 of his accumulated contributions at the time of retirement,  
15 and

16 b--A a pension which together with the member's annuity  
17 shall make a total retirement allowance equal to ninety forty  
18 percent of one-seventieth of the member's average final  
19 compensation multiplied by the number of years of membership  
20 service, if such retirement allowance exceeds one-half of  
21 the member's average final compensation, otherwise a pension  
22 which together with the member's annuity shall provide a total  
23 retirement allowance equal to one-half of the member's average  
24 final compensation except if the member has not had five or  
25 more years of membership service, the member shall receive  
26 a pension which together with the member's annuity shall  
27 provide a total retirement allowance equal to one-fourth of  
28 the member's average final compensation.

29 6. RETIREMENT AFTER ACCIDENT. Upon retirement for  
30 accidental disability a member shall receive a service  
31 retirement allowance if he the member has attained the age  
32 of fifty-five, otherwise he the member shall receive an  
33 accidental disability retirement allowance which shall consist  
34 of:

35 a--An annuity which shall be the actuarial equivalent

1 ~~of his accumulated contributions at the time of his retirement,~~  
2 ~~and~~

3 ~~b.---A a pension, in addition to the annuity, of equal to~~  
4 ~~sixty-six and two-thirds percent of his the member's average~~  
5 ~~final compensation.~~

6 Sec. 6. Section ninety-seven A point six (97A.6),  
7 subsection seven (7), paragraph a, Code 1977, is amended to  
8 read as follows:

9 a. Should any beneficiary for either ordinary or accidental  
10 disability, except a beneficiary who is fifty-five years of  
11 age or over and would have completed twenty-two years of  
12 service if he or she had remained in active service, be engaged  
13 in a gainful occupation paying more than the difference between  
14 his the member's retirement allowance and his-average-final  
15 compensation the current earnable compensation of an active  
16 member at the same position on the salary scale within the  
17 member's rank as the member held at retirement, then the  
18 amount of his-pension the retirement allowance shall be reduced  
19 to an amount which together with his-annuity-and the amount  
20 earned by him the member shall equal the amount of his-average  
21 final-compensation the current earnable compensation of an  
22 active member at the same position on the salary scale within  
23 the member's rank as the member held at retirement. Should  
24 his the member's earning capacity be later changed, the amount  
25 of his-pension the retirement allowance may be further  
26 modified, provided, that the new pension retirement allowance  
27 shall not exceed the amount of the pension retirement allowance  
28 originally granted adjusted by annual readjustments of pensions  
29 pursuant to subsection fifteen (15) of this section nor an  
30 amount which, when added to the amount earned by the  
31 beneficiary together-with-his-annuity, equals the amount of  
32 his-average-final-compensation the current earnable  
33 compensation of an active member at the same position on the  
34 salary scale within the member's rank as the member held at  
35 retirement. A beneficiary restored to active service at a

1 salary less than the average final compensation upon the basis  
 2 of which he the member was retired at age fifty-five or  
 3 greater, shall not again become a member of the retirement  
 4 system and shall have his or her retirement allowance suspended  
 5 while in active service. If the rank or position held by  
 6 the retired member is subsequently abolished, adjustments  
 7 to the allowable limit on the amount of income which can be  
 8 earned in a gainful occupation shall be computed in the same  
 9 manner as provided in subsection fifteen (15) of paragraph  
 10 d of this section for readjustment of pensions when a rank  
 11 or position has been abolished.

12 A beneficiary retired under the provisions of this paragraph  
 13 in order to be eligible for continued receipt of retirement  
 14 benefits shall no later than May fifteenth of each year submit  
 15 to the board of trustees a copy of his or her state income  
 16 tax return for the preceding year.

17 Retroactive to July 1, 1976, the limitations on pay of  
 18 a member engaged in a gainful occupation who is retired under  
 19 accidental disability prescribed in this paragraph shall not  
 20 apply to a member who retired before July 1, 1976.

21 Sec. 7. Section ninety-seven A point six (97A.6),  
 22 subsections eight (8), nine (9), thirteen (13), nineteen (19),  
 23 and twenty (20), Code 1977, are amended to read as follows:

24 8. ORDINARY DEATH BENEFIT. Upon the receipt of proper  
 25 proofs of the death of a member in service, or a member not  
 26 in service who has completed fifteen or more years of service  
 27 as provided in subsection 1, paragraph "c", of this section,  
 28 there shall be paid to such person having an insurable interest  
 29 in the member's life as the member shall have nominated by  
 30 written designation duly executed and filed with the board  
 31 of trustees:

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

1 b. -- An amount equal to fifty percent of the compensation  
2 earned by the member during the year immediately preceding  
3 the member's death if the member is in service or an amount  
4 equal to fifty percent of the compensation earned by the  
5 member during the member's last year of service if the member  
6 is not in service; or

7 b. If there be no such nomination of beneficiary, the  
8 benefits provided in paragraphs paragraph "a" and "b" of this  
9 subsection 8 shall be paid to the member's estate; or in lieu  
10 thereof, at the option of the following beneficiaries,  
11 respectively, even though nominated as such, for a member  
12 in service there shall be paid a pension which, ~~together with~~  
13 ~~the actuarial equivalent of the member's accumulated~~  
14 ~~contributions,~~ shall be equal to one-fourth of the average  
15 final compensation of such member, but in no instance less  
16 than fifty dollars per month or for a member not in service  
17 the pension shall be reduced as provided in subsection 1,  
18 paragraph "c", of this section and shall be paid commencing  
19 when the member would have attained the age of fifty-five  
20 except if there is a child of the member under the age of  
21 eighteen, or under the age of twenty-two who is a full-time  
22 student, or who is disabled, under the definitions used in  
23 section 402 of the Social Security Act as amended to July  
24 1, ~~1976~~ 1978 (42 U.S.C. 402) the pension shall be paid  
25 commencing with the member's death until the children reach  
26 the age of eighteen, or twenty-two if applicable, and shall  
27 resume commencing when the member would have attained the  
28 age of fifty-five;

29 c. To the surviving spouse to continue so long as said  
30 partner remains unmarried; or

31 d. If there be no surviving spouse, or if the spouse dies  
32 or remarries before any child of such deceased member shall  
33 have attained the age of eighteen years, then to the guardian  
34 of the member's child or children under said age, divided  
35 in such manner as the board of trustees in its discretion

1 shall determine, to continue as a joint and survivor pension  
2 until every such child dies or attains the age of eighteen;  
3 or

4 e. If there be no surviving spouse or child under age  
5 eighteen, then to the member's dependent father or mother,  
6 as the board of trustees in its discretion shall determine,  
7 to continue until remarriage or death.

8 f. In addition to the benefits herein enumerated, there  
9 shall also be paid for each child of a member under the age  
10 of eighteen years ~~the sum of twenty dollars per month~~ a monthly  
11 pension equal to six percent of the monthly earnable  
12 compensation payable to an active member having the rank of  
13 senior patrolman of the Iowa highway safety patrol.

14 For the purpose of this chapter, a senior patrolman is  
15 a man or woman who has completed ten years of service in the  
16 Iowa highway safety patrol.

17 9. ACCIDENTAL DEATH BENEFIT. If, upon the receipt of  
18 evidence and proof that the death of a member was the natural  
19 and proximate result of an accident or exposure occurring  
20 at some definite time and place while the member was in the  
21 actual performance of duty, the board of trustees shall decide  
22 that death was so caused in the performance of duty there  
23 shall be paid, in lieu of the ordinary death benefit provided  
24 in subsection 8 of this section, to ~~his~~ the member's estate  
25 or to such person having an insurable interest in his or her  
26 life as ~~he~~ the member shall have nominated by written  
27 designation duly executed and filed with the board of trustees:

28 a. ~~His accumulated contributions, and in addition thereto~~  
29 -

30 b- A pension equal to one-half of the average final  
31 compensation of such member shall be paid to the surviving  
32 spouse, children or dependent parents as provided in paragraphs  
33 "c", "d", and "e" of subsection 8 of this section.

34 e b. If there be no surviving spouse, children under the  
35 age of eighteen years or dependent parent surviving such

1 deceased member, the death shall be treated as an ordinary  
 2 death case and the benefit payable in accordance with the  
 3 provisions of subsection 8, paragraph "b a" of this section,  
 4 in lieu of the pension provided in paragraph "b a" of this  
 5 subsection 9, shall be paid to the member's estate.

6 d c. In addition to the benefits for the surviving spouse  
 7 herein enumerated, there shall also be paid for each dependent  
 8 child of a member under the age of eighteen years ~~the sum~~  
 9 ~~of twenty dollars per month~~ a monthly pension equal to six  
 10 percent of the monthly earnable compensation payable to an  
 11 active member having the rank of senior patrolman of the Iowa  
 12 highway safety patrol.

13 13. PENSION TO SURVIVING SPOUSE AND CHILDREN OF DECEASED  
 14 PENSIONED MEMBERS. In the event of the death of any member  
 15 receiving a retirement allowance under the provisions of  
 16 subsections 2, 4 or 6 of this section there shall be paid  
 17 a pension:

18 a. To the member's surviving spouse to continue so long  
 19 as said party remains unmarried, equal to one-half the amount  
 20 received by such deceased beneficiary, but in no instance  
 21 less than fifty dollars per month, and in addition thereto  
 22 ~~the sum of twenty dollars per month~~ a monthly pension equal  
 23 to the monthly pension payable under subsection nine (9),  
 24 paragraph c, of this section for each child under eighteen  
 25 years of age; or

26 b. In the event of the death of the spouse either prior  
 27 or subsequent to the death of the member, to the guardian  
 28 of each surviving child under eighteen years of age, ~~in the~~  
 29 ~~sum of twenty dollars per month~~ a monthly pension equal to  
 30 the monthly pension payable under subsection nine (9),  
 31 paragraph c, of this section for the support of such child.

32 Sec. 8. Section ninety-seven A point six (97A.6), Code  
 33 1977, is amended by striking subsection ten (10) and subsection  
 34 fifteen (15), paragraph b.

35 Sec. 9. Section ninety-seven A point six (97A.6),

1 subsection fifteen (15), paragraph a, Code 1977, is amended  
2 to read as follows:

3 a. As of the first of July of each year, the monthly  
4 pensions authorized in this section payable to each retired  
5 member and to each beneficiary, except children, of a deceased  
6 member shall be recomputed. The formula authorized in this  
7 section which was used to compute the retired member's or  
8 beneficiary's pension at the time of retirement or death shall  
9 be used in the recomputation, except the pension compensation  
10 shall be used in lieu of the average final compensation which  
11 the retired or deceased member was receiving at the time of  
12 retirement or death. The adjusted monthly pension shall be  
13 the amount payable at the member's retirement or death adjusted  
14 by fifty percent of the difference between the recomputed  
15 pension and the amount payable at the member's retirement  
16 or death. At no time shall the monthly pension or payment  
17 to the beneficiary be less than the amount which was paid  
18 at the time of the member's retirement or death.

19 As of the first of July of each year, the monthly pension  
20 payable to each surviving child under the provisions of  
21 subsections eight (8), nine (9), and thirteen (13) of this  
22 section shall be adjusted to equal six percent of the monthly  
23 earnable compensation payable on that July first to an active  
24 member having the rank of senior patrolman of the Iowa highway  
25 safety patrol.

26 Sec. 10. Section ninety-seven A point seven (97A.7), Code  
27 1977, is amended by striking subsection three (3).

28 Sec. 11. Section ninety-seven A point seven (97A.7),  
29 subsection six (6), Code 1977, is amended to read as follows:

30 6. The board of trustees may invest funds of the fire  
31 and police retirement ~~systems~~ system created under the  
32 provisions of chapter 411 in the manner prescribed in this  
33 section.

34 Sec. 12. Section ninety-seven A point eight (97A.8),  
35 unnumbered paragraph one (1), Code 1977, is amended to read

1 as follows:

2 All the assets of the system created and established by  
3 this chapter shall be credited according to the purpose for  
4 which they are held to one of ~~five~~ three funds, namely, ~~the~~  
5 ~~annuity-savings-fund, -the-annuity-reserve-fund,~~ the pension  
6 accumulation fund, the pension reserve fund, and the expense  
7 fund.

8 Sec. 13. Section ninety-seven A point eight (97A.8),  
9 subsection three (3), unnumbered paragraph one (1) and  
10 paragraphs a and b, Code 1977, are amended to read as follows:

11 The pension accumulation fund shall be the fund in which  
12 shall be accumulated all ~~reserves~~ moneys for the payment of  
13 all pensions and other benefits payable from contributions  
14 made by the state and from which shall be paid the lump-sum  
15 death benefits for all members payable from the said  
16 contributions. Contributions to and payments from the pension  
17 accumulation fund shall be as follows:

18 a. On account of each member there shall be paid annually  
19 into the pension accumulation fund by the state of Iowa an  
20 amount equal to a certain percentage of the earnable  
21 compensation of the member to be known as the "normal  
22 contribution". The rate percent of such contribution shall  
23 be fixed on the basis of the liabilities of the retirement  
24 system as shown by annual actuarial valuations. ~~Until the~~  
25 ~~first-valuation-the-normal-contribution-shall-be-eight-percent.~~

26 b. On the basis of the rate of interest and of such  
27 mortality, interest, and other tables as shall be adopted  
28 by the board of trustees, the state commissioner of insurance  
29 shall make each valuation required by this chapter and shall  
30 immediately after making such valuation, determine ~~the-uniform~~  
31 ~~and-constant-percentage-of-the-earnable-compensation-of-the~~  
32 ~~average-new-entrant, -which, -if-contributed-throughout-his~~  
33 ~~entire-period-of-active-service, -would-be-sufficient-to-provide~~  
34 ~~for-the-payment-of-any-death-benefit-or-pension-payable-on~~  
35 ~~this-account. --The-rate-percent-so-determined-shall-be-known~~

1 as the "normal contribution rate". The normal contribution  
2 rate shall be the rate percent of the earnable compensation  
3 of all members obtained by deducting from the total liabilities  
4 of the fund the sum of the amount of the funds in hand to  
5 the credit of the fund and dividing the remainder by one  
6 percent of the present value of the prospective future  
7 compensation of all members as computed on the basis of the  
8 rate of interest and of mortality and service tables adopted  
9 by the board of trustees and-regular-interest, all reduced  
10 by the employee contribution made pursuant to paragraph f  
11 of this subsection. The normal rate of contribution shall  
12 be determined by the state commissioner of insurance after  
13 each valuation.

14 Sec. 14. Section ninety-seven A point eight (97A.8),  
15 subsection three (3), paragraph f, Code 1977, is amended to  
16 read as follows:

17 f. An amount equal to ~~one~~ two and twenty-one hundredths  
18 percent of each member's compensation from the earnable  
19 compensation of the member shall be paid to the pension  
20 accumulation fund. ~~The provisions of this section, subsection~~  
21 ~~17, paragraphs "b" and "e", of the Code relating to the~~  
22 ~~contributions of members shall be applicable to this paragraph.~~

23 Sec. 15. Section ninety-seven A point eight (97A.8),  
24 subsection three (3), Code 1977, is amended by adding the  
25 following new paragraph:

26 NEW PARAGRAPH. The board of trustees shall certify to  
27 the state comptroller and the state comptroller shall cause  
28 to be deducted from the earnable compensation of each member  
29 the contribution required under this subsection and shall  
30 forward the contributions to the board of trustees for  
31 recording and for deposit in the pension accumulation fund.

32 The deductions provided for under this subsection shall  
33 be made notwithstanding that the minimum compensation provided  
34 by law for any member is reduced. Every member is deemed  
35 to consent to the deductions made under this section.

1 Sec. 16. Section ninety-seven A point eight (97A.8), Code  
2 1977, is amended by striking subsections one (1) and two (2).

3 Sec. 17. Chapter ninety-seven A (97A), Code 1977, is  
4 amended by adding the following new section:

5 NEW SECTION.

6 1. Members who became vested and terminated service prior  
7 to July 1, 1979, and members receiving an annuity from  
8 accumulated contributions made prior to July 1, 1979, shall  
9 continue to receive the benefits the member was entitled to  
10 under the provisions of chapter ninety-seven A (97A), as  
11 chapter ninety-seven A (97A) was effective on the date of  
12 the member's retirement or vested termination.

13 2. For the purposes of this section:

14 a. "Accumulated contributions" means the sum of all amounts  
15 deducted from the compensation of a member and credited to  
16 the member's individual account in the annuity savings fund  
17 together with regular interest thereon as provided in this  
18 subsection. Accumulated contributions do not include any  
19 amount deducted from the compensation of a member and credited  
20 to the pension accumulation fund.

21 b. "Annuity" means annual payments for life derived from  
22 the accumulated contributions of a member. All annuities  
23 shall be payable in monthly installments.

24 c. "Annuity reserve" shall mean the present value of all  
25 payments to be made on account of an annuity, or benefit in  
26 lieu of an annuity, granted under the provisions of this  
27 chapter, upon the basis of such mortality tables as shall  
28 be adopted by the board of trustees, and regular interest.

29 d. "Annuity savings fund" means the account maintained  
30 by the board of trustees in which the accumulated contributions  
31 of the members were deposited prior to July 1, 1979, to provide  
32 for their annuities.

33 e. "Annuity reserve fund" means the account maintained  
34 by the board of trustees from which shall be paid all annuities  
35 and all benefits in lieu of annuities payable as provided

1 in this chapter as this chapter was effective on June 30,  
2 1978.

3 f. "Regular interest" means interest at the rate of four  
4 percent per annum, compounded annually and credited to the  
5 member's account as of the date of the member's retirement  
6 or termination from employment.

7 3. Beginning July 1, 1979, the board of trustees shall  
8 maintain and invest funds in the annuity reserve fund and  
9 the annuity savings fund which had been contributed by members  
10 prior to July 1, 1979. Members receiving an annuity as a  
11 portion of their retirement or disability benefits on June  
12 30, 1979, shall continue to receive such annuity from the  
13 annuity reserve fund maintained by the board of trustees.  
14 Members receiving an annuity, if reemployed under service  
15 covered by this chapter, shall cease to receive retirement  
16 benefits.

17 4. The accumulated contributions of a member withdrawn  
18 by the member or paid to the member's estate or designated  
19 beneficiary in the event of the member's death shall be paid  
20 from the annuity savings fund account. Upon the retirement  
21 of a member, the member's accumulated contributions shall  
22 be transferred from the annuity savings fund to the annuity  
23 reserve fund.

24 5. A member of the retirement system prior to July 1,  
25 1979 with fifteen or more years of service whose employment  
26 was terminated prior to retirement, other than by death or  
27 disability, shall be entitled to receipt of his or her  
28 accumulated contributions upon retirement together with other  
29 retirement benefits provided in the law on the date of the  
30 member's retirement. However, the member shall not be eligible  
31 for a service retirement allowance under section ninety-seven  
32 A point six (97A.6) of the Code if he or she has chosen to  
33 withdraw his or her accumulated contributions from the annuity  
34 savings fund prior to the member's retirement.

35 6. Any member in service prior to July 1, 1979 may at

1 the time of his or her retirement withdraw his or her  
2 accumulated contributions made before July 1, 1979 or receive  
3 an annuity which shall be the actuarial equivalent of his  
4 or her accumulated contributions at the time of his or her  
5 retirement.

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6 7. Notwithstanding the provisions of subsections one (1),  
7 three (3), four (4), five (5), and six (6) of this section,  
8 beginning January 1, 1981, an active or vested member may  
9 request in writing and receive from the board of trustees,  
10 his or her accumulated contributions from the annuity savings  
11 fund.

12 8. The actuary shall annually determine the amount required  
13 in the annuity reserve fund. If the amount required is less  
14 than the amount in the annuity reserve fund, the board of  
15 trustees shall transfer the excess funds from the annuity  
16 reserve fund to the pension accumulation fund. If the amount  
17 required is more than the amount in the annuity reserve fund,  
18 the board of trustees shall transfer the amount prescribed  
19 by the actuary to the annuity reserve fund from the pension  
20 accumulation fund.

21 Sec. 18. Section ninety-seven B point eleven (97B.11),  
22 Code 1977, is amended to read as follows:

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23 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE. Each  
24 employer shall deduct from the wages of each member of the  
25 system a contribution in the amount of three and six-tenths  
26 percent of the covered wages paid by the employer through  
27 June 30, 1979, and commencing July 1, 1979 in the amount of  
28 three and seven-tenths percent of the covered wages paid by  
29 the employer, until the first of the month after the member's  
30 seventieth birthday or the member's termination or retirement  
31 from employment, whichever is earlier. The contributions  
32 of the employer shall be in the amount of three and one-half  
33 percent of the covered wages of the member for service through  
34 December 31, 1975, and in the amount of five and twenty-five  
35 hundredths percent of the covered wages of the member for

1 service commencing July 1, 1977 through June 30, 1979, and  
2 in the amount of five and seventy-five hundredths percent  
3 of the covered wages of the member for service commencing  
4 July 1, 1979.

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5 Sec. 19. Section ninety-seven B point forty-one (97B.41),  
6 subsection one (1), paragraph a, unnumbered paragraph one  
7 (1), Code 1977, is amended to read as follows:

8 "Wages" means all remuneration for employment, including  
9 the cash value of remuneration paid in any medium other than  
10 cash, but not including the cash value of remuneration paid  
11 in any medium other than cash necessitated by the convenience  
12 of the employer, such amount as agreed upon by the employer  
13 and employee and reported to the department by the employer  
14 shall be conclusive of the value of remuneration in a medium  
15 other than cash; except that remuneration which does not equal  
16 or exceed the sum of three hundred dollars in any calendar  
17 quarter shall be excluded, ~~provided, however, that the~~  
18 ~~membership of such employee shall not be considered terminated~~  
19 ~~as long as the employer-employee relationship exists.~~ Wages  
20 for an elected official means the salary received by an elected  
21 official, exclusive of expense and travel allowances.

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22 Sec. 20. Section ninety-seven B point forty-one (97B.41),  
23 subsection two (2), Code 1977, is amended to read as follows:

24 2. "Employment for any calendar quarter" means any service  
25 performed under an employer-employee relationship under the  
26 provisions of this chapter if the remuneration equals or  
27 exceeds three hundred dollars in the calendar quarter. For  
28 the purposes of this chapter, elected officials ~~excluding~~  
29 ~~members of the general assembly,~~ are deemed to be in  
30 employment.

31 Sec. 21. Section ninety-seven B point forty-one (97B.41),  
32 subsection three (3), paragraph b, Code 1977, is amended by  
33 adding the following new subparagraphs:

34 NEW SUBPARAGRAPH. Persons employed under the federal  
35 Comprehensive Employment Training Act as amended to January

1 1, 1978 unless such employees shall make an application to  
 2 the department to be covered under the provisions of this  
 3 chapter.

4 NEW SUBPARAGRAPH. Foreign exchange teachers and visitors  
 5 including alien scholars, trainees, professors, teachers,  
 6 research assistants, and specialists in their field of  
 7 specialized knowledge or skill.

8 NEW SUBPARAGRAPH. Members of the ministry, rabbinate,  
 9 or other religious order who have taken the vow of poverty.

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10 Sec. 22. Section ninety-seven B point forty-one (97B.41),

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11 subsection nine (9), Code 1977, is amended to read as follows:

12 9. "Active member" ~~with-respect-to-service-after-July~~  
 13 ~~47-1953,-at-the-end-of-a-year~~ during a calendar year means  
 14 a member who made contributions to the system at any time  
 15 during the calendar year and who ~~as-of-December-31-of-the~~  
 16 ~~current-year;~~

17 a. had not received or applied for a refund of his or  
 18 her accumulated contributions for withdrawal or death,

19 ~~b.--had-not-terminated-employment-and-applied-for-a-deferred~~  
 20 ~~vested-retirement-allowance,~~ and

21 e b. had not ~~retired-and~~ commenced receiving a retire-  
 22 ment allowance.

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23 Sec. 23. Section ninety-seven B point forty-one (97B.41),

24 subsection twenty (20), Code 1977, is amended to read as  
 25 follows:

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26 20. "Final five-year average covered wage" means a member's  
 27 covered wages averaged for the highest five consecutive years  
 28 of the member's ~~last-ten-consecutive-years-which-will-produce~~  
 29 ~~the-highest-average~~ service. If ~~the-member-has-not-completed~~  
 30 ~~ten-consecutive-years-then-the-actual-years-as-a-member-shall~~  
 31 ~~be-considered,-and-if~~ the member has less than five consecutive  
 32 years then the average over the actual number of years as  
 33 a member shall be used. For the purposes of this chapter  
 34 the word "consecutive" means in sequence with respect to the  
 35 years of service rendered as a member and not necessarily

1 in sequence with respect to actual periods of time measured  
2 by the calendar.

3 Sec. 24. Section ninety-seven B point forty-three (97B.43),  
4 unnumbered paragraph three (3), Code 1977, is amended to read  
5 as follows:

5783 - 6 Each individual who as of ~~July-17-1973~~ January 1, 1979,  
7 was an active, vested, or retired member and who (1) made  
8 application for and received a refund of contributions made  
9 under the abolished system or (2) has on deposit with the  
10 retirement fund his or her contributions made under the  
11 abolished system shall be entitled to credit for years of  
12 prior service in the determination of retirement allowance  
13 payments by filing a written election with the department  
14 ~~between-July-17-1973-and-July-17-1974~~ on or after January  
15 1, 1979, and and by re depositing any withdrawn contributions  
5783 - 16 under the abolished system together with interest as stated  
17 in this paragraph. Any individual who as of ~~July-17-1973~~  
18 January 1, 1979, is a retired member and who made application  
19 for and received a refund of contributions made under the  
20 abolished system, may, by filing a written election with the  
21 department ~~between-July-17-1973-and-July-17-1974~~ on or after  
5783 - 22 January 1, 1979, have the department retain fifty percent  
23 of the monthly increase in retiree benefits that will accrue  
24 to the individual because of prior service. If the monthly  
25 increase in retirement benefits is less than ten dollars,  
26 the department shall retain five dollars of the scheduled  
27 increase, and if the monthly increase is less than five  
28 dollars, the provisions of this paragraph shall not apply.  
29 The department shall continue to retain such funds until the  
30 withdrawn contributions, together with interest accrued to  
31 ~~July-17-1973~~ the month in which the written election is filed,  
32 have been repaid. Due notice of this provision shall be sent  
5783 - 33 to all retired members as of ~~July-17-1973~~ January 1, 1979.  
34 However, this paragraph shall not apply to any person who  
35 received a refund of any membership service contributions;

1 provided, however, that a refund of contributions remitted  
2 for the calendar quarter ending September 30, 1953 which was  
3 based entirely upon employment which terminated prior to July  
4 4, 1953 shall not be considered as a refund of membership  
5 service contributions. The interest to be paid into the fund  
6 shall be compounded at the rates credited to member accounts  
7 from the date of payment of the refund of contributions under  
8 the abolished system to the date the member redeposits the  
9 refunded amount. The provisions of the first paragraph of  
10 this section relating to the consideration given to credited  
11 amounts shall apply to the redeposited amounts or to amounts  
5783-12 left on deposit. Effective January 1, ~~1976~~ 1979, the  
13 provisions of this paragraph shall apply to each individual  
5783-14 who as of January 1, ~~1976~~ 1979, was an active, vested, or  
15 retired member, but who was not in service on July 4, 1953.  
16 The period for filing the written election with the department  
17 and redepositing any withdrawn contributions together with  
18 interest accrued ~~to~~ shall commence January 1, ~~1976-shall-be~~  
19 ~~between-January-17-1976-and-January-17-1977~~ 1979. A member  
20 who is a retired member as of January 1, ~~1976~~ 1979 may file  
21 written election with the department between on or after  
5783-22 January 1, ~~1976-and-January-17-1977~~ 1979 to have the department  
23 retain fifty percent of the monthly increase as provided in  
24 this paragraph.

25 Sec. 25. Section ninety-seven B point forty-nine (97B.49),  
26 subsection five (5), Code 1977, is amended to read as follows:  
27 5. For each active member retiring ~~on-or-after~~ between  
28 January 1, 1976 and June 30, 1978, with four or more complete  
29 years of service a monthly benefit shall be computed which  
30 is equal to one-twelfth of an amount equal to forty percent  
5783-31 of the final five-year average covered wage multiplied by  
32 a fraction of years of service. For each active member  
33 retiring on or after July 1, 1978 the monthly benefit computed  
34 under this subsection shall be equal to one-twelfth of an  
5783-35 amount equal to forty-four percent of the final five-year

1 average covered wage multiplied by a fraction of years of  
2 service. For the purposes of this subsection, "fraction of  
3 years of service" means a number, not to exceed one, equal  
4 to the sum of the years of membership service and the number  
5 of years of prior service divided by thirty years.

6 If benefits under this subsection commence on an early  
7 retirement date, the amount of benefit shall be reduced in  
8 accordance with section 97B.50.

9 Sec. 26. Section ninety-seven B point forty-nine (97B.49),  
10 subsection seven (7), Code 1977, is amended to read as follows:

11 7. Notwithstanding the provisions of this chapter, a  
5783-12 member who is or has been employed as a conservation peace  
13 officer under the provisions of section 107.13 and who re-  
14 tires ~~on-or-after~~ between January 1, 1976 and June 30, 1978,  
15 and at the time of retirement is at least sixty years of age  
16 and has completed at least twenty-five years of membership  
17 service as a conservation peace officer, may elect to re-  
18 ceive, in lieu of the receipt of any benefits under subsec-  
19 tion five (5) of this section, a monthly retirement allow-  
20 ance equal to one-twelfth of forty percent of the member's  
21 final five-year average covered wage as a conservation peace  
22 officer, with benefits payable during the member's lifetime.  
23 For each such member retiring on or after July 1, 1978, the  
24 monthly benefit computed under this subsection shall be equal  
25 to one-twelfth of an amount equal to forty-four percent of  
26 the final five-year average covered wage as a conservation  
5783-27 peace officer multiplied by a fraction of years of service.  
28 There is appropriated from the general fund of the state to  
29 the department of job service from funds not otherwise ap-  
30 propriated an amount sufficient to pay the additional costs  
31 above the employee and employer contributions to pay for in-  
32 creased benefits to conservation peace officers under this  
33 subsection. ~~The-provisions-of-this-subsection-shall-be-ef-~~  
34 ~~fective-July-17-1976.~~

35 Sec. 27. Section ninety-seven B point forty-nine (97B.49),

1 Code 1977, is amended by adding the following new subsections:

2 NEW SUBSECTION. a. Notwithstanding the provisions of  
3 this chapter, effective July 1, 1979 to be included in county  
4 budgets for the fiscal year beginning July 1, 1979, a member  
5783-5 who is or has been employed as a county sheriff, as defined  
6 in section thirty-nine point seventeen (39.17) of the Code,  
7 or as a deputy sheriff appointed pursuant to chapter three  
8 hundred forty-one (341) of the Code, and who retires on or  
9 after January 1, 1978, and at the time of retirement is at  
10 least sixty years of age and has completed at least twenty-  
11 five years of membership service as a county sheriff or deputy  
5783-12 sheriff, may elect to receive, in lieu of the receipt of any  
13 benefits under subsection five (5) of this section, a month-  
14 ly retirement allowance equal to one-twelfth of forty-four  
5783-15 percent of the member's final five-year average covered wage  
16 as a sheriff or deputy sheriff, with benefits payable during  
17 the member's lifetime.

18 b. Each county and employee eligible for benefits under  
19 this section shall annually contribute an amount determined  
20 by the Iowa department of job service, as a percentage of  
21 covered wages, to be necessary to pay for the additional  
22 benefits provided by this section. The annual contribution  
23 in excess of the employer and employee contributions required  
24 by this chapter shall be paid by the employer and the employee  
25 in the same proportion that employer and employee contributions  
26 are made under section ninety-seven B point eleven (97B.11)  
27 of the Code. The additional percentage of covered wage  
28 calculated by the department shall be an actuarially determined  
29 amount which, if contributed throughout the entire period  
30 of active service, would be sufficient to provide the pension  
5783-31 benefit provided in this section.

32 NEW SUBSECTION. Effective July 1, 1978, for each member  
33 who retired from the system prior to January 1, 1976, the  
34 amount of regular monthly retirement allowance attributable  
35 to membership service and prior service that was payable to

1 the member for June 1978 is increased as follows:

2 a. For the first ten years of service, fifty cents per  
3 month for each complete year of service.

4 b. For the eleventh through the twentieth years of ser-  
5 vice, one dollar and fifty cents per month for each complete  
6 year of service.

7 c. For the twenty-first through the thirtieth years of  
8 service, three dollars per month for each complete year of  
9 service.

10 The amount of monthly increase for service for a portion  
11 of a year shall be proportionally reduced.

12 Sec. 28. Section ninety-seven B point fifty (97B.50),  
13 Code 1977, is amended to read as follows:

14 97B.50 EARLY RETIREMENT.

15 1. A member shall upon retirement on his early retirement  
16 date be entitled to receive a monthly retirement allowance  
17 determined in the same manner as provided for normal retirement  
18 in subsections 1, 4 and 5 of section 97B.49 reduced by five-  
19 tenths of one percent per month for each month that the early  
20 retirement date precedes the normal retirement date.

21 2. A member who has completed thirty or more years of  
22 service who retires from the system and commences receiving  
23 disability benefits pursuant to the United States Social  
24 Security Act (42 U.S.C.), as amended to July 1, 1978, who  
25 is eligible for early retirement, but has not reached the  
26 normal retirement date, shall receive full benefits under  
27 section ninety-seven B point forty-nine (97B.49) of the Code  
28 and shall not have benefits reduced upon retirement as required  
29 under subsection one (1) of this section.

30 3. A member who has not completed thirty years of service  
31 who retires from the system and commences receiving disability  
32 benefits pursuant to the United States Social Security Act  
33 (42 U.S.C.), as amended to July 1, 1978, who is eligible for  
34 early retirement, but has not reached the normal retirement  
35 date, shall upon retirement have benefits received under

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1 section ninety-seven B point forty-nine (97B.49) of the Code  
2 reduced by twenty-five hundredths of one percent per month  
3 for each month that the early retirement date precedes the  
4 normal retirement date.

5 Sec. 29. Section ninety-seven B point fifty-one (97B.51),  
6 subsection three (3), Code 1977, is amended to read as follows:

7 3. A member who had elected to take the option stated  
8 in subsection 1 of this section may, at any time prior to  
9 his or her retirement, revoke such an election by written  
10 notice to the ~~commission~~ department.

11 Sec. 30. Section ninety-seven B point fifty-two (97B.52),  
12 subsection one (1), paragraph c, Code 1977, is amended by  
13 striking unnumbered paragraphs two (2) and three (3) and  
14 inserting in lieu thereof the following:

15 If the beneficiary is the estate of the member or is not  
16 an individual, or if two or more persons are to share as  
17 beneficiaries, payment shall be made under the provisions  
18 of paragraph a of this subsection. If the beneficiary is  
19 an individual, the beneficiary may elect in writing to the  
20 department payment in one of the forms specified in this  
21 subsection, except that if the beneficiary does not file  
22 notice of election with the department within one hundred  
23 eighty days after the member's death, payment shall be made  
24 under the provisions of paragraph a of this subsection.

25 If the payment form prescribed in paragraphs b or c of  
26 this subsection is elected by the beneficiary, and the monthly  
27 life annuity elected would equal less than ten dollars, the  
28 department may require the application of the payment form  
29 prescribed in paragraph a of this subsection in lieu of the  
30 elected payment form.

31 The provisions of this subsection shall apply if the claim  
32 under this subsection is filed with the department on or after  
33 July 1, 1978, even though the member may have specified the  
34 payment form on designation of beneficiary form filed with  
35 the department.

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1 Sec. 31. Chapter ninety-seven B (97B), Code 1977, is  
2 amended by adding the following new section:

3 NEW SECTION. Persons who are members of the Sixty-eighth  
4 General Assembly who submit proof to the department of  
5 membership in the general assembly during any period beginning  
6 July 4, 1953 and ending January 8, 1979 may make contributions  
7 to the system for service equal to the accumulated  
8 contributions as defined in section ninety-seven B point  
9 forty-one (97B.41), subsection thirteen (13), of the Code  
10 which would have been made if the member of the general  
11 assembly had been a member of the system during the member's  
12 service in the general assembly. The proof of membership  
13 in the general assembly and payment of accumulated  
14 contributions shall be transmitted to the department not later  
15 than December 31, 1979. Persons eligible to receive retirement  
16 allowances under this section shall be eligible to commence  
17 receiving retirement allowances on January 8, 1979.

18 There is appropriated from the general fund of the state  
19 to the Iowa department of job service an amount sufficient  
20 to pay the contributions of the employer based on service  
21 of the members in an amount equal to the contributions which  
22 would have been made if the members of the general assembly  
23 who made employee contributions had been members of the system  
24 during their service in the general assembly plus two percent  
25 interest plus interest dividends for all completed calendar  
26 years and for any completed calendar year for which the  
27 interest dividend has not been declared and for completed  
28 months of partially completed calendar years at two percent  
29 interest plus the interest dividend rate calculated for the  
30 previous year, compounded annually, from the end of the  
31 calendar year in which contribution was made to the first  
32 day of the month of such date.

33 Sec. 32. Section four hundred eleven point one (411.1),  
34 subsections one (1), four (4), six (6), nine (9), ten (10),  
35 fourteen (14), nineteen (19), twenty-one (21), twenty-two

1 (22), and twenty-three (23), Code 1977, are amended to read  
 2 as follows:

3 1. "Retirement system" shall mean either the fire or the  
 4 and police retirement system of the said-cities state as  
 5 defined in section 411.2.

6 4. "Member" shall mean a member of either the police-or  
 7 fire and police retirement systems system as defined by section  
 8 411.3.

9 6. "Board of fire trustees" and-"board-of-police-trustees"  
 10 shall mean the boards board provided in section 411.5 to  
 11 administer the fire retirement-system and the police retirement  
 12 system respectively.

13 9. "Beneficiary" shall mean any person receiving a-pension,  
 14 an-annuity, a retirement allowance or other benefit as provided  
 15 by this chapter.

16 10. "Surviving spouse" shall mean only such surviving  
 17 spouse of a marriage consummated prior to retirement of a  
 18 deceased member from active service or a surviving spouse  
 19 of a marriage of two years or more duration consummated  
 20 subsequent to retirement.

21 14. "Earnable compensation" or "compensation earnable"  
 22 shall mean the regular compensation which a member would earn  
 23 during one year on the basis of the stated compensation for  
 24 his the member's rank or position including compensation for  
 25 longevity and excluding any amount received for overtime  
 26 compensation or other special additional compensation, meal  
 27 and travel expenses, and uniform allowances and excluding  
 28 any amount received upon termination or retirement in payment  
 29 for accumulated sick leave or vacation.

30 19. "Retirement allowance" shall mean the sum-of-the  
 31 annuity-and-the pension, or any benefits in lieu thereof,  
 32 granted to a member upon retirement.

33 21. "Pension reserve" shall mean the present value of  
 34 all payments to be made on account of any pension, or benefit  
 35 in lieu of a pension, granted under the provisions of this

1 chapter, upon the basis of such mortality tables as shall  
2 be adopted by the boards of trustees, and ~~regular~~ interest  
3 computed at a rate adopted by the board upon the recommendation  
4 of the actuary.

5 22. "Actuarial equivalent" shall mean a benefit of equal  
6 value, when computed upon the basis of mortality tables adopted  
7 by the boards of trustees, and ~~regular~~ interest computed at  
8 a rate adopted by the board upon the recommendation of the  
9 actuary.

10 23. "City" or "cities" shall mean any city or cities in  
11 which employees are members of the fire ~~or~~ and police  
12 retirement systems-are system established by this chapter.

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13 Sec. 33. Section four hundred eleven point one (411.1),  
14 Code 1977, is amended by striking subsections twelve (12),  
15 thirteen (13), seventeen (17), and twenty (20).

16 Sec. 34. Section four hundred eleven point two (411.2),  
17 Code 1977, is amended by striking the section and inserting  
18 in lieu thereof the following:

19 411.2 ESTABLISHMENT OF SYSTEM. There is established the  
20 Iowa fire and police retirement system. In any city in which  
21 the fire fighters or police officers are appointed under  
22 chapter four hundred (400) of the Code, such fire fighters  
23 and police officers shall be members of the fire and police  
24 retirement system. The cities which have fire fighters or  
25 police officers who are members of the system shall make  
26 contributions to the system as provided in this chapter.  
27 The system shall be under the management of a board of trustees  
28 as provided in section four hundred eleven point five (411.5)  
29 of the Code and shall transact all of its business, invest  
30 all of its funds, and hold all of its cash and security and  
31 other property in the name of the Iowa fire and police  
32 retirement system. The system shall be administered by the  
33 department of job service.

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34 Sec. 35. Section four hundred eleven point three (411.3),  
35 Code 1977, is amended to read as follows:

5753 - 1 1. All persons who are or become policemen police officers  
 2 or firemen fire fighters after the date such the retirement  
 5783 - 3 systems-are system is established by this chapter, shall  
 4 become members thereof as a condition of their employment.  
 5 Such members shall not be required to make contributions under  
 6 any other pension or retirement system of city, county, or  
 7 state of Iowa, anything to the contrary notwithstanding.  
 8 2. Should any member in any period of five consecutive  
 9 years after last becoming a member, be absent from service  
 10 for more than four years, ~~or-should-he-withdraw-his-accumulated~~  
 11 contributions, or should he or she become a beneficiary or  
 12 die, he or she shall thereupon cease to be a member of the  
 13 system.  
 14 Sec. 36. Section four hundred eleven point five (411.5),  
 15 subsection one (1), Code 1977, is amended by striking the  
 16 subsection and inserting in lieu thereof the following:  
 17 1. BOARD. The general administration and the  
 18 responsibility for the proper operation of the retirement  
 19 system and for making effective the provisions of this chapter  
 20 are hereby vested in a board of trustees which shall consist  
 21 of eight members as follows:  
 22 a. A chief of a fire department and a member of a fire  
 5783 - 23 department covered under the system who shall be appointed  
 24 by the governor.  
 25 b. A chief of a police department and a member of a police  
 26 department covered under the system who shall be appointed  
 27 by the governor.  
 28 c. The treasurer of state.  
 29 d. Two citizens of the state who reside in cities covered  
 30 under the system appointed by the governor who are not members  
 31 of the system and who do not hold any other public office.  
 32 e. A city attorney of a city which is covered under the  
 33 system appointed by the governor.  
 34 The members appointed by the governor shall serve for four-  
 35 year terms commencing on July first of each year, except that

1 for the initial board the terms of the members shall be  
2 staggered so that two members will be appointed for a one-  
3 year term, two members for a two-year term, two members for  
4 a three-year term, and one member for a four-year term.

5 If a vacancy occurs on the board of trustees, the vacancy  
6 shall be filled for the unexpired term in the same manner  
7 as the original appointment.

8 Sec. 37. Section four hundred eleven point five (411.5),  
9 subsections two (2), four (4), five (5), six (6), seven (7),  
10 eight (8), nine (9), eleven (11), twelve (12) and thirteen  
11 (13), Code 1977, are amended to read as follows:

12 2. VOTING. Each trustee shall be entitled to one vote  
13 on each the board. ~~Four~~ Five concurring votes shall be  
14 necessary for a decision by the trustees at any meeting of  
15 either the board.

16 4. RULES. Subject to the limitations of this chapter,  
17 each the board of trustees shall, from time to time, establish  
18 rules and-regulations for the administration of funds created  
19 by this chapter and for the transaction of its business.

20 5. EMPLOYEES. Each The board of trustees shall elect  
21 from its membership a ~~chairman~~ chairperson, and shall, by  
22 majority vote of its members, appoint a secretary, who may,  
23 but need not be, one of its members. It shall engage such  
24 actuarial and other services as shall be required to transact  
25 the business of the retirement system. The compensation of  
26 all persons engaged by each the board of trustees and all  
27 other expenses of each the board necessary for the operation  
28 of the retirement system, shall be paid at such rates and  
29 in such amounts as each the board of trustees shall approve.

30 6. DATA. Each The board of trustees shall keep in  
31 convenient form such data as shall be necessary for actuarial  
32 valuation of the various funds of the retirement system and  
33 for checking the experience of the system.

34 7. RECORDS--REPORTS. Each The board of trustees shall  
35 keep a record of all its proceedings, which record shall be

1 open to public inspection. It shall annually make a report  
2 to ~~the~~ each city council showing the fiscal transactions of  
3 the retirement system for the preceding fiscal year, the  
4 amount of the accumulated cash and securities of the system,  
5 and the last balance sheet showing the financial condition  
6 of the system by means of an actuarial valuation of the assets  
7 and liabilities of the retirement system.

8 8. LEGAL ADVISOR. The ~~city~~ attorney ~~ex-solicitator-of-the~~  
9 ~~said-cities~~ general shall be the legal adviser of the boards  
10 board of trustees.

11 9. MEDICAL BOARD. The board of ~~fire~~ trustees ~~and-the~~  
12 ~~board-of-police-trustees-jointly~~ shall designate a medical  
13 board to be composed of ~~three~~ eighteen physicians ~~who~~ from  
14 throughout the state, three of whom at a time based upon the  
15 location of the city shall arrange for and pass upon all  
16 medical examinations required under the provisions of this  
17 chapter, except that for examinations and reexaminations  
18 required because of disability three physicians from the  
19 University of Iowa hospitals and clinics ~~who~~ shall conduct  
20 and pass upon the medical examinations required for disability  
21 retirements, and shall report in writing to ~~each~~ the board  
22 of trustees, ~~respectively~~, its conclusions and recommendations  
23 upon all matters duly referred to it.

24 11. TABLES--RATES. Immediately after the establishment  
25 of ~~each~~ the retirement system, the actuary shall make such  
26 investigation of anticipated interest earnings and of the  
27 mortality, service and compensation experience of the members  
28 of the system as the actuary shall recommend and the board  
29 of trustees shall authorize, and on the basis of such  
30 investigation the actuary shall recommend for adoption by  
31 the board of trustees such tables and such rates as are  
32 required in subsection 12 of this section. The board of  
33 trustees shall adopt the rate of interest and tables, and  
34 certify ~~rates~~ a rate of contribution to be used by the system.

35 12. ACTUARIAL INVESTIGATION. In the year ~~1938~~ 1978, and

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1 at least once in each five-year period thereafter, an actuary  
2 shall make an actuarial investigation into the mortality,  
3 service and compensation experience of the members and  
4 beneficiaries of the retirement system, and the interest and  
5 other earnings on the moneys and other assets of the retirement  
6 system, and shall make a valuation of the assets and  
7 liabilities of the funds of the system, and taking into account  
8 the results of such investigation and valuation, the board  
9 of trustees shall:

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

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

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

19 Sec. 38. Section four hundred eleven point five (411.5),  
20 Code 1977, is amended by striking subsection fourteen (14).

21 Sec. 39. Section four hundred eleven point six (411.6),  
22 subsection one (1), Code 1977, is amended to read as follows:

23 SERVICE RETIREMENT BENEFIT. Retirement of a member on  
24 a service retirement allowance shall be made by ~~each~~ the board  
25 of trustees as follows:

26 a. Any member in service may retire upon his or her written  
27 application to the board of ~~police-or-fire~~ trustees ~~as-the~~  
28 ~~ease-may-be~~, setting forth at what time, not less than thirty  
29 nor more than ninety days subsequent to the execution and  
30 filing therefor, ~~he~~ the member desires to be retired, provided,  
31 that the said member at the time so specified for ~~his~~ the  
32 member's retirement shall have attained the age of fifty-five  
33 and shall have served twenty-two years or more in said  
34 department, and notwithstanding that, during such period of  
35 notification, ~~he~~ the member may have separated from the

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1 service.

2 b. Any member in service who has attained the age of  
 3 sixty-five years, shall be retired forthwith, provided, that  
 4 upon the request of the superintendent of public safety as  
 5 defined in this chapter, the ~~respective~~ board of trustees  
 6 may permit such member to remain in service for periods not  
 7 to exceed one year from the date of the last request from  
 8 the superintendent of public safety as defined in this chapter.

9 Provided further that no member of said departments employed  
 10 on July 4, 1965, shall be so retired until ~~he~~ the member has  
 11 completed twenty-two years' service for service retirement  
 12 and will receive his or her pension benefits.

13 c. Any member in service who has been a member of the  
 14 retirement system fifteen or more years and whose employment  
 15 is terminated prior to ~~his~~ the member's retirement, other  
 16 than by death or disability, shall upon attaining retirement  
 17 age, receive a service retirement allowance of fifteen twenty-  
 18 seconds of the retirement allowance ~~he~~ the member would receive  
 19 at retirement if his or her employment had not been terminated,  
 20 and an additional one twenty-second of such retirement  
 21 allowance for each additional year of service not exceeding  
 22 twenty-two years of service. The amount of the retirement  
 23 allowance shall be based on the average final compensation  
 24 at the time of termination of employment. ~~The allowance shall~~  
 25 ~~not be available to a member who has chosen to withdraw his~~  
 26 ~~accumulated contributions as provided in subsection 10 of~~  
 27 ~~this section.~~

28 Sec. 40. Section four hundred eleven point six (411.6),  
 29 subsections two (2), three (3), and four (4), Code 1977, are  
 30 amended to read as follows:

31 2. ALLOWANCE ON SERVICE RETIREMENT. Upon retirement from  
 32 service, a member shall receive a service retirement allowance  
 33 which shall consist of:

34 a. ~~An annuity which shall be the actuarial equivalent~~  
 35 ~~of his accumulated contributions at the time of his retirement,~~

1 and

2 b---A a pension given by the city which shall equal one-  
3 half of the member's average final compensation.

4 3. ORDINARY DISABILITY RETIREMENT BENEFIT. Upon the  
5 application of the member in service or of the chief of the  
6 police or fire departments, respectively, any member shall  
7 be retired by the respective board of trustees, not less than  
8 thirty and not more than ninety days next following the date  
9 of filing such application, on an ordinary disability  
10 retirement allowance, provided, that the medical board after  
11 a medical examination of such member shall certify that said  
12 member is mentally or physically incapacitated for further  
13 performance of duty, that such incapacity is likely to be  
14 permanent and that such member should be retired.

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15 4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT. Upon  
16 retirement for ordinary disability a member shall receive  
17 a service retirement allowance if he the member has attained  
18 the age of fifty-five, otherwise he the member shall receive  
19 an ordinary disability retirement allowance which shall consist  
20 of:

21 a---An annuity which shall be the actuarial equivalent  
22 of his accumulated contributions at the time of retirement,  
23 and

24 b---A a pension which together with the member's annuity  
25 shall make a total retirement allowance equal to ninety forty  
26 percent of 1/70 of the member's average final compensation  
27 multiplied by the number of years of membership service, if  
28 such retirement allowance exceeds one-half of the member's  
29 average final compensation, otherwise a pension which together  
30 with with the member's annuity shall provide a total retirement  
31 allowance equal to one-half of the member's average final  
32 compensation except if the member has not had five or more  
33 years of membership service the member shall receive a pension  
34 which together with the member's annuity shall provide a total  
35 retirement allowance equal to one-fourth of the member's

1 average final compensation.

2 Sec. 41. Section four hundred eleven point six (411.6),  
3 subsection five (5), unnumbered paragraph one (1), Code 1977,  
4 is amended to read as follows:

5 Upon application of a member in service or of the chief  
6 of the police or fire departments, respectively, any member  
7 who has become totally and permanently incapacitated for duty  
8 as the natural and proximate result of an injury or disease  
9 incurred in or aggravated by the actual performance of duty  
10 at some definite time and place, or while acting pursuant  
11 to order, outside of the city by which he the member is  
12 regularly employed, shall be retired by the ~~respective~~ board  
13 of trustees, provided, that the medical board shall certify  
14 that such member is mentally or physically incapacitated for  
15 further performance of duty, that such incapacity is likely  
16 to be permanent and that such member should be retired.

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17 Sec. 42. Section four hundred eleven point six (411.6),  
18 subsection six (6), Code 1977, is amended to read as follows:

19 6. RETIREMENT AFTER ACCIDENT. Upon retirement for  
20 accidental disability a member shall receive a service  
21 retirement allowance if the member has attained the age of  
22 fifty-five, otherwise the member shall receive an accidental  
23 disability retirement allowance which shall consist of:

24 ~~a.---An annuity which shall be the actuarial equivalent~~  
25 ~~of his accumulated contributions at the time of his retirement,~~  
26 and

27 ~~b.---A a pension, in addition to the annuity, of equal to~~  
28 66 2/3 percent of his the member's average final compensation.

29 Sec. 43. Section four hundred eleven point six (411.6),  
30 subsection seven (7), unnumbered paragraph one (1), and  
31 paragraph a, Code 1977, are amended to read as follows:

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32 RE-EXAMINATION OF BENEFICIARIES RETIRED ON ACCOUNT OF  
33 DISABILITY. Once each year during the first five years  
34 following the retirement of a member on a disability retirement  
35 allowance, and once in every three-year period thereafter,

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1 the respective board of trustees may, and upon his the member's  
2 application shall, require any disability beneficiary who  
3 has not yet attained age fifty-five to undergo a medical  
4 examination at a place designated by the medical board. Such  
5 examination shall be made by the medical board or in special  
6 cases, by an additional physician or physicians designated  
7 by such board. Should any disability beneficiary who has  
8 not attained the age of fifty-five refuse to submit to such  
9 medical examination, his the member's allowance may be  
10 discontinued until his the member's withdrawal of such refusal,  
11 and should his the member's refusal continue for one year  
12 all rights in and to his the member's pension may be revoked  
13 by the respective board of trustees.

14 a. Should any beneficiary for either ordinary or accidental  
15 disability, except a beneficiary who is fifty-five years of  
16 age or over and would have completed twenty-two years of  
17 service if he or she had remained in active service, be engaged  
18 in a gainful occupation paying more than the difference between  
19 his the member's retirement allowance and his-average-final  
20 compensation the earnable compensation of an active member  
21 at the same position on the salary scale within the member's  
22 rank as the member held at retirement, then the amount of  
23 his-pension the member's retirement allowance shall be reduced  
24 to an amount which together with his-annuity-and the amount  
25 earned by him the member shall equal the amount of his-average  
26 final-compensation the current earnable compensation of an  
27 active member at the same position on the salary scale within  
28 the member's rank as the member held at retirement. Should  
29 his the member's earning capacity be later changed, the amount  
30 of his-pension the member's retirement allowance may be further  
31 modified, provided, that the new pension retirement allowance  
32 shall not exceed the amount of the pension-originally-granted  
33 retirement allowance adjusted by annual readjustments of  
34 pensions pursuant to subsection fourteen (14) of this section  
35 nor an amount which, when added to the amount earned by the

1 beneficiary ~~together-with-his-annuity~~, equals the amount of  
2 ~~his-average-final-compensation~~ the earnable compensation of  
3 an active member at the same position on the salary scale  
4 within the member's rank as the member held at retirement.  
5 A beneficiary restored to active service at a salary less  
6 than the average final compensation upon the basis of which  
7 ~~he~~ the member was retired at age fifty-five or greater, shall  
8 not again become a member of the retirement system and shall  
9 have his or her retirement allowance suspended while in active  
10 service. If the rank or position held by the retired member  
11 is subsequently abolished, adjustments to the allowable limit  
12 on the amount of income which can be earned in a gainful  
13 occupation shall be computed in the same manner as provided  
14 in subsection fourteen (14) of paragraph d of this section  
15 for readjustment of pensions when a rank or position has been  
16 abolished.

17 A beneficiary retired under the provisions of this paragraph  
18 in order to be eligible for continued receipt of retirement  
19 benefits shall no later than May fifteenth of each year submit  
20 to the board of trustees a copy of his or her state income  
21 tax return for the preceding year.

22 Retroactive to July 1, 1976, the limitations on pay of  
23 a member engaged in a gainful occupation who is retired under  
24 accidental disability prescribed in this paragraph shall not  
25 apply to a member who retired before July 1, 1976.

26 Sec. 44. Section four hundred eleven point six (411.6),  
27 subsections eight (8) and nine (9), Code 1977, are amended  
28 to read as follows:

29 8. ORDINARY DEATH BENEFIT. Upon the receipt of proper  
30 proofs of the death of a member in service, or a member not  
31 in service who has completed fifteen or more years of service  
32 as provided in subsection 1, paragraph "c", of this section,  
33 there shall be paid to such person having an insurable interest  
34 in the member's life as the member shall have nominated by  
35 written designation duly executed and filed with the respective

1 board of trustees:

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

6 b. ~~An~~ an amount equal to fifty percent of the compensation  
7 earnable by the member during the year immediately preceding  
8 the member's death if the member is in service or an amount  
9 equal to fifty percent of the compensation earned by the  
10 member during the member's last year of service if the member  
11 is not in service; or

12 b. If there be no such nomination of beneficiary, the  
13 benefits provided in paragraphs paragraph "a" and "b" shall  
14 be paid to the member's estate; or in lieu thereof, at the  
15 option of the following beneficiaries, respectively, even  
16 though nominated as such for a member in service, there shall  
17 be paid a pension which, ~~together with the actuarial equivalent~~  
18 ~~of the member's accumulated contributions,~~ shall be equal  
19 to one-fourth of the average final compensation of such member,  
20 but in no instance less than seventy-five dollars. In addition  
21 to the benefits herein enumerated, there shall also be paid  
22 for each child of a member under the age of eighteen years  
23 ~~the sum of twenty dollars per month~~ a monthly pension equal  
24 to six percent of the monthly earnable compensation paid to  
25 an active member holding the highest grade in the rank of  
26 fire fighter, for a child of a deceased member of a fire  
27 department, or the highest grade in the rank of police patrol  
28 officer, for a child of a deceased member of a police  
29 department or for a member not in service the pension shall  
30 be reduced as provided in subsection 1, paragraph "c," of  
31 this section and shall be paid commencing when the member  
32 would have attained the age of fifty-five except if there  
33 is a child of the member under the age of eighteen, or under  
34 the age of twenty-two who is a full-time student, or who is  
35 disabled, under the definitions used in section 402 of the

1 Social Security Act as amended to July 1, 1976 1978 U.S.C.  
 2 402 the pension shall be paid commencing with the member's  
 3 death until the children reach the age of eighteen, or twenty-  
 4 two if applicable. The pension shall resume commencing when  
 5 the member would have attained the age of fifty-five;

6 c. To the spouse to continue so long as said party remains  
 7 unmarried; or

8 d. If there be no spouse, or if the spouse dies or  
 9 remarries before any child of such deceased member shall have  
 10 attained the age of eighteen years, then to the guardian of  
 11 his or her child or children under said age, divided in such  
 12 manner as the board of trustees in its discretion shall  
 13 determine, to continue as a joint and survivor pension until  
 14 every such child dies or attains the age of eighteen; or

15 e. If there be no surviving spouse or child under age  
 16 eighteen, then to his or her dependent father or mother or  
 17 both, as the board of trustees in its discretion shall  
 18 determine, to continue until remarriage or death.

19 9. ACCIDENTAL DEATH BENEFIT. If, upon the receipt of  
 20 evidence and proof that the death of a member in service or  
 21 the chief of police or fire departments was the natural and  
 22 proximate result of an injury or disease incurred in or  
 23 aggravated by the actual performance of duty at some definite  
 24 time and place, or while acting pursuant to order, outside  
 25 of the city by which he the member is regularly employed,  
 26 the board of trustees shall decide that death was so caused  
 27 in the performance of duty there shall be paid, in lieu of  
 28 the ordinary death benefit provided in subsection 8 of this  
 29 section, to his the member's estate or to such person having  
 30 an insurable interest in his the member's life as he the  
 31 member shall have nominated by written designation duly  
 32 executed and filed with the respective board of trustees the  
 33 benefits set forth in paragraphs "a", and "b" and "e" of this  
 34 subsection:

35 a. His accumulated contributions, and in addition thereto--

1 b- A pension equal to one-half of the average final  
2 compensation of such member shall be paid to his the member's  
3 spouse, children or dependent parents as provided in paragraphs  
4 "c", "d" and "e" of subsection 8 of this section. In addition  
5 to the benefits for the spouse herein enumerated, there shall  
6 also be paid for each dependent child of a member under the  
7 age of eighteen years the-sum-of-twenty-dollars-per-month  
8 a monthly pension equal to six percent of the monthly earnable  
9 compensation paid to an active member holding the highest  
10 grade in the rank of fire fighter, for a child of a deceased  
11 member of a fire department, or holding the highest grade  
12 in the rank of police patrol officer, for a child of a deceased  
13 member of a police department.

14 e b. If there be no spouse, children under the age of  
15 eighteen years or dependent parent surviving such deceased  
16 member, the death shall be treated as an ordinary death case  
17 and the benefit payable in accordance with the provisions  
18 of subsection 8, paragraph "b a", in lieu of the pension  
19 provided in paragraph "b a" of this subsection 9, shall be  
20 paid to his the member's estate.

21 Disease under this subsection shall mean heart disease  
22 or any disease of the lungs or respiratory tract and shall  
23 be presumed to have been contracted while on active duty as  
24 a result of strain or the inhalation of noxious fumes, poison,  
25 or gases.

26 Sec. 45. Section four hundred eleven point six (411.6),  
27 Code 1977, is amended by striking subsection ten (10).

28 Sec. 46. Section four hundred eleven point six (411.6),  
29 subsection thirteen (13), Code 1977, is amended to read as  
30 follows:

31 13. PENSION TO SPOUSE AND CHILDREN OF DECEASED PENSIONED  
32 MEMBER. In the event of the death of any member receiving  
33 a retirement allowance under the provisions of subsections  
34 2, 4, or 6 of this section there shall be paid a pension:  
35 a. To the spouse to continue so long as said partner

1 remains unmarried, equal to one-half the amount received by  
2 such deceased beneficiary, but in no instance less than  
3 seventy-five dollars per month, and in addition thereto ~~the~~  
4 ~~sum-of-twenty-dollars-per-month~~ a monthly pension equal to  
5 the monthly pension payable under subsection nine (9) of this  
6 section for each child under eighteen years of age; or

7 b. In the event of the death of the spouse either prior  
8 or subsequent to the death of the member, to the guardian  
9 of each surviving child under eighteen years of age, ~~in-the~~  
10 ~~sum-of-twenty-dollars-per-month~~ a monthly pension equal to  
11 the monthly pension payable under subsection eight (8) of  
12 this section for the support of such child.

13 Sec. 47. Section four hundred eleven point six (411.6),  
14 subsection fourteen (14), paragraph a, Code 1977, is amended  
15 to read as follows:

16 a. As of the first of July of each year, the monthly  
17 pensions authorized in this section payable to each retired  
18 member and to each beneficiary, except children, of a deceased  
19 member shall be recomputed. The formula authorized in this  
20 section which was used to compute the retired member's or  
21 beneficiary's pension at the time of retirement or death shall  
22 be used in the recomputation except the pension compensation  
23 shall be used in lieu of the average final compensation which  
24 the retired or deceased member was receiving at the time of  
25 retirement or death. The adjusted monthly pension shall be  
26 the amount payable at the member's retirement or death adjusted  
27 by one-half of the difference between the recomputed pension  
28 and the amount payable at the member's retirement or death.  
29 At no time shall the monthly pension or payment to the  
30 beneficiary be less than the amount which was paid at the  
31 time of the member's retirement or death.

32 As of the first of July of each year, the monthly pension  
33 payable to each surviving child under the provisions of  
34 subsections eight (8), nine (9), and thirteen (13) of this  
35 section shall be adjusted to equal six percent of the monthly

1 earnable compensation payable on that July first to an active  
2 member holding the highest grade in the rank of fire fighter,  
3 for a child of a deceased member of a fire department, or  
4 holding the highest grade in the rank of police patrol officer,  
5 for a child of a deceased member of a police department.

6 Sec. 48. Section four hundred eleven point six (411.6),  
7 subsection fourteen (14), Code 1977, is amended by striking  
8 paragraph b.

9 Sec. 49. Section four hundred eleven point six (411.6),  
10 Code 1977, is amended by striking subsection eleven (11).

11 Sec. 50. Section four hundred eleven point seven (411.7),  
12 Code 1977, is amended to read as follows:

13 411.7 MANAGEMENT OF FUNDS.

14 1. The ~~respective-boards~~ board of trustees shall be the  
15 trustees of the several funds created by this chapter as  
16 provided in section 411.8 and shall have full power to invest  
17 and reinvest such funds subject to the terms, conditions,  
18 limitations and restrictions imposed by subsection 2 of this  
19 section, and subject to like terms, conditions, limitations,  
20 and restrictions said trustees shall have full power to hold,  
21 purchase, sell, assign, transfer, or dispose of any of the  
22 securities and investments in which any of the funds created  
23 herein shall have been invested, as well as of the proceeds  
24 of said investments and any moneys belonging to said funds.

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25 2. The ~~city~~ treasurer of state may invest at the direction  
26 of the ~~respective-boards~~ board of trustees such portion of  
27 the several funds created by this chapter as in the judgment  
28 of the ~~respective-boards~~ board are not needed for current  
29 payment of benefits under this chapter in interest-bearing  
30 securities issued by the United States, or interest-bearing  
31 bonds issued by the state of Iowa, or make deposits of such  
32 funds in banks as provided in chapter 453, or in bonds issued  
33 by counties, school districts, or general obligation or limited  
34 levy bonds issued by municipal corporations in this state  
35 as authorized for investment by insurance companies under

1 section 511.8 and subject to all limitations contained in  
 2 said section. In the event of loss on the redemption or sale  
 3 of securities, where invested as prescribed by law, neither  
 4 the-treasurer-nor the trustees shall not be personally liable,  
 5 but such loss shall be charged against the retirement funds.  
 6 The city treasurer of state may sell any securities in such  
 7 funds and reinvest the proceeds in accordance with the  
 8 direction of the respective-boards board of trustees when  
 9 such action may be deemed advisable by the trustees for the  
 10 protection of said funds or the preservation of the value  
 11 of the investment.

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

24 4 3. The treasurer of the-said-cities state shall be the  
 25 custodian of the several funds. All payments from said funds  
 26 shall be made by him the treasurer of state only upon vouchers  
 27 signed by two persons designated by the respective board of  
 28 trustees. A duly attested copy of the resolution of the  
 29 respective board of trustees designating such persons and  
 30 bearing on its face specimen signatures of such persons shall  
 31 be filed with the treasurer of state as his or her authority  
 32 for making payments upon such vouchers. No voucher shall  
 33 be drawn unless it shall previously have been allowed by  
 34 resolution of the respective board of trustees.

35 5 4. For the purpose of meeting disbursements for pensions,

1 annuities, and other payments, there may be kept available  
2 cash not exceeding ten percent of the total amount in the  
3 several funds of the retirement system on deposit in one or  
4 more banks or trust companies ~~in-said-cities~~, organized under  
5 the laws of the state of Iowa, or of the United States,  
6 provided, that the amount on deposit in any one bank or trust  
7 company shall not exceed twenty-five percent of the paid-up  
8 capital and surplus of such bank or trust company.

9 6 5. No trustee and no employee of ~~either~~ the board shall  
10 have any direct interest in the gains or profits of any  
11 investment made by the ~~respective-boards~~ board of trustees.  
12 No trustee shall receive any pay or emolument for his or her  
13 services except as secretary. No trustee or employee of  
14 ~~either~~ the board of trustees shall directly or indirectly  
15 for himself or herself or as an agent in any manner use the  
16 assets of the retirement system except to make such current  
17 and necessary payments as are authorized by the board of  
18 trustees, nor shall any trustee or employee of the ~~boards~~  
19 ~~board~~ board become an endorser or surety or become in any manner  
20 an obligor for moneys loaned by or borrowed from the ~~respective~~  
21 board of trustees.

22 Sec. 51. Section four hundred eleven point eight (411.8),  
23 unnumbered paragraph one (1), Code 1977, is amended to read  
24 as follows:

25 All the assets of ~~each~~ the retirement system created and  
26 established by this chapter shall be credited according to  
27 the purpose for which they are held to one of ~~five~~ three  
28 funds, namely, ~~the-annuity-savings-fund, -the-annuity-reserve~~  
29 ~~fund~~, the pension accumulation fund, the pension reserve fund,  
30 and the expense fund.

31 Sec. 52. Section four hundred eleven point eight (411.8),  
32 Code 1977, is amended by striking subsections one (1) and  
33 two (2).

34 Sec. 53. Section four hundred eleven point eight (411.8),  
5763 - 35 subsections three (3) and five (5), Code 1977, are amended

1 to read as follows:

2 3. PENSION ACCUMULATION FUND. The pension accumulation  
 3 fund shall be the fund in which shall be accumulated all  
 4 reserves moneys for the payment of all pensions and other  
 5 benefits payable from contributions made by the said cities  
 6 and the members and from which shall be paid the lump-sum  
 7 death benefits for all members payable from the said  
 8 contributions. Contributions to and payments from the pension  
 9 accumulation fund shall be as follows:

10 a. On account of each member there shall be paid annually  
 11 into the pension accumulation fund by the said cities an  
 12 amount equal to a certain percentage of the earnable  
 13 compensation of the member to be known as the "normal  
 14 contribution". The rate percent of such contribution by the  
 15 member cities shall be fixed on the basis of the liabilities  
 16 of the retirement system as shown by annual actuarial  
 17 valuations. ~~Until-the-first-valuation-the-normal-contribution~~  
 18 ~~shall-be-7-9-percent.~~

19 b. On the basis of the rate of interest and of such  
 20 mortality, interest and other tables as shall be adopted by  
 21 the boards board of trustees, the actuary engaged by the said  
 22 boards board to make each valuation required by this chapter,  
 23 shall immediately after making such valuation, determine the  
 24 uniform-and-constant-percentage-of-the-earnable-compensation  
 25 of-the-average-new-entrant, which, if contributed throughout  
 26 his-entire-period-of-active-service, would-be-sufficient-to  
 27 provide-for-the-payment-of-any-death-benefit-or-pension-payable  
 28 on-this-account.---The-rate-percent-so-determined-shall-be  
 29 known-as the "normal contribution rate". The normal  
 30 contribution rate shall be the rate percent of the earnable  
 31 compensation of all members' obtained by deducting from the  
 32 total liabilities of the fund the sum of the amount of the  
 33 funds in hand to the credit of the fund and the remaining  
 34 unfunded portion of the unfunded supplemental actuarial value  
 35 for all cities determined pursuant to law, and dividing the

1 remainder by one percent of the present value of the  
2 prospective future compensation of all members as computed  
3 on the basis of the rate of interest and of mortality and  
4 service tables adopted by the ~~boards~~ board of trustees, all  
5 reduced by the employee contribution made pursuant to paragraph  
6 f of this subsection. The normal rate of contribution shall  
7 be determined by the actuary after each valuation.

8 c. The total amount payable in each year to the pension  
9 accumulation fund shall be not less than the rate percent  
10 known as the normal contribution rate of the total compensation  
11 earnable by all members during the year, provided, however,  
12 that the aggregate payment by the said cities shall be  
13 sufficient when combined with the amount in the fund to provide  
14 the pensions and other benefits payable out of the fund during  
15 the then current year.

16 d. All lump-sum death benefits on account of death in  
17 active service payable from contributions of the said cities  
18 shall be paid from the pension accumulation fund.

19 e. Upon the retirement or death of a member an amount  
20 equal to the pension reserve on any pension payable to him  
21 or her or on account of his or her death shall be transferred  
22 from the pension accumulation fund to the pension reserve  
23 fund.

24 f. An amount equal to ~~one~~ two and twenty-one hundredths  
25 percent of each member's compensation from the earnable  
26 compensation of the member shall be paid to the pension  
5783-27 accumulation fund by each applicable city. ~~The provisions~~  
28 ~~of this section, subsection 17, paragraphs "b" and "e", relating~~  
29 ~~to the contributions of members shall be applicable to this~~  
30 ~~paragraph.~~

5783-31 g. The board of trustees shall certify to the  
32 superintendent of public safety as defined in this chapter  
33 and the superintendent of public safety as defined in this  
34 chapter shall cause to be deducted from the earnable  
35 compensation of each member the contribution required under

1 paragraph f of this subsection and shall forward the  
 2 contributions to the board of trustees for recording and for  
 3 deposit in the pension accumulation fund.

4 The deductions provided for under this subsection shall  
 5 be made notwithstanding that the minimum compensation provided  
 6 by law for any member is reduced. Every member is deemed  
 7 to consent to the deductions made under this section.

8 5. EXPENSE FUND. The expense fund shall be the fund to  
 9 which shall be credited all money provided by the said cities  
 10 to pay the administration expenses of the retirement system  
 11 and from which shall be paid all the expenses necessary in  
 12 connection with the administration and operation of the system.  
 13 Annually the ~~boards~~ board of trustees shall estimate the  
 14 amount of money necessary to be paid into the expense fund  
 15 during the ensuing year to provide for the expense of operation  
 16 of the retirement system and shall bill each city for its  
 17 portion based upon the ratio that the number of active and  
 18 retired members in the retirement system from that city on  
 19 July first of each year bears to the total number of active  
 20 and retired members in the retirement system on July first  
 21 of each year.

22 Sec. 54. Section four hundred eleven point eleven (411.11),  
 23 subsection one (1), Code 1977, is amended to read as follows:

24 1. On or before January 1 first of each year the ~~respective~~  
 25 ~~boards~~ board of trustees shall certify to the superintendent  
 26 of public safety of each member city the amounts which will  
 27 become due and payable during the fiscal year next following  
 28 to the pension accumulation fund and the expense fund for  
 29 that city. The amounts so certified shall be included by  
 30 the superintendent of public safety of each member city in  
 31 his the superintendent's annual budget estimate. The amounts  
 32 so certified shall be appropriated by the said cities and  
 33 transferred to the retirement system for the ensuing fiscal  
 34 year. Said cities shall annually levy a tax sufficient in  
 35 amount to cover such appropriations.

1 Sec. 55. Section four hundred eleven point eleven (411.11),  
2 Code 1977, is amended by striking subsection two (2).

3 Sec. 56. Section four hundred eleven point twelve (411.12),  
4 Code 1977, is amended to read as follows:

5 411.12 GUARANTY. Regular-interest-charges-payable, the  
6 The creation and maintenance of reserves moneys in the pension  
7 accumulation fund and the maintenance of annuity-reserves  
8 and pension reserves as provided for the payment of all  
9 pensions, annuities, retirement-allowances, refunds, and other  
10 benefits granted under the provisions of this chapter and  
11 all expenses in connection with the administration and  
5783 12 operation of the retirement systems system are hereby made  
13 direct liability obligations of the said cities. All-income,  
14 interest, and dividends derived from deposits and investments  
15 authorized by this chapter shall be used for the payment of  
16 the said obligations of the said cities. Any amounts derived  
17 therefrom, which, when combined with regular appropriations  
18 made under the provisions of this chapter, exceed the amount  
19 required to provide for the discharge of such obligations,  
20 shall be used to reduce the regular appropriations otherwise  
21 required.

22 Sec. 57. Section four hundred eleven point fourteen  
23 (411.14), 1977 Code Supplement, is amended to read as follows:

24 411.14 PROTECTION AGAINST FRAUD. Any person who shall  
25 knowingly make any false statement, or shall falsify or permit  
26 to be falsified any record or records of such retirement  
27 system in any attempt to defraud such system as a result of  
28 such act, shall be guilty of a fraudulent practice. Should  
5783 29 any change or errors in records result in any member or  
30 beneficiary receiving from the retirement system more or less  
31 than he or she would have been entitled to receive had the  
32 records been correct, the respective board of trustees shall  
33 correct such error, and, as far as practicable, shall adjust  
34 the payments in such a manner that the actuarial equivalent  
35 of the benefit to which such member or beneficiary was

1 correctly entitled, shall be paid.

2 Sec. 58. Section four hundred eleven point nineteen  
 3 (411.19), Code 1977, is amended to read as follows:

4 411.19 TRANSFER OF BENEFITS MEMBERSHIP SERVICE TO ANOTHER  
 5 CITY. A member of a the retirement system established in  
 6 this chapter who terminates employment with a city and is  
 7 subsequently employed by another city and is eligible for  
 8 coverage under this chapter may transfer membership service  
 9 earned under-the-first-system-to-the-system-under-which-the  
 10 member-is-employed from one city to another. Upon-the-written  
 11 request-of-the-member-with-verification-by-the-board-of  
 12 trustees-of-the-system-under-which-the-member-is-employed,  
 13 the-board-of-trustees-of-the-first-system-shall-transmit-to  
 14 the-board-of-trustees-of-the-system-under-which-the-member  
 15 is-employed,--within-thirty-days-of-the-receipt-of-the-request,  
 16 the-member's-accumulated-contributions-to-be-deposited-in  
 17 the-annuity-savings-fund-of-the-system-under-which-the-member  
 18 is-employed-and-the-actuarial-equivalent-of-the-amount-in  
 19 the-pension-accumulation-fund-which-would-be-necessary-to  
 20 fund-a-pension-equal-to-one-twenty-second-times-the-number  
 21 of-years-of-membership-service-completed,--under-the-first  
 22 system,--to-be-deposited-in-the-pension-accumulation-fund-of  
 23 the-system-under-which-the-member-is-employed.

24 Sec. 59. Section four hundred eleven point twenty (411.20),  
 25 Code 1977, is amended by striking the section and inserting  
 26 in lieu thereof the following:

27 411.20 APPROPRIATION TO MUNICIPAL ASSISTANCE FUND. There  
 28 is appropriated from the general fund of the state to the  
 29 municipal assistance fund established in chapter four hundred  
 30 five (405) of the Code for each fiscal year an amount necessary  
 31 to be distributed to cities which are members of the fire  
 32 and police retirement system under the provisions of this  
 33 chapter. Funds shall be used to finance the costs of benefits  
 34 provided in this chapter by amendments of the Acts of the  
 35 Sixty-sixth General Assembly, chapter one thousand eighty-nine

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system*

1 (1089).

2 Commencing with the fiscal year beginning July 1, 1979,  
3 the amounts distributed to each eligible city to pay the  
4 state's portion of the costs of benefit improvements provided  
5 by the Sixty-sixth General Assembly, chapter one thousand  
6 eighty-nine (1089) shall be computed by the actuary employed  
7 by the system on the basis of the results of a study performed  
8 by such actuary for the fiscal years beginning July 1, 1978  
9 and July 1, 1979 as provided in this section.

10 The actuary employed by the system shall be provided copies  
11 of all data, including dates of birth and employment, sex,  
12 salary and asset information, used in the actuarial valuations  
13 performed as of June 30, 1978 by the consulting actuaries  
14 signing the verified statements required to be filed under  
15 this section as this section was effective on June 30, 1978.

16 Prior to December 31, 1979 the actuary employed by the  
17 system shall perform the actuarial valuations of the system  
18 which are needed to determine the state's portion of the cost  
19 of the benefit improvements provided by the Acts of the Sixty-  
20 sixth General Assembly, chapter one thousand eighty-nine  
21 (1089), for the fiscal year commencing July 1, 1979, under  
22 this section as this section was effective on June 30, 1978.

23 In addition, the actuary shall perform the actuarial valuations  
24 of the system which would have been needed to determine the  
25 state's portion of the cost of the benefit improvements under  
26 this section as this section was effective on June 30, 1978,  
27 for the fiscal year commencing July 1, 1978 if the single  
28 system had existed at that time, using the data supplied by  
29 the actuaries employed by the cities as provided in this  
30 section.

31 On the basis of the results of the actuarial valuations  
32 described above, the actuary employed by the system shall  
33 determine a ratio of the payroll which is determined by  
34 dividing the total of the state's portion of the cost of said  
35 benefit improvements as determined by the actuarial valua-

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1 tions described for the two fiscal years by the total payroll  
2 of the members of the systems for the two fiscal years. The  
3 actuary shall certify the ratio so determined.

4 For the fiscal year commencing July 1, 1979 and each fiscal  
5 year thereafter, the state comptroller shall pay to each city  
6 an amount equal to the ratio of payroll times the payroll  
7 of the active members employed by that city for the fiscal  
8 year.

9 Sec. 60. Sections ninety-seven A point ten (97A.10), four  
10 hundred eleven point ten (411.10) and four hundred eleven  
11 point eighteen (411.18), Code 1977, are repealed.

12 Sec. 61. Chapter four hundred eleven (411), Code 1977,  
13 as amended by Acts of the Sixty-seventh General Assembly,  
14 1977 Session, chapters forty-eight (48) and one hundred  
15 eighteen (118), is amended by adding the following new  
16 sections:

17 NEW SECTION.

18 1. Members who became vested and terminated service prior  
19 to July 1, 1979, and members receiving an annuity from  
20 accumulated contributions made prior to July 1, 1979, shall  
21 continue to receive the benefits the member was entitled to  
22 under the provisions of chapter four hundred eleven (411),  
23 as chapter four hundred eleven (411) was effective on the  
24 date of the member's retirement or vested termination.

25 2. For the purposes of this section:

26 a. "Accumulated contributions" means the sum of all amounts  
27 deducted from the compensation of a member and credited to  
28 the member's individual account in the annuity savings fund  
29 together with regular interest thereon as provided in this  
30 subsection. Accumulated contributions do not include any  
31 amount deducted from the compensation of a member and credited  
32 to the pension accumulation fund.

33 b. "Annuity" means annual payments for life derived from  
34 the accumulated contributions of a member. All annuities  
35 shall be payable in monthly installments.

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1 c. "Annuity reserve" shall mean the present value of all  
2 payments to be made on account of an annuity, or benefit in  
3 lieu of an annuity, granted under the provisions of this  
4 chapter, upon the basis of such mortality tables as shall  
5 be adopted by the board of trustees, and regular interest.

6 d. "Annuity savings fund" means the account maintained  
7 by the board of trustees of funds forwarded by the custodians  
8 of the annuity savings funds maintained by the cities prior  
9 to July 1, 1979, in which the accumulated contributions of  
10 the members were deposited prior to July 1, 1979, to provide  
11 for their annuities.

12 e. "Annuity reserve fund" means the account maintained  
13 by the board of trustees of funds forwarded by the custodians  
14 of the annuity reserve funds maintained by the cities prior  
15 to July 1, 1979, from which shall be paid all annuities and  
16 all benefits in lieu of annuities payable as provided in this  
17 chapter as this chapter was effective on June 30, 1979.

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

22 3. Beginning July 1, 1979, each custodian of the funds  
23 of the police and fire retirement systems in cities shall  
24 forward the funds remaining in the annuity reserve fund and  
25 the annuity savings fund to the board of trustees for  
26 maintenance and investment of the funds which had been  
27 contributed by members prior to July 1, 1979. Members  
28 receiving an annuity as a portion of their retirement or  
29 disability benefits on June 30, 1979, shall continue to receive  
30 such annuity from the account maintained by the board of  
31 trustees. Members receiving an annuity, if reemployed under  
32 service covered by this chapter, shall cease to receive  
33 retirement benefits.

34 4. The accumulated contributions of a member withdrawn  
35 by the member or paid to the member's estate or designated

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1 beneficiary in the event of the member's death shall be paid  
2 from the annuity savings fund account. Upon the retirement  
3 of a member, the member's accumulated contributions shall  
4 be transferred from the annuity savings fund to the annuity  
5 reserve fund.

6 5. A member of the retirement system prior to July 1,  
7 1979 with fifteen or more years of service whose employment  
8 was terminated prior to retirement, other than by death or  
9 disability, shall be entitled to receipt of his or her  
10 accumulated contributions upon retirement together with other  
11 retirement benefits provided in the law on the date of the  
12 member's retirement. However, the member shall not be eligible  
13 for a service retirement allowance under section ninety-seven  
14 A point six (97A.6) of the Code if he or she has chosen to  
15 withdraw his or her accumulated contributions from the annuity  
16 savings fund.

17 6. Any member in service prior to July 1, 1979 may at  
18 the time of his or her retirement withdraw his or her  
19 accumulated contributions made before July 1, 1979 or receive  
20 an annuity which shall be the actuarial equivalent of his  
21 or her accumulated contributions at the time of his or her  
22 retirement.

23 7. Notwithstanding the provisions of subsections one (1),  
24 three (3), four (4), five (5), and six (6) of this section,  
25 beginning January 1, 1981, an active or vested member may  
26 request in writing and receive from the board of trustees,  
27 his or her accumulated contributions from the annuity savings  
28 fund.

29 8. The actuary shall annually determine the amount required  
30 in the annuity reserve fund. If the amount required is less  
31 than the amount in the annuity reserve fund, the board of  
32 trustees shall transfer the excess funds from the annuity  
33 reserve fund to the pension accumulation fund. If the amount  
34 required is more than the amount in the annuity reserve fund,  
35 the board of trustees shall transfer the amount prescribed

1 by the actuary to the annuity reserve fund from the pension  
2 accumulation fund.

3 NEW SECTION. On the basis of funds in the pension reserve  
4 fund and the pension accumulation fund of each retirement  
5 system in existence on June 30, 1979, the actuary shall  
6 determine an unfunded supplemental actuarial value for each  
7 city to be paid over a twenty-year period beginning July 1,  
8 1979 and ending June 30, 1999 in accordance with the accrued  
9 benefit actuarial cost method, with accrued benefits based  
10 on the pro rata portion of total anticipated service, reduced  
11 by the pension accumulation fund. The supplemental actuarial  
12 value for each city shall be approved by the treasurer of  
13 state.

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14 Sec. 62. Section ninety-seven C point two (97C.2),  
15 subsection three (3), Code 1977, is amended to read as follows:

16 3. The term "employee" includes elective and appointive  
17 officials of the state or any political subdivision thereof,  
18 except ~~members of the general assembly,~~ elective officials  
19 in positions, the compensation for which is on a fee basis,  
20 elective officials of school districts, elective officials  
21 of townships, and elective officials of other political  
22 subdivisions who are in part-time positions; provided that  
23 no member of a county board of supervisors shall be deemed  
24 to be an elective official in a part-time position, but every  
25 member of a county board of supervisors shall be deemed to  
26 be an employee within the purview of this chapter and shall  
27 be eligible to receive all of the benefits provided by this  
28 chapter to which he may be entitled as an employee.

29 Sec. 63. Section six hundred five A point four (605A.4),  
30 Code 1977, as amended by Acts of the Sixty-seventh General  
31 Assembly, 1977 Session, chapter forty-eight (48), section  
32 forty-six (46), is amended by adding the following new subsec-  
33 tion:

34 NEW SUBSECTION. 5. Beginning January 1, 1979, there shall  
35 be assessed as court costs in all actions before any judge

1 of the district court, the court of appeals and the supreme  
2 court an amount to be credited to the judicial retirement  
3 fund to be used to pay for benefits provided under this chapter  
4 of the Code. Such court costs shall be paid by the losing  
5 party to any action. Such costs shall be collected in the  
6 manner provided in chapter six hundred twenty-five (625) of  
7 the Code and shall be forwarded by the collecting official  
8 to the treasurer of state to be deposited to the credit of  
9 the judicial retirement fund and said fund is hereby  
10 appropriated for the payment of annuities, refunds and  
11 allowance provided in this section.

12 Fees assessed under the provisions of this subsection shall  
13 be an amount calculated by the court administrator of the  
14 judicial department prior to December fifteenth of each year  
15 equal to an amount determined actuarially necessary to fund  
16 the judicial retirement system liabilities for future benefits  
17 for active members in excess of the projected contributions  
18 by contributing judges and the state plus an amount for the  
19 period beginning January 1, 1979 and ending December 31, 1998,  
20 to amortize the unfunded liabilities of the judicial retirement  
21 system in excess of assets on January 1, 1979, over a twenty-  
22 year period. Actuarial evaluations shall be made annually  
23 prior to December fifteenth of each year. The annual amount  
24 so calculated shall be divided by the total number of cases  
25 docketed in all courts in the state in the latest annual  
26 report available from the court administrator of the judicial  
27 department on December fifteenth. The amount so calculated  
28 shall be assessed as court costs in each court action in the  
29 following calendar year. The court administrator of the  
30 judicial department shall notify all courts in the state of  
31 court costs calculated under this subsection effective for  
32 each calendar year.

33 Sec. 64. Sections one (1) through fifteen (15) of this  
34 Act are effective July 1, 1978.

35 Sec. 65. Section sixteen (16) of this Act is effective

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1 January 1, 1979.  
 2 Sec. 66. The sections of this Act amending sections of  
 3 chapters ninety-seven A (97A) and four hundred eleven (411)  
 4 of the Code are effective July 1, 1979 except that the board  
 5 of trustees appointed pursuant to section four hundred eleven  
 6 point five (411.5), subsection one (1), of the Code, as amended  
 7 by this Act, may be appointed at any time after July 1, 1978  
 8 to develop administrative procedures necessary for the  
 9 operation of the system. The board shall appoint an actuary  
 10 to make a valuation of each system as of June 30, 1979.  
 11  
 12

HOUSE FILE 2426

H-6574

- 1 Amend the Senate amendment H-6565 to House File
- 2 2426 as follows:
- 3 1. Page 1, by striking lines 38-50.
- 4 2. Page 2, by striking lines 1-3.

H-6574 FILED *Loss 5/9*  
MAY 9, 1978 *(p. 2333)*

BY GILSON of Guthrie  
 DANKER of Pottawattamie  
 SCHEELHAASE of Woodbury  
 HARBOR of Mills  
 VARLEY of Adair  
 PELLETT of Cass

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HOUSE CLIP SHEET

TUESDAY, MAY 9, 1978

SENATE AMENDMENT TO  
HOUSE FILE 2426

H-6565

- 1 Amend House File 2426, as amended, passed, and  
2 reprinted by the House, as follows:
- 3 1. Page 1, line 8, by striking the words "only  
4 such" and inserting in lieu thereof the words "enly  
5 such the".
- 6 2. Page 1, line 9, by striking the words "of a  
7 marriage consummated" and inserting in lieu thereof  
8 the words "or former spouse of a marriage consummated  
9 solemnized".
- 10 3. Page 1, line 10, by striking the word "or"  
11 and inserting in lieu thereof the words "Surviving  
12 spouse shall include a former spouse only if the  
13 division of assets in the dissolution of marriage  
14 decree pursuant to section five hundred ninety-eight  
15 point seventeen (598.17) of the Code grants the former  
16 spouse rights of a spouse under this chapter. If  
17 there is no surviving spouse of a marriage solemnized  
18 prior to retirement of a deceased member, surviving  
19 spouse includes".
- 20 4. Page 1, line 11, by striking the word  
21 "consummated" and inserting in lieu thereof the word  
22 "solemnized".
- 23 5. Page 1, line 12, by inserting after the word  
24 "retirement" the words "of the member".
- 25 6. Page 2, by inserting after line 12 the following  
26 section:  
27 "Sec. \_\_\_\_ . Section ninety-seven A point three  
28 (97A.3), Code 1977, is amended by adding the following  
29 new subsection:  
30 NEW SUBSECTION. Effective July 1, 1979, a person  
31 shall not become a member of the system unless that  
32 person has passed the physical and mental examination  
33 given under the provisions of section eighty point  
34 fifteen (80.15) of the Code and unless that person  
35 has received a diploma for satisfactory completion  
36 of a training school held pursuant to the provisions  
37 of section eighty point thirteen (80.13) of the Code."
- 38 7. Page 2, by inserting before line 13, the  
39 following new section:  
40 "Sec. \_\_\_\_ . Section ninety-seven A point five  
41 (97A.5), subsection one (1), Code 1977, is amended  
42 to read as follows:  
43 1. Board of trustees. The general administration  
44 and the responsibility for the proper operation of  
45 the system and for making effective the provisions  
46 of this chapter are hereby vested in a board of  
47 trustees to administer the system. Such board of  
48 trustees shall be constituted as follows: The  
49 commissioner of public safety, who shall be ~~chairman~~  
50 chairperson of said board, the state treasurer, and

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H-6565 1 a an actively engaged member of the system, to be  
Page 2 2 chosen by secret ballot by the members thereof for  
3 a term of two years."

4 8. Page 14, by striking lines 8 through 11 and  
5 inserting in lieu thereof the following: "an active  
6 or vested member may request in writing and receive  
7 from the board of trustees, his or her accumulated  
8 contributions from the annuity savings' fund at the  
9 discretion of the board of trustees, except that the  
10 board shall not liquidate securities at a loss for  
11 the sole purpose of returning the accumulated  
12 contributions to the members. All requested  
13 accumulated contributions shall be returned prior  
14 to July 1, 1984."

15 9. Page 14, line 29, by striking the words "after  
16 the member's" and inserting in lieu thereof the words  
17 "~~after-the-member's~~".

18 10. Page 14, line 30, by striking the words  
19 "seventieth birthday" and inserting in lieu thereof  
20 the words "seventieth birthday in which the member  
21 attains the age of seventy years".

22 11. Page 15, by inserting after line 4 the  
23 following section:

24 "Sec. \_\_\_\_ . Section ninety-seven B point twenty-  
25 six (97B.26), Code 1977, is amended to read as follows:

26 97B.26 HEARING OFFICER. Unless such appeal is  
27 withdrawn, a hearing officer to be designated by the  
28 department for this purpose, after affording the  
29 parties reasonable opportunity for fair hearing, shall  
30 affirm or modify the findings of fact and decision  
31 of the deputy. ~~At-said-hearing-all-of-the-evidence~~  
32 ~~taken-and-the-proceedings-had-shall-be-taken-and-fully~~  
33 ~~reported-by-a-certified-shorthand-reporter---Said~~  
34 ~~reporter-shall-promptly-transcribe-said-evidence-and~~  
35 ~~proceedings-and-certify-to-same. The hearing shall~~  
36 be recorded by mechanical means and a transcript of  
37 the hearing shall be made. The said transcript shall  
38 then be made available for use by the appeal board  
39 and by the courts at subsequent judicial review  
40 proceedings under the Iowa administrative procedure  
41 Act, if any. The parties shall be duly notified of  
42 the hearing officer's decision, together with ~~his~~  
43 the hearing officer's reasons therefor, which shall  
44 be deemed to be the final decision of the department  
45 unless, within thirty days after the date of  
46 notification or mailing of such decision, further  
47 appeal is initiated pursuant to section 97B.27."

48 12. Page 15, by inserting after line 21 the  
49 following:

50 "Sec. \_\_\_\_ . Section ninety-seven B point forty-

H-6565

Page 3

1 one (97B.41), subsection one (1), paragraph b,  
2 subparagraph five (5), Code 1977, is amended to read  
3 as follows:

4 (5) Effective July 1, ~~1973~~ 1978, covered wages  
5 shall not include wages to a member on or after the  
6 first of the month coinciding-with-or-next-following  
7 his-seventieth-birthday in which the member attains  
8 the age of seventy years, or after the effective date  
9 of ~~his~~ the member's retirement unless he the member  
10 is re-employed, as provided under section 97B.48,  
11 subsection 3."

12 13. Page 16, by inserting after line 9, the  
13 following:

14 "NEW SUBPARAGRAPH. Persons employed as city  
15 managers under a form of city government listed in  
16 chapter three hundred seventy-two (372) of the Code  
17 unless such employees shall make an application to  
18 the department to be covered under the provisions  
19 of this chapter."

20 14. Page 16, by striking line 11 and inserting  
21 in lieu thereof the words and figures "subsection  
22 nine (9) and eighteen (18), Code 1977, are amended  
23 to read as follows:".

24 15. Page 16, by inserting after line 22 the  
25 following:

26 "18. "Membership service" means service rendered  
27 by a member after July 4, 1953, and prior to the first  
28 of the month ~~coinciding-with-or-next-following-his~~  
29 seventieth-birthday in which the member attains the  
30 age of seventy years. Years of membership service  
31 shall be counted to the complete quarter calendar  
32 year."

33 16. Page 16, line 26, by striking the words "Final  
34 five-year" and inserting in lieu thereof the words  
35 "~~Final-five-year~~ Five-year".

36 17. Page 17, by striking line 6 and inserting  
37 in lieu thereof the words and figures "Each individual  
38 who as of July 1, ~~1973~~ 1978,".

39 18. Page 17, lines 14 and 15, by striking the  
40 word and figures "January 1, 1979, and" and inserting  
41 in lieu thereof the word and figures "July 1, 1978".

42 19. Page 17, lines 17 and 18, by striking the  
43 words and figures "~~July-1,-1973~~ January 1, 1979" and  
44 inserting in lieu thereof the word and figures "July  
45 1, 1973 1978".

46 20. Page 17, line 22, by striking the word and  
47 figures "January 1, 1979" and inserting in lieu thereof  
48 the word and figures "July 1, 1978".

49 21. Page 17, by striking line 33 and inserting  
50 in lieu thereof the words and figures "to all retired

H-65651 members as of July 1, 1973 1978."

Page 42 22. Page 18, line 12, by striking the word and  
3 figures "January 1, 1976 1979" and inserting in lieu  
4 thereof the words and figures "January July 1, 1976 1978".

5 23. Page 18, line 14, by striking the word and  
6 figures "January 1, 1976 1979" and inserting in lieu  
7 thereof the words and figures "January July 1, 1976 1978".

8 24. Page 18, line 18, by striking the word  
9 "January" and inserting in lieu thereof the words  
10 "~~January~~ July".

11 25. Page 18, line 19, by striking the figure  
12 "1979" and inserting in lieu thereof the figure "1978".

13 26. Page 18, line 20, by striking the word and  
14 figure "January 1, 1976 1979" and inserting in lieu  
15 thereof the words and figures "January July 1, 1976  
16 1978".

17 27. Page 18, line 22, by striking the word  
18 "January" and inserting in lieu thereof the words  
19 "~~January~~ July".

20 28. Page 18, line 22, by striking the figure  
21 "1979" and inserting in lieu thereof the figure "1978".

22 29. Page 18, by inserting after line 24 the  
23 following:

24 "Sec. \_\_\_\_\_. Section ninety-seven B point forty-  
25 five (97B.45), unnumbered paragraph one (1), Code  
26 1977, is amended to read as follows:

27 A member's normal retirement date shall be the  
28 first of the month coinciding with or next following  
29 ~~his sixty-fifth birthday~~ in which a member attains  
30 the age of sixty-five years. A member may retire  
31 after ~~his~~ the member's sixty-fifth birthday except  
32 as otherwise provided in section 97B.46. A member  
33 retiring on or after ~~his~~ the normal retirement date,  
34 as provided in section 97B.46, shall submit a written  
35 notice to the department setting forth the date the  
36 retirement is to become effective, provided that such  
37 date shall be after ~~his~~ the member's last day of  
38 service and not before the first day of the sixth  
39 calendar month preceding the month in which the notice  
40 is filed, except that credit for service shall cease  
41 when contributions cease as provided in section 97B.11.

42 Sec. \_\_\_\_\_. Section ninety-seven B point forty-six  
43 (97B.46), Code 1977, is amended to read as follows:

44 97B.46 SERVICE AFTER AGE SIXTY-FIVE. A member  
45 may, on the request of the employer, remain in the  
46 active employ of the employer beyond the date he the  
47 member attains the age of sixty-five for such period  
48 or periods as the employer from time to time shall  
49 approve, provided, however, that credit for such  
50 service shall cease when contributions cease as

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Page 5 1 provided in section 97B.11. The member shall retire  
2 ~~from the employment of the employer~~ at the end of  
3 the last approved period, on the first day of the  
4 month ~~next following or coinciding with such date~~  
5 in which the member retires, except that such date  
6 shall be after the last day of service. A member  
7 remaining in service ~~past his seventieth birthday~~  
8 after attaining the age of seventy years shall be  
9 entitled to receive a retirement allowance under  
10 section 97B.49 as applicable commencing with payment  
11 for the calendar month within which the written notice  
12 is submitted to the department, except that if he  
13 the member fails to submit the notice on a timely  
14 basis, retroactive payments shall be made for no more  
15 than six months immediately preceding the month in  
16 which the written notice is submitted.

17 Sec. \_\_\_\_ . Section ninety-seven B point forty-seven  
18 (97B.47), Code 1977, is amended to read as follows:

19 97B.47 EARLY RETIREMENT DATE. A member's early  
20 retirement date shall be the first of any the month  
21 coinciding with or following his fifty-fifth birthday  
22 and in which a member attains the age of fifty-five  
23 years or the first of any month after attaining the  
24 age of fifty-five years prior to his the member's  
25 normal retirement date, provided such date shall be  
26 after the last day of service. A member may retire  
27 on ~~his~~ the member's early retirement date by submitting  
28 written notice to the department setting forth the  
29 early retirement date which shall not be before the  
30 first day of the sixth calendar month preceding the  
31 month in which such notice is filed.

32 Sec. \_\_\_\_ . Section ninety-seven B point forty-eight  
33 (97B.48), subsection three (3), Code 1977, is amended  
34 to read as follows:

35 3. If at any time after the first day of the month  
36 coinciding with or next following his fifty-fifth  
37 birthday in which the member attains the age of fifty-  
38 five years and until his the member's sixty-fifth  
39 birthday, a member who is retired under this chapter  
40 is in regular full-time employment, his the member's  
41 retirement allowance shall be suspended for as long  
42 as he the member remains in employment. However,  
43 employment shall not be regarded as full-time  
44 employment until he the member receives remuneration  
45 in an amount in excess of two thousand one hundred  
46 dollars for any calendar year. Effective the first  
47 of the month coinciding with or next following his  
48 sixty-fifth birthday in which a member attains the  
49 age of sixty-five years, a retired member shall be  
50 entitled to receive a retirement allowance after

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Page 6  
1 return to covered employment regardless of the amount  
2 of remuneration received. As of the first of the  
3 month ~~coinciding with or next following the member's~~  
4 ~~seventieth birthday~~ in which the member attains the  
5 age of seventy years, he the member shall be entitled  
6 to receive a retirement allowance determined under  
7 section 97B.49, regardless of the amount of  
8 remuneration received. Upon any retirement after  
9 reemployment, a retired member shall be entitled to  
10 have his or her retirement allowance redetermined  
11 under this section or sections 97B.49 or 97B.50,  
12 whichever is applicable, based upon the employee's  
13 and his employer's additional contributions, and any  
14 membership service of the employee after his re-  
15 employment."

16 30. Page 18, line 31, by striking the word "final"  
17 and inserting in lieu thereof the word "~~final~~".

18 31. Page 18, line 35, by striking the word "final".

19 32. Page 19, line 21, by striking the word "final"  
20 and inserting in lieu thereof the word "~~final~~".

21 33. Page 19, line 23, by striking the word "the"  
22 and inserting in lieu thereof the word "the".

23 34. Page 19, by striking lines 24 through 27 and  
24 inserting in lieu thereof the words "monthly benefit  
25 computed under this subsection shall be equal to one-  
26 twelfth of an amount equal to forty-four percent of  
27 the five-year average covered wage as a conservation  
28 peace officer multiplied by a fraction of years of  
29 service."

30 35. Page 19, line 30, by striking the words "the  
31 additional costs" and inserting in lieu thereof the  
32 words "~~the-additional-costs~~".

33 36. Page 19, by striking line 31 and inserting  
34 in lieu thereof the words "above-the-employee-and  
35 employer-contributions eight and forty-three hundredths  
36 percent of the covered wages of each conservation  
37 peace officer, in addition to the contribution paid  
38 by the employer under section ninety-seven B point  
39 eleven (97B.11) of the Code, to pay-for finance in-  
40 ".

41 37. Page 20, line 15, by striking the word "final".

42 38. Page 21, line 5, by striking the words "one  
43 dollar and fifty cents" and inserting in lieu thereof  
44 the words "two dollars".

45 39. Page 21, by striking lines 10 and 11.

46 40. Page 22, by inserting after line 35 the  
47 following:

48 "Sec. \_\_\_\_\_. Section ninety-seven B point fifty-  
49 three (97B.53), subsection two (2), Code 1977, is  
50 amended to read as follows:

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Page 7

2. If the employment with the employer of a member is terminated prior to his the member's retirement, other than by death, but after he the member has either

a. Completed at least four years of service, or

b. Has attained the age of fifty-five, he the member shall receive a monthly retirement allowance commencing on the first day of the month ~~next-following~~ ~~or-coinciding-with-the-date-he~~ in which the member attains the age of sixty-five years, if he the member is then alive, or, if the member so elects in accordance with section 97B.47, commencing on the first day of any the month coinciding-or-next-following the-date-he in which the member attains the age of fifty-five and any month thereafter prior to the date he the member attains the age of sixty-five years, and continuing on the first day of each month thereafter during his the member's lifetime, provided the member does not receive prior to the date his the member's retirement allowance is to commence a refund of accumulated contributions under any of the provisions of this chapter. The amount of each such monthly retirement allowance shall be determined as provided in either section 97B.49 or in section 97B.50, whichever is applicable."

41. Page 23, line 2, by striking the word "section" and inserting in lieu thereof the word "sections".

42. Page 23, by inserting after line 32 the following:

"NEW SECTION. A vested or retired member who was not a vested member of a public retirement system in another state may, upon submitting verification of membership and service in the public retirement system in another state to the department not later than July 1, 1979 for members vested on July 1, 1978 or within one year after the member becomes vested, make employer and employee contributions to the system for the period of service in the public retirement system in another state and receive credit for membership service in this system. The contributions paid by the vested or retired member for service in the public retirement system in another state shall be equal to the accumulated contributions as defined in section ninety-seven B point forty-one (97B.41), subsection thirteen (13), of the Code, by the member for that period of membership service and the contributions of the employer which would have been contributed for that period of membership service plus interest on the contributions for the period from the date of service of the member in the public

H-65651 retirement system in another state to the date of  
Page 82 payment of the contributions by the member equal to  
3 two percent plus the interest dividend rate applicable  
4 for each year."

5 43. Page 23, by inserting after line 32 the  
6 following section:

7 "Sec. \_\_\_\_\_. Section three hundred eighty-four point  
8 six (384.6), subsection one (1), Code 1977, is amended  
9 to read as follows:

10 1. Accounting for pension and related employee  
11 benefit funds. A city may make contributions to a  
12 retirement system other than the Iowa public employees'  
13 retirement system for its city manager in an annual  
14 amount not to exceed the amount that would have been  
15 contributed by the employer under the provisions of  
16 section ninety-seven B point eleven (97B.11) of the  
17 Code. A city may certify taxes to be levied for the  
18 trust and agency fund in the amount necessary to meet  
19 such obligations."

20 44. Page 23, by striking line 34 and inserting  
21 in lieu thereof the words and figures "subsections  
22 nine (9), ten (10),".

23 45. Page 23, line 35, by inserting after the  
24 figure "(21)," the word "and".

25 46. Page 24, line 1, by striking the words and  
26 figure "and twenty-three (23),".

27 47. Page 24, by striking lines 3 through 12.

28 48. Page 24, lines 16 and 17, by striking the  
29 words "only such surviving spouse of a marriage  
30 consummated" and inserting in lieu thereof the words  
31 "~~only such~~ the surviving spouse of a marriage  
32 consummated solemnized".

33 49. Page 24, line 18, by striking the word "or"  
34 and inserting in lieu thereof the words "Surviving  
35 spouse shall include a former spouse only if the  
36 division of assets in the dissolution of marriage  
37 decree pursuant to section five hundred ninety-eight  
38 point seventeen (598.17) of the Code grants the former  
39 spouse rights of a spouse under this chapter. If  
40 there is no surviving spouse of a marriage solemnized  
41 prior to retirement of a deceased member, surviving  
42 spouse includes".

43 50. Page 24, lines 19 and 20, by striking the  
44 words "consummated subsequent to retirement" and  
45 inserting in lieu thereof the words "solemnized  
46 subsequent to retirement of the member".

47 51. Page 25, line 3, by striking the words "a  
48 rate adopted by the board" and inserting in lieu  
49 thereof the words "rates adopted by the boards".

50 52. Page 25, line 8, by striking the words "a

- H-65651 rate adopted by the board and inserting in lieu
- Page 92 thereof the words "rates adopted by the boards".
- 3 53. Page 25, by striking lines 10, 11, and 12.
- 4 54. Page 25, by striking lines 16 through 33.
- 5 55. Page 26, line 1, by striking the words "are
- 6 or".
- 7 56. Page 26, line 3, by striking the words "systems
- 8 are-system is" and inserting in lieu thereof the words
- 9 "systems are".
- 10 57. Page 26, by striking lines 14 through 35.
- 11 58. Page 27, by striking lines 1 through 35.
- 12 59. Page 28, by striking lines 1 through 35.
- 13 60. Page 29, by striking lines 1 through 20.
- 14 61. Page 29, line 22, by inserting after the
- 15 figure "(1)," the word and letter "paragraph c,".
- 16 62. Page 29, by striking lines 23 through 35.
- 17 63. Page 30, by striking lines 1 through 12.
- 18 64. Page 30, line 29, by striking the word and
- 19 figure ", three (3),".
- 20 65. Page 31, by striking lines 4 through 14.
- 21 66. Page 32, by striking lines 2 through 16.
- 22 67. Page 32, line 30, by striking the words and
- 23 figure "unnumbered paragraph one (1), and".
- 24 68. Page 32, line 31, by striking the word "are"
- 25 and inserting in lieu thereof the word "is".
- 26 69. Page 32, by striking lines 32 through 35.
- 27 70. Page 33, by striking lines 1 through 13.
- 28 71. Page 36, line 32, by striking the word
- 29 "respective" and inserting in lieu thereof the word
- 30 "respective".
- 31 72. Page 39, by striking line 12 and inserting
- 32 in lieu thereof the words and figures "Code 1977,
- 33 is amended by striking subsection three (3)."
- 34 73. Page 39, by striking lines 13 through 35.
- 35 74. Page 40, by striking lines 1 through 35.
- 36 75. Page 41, by striking lines 1 through 21.
- 37 76. Page 41, line 25, by striking the words "each
- 38 the" and inserting in lieu thereof the word "each".
- 39 77. Page 41, by striking line 35 and inserting
- 40 in lieu thereof the words and figures "subsection
- 41 three (3), Code 1977, is amended".
- 42 78. Page 42, lines 14 and 15, by striking the
- 43 words "by the member cities".
- 44 79. Page 42, line 21, by striking the words "bears
- 45 board" and inserting in lieu thereof the word "boards".
- 46 80. Page 42, line 32, by striking the words "sum
- 47 of the".
- 48 81. Page 42, by striking lines 33, 34, and 35
- 49 and inserting in lieu thereof the words "funds in
- 50 hand to the credit of the fund and dividing the".

- H-6565 1 82. Page 43, line 4, by striking the words "boards  
Page 10 2 board" and inserting in lieu thereof the word "boards".  
3 83. Page 43, line 27, by striking the words "by  
4 each applicable city".  
5 84. Page 43, line 31, by striking the word "The"  
6 and inserting in lieu thereof the word "Each".  
7 85. Page 44, by striking lines 8 through 21.  
8 86. Page 44, by striking lines 22 through 35.  
9 87. Page 45, line 12, by striking the words  
10 "systems system" and inserting in lieu thereof the  
11 word "systems".  
12 88. By striking page 45, line 22 through page  
13 46, line 1.  
14 89. Page 46, by striking lines 2 through 23.  
15 90. Page 46, line 31, by striking the words "are  
16 members of the" and inserting in lieu thereof the  
17 words "have established".  
18 91. Page 46, line 32, by striking the word "system"  
19 and inserting in lieu thereof the word "systems".  
20 92. Page 47, line 7, by striking the word "system"  
21 and inserting in lieu thereof the words "respective  
22 board of trustees".  
23 93. Page 47, line 7, by striking the words "a  
24 study" and inserting in lieu thereof the words  
25 "actuarial studies".  
26 94. Page 47, by striking lines 10 through 15.  
27 95. Page 47, line 17, by striking the words "system  
28 shall" and inserting in lieu thereof the words  
29 "respective board of trustees shall".  
30 96. Page 47, line 27, by striking the words "if  
31 the single".  
32 97. Page 47, by striking lines 28, 29, and 30  
33 and inserting in lieu thereof a period.  
34 98. Page 47, line 32, by striking the words "the  
35 actuary employed by the system" and inserting in lieu  
36 thereof the words "each actuary employed by a board  
37 of trustees".  
38 99. Page 48, line 2, by striking the word  
39 "systems" and inserting in lieu thereof the word  
40 "system".  
41 100. Page 48, line 3, by inserting after the word  
42 "determined" the words "to the state comptroller".  
43 101. Page 48, line 6, by inserting before the  
44 word "times" the words "computed for a city".  
45 102. Page 48, line 7, by inserting after the word  
46 "employed" the words "under that system".  
47 103. Page 48, by striking lines 9, 10, and 11  
48 and inserting in lieu thereof the following:  
49 "Sec. \_\_\_\_\_. Sections ninety-seven A point ten  
50 (97A.10) and four hundred eleven point ten (411.10),

565 1 Code 1977, are repealed."  
Page 11 2 104. Page 48, line 16, by striking the word  
3 "section" and inserting in lieu thereof the word  
4 "sections".  
5 105. Page 49, line 5, by striking the word "board"  
6 and inserting in lieu thereof the words "respective  
7 boards".  
8 106. Page 49, by striking lines 7 and 8 and  
9 inserting in lieu thereof the words "by the respective  
10 board of trustees".  
11 107. Page 49, line 9, by striking the words and  
12 figures "to July 1, 1979,".  
13 108. Page 49, by striking lines 13 and 14 and  
14 inserting in lieu thereof the words "by the respective  
15 boards of trustees".  
16 109. Page 49, line 15, by striking the words and  
17 figures "to July 1, 1979,".  
18 110. Page 49, by striking lines 22 through 26  
19 and inserting in lieu thereof the following:  
20 "3. Beginning July 1, 1979, the respective boards  
21 of trustees shall maintain and invest funds in the  
22 annuity reserve fund and the annuity savings fund".  
23 111. Page 49, line 30, by striking the words  
24 "account maintained by the board" and inserting in  
25 lieu thereof the words "annuity reserve fund maintained  
26 by the respective".  
27 112. Page 50, lines 13 and 14, by striking the  
28 words and figure "ninety-seven A point six (97A.6)"  
29 and inserting in lieu thereof the words and figure  
30 "four hundred eleven point six (411.6)".  
31 113. Page 50, by striking line 28 and inserting  
32 in lieu thereof the following: "fund according to  
33 the following schedule:  
34 a. During the period beginning January 1, 1981  
35 and ending December 31, 1982, any member who has  
36 completed twenty or more years of service.  
37 b. During the period beginning January 1, 1983  
38 and ending December 31, 1984, any member who has  
39 completed fifteen or more years of service.  
40 c. During the period beginning January 1, 1985  
41 and ending December 31, 1986, any member who has  
42 completed ten or more years of service.  
43 d. During the period beginning January 1, 1987  
44 and ending December 31, 1988, any member who has  
45 completed five or more years of service."  
46 114. Page 50, line 31, by striking the word "board"  
47 and inserting in lieu thereof the words "respective  
48 board".  
49 115. Page 50, line 35, by striking the word "board"  
50 and inserting in lieu thereof the words "respective

H-6565 1 board".

Page 12 2 116. Page 51, by striking lines 3 through 13.

3 117.. Page 51, by inserting after line 28 the  
4 following section:

5 "Sec. \_\_\_\_\_. There is appropriated from the general  
6 fund of the state for the fiscal year beginning July  
7 1, 1978 and ending June 30, 1979 to the courts for  
8 a state contribution to the judicial retirement system  
9 provided for in chapter six hundred five A (605A)  
10 of the Code, the amount of one hundred ninety-five  
11 thousand seven hundred (195,700) dollars. The amount  
12 appropriated shall be in addition to the amount  
13 appropriated in section one (1), subsection one (1),  
14 of Senate File two thousand two hundred forty-six  
15 (2246), enacted by the Sixty-seventh..General Assembly,  
16. 1978 Session."

17 118. By striking page 51, line 29 through page  
18 52, line 35.

19 119.. Page 53, by striking line 1 and inserting  
20 in lieu thereof the following sections:

21 "Sec. \_\_\_\_\_. The legislative council is directed  
22 to approve the establishment of a joint subcommittee  
23 of the senate and house committees on state government  
24 to study during the legislative interim the funding,  
25 benefits, and administration of the various public  
26 retirement systems in this state. The study shall  
27 include but not be limited to a method of funding  
28 the judicial retirement system to provide actuarial  
29 soundness, a method for paying the accumulated  
30 contributions to the members of the peace officers'  
31 retirement system and the local police and fire  
32 retirement systems as early as is financially feasible,  
33 and a method of compensating public employees who  
34 are employed in hazardous duty occupations. In  
35 addition, the study shall include:

36 1. Determination of a method to place all public  
37 employees under a single retirement system over a  
38 period of twenty years.

39 2. Determination of a system of hazardous pay  
40 remuneration for various occupations in which employees  
41 are exposed to unusual danger.

42 3. Determination of the reasonable number of  
43 vested years of service for which employees will  
44 continue to retire under their present retirement  
45 benefit schedule; and determination of the minimum  
46 and maximum years of vested service for personnel  
47 within a system wherein the vested employee may choose  
48 to receive the IPERS-hazardous pay system or remain  
49 under the employee's present system and the conditions  
50 of transfer of funds of the employee's present

13

retirement system.

Sec. \_\_\_\_\_. Section sixty-two (62) of this Act is  
effective January 8, 1979."

120. Page 53, line 4, by striking the words "except  
at the board".

1. Page 53, by striking lines 5 through 10 and  
inserting in lieu thereof a period.

By numbering and renumbering sections as  
necessary in accordance with this amendment.

*same concurred 5/9 (p. 2333)*

RECEIVED FROM THE SENATE

HOUSE FILE 2426

S-5824

1 Amend House File 2426, as amended, passed and  
2 reprinted by the House as follows:  
3 1. Page 23, line 2, by striking the word "section"  
4 and inserting in lieu thereof the word "sections".  
5 2. Page 23, by inserting after line 32 the follow-  
6 ing:  
7 "NEW SECTION. A vested or retired member who was  
8 not a vested member of a public retirement system  
9 in another state may, upon submitting verification  
10 of membership and service in the public retirement  
11 system in another state to the department not later  
12 than July 1, 1979 for members vested on July 1, 1978  
13 or within one year after the member becomes vested,  
14 make employer and employee contributions to the system  
15 for the period of service in the public retirement  
16 system in another state and receive credit for  
17 membership service in this system. The contributions  
18 paid by the vested or retired member for service in  
19 the public retirement system in another state shall  
20 be equal to the accumulated contributions as defined  
21 in section ninety-seven B point forty-one (97B.41),  
22 subsection thirteen (13), of the Code, by the member  
23 for that period of membership service and the  
24 contributions of the employer which would have been  
25 contributed for that period of membership service  
26 plus interest on the contributions for the period  
27 from the date of service of the member in the public  
28 retirement system in another state to the date of  
29 payment of the contributions by the member equal to  
30 two percent plus the interest dividend rate applicable  
31 for each year."

S-5824 FILED & ADOPTED (p. 1278)  
MAY 5, 1978

BY EDGAR H. HOLDEN

HOUSE FILE 2426

S-5827

1 Amend the Committee on State Government amend-  
2 ment, S-5783, to House File 2426, as amended, passed and  
3 reprinted by the House as follows:  
4 1. Page 7, by striking lines 16 through 22.

S-5827 FILED & ADOPTED (p. 1280)  
MAY 5, 1978

BY WILLIAM D. PALMER  
JOHN N. NYSTROM

HOUSE FILE 2426

S-5828

1 Amend the Rush amendment, S-5786, to House File  
2 2426 as amended, passed and reprinted by the House  
3 as follows:  
4 1. Page 1, line 3, by striking the figure "1"  
5 and inserting in lieu thereof the figure "3".

S-5828 FILED & ADOPTED (p. 1281)  
MAY 5, 1978

BY EDGAR H. HOLDEN

S-5822

1 Amend S-5783, filed by the Committee on State  
2 Government, to House File 2426, as amended, passed  
3 and reprinted by the House, as follows:

4 1. Page 1, by striking line 38 and inserting in  
5 lieu thereof the following:

6 "\_\_\_\_\_. Page 14, by striking line 11 and insert-  
7 ing in lieu thereof the following: "fund according  
8 to the following schedule:

9 a. During the period beginning January 1, 1981  
10 and ending December 31, 1982, any member who has  
11 completed twenty or more years of service.

12 b. During the period beginning January 1, 1983  
13 and ending December 31, 1984, any member who has  
14 completed fifteen or more years of service.

15 c. During the period beginning January 1, 1985  
16 and ending December 31, 1986, any member who has  
17 completed ten or more years of service.

18 d. During the period beginning January 1, 1987  
19 and ending December 31, 1988, any member who has  
20 completed five or more years of service."

21 2. Page 11, by striking line 48 and inserting  
22 in lieu thereof the following:

23 "\_\_\_\_\_. Page 50, by striking line 28 and inserting  
24 in lieu thereof the following: "fund according to  
25 the following schedule:

26 a. During the period beginning January 1, 1981  
27 and ending December 31, 1982, any member who has  
28 completed twenty or more years of service.

29 b. During the period beginning January 1, 1983  
30 and ending December 31, 1984, any member who has  
31 completed fifteen or more years of service.

32 c. During the period beginning January 1, 1985  
33 and ending December 31, 1986, any member who has  
34 completed ten or more years of service.

35 d. During the period beginning January 1, 1987  
36 and ending December 31, 1988, any member who has  
37 completed five or more years of service."

S-5822 FILED

MAY 5, 1978

DIVISION A--WITHDRAWN

DIVISION B--WITHDRAWN

BY ROBERT M. CARR

*B. Adopted 5/5 (p. 1276)*

HOUSE FILE 2426

S=5826

1 Amend House File 2426 as amended, passed and  
2 reprinted by the House as follows:  
3 1. Page 23, line 12, by inserting after the word  
4 "assembly." the following: "In addition, the member of  
5 the general assembly shall pay to the department an  
6 amount sufficient to pay the employer contributions  
7 which would have been made for the member of the  
8 general assembly plus two percent interest plus  
9 interest dividends for all completed calendar years  
10 and for any completed calendar year for which the interest  
11 dividend has not been declared and for completed  
12 months of partially completed calendar years at two  
13 percent interest plus the interest dividend rate  
14 calculated for the previous year, compounded  
15 annually, from the end of the calendar year in which  
16 the contribution would have been made to the first  
17 day of the month in which payment is made."  
18 2. Page 23, by striking lines 18 through 32.

S-5826 FILED & WITHDRAWN (p. 1876) BY C. JOSEPH COLEMAN  
MAY 5, 1978 BERL E. PRIEBE

HOUSE FILE 2426

S-5823

1 Amend the State Government Committee amendment,  
2 S-5783, to House File 2426 as amended, passed and  
3 reprinted by the House as follows:  
4 1. Page 2, by inserting after line 35 the fol-  
5 lowing:  
6 "      . Page 15, lines 28 and 29, by striking the  
7 words "~~7-excluding-members-of-the-general-assembly,~~"  
8 and inserting in lieu thereof the words ", excluding  
9 members of the general assembly,"".  
10 2. Page 8, by inserting before line 22 the fol-  
11 lowing:  
12 "      . Page 23, by striking lines 1 through 32."  
13 3. Page 12, by inserting after line 23 the fol-  
14 lowing section:  
15 "Sec.       . Acts of the Sixty-seventh General  
16 Assembly, 1977 Session, chapter fifty-six (56), sections  
17 one (1) and two (2), are repealed.".

S-5823 FILED & LOST (p. 1876) BY STEPHEN W. BISENIUS  
MAY 5, 1978

HOUSE FILE 2426

S-5817

1 Amend Committee on State Government amendment,  
2 S-5783 to House File 2426 as amended, passed, and  
3 reprinted by the House as follows:  
4 1. Page 1, by inserting after line 37 the  
5 following:  
6 "\_\_\_\_\_. Page 2, by inserting before line 13 the  
7 following new section:  
8 Sec.\_\_\_\_\_. Section ninety seven A point five (97A.5)  
9 subsection one (1), Code 1977, is amended to read as  
10 follows:  
11 " 1. Board of trustees. The general administration  
12 and the responsibility for the proper operation of the  
13 system and for making effective the provisions of this  
14 chapter are hereby vested in a board of trustees to  
15 administer the system. Such board of trustees shall be  
16 constituted as follows: The commissioner of public  
17 safety, who shall be ~~chairman~~ chairperson of said board,  
18 the state treasurer, and a an actively engaged member of  
19 the system, to be chosen by secret ballot by the members  
thereof for a term of two years."

S-5817 FILED & ADOPTED (p. 1873) BY E. KEVIN KELLY  
MAY 5, 1978

HOUSE FILE 2426

S-5821

1 Amend S-5783, filed by the Committee on State Government  
2 to House File 2426 as amended, passed and reprinted by the  
3 House as follows:  
4 1. Page 1, by striking line 38 and inserting in lieu  
5 thereof the following:  
6 "\_\_\_\_\_. Page 14, by striking lines 8 through 11 and  
7 inserting in lieu thereof the following: "an active or  
8 vested member may request in writing and receive from the  
9 board of trustees, his or her accumulated contributions  
10 from the annuity savings' fund at the discretion of the board  
11 of trustees, except that the board shall not liquidate  
12 securities at a loss for the sole purpose of returning the  
13 accumulated contributions to the members. All requested  
14 accumulated contributions shall be returned prior to July  
15 1, 1984."

S-5821 FILED & ADOPTED (p. 1276) BY JOHN N. NYSTROM  
MAY 5, 1978

HOUSE FILE 2426

S-5833

1 Amend House File 2426 as amended, passed and  
2 reprinted by the House as follows:

3 1. Page 23, line 12, by inserting after the word  
4 "assembly." the following: "In addition, the member of  
5 the general assembly shall pay to the department an  
6 amount sufficient to pay the employer contributions  
7 which would have been made for the member of the  
8 general assembly plus two percent interest plus  
9 interest dividends for all completed calendar years  
10 and for any completed calendar year for which the interest  
11 dividend has not been declared and for completed  
12 months of partially completed calendar years at two  
13 percent interest plus the interest dividend rate  
14 calculated for the previous year, compounded  
15 annually, from the end of the calendar year in which  
16 the contribution would have been made to the first  
17 day of the month in which payment is made."

18 2. Page 23, by striking lines 18 through 32.

S-5833 FILED & LOST (p. 1282)  
MAY 5, 1978

BY GENE W. GLENN  
BERL E. PRIEBE

HOUSE FILE 2426

S-5818

1 Amend S-5783, filed by the Committee on State  
2 Government, to House File 2426, as amended, passed,  
3 and reprinted by the House, as follows:

4 1. Page 12, line 7, by inserting after the figure  
5 "35" the following: "and inserting in lieu thereof  
6 the following:

7 "Sec. 70. Chapter six hundred five A (605A), Code  
8 1977, is amended by adding sections two (2) through  
9 ten (10) of this Act as new sections of that chapter.

10 Sec. 71. NEW SECTION. DEFINITIONS. As used in  
11 this Act unless the context otherwise requires:

12 1. "Senior judge" means any supreme court judge,  
13 judge of the court of appeals, district judge or  
14 district associate judge who meets the requirements  
15 of section seventy-two (72) of this Act.

16 2. "Retired senior judge" means a senior judge  
17 who has retired or has been retired from a senior  
18 judgeship as provided in section seven (7) of this  
19 Act.

20 3. "Roster of senior judges" means the roster  
21 maintained by the clerk of the supreme court under  
22 section three (3) of this Act.

23 4. "Twelve-month retirement period" means each  
24 successive one-year period commencing on the date  
25 a retired judge becomes a senior judge.

26 Sec. 72. NEW SECTION. SENIOR JUDGESHIP REQUIRE-  
27 MENTS.

28 1. A judge of the supreme court or court of  
29 appeals, or a district judge or district associate  
30 judge, who qualifies under subsection two (2) of this  
31 section may elect to become a senior judge upon  
32 retirement by filing with the clerk of the supreme  
33 court a written election in the form specified by  
34 the court administrator. The election shall be filed  
35 not later than the date of retirement.

36 2. A judicial officer referred to in subsection  
37 one (1) of this section qualifies for a senior  
38 judgeship if he or she:

39 a. Retires from office on or after July 1, 1978,  
40 whether or not he or she is of mandatory retirement  
41 age; and

42 b. Meets the minimum requirements for entitlement  
43 to an annuity as specified in section six hundred  
44 five A point six (605A.6) of the Code; and

45 c. Agrees in writing in a form prescribed by the  
46 court administrator to be available as long as he  
47 or she is a senior judge to perform judicial duties  
48 as assigned by the supreme court for an aggregate  
49 period of thirteen weeks out of each successive twelve-  
50 month retirement period; and

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1 d. Submits evidence to the satisfaction of the  
2 supreme court that as of the date of retirement he  
3 or she does not suffer from any permanent physical  
4 or mental disability which would substantially  
5 interfere with the performance of duties agreed to  
6 under paragraph c of this subsection.

7 3. The clerk of the supreme court shall maintain  
8 a book entitled "Roster of Senior Judges", and shall  
9 enter therein the name of each judicial officer who  
10 files a timely election under subsection one (1) of  
11 this section and qualifies under subsection two (2)  
12 of this section. A person shall be a senior judge  
13 upon entry of his or her name in the roster of senior  
14 judges and until he or she becomes a retired senior  
15 judge as provided in section seventy-six (76) of this  
16 Act, or until his or her name is stricken from the  
17 roster of senior judges as provided in section seventy-  
18 eight (78) of this Act, or until he or she dies.

19 Sec. 73. NEW SECTION. ANNUITY OF SENIOR JUDGE.  
20 A judge shall cease receiving a salary upon becoming  
21 senior judge. A senior judge shall receive an annuity  
22 under the judicial retirement system in the manner  
23 provided in section six hundred five A point nine  
24 (605A.9) of the Code, but computed under this section  
25 in lieu of section six hundred five A point seven  
26 (605A.7) of the Code, as follows: The annuity paid  
27 to a senior judge shall be an amount equal to three  
28 percent of the current base salary, as of the time  
29 each payment is made, of the office in which the  
30 senior judge last served as a judge before retirement,  
31 multiplied by the judge's years of service prior to  
32 retirement as a judge of one or more of the courts  
33 including in chapter six hundred five A (605A) of  
34 the Code, provided that the annuity of the senior  
35 judge shall in no event exceed fifty percent of such  
36 current base salary.

37 Sec. 74. NEW SECTION. PRACTICE OF LAW PROHIBITED.  
38 A senior judge shall not practice law.

39 Sec. 75. NEW SECTION. TEMPORARY SERVICE OF SENIOR  
40 JUDGE. Section six hundred five point twenty-five  
41 (605.25) of the Code shall not apply to a senior  
42 judge. During the tenure of a senior judge, he or  
43 she may, if able and without remuneration, be assigned  
44 by the supreme court to temporary judicial duties  
45 on courts of this state for an aggregate of thirteen  
46 weeks out of each twelve-month period, and for  
47 additional weeks with his or her consent; but he or  
48 she shall not be assigned to judicial duties on a  
49 court superior to the highest court to which he or  
50 she had been appointed prior to retirement, and he

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1 or she shall not be assigned in any event to the court  
2 of appeals or the supreme court except to serve in  
3 the temporary absence of a member of the court to  
4 which he or she is assigned. While serving on  
5 temporary assignment, a senior judge shall continue  
6 to receive his or her annuity as senior judge; shall  
7 be reimbursed for his or her actual expenses to the  
8 extent expenses of a district judge are subject to  
9 reimbursement under section six hundred five point  
10 two (605.2) of the Code; shall, if permitted by the  
11 assignment order, have authority to appoint a temporary  
12 court reporter, who shall receive the remuneration  
13 and reimbursement for actual expenses provided by  
14 law for a reporter in the court to which the senior  
15 judge is assigned; and shall, if assigned to the court  
16 of appeals or the supreme court, receive the as-  
17 sistance of a law clerk and a secretary designated  
18 by the court administrator of the judicial department  
19 from the administrative staff. Each order of temporary  
20 assignment shall be filed with the clerks of court  
21 at the places where the senior judge is to serve.

22 Sec. 76. NEW SECTION. RETIREMENT OF SENIOR JUDGE.

23 1. A senior judge shall cease to be a senior judge  
24 upon completion of the twelve-month retirement period  
25 during which he or she attains seventy-eight years  
26 of age. The clerk of the supreme court shall make  
27 a notation of the retirement of the senior judge in  
28 the roster of senior judges, whereupon the judge shall  
29 be a retired senior judge.

30 2. A senior judge shall be subject to retirement  
31 under the provisions of sections six hundred five  
32 point twenty-six (605.26) through six hundred five  
33 point thirty-two (605.32) of the Code for any of the  
34 causes specified in subsection one (1) of section  
35 six hundred five point twenty-seven (605.27) of the  
36 Code. A senior judge may request and be granted  
37 retirement in the manner provided in section six  
38 hundred five A point twelve (605A.12) of the Code.  
39 When a senior judge is retired as provided in this  
40 subsection the clerk of the supreme court shall make  
41 a notation of the retirement of the senior judge in  
42 the roster of senior judges, whereupon the senior  
43 judge shall be a retired senior judge.

44 3. A retired senior judge is entitled to receive  
45 an annuity in the manner provided in section six  
46 hundred five A point nine (605A.9) of the Code, but  
47 in an amount, in lieu of that specified in section  
48 six hundred five A point seven (605A.7) of the Code,  
49 which is equal to the annuity the retired senior judge  
50 was entitled to receive as of the final day his or

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1 her name was in the roster of senior judges as a  
2 senior judge.

3 Sec. 77. NEW SECTION. SURVIVOR'S ANNUITY. A  
4 survivor of a senior judge or a retired senior judge  
5 is entitled to receive an annuity which, in lieu of  
6 that specified in section six hundred five A point  
7 fifteen (605A.15) of the Code, is equal to one-half  
8 the amount of the annuity the senior judge or retired  
9 senior judge was receiving at the time of his or her  
10 death, provided the survivor is qualified under section  
11 six hundred five A point fifteen (605A.15) of the  
12 Code to receive an annuity.

13 Sec. 78. NEW SECTION. RELINQUISHMENT OF SENIOR  
14 JUDGESHIP--REMOVAL FOR CAUSE.

15 1. A senior judge may, at any time prior to  
16 reaching age seventy-eight, submit to the clerk of  
17 the supreme court a written request that his or her  
18 name be stricken from the roster of senior judges.  
19 Upon the receipt of the request the clerk shall strike  
20 the name from the roster and the judge shall cease  
21 to be a senior judge. A person who relinquishes a  
22 senior judgeship as provided in this subsection may  
23 be assigned to temporary judicial duties as provided  
24 in section six hundred five point twenty-five (605.25)  
25 of the Code.

26 2. A senior judge shall be subject to removal  
27 under the provisions of sections six hundred five  
28 point twenty-six (605.26) through six hundred five  
29 point thirty-two (605.32) of the Code for any of the  
30 causes specified in subsection two (2) of section  
31 six hundred five point twenty-seven (605.27) of the  
32 Code. When a person is removed from a senior judgeship  
33 as provided in this subsection the clerk of the supreme  
34 court shall strike the name of the person from the  
35 roster of senior judges, whereupon the person shall  
36 cease to be a senior judge.

37 3. A person who relinquishes a senior judgeship  
38 in the manner provided in subsection one (1) of this  
39 section or who is removed as provided in subsection  
40 two (2) of this section shall, commencing on the ef-  
41 fective date of the relinquishment or removal, be  
42 entitled to a retirement annuity in an amount  
43 determined according to section six hundred five A  
44 point seven (605A.7) of the Code, and for such pur-  
45 poses any service and annuity of the person as a  
46 senior judge shall be disregarded.

47 4. The survivor of a person who under this section  
48 relinquishes a senior judgeship or is removed from  
49 office shall be entitled to an annuity equal to one-  
50 half of the amount the person was receiving at the

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1 time of his or her death, provided the survivor is  
2 qualified under section six hundred five A point  
3 fifteen (605A.15) of the Code to receive an annuity.

4 Sec. 79. NEW SECTION. SHORT TITLE. Sections  
5 seventy-one (71) through seventy-eight (78) of this  
6 Act shall be known as the senior judge retirement  
7 plan.

8 Sec. 80. Section six hundred five A point ten  
9 (605A.10), Code 1977, is amended by adding the  
10 following new unnumbered paragraph:

11 NEW UNNUMBERED PARAGRAPH. This section shall not  
12 prohibit the payment of an annuity as provided in  
13 section seventy-five (75) of this Act."

S-5818 FILED & LOST (p. 1273) BY JACK N. NYSTROM  
MAY 5, 1978

HOUSE FILE 2426

S-5816

1 Amend S-5783, filed by the Committee on State  
2 Government, to House File 2426, as amended, passed,  
3 and reprinted by the House, as follows:

4 1. Page 2, by inserting after line 35 the  
5 following:

6 "\_\_\_\_. Page 15, lines 28 and 29, by striking the  
7 words "~~7-excluding-members-of-the-general-assembly,~~"  
8 and inserting in lieu thereof the words ", excluding  
9 members of the general assembly,."

10 2. Page 8, by striking lines 5 through 21 and  
11 inserting in lieu thereof the following:

12 "\_\_\_\_. Page 23, by striking lines 1 through 32."

13 3. Page 12, by inserting after line 23 the  
14 following section:

15 "Sec. \_\_\_\_ . Acts of the Sixty-seventh General  
16 Assembly, 1977 Session, chapter fifty-six (56),  
17 sections one (1) and two (2), are repealed."

S-5816 FILED  
MAY 5, 1978

BY STEPHEN W. BISENIUS

WITHDRAWN (p. 1277)

HOUSE FILE 2426

S-5813

1 Amend the Committee on State Government amend-  
2 ment, S-5783, to House File 2426 as amended, passed  
3 and reprinted by the House as follows:

4 1. Page 5, by striking lines 43 and 44.

S-5813 FILED & ADOPTED (p. 1276) BY DALE L. TIEDEN  
MAY 5, 1978

HOUSE FILE 2426

S-5802

1 Amend S-5783, filed by the Committee on State  
2 Government, to House File 2426, as amended, passed,  
3 and reprinted by the House as follows:

4 1. Page 7, by striking lines 12 through 15 and  
5 inserting in lieu thereof the following:  
6 "\_\_\_\_\_. By striking page 20, line 32, through page  
7 21, line 11, and inserting in lieu thereof the fol-  
8 lowing:

9 "NEW SUBSECTION. Effective July 1, 1978, for each  
10 member who retired from the system before January  
11 1, 1976, the amount of regular monthly retirement  
12 allowance attributable to membership service and prior  
13 service that was payable to the member or spouse,  
14 if elected, for June 1978 is increased by the following  
15 schedule:

16 a. Each eligible member shall receive fifty cents  
17 per month for each year of the member's membership  
18 service and prior service.

19 b. In addition to the increase granted in paragraph  
20 a of this subsection, each eligible member shall  
21 receive one dollar and fifty cents per month for each  
22 year of his or her membership service and prior service  
23 for the eleventh through thirtieth years of membership  
24 service and prior service.

25 c. In addition to the increase granted in para-  
26 graph b of this subsection, each eligible member shall  
27 receive one dollar per month for each year of his  
28 or her membership service and prior service for the  
29 twenty-first through the thirtieth years of membership  
30 service and prior service.

31 d. In addition to the increase granted in para-  
32 graph c of this subsection, each eligible member shall  
33 receive twenty-five cents per month for each year  
34 of his or her membership service and prior service  
35 for the thirty-first through the remainder of the  
36 years of membership service and prior service.

37 The state comptroller shall transfer annually from  
38 the general fund of the state to the Iowa public  
39 employees' retirement system fund for twenty years,  
40 beginning with the fiscal year commencing July 1,  
41 1978, the amount of seven hundred thousand (700,000)  
42 dollars to pay a portion of the costs of the increased  
43 benefits paid to retired members of the system pursuant  
44 to this subsection, and such funds are appropriated  
45 for that purpose."

S-5802 FILED & LOST (J 1259)  
MAY 4, 1978

BY DAVID READINGER

SENATE 20  
MAY 5, 1978

HOUSE FILE 2426

S-5808

- 1 Amend S-5783, filed by the Committee on State
- 2 Government, to House File 2426, as amended, passed and
- 3 reprinted by the House, as follows:
- 4 1. Page 7, by striking lines 23 and 24.

S-5808 FILED *Adopted 5/5 (p. 1276)* BY C. W. HUTCHINS  
MAY 4, 1978

HOUSE FILE 2426

S-5810

- 1 Amend the Committee on State Government amend-
- 2 ment, S-5783, to House File 2426 as amended, passed
- 3 and reprinted by the House as follows:
- 4 1. Page 1, by striking lines 39 through 45.
- 5 2. Page 2, by striking lines 22 through 35.
- 6 3. Page 2, by striking line 44 through page 3,
- 7 line 6.
- 8 4. Page 3, by striking line 46 through page 4,
- 9 line 50.
- 10 5. Page 5, by striking lines 1 through 39.
- 11 6. Page 7, by striking lines 25 through page 8,
- 12 line 4.

S-5810 FILED *Lost 5/5 (p. 1273)* BY EUGENE M. HILL  
MAY 4, 1978

HOUSE FILE 2426

S-5800

- 1 Amend S-5783, filed by the Committee on State
- 2 Government, to House File 2426, as amended, passed,
- 3 and reprinted by the House, as follows:
- 4 1. Page 2; by striking lines 22 through 35.

S-5800 FILED *withdrawn 5/5 (p. 147)* BY EUGENE M. HILL  
MAY 4, 1978

HOUSE FILE 2426

S-5803

- 1 Amend the Committee on State Government amend-
- 2 ment, S-5783, to House File 2426 as amended, passed and
- 3 reprinted by the House as follows:
- 4 1. Page 8, by striking lines 5 through 21.

S-5803 FILED *Adopted 5/5 (p. 127)* BY BOB RUSH  
MAY 4, 1978

HOUSE FILE 2426

S-5804

- 1 Amend S-5783, filed by the Committee on State
- 2 Government, to House File 2426, as amended, passed
- 3 and reprinted by the House, as follows:

DIV A

DIV B

- 4 1. Page 6, by striking lines 17 and 18.
- 5 2. Page 6, by striking lines 19 through 22.
- 6 3. Page 6, by striking lines 24 through 50.
- 7 4. Page 7, by striking lines 1 through 11.

S-5804 FILED BY C. W. HUTCHINS  
MAY 4, 1978  
DIVISIONS A & B ADOPTED *(p. 1258)*

HOUSE FILE 2426

S-5805

- 1 Amend S-5783, filed by the Committee on State
- 2 Government, to House File 2426, as amended, passed
- 3 and reprinted by the House, as follows:
- 4 1. Page 7, lines 10 and 11, by striking the words
- 5 and figures "by June 1, 1979" and inserting in lieu
- 6 thereof the words "prior to the date of the member's
- 7 sixtieth birthday".

S-5805 FILED, RULED OUT OF ORDER BY C. W. HUTCHINS  
MAY 4, 1978 *(p. 1258)*

HOUSE FILE 2426

S-5790

1 Amend S-5783, filed by the Committee on State  
2 Government, to House File 2426, as amended, passed,  
3 and reprinted by the House, as follows:  
4 1. Page 12, by inserting after line 5 the  
5 following:  
6 "\_\_\_\_. Page 51, by inserting after line 28 the  
7 following section:  
8 "Sec. \_\_\_\_\_. There is appropriated from the general  
9 fund of the state for the fiscal year beginning July  
10 1, 1978 and ending June 30, 1979 to the courts for  
11 a state contribution to the judicial retirement system  
12 provided for in chapter six hundred five A (605A)  
13 of the Code, the amount of one hundred ninety-five  
14 thousand seven hundred (195,700) dollars. The amount  
15 appropriated shall be in addition to the amount  
16 appropriated in section one (1), subsection one (1),  
17 of Senate File two thousand two hundred forty-six  
18 (2246), enacted by the Sixty-seventh General Assembly,  
19 1978 Session."

S-5790 FILED *adopted 5/5 (p. 1272)* BY CALVIN O. HULTMAN  
MAY 4, 1978

HOUSE FILE 2426

S-5788

1 Amend S-5783, filed by the Committee on State  
2 Government, to House File 2426, as amended, passed,  
3 and reprinted by the House, as follows:  
4 1. Page 12, line 23, by inserting after the period  
5 the following: "In addition, the study shall include:  
6 1. Determination of a method to place all public  
7 employees under a single retirement system over a  
8 period of twenty years.  
9 2. Determination of a system of hazardous pay  
10 remuneration for various occupations in which employees  
11 are exposed to unusual danger.  
12 3. Determination of the reasonable number of  
13 vested years of service for which employees will  
14 continue to retire under their present retirement  
15 benefit schedule; and determination of the minimum  
16 and maximum years of vested service for personnel  
17 within a system wherein the vested employee may choose  
18 to receive the IPERS-hazardous pay system or remain  
19 under the employee's present system and the conditions  
20 of transfer of funds of the employee's present  
21 retirement system."

S-5788 FILED *adopted 5/5 (p. 1272)* BY FORREST V. SCHWENGELS  
MAY 4, 1978

HOUSE FILE 2426

S-5783

1 Amend House File 2426, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 1, line 8, by striking the words "only  
4 such" and inserting in lieu thereof the words "only  
5 such the".

6 2. Page 1, line 9, by striking the words "of a  
7 marriage consummated" and inserting in lieu thereof  
8 the words "or former spouse of a marriage consummated  
9 solemnized".

10 3. Page 1, line 10, by striking the word "or"  
11 and inserting in lieu thereof the words "Surviving  
12 spouse shall include a former spouse only if the  
13 division of assets in the dissolution of marriage  
14 decree pursuant to section five hundred ninety-eight  
15 point seventeen (598.17) of the Code grants the former  
16 spouse rights of a spouse under this chapter. If  
17 there is no surviving spouse of a marriage solemnized  
18 prior to retirement of a deceased member, surviving  
19 spouse includes".

20 4. Page 1, line 11, by striking the word  
21 "consummated" and inserting in lieu thereof the word  
22 "solemnized".

23 5. Page 1, line 12, by inserting after the word  
24 "retirement" the words "of the member".

25 6. Page 2, by inserting after line 12 the following  
26 section:

27 "Sec. \_\_\_\_ . Section ninety-seven A point three  
28 (97A.3), Code 1977, is amended by adding the following  
29 new subsection:

30 NEW SUBSECTION. Effective July 1, 1979, a person  
31 shall not become a member of the system unless that  
32 person has passed the physical and mental examination  
33 given under the provisions of section eighty point  
34 fifteen (80.15) of the Code and unless that person  
35 has received a diploma for satisfactory completion  
36 of a training school held pursuant to the provisions  
37 of section eighty point thirteen (80.13) of the Code."

38 7. Page 14, by striking lines 6 through 11.

39 8. Page 14, line 29, by striking the words "after  
40 the member's" and inserting in lieu thereof the words  
41 "~~after-the-member's~~".

42 9. Page 14, line 30, by striking the words  
43 "seventieth birthday" and inserting in lieu thereof  
44 the words "seventieth birthday in which the member  
45 attains the age of seventy years".

46 10. Page 15, by inserting after line 4 the follow-  
47 ing section:

48 "Sec. \_\_\_\_ . Section ninety-seven B point twenty-  
49 six (97B.26), Code 1977, is amended to read as follos:

50 97B.26 HEARING OFFICER. Unless such appeal is

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Page 2

1 withdrawn, a hearing officer to be designated by the  
2 department for this purpose, after affording the  
3 parties reasonable opportunity for fair hearing, shall  
4 affirm or modify the findings of fact and decision  
5 of the deputy. ~~At-said-hearing-all-of-the-evidence~~  
6 ~~taken-and-the-proceedings-had-shall-be-taken-and-fully~~  
7 ~~reported-by-a-certified-shorthand-reporter---Said~~  
8 ~~reporter-shall-promptly-transcribe-said-evidence-and~~  
9 ~~proceedings-and-certify-to-same.~~ The hearing shall  
10 be recorded by mechanical means and a transcript of  
11 the hearing shall be made. The said transcript shall  
12 then be made available for use by the appeal board  
13 and by the courts at subsequent judicial review  
14 proceedings under the Iowa administrative procedure  
15 Act, if any. The parties shall be duly notified of  
16 the hearing officer's decision, together with ~~his~~  
17 the hearing officer's reasons therefor, which shall  
18 be deemed to be the final decision of the department  
19 unless, within thirty days after the date of  
20 notification or mailing of such decision, further  
21 appeal is initiated pursuant to section 97B.27."

22 11. Page 15, by inserting after line 21 the follow-  
23 ing:

24 "Sec. \_\_\_\_\_. Section ninety-seven B point forty-  
25 one (97B.41), subsection one (1), paragraph b,  
26 subparagraph five (5), Code 1977, is amended to read  
27 as follows:

28 (5) Effective July 1, ~~1973~~ 1978, covered wages  
29 shall not include wages to a member on or after the  
30 first of the month coinciding with or next following  
31 his seventieth birthday in which the member attains  
32 the age of seventy years, or after the effective  
33 date of his the member's retirement unless he the  
34 member is re-employed, as provided under section  
35 97B.48, subsection 3."

36 12. Page 16, by inserting after line 9, the follow-  
37 ing:

38 "NEW SUBPARAGRAPH. Persons employed as city  
39 managers under a form of city government listed in  
40 chapter three hundred seventy-two (372) of the Code  
41 unless such employees shall make an application to  
42 the department to be covered under the provisions  
43 of this chapter."

44 13. Page 16, by striking line 11 and inserting  
45 in lieu thereof the words and figures "subsection  
46 nine (9) and eighteen (18), Code 1977, are amended  
47 to read as follows:"

48 14. Page 16, by inserting after line 22 the follow-  
49 ing:

50 "18. "Membership service" means service rendered

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Page 3

1. by a member after July 4, 1953, and prior to the first  
2 of the month ~~coinciding with or next following his~~  
3 seventieth birthday in which the member attains the  
4 age of seventy years. Years of membership service  
5 shall be counted to the complete quarter calendar  
6 year."
- 7 15. Page 16, line 26, by striking the words "Final  
8 five-year" and inserting in lieu thereof the words  
9 "~~Final-five-year~~ Five-year".
- 10 16. Page 17, by striking line 6 and inserting  
11 in lieu thereof the words and figures "Each individual  
12 who as of July 1, ~~1973~~ 1978".
- 13 17. Page 17, lines 14 and 15, by striking the  
14 word and figures "January 1, 1979, and" and inserting  
15 in lieu thereof the word and figures "July 1, 1978".
- 16 18. Page 17, lines 17 and 18, by striking the  
17 words and figures "~~July 1, 1973~~ January 1, 1979" and  
18 inserting in lieu thereof the word and figures "July  
19 1, 1973 1978".
- 20 19. Page 17, line 22, by striking the word and  
21 figures "January 1, 1979" and inserting in lieu thereof  
22 the word and figures "July 1, 1978".
- 23 20. Page 17, by striking line 33 and inserting  
24 in lieu thereof the words and figures "to all retired  
25 members as of July 1, ~~1973~~ 1978."
- 26 21. Page 18, line 12, by striking the word and  
27 figures "January 1, 1976 1979" and inserting in lieu  
28 thereof the words and figures "~~January~~ July 1, 1976 1978".
- 29 22. Page 18, line 14, by striking the word and  
30 figures "January 1, 1976 1979" and inserting in lieu  
31 thereof the words and figures "~~January~~ July 1, 1976 1978".
- 32 23. Page 18, line 18, by striking the word  
33 "January" and inserting in lieu thereof the words  
34 "~~January~~ July".
- 35 24. Page 18, line 19, by striking the figure  
36 "1979" and inserting in lieu thereof the figure "1978".
- 37 25. Page 18, line 20, by striking the word and  
38 figure "January 1, 1976 1979" and inserting in lieu  
39 thereof the words and figures "~~January~~ July 1, 1976  
40 1978".
- 41 26. Page 18, line 22, by striking the word  
42 "January" and inserting in lieu thereof the words  
43 "~~January~~ July".
- 44 27. Page 18, line 22, by striking the figure  
45 "1979" and inserting in lieu thereof the figure "1978".
- 46 28. Page 18, by inserting after line 24 the follow-  
47 ing:  
48 "Sec. \_\_\_\_ . Section ninety-seven B point forty-  
49 five (97B.45), unnumbered paragraph one (1), Code  
50 1977, is amended to read as follows:

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1 A member's normal retirement date shall be the  
2 first of the month ~~coinciding with or next following~~  
3 his sixty-fifth birthday in which a member attains  
4 the age of sixty-five years. A member may retire  
5 after ~~his~~ the member's sixty-fifth birthday except  
6 as otherwise provided in section 97B.46. A member  
7 retiring on or after ~~his~~ the normal retirement date,  
8 as provided in section 97B.46, shall submit a written  
9 notice to the department setting forth the date the  
10 retirement is to become effective, provided that such  
11 date shall be after ~~his~~ the member's last day of  
12 service and not before the first day of the sixth  
13 calendar month preceding the month in which the notice  
14 is filed, except that credit for service shall cease  
15 when contributions cease as provided in section 97B.11.

16 Sec. \_\_\_\_ . Section ninety-seven B point forty-six  
17 (97B.46), Code 1977, is amended to read as follows:

18 97B.46 SERVICE AFTER AGE SIXTY-FIVE. A member  
19 may, on the request of the employer, remain in the  
20 active employ of the employer beyond the date ~~he~~ the  
21 member attains the age of sixty-five for such period  
22 or periods as the employer from time to time shall  
23 approve, provided, however, that credit for such  
24 service shall cease when contributions cease as  
25 provided in section 97B.11. The member shall retire  
26 ~~from the employment of the employer~~ at the end of  
27 the last approved period, on the first day of the  
28 month ~~next following or coinciding with such date~~  
29 in which the member retires, except that such date  
30 shall be after the last day of service. A member  
31 remaining in service ~~past his seventeenth birthday~~  
32 after attaining the age of seventy years shall be  
33 entitled to receive a retirement allowance under  
34 section 97B.49 as applicable commencing with payment  
35 for the calendar month within which the written notice  
36 is submitted to the department, except that if ~~he~~  
37 the member fails to submit the notice on a timely  
38 basis, retroactive payments shall be made for no more  
39 than six months immediately preceding the month in  
40 which the written notice is submitted.

41 Sec. \_\_\_\_ . Section ninety-seven B point forty-seven  
42 (97B.47), Code 1977, is amended to read as follows:

43 97B.47 EARLY RETIREMENT DATE. A member's early  
44 retirement date shall be the first of any the month  
45 coinciding with or following his fifty-fifth birthday  
46 and in which a member attains the age of fifty-five  
47 years or the first of any month after attaining the  
48 age of fifty-five years prior to ~~his~~ the member's  
49 normal retirement date, provided such date shall be  
50 after the last day of service. A member may retire

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Page 5

1 on ~~his~~ the member's early retirement date by submitting  
2 written notice to the department setting forth the  
3 early retirement date which shall not be before the  
4 first day of the sixth calendar month preceding the  
5 month in which such notice is filed.

6 Sec. \_\_\_\_ . Section ninety-seven B point forty-eight  
7 (97B.48), subsection three (3), Code 1977, is amended  
8 to read as follows:

9 3. If at any time after the first day of the month  
10 ~~coinciding with or next following his fifty-fifth~~  
11 ~~birthday in which the member attains the age of fifty-~~  
12 ~~five years and until his the member's sixty-fifth~~  
13 birthday, a member who is retired under this chapter  
14 is in regular full-time employment, ~~his the member's~~  
15 retirement allowance shall be suspended for as long  
16 as he ~~the member~~ remains in employment. However,  
17 employment shall not be regarded as full-time  
18 employment until he ~~the member~~ receives remuneration  
19 in an amount in excess of two thousand one hundred  
20 dollars for any calendar year. Effective the first  
21 of the month ~~coinciding with or next following his~~  
22 ~~sixty-fifth birthday in which a member attains the~~  
23 ~~age of sixty-five years, a retired member shall be~~  
24 entitled to receive a retirement allowance after  
25 return to covered employment regardless of the amount  
26 of remuneration received. As of the first of the  
27 month ~~coinciding with or next following the member's~~  
28 ~~seventieth birthday in which the member attains the~~  
29 ~~age of seventy years, he the member~~ shall be entitled  
30 to receive a retirement allowance determined under  
31 section 97B.49, regardless of the amount of  
32 remuneration received. Upon any retirement after  
33 re-employment, a retired member shall be entitled  
34 to have his or her retirement allowance redetermined  
35 under this section or sections 97B.49 or 97B.50,  
36 whichever is applicable, based upon the employee's  
37 and his employer's additional contributions, and any  
38 membership service of the employee after his re-  
39 employment."

40 29. Page 18, line 31, by striking the word "final"  
41 and inserting in lieu thereof the word "~~final~~".

42 30. Page 18, line 35, by striking the word "final".

43 31. Page 19, line 12, by striking the words "or  
44 has been".

45 32. Page 19, line 21, by striking the word "final"  
46 and inserting in lieu thereof the word "~~final~~".

47 33. Page 19, line 23, by striking the word "the"  
48 and inserting in lieu thereof the word "the".

49 34. Page 19, by striking lines 24 through 27 and  
50 inserting in lieu thereof the words "monthly benefit"

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Page 6

1 computed under this subsection shall be equal to one-  
2 twelfth of an amount equal to forty-four percent of  
3 the five-year average covered wage as a conservation  
4 peace officer multiplied by a fraction of years of  
5 service."

6 35. Page 19, line 30, by striking the words "the  
7 additional costs" and inserting in lieu thereof the  
8 words "~~the-additional-costs~~".

9 36. Page 19, by striking line 31 and inserting  
10 in lieu thereof the words "~~above-the-employee-and~~  
11 ~~employer-contributions~~ eight and forty-three hundredths  
12 percent of the covered wages of each conservation  
13 peace officer, in addition to the contribution paid  
14 by the employer under section ninety-seven B point  
15 eleven (97B.11) of the Code, to pay-for finance in-  
16 ".

17 37. Page 20, line 5, by striking the words "or  
18 has been".

19 38. Page 20, line 12, by inserting after the word  
20 "sheriff" the words "and has made additional  
21 contributions to the system for twenty-five years  
22 as provided in paragraphs b and c of this subsection".

23 39. Page 20, line 15, by striking the word "final".

24 40. Page 20, by inserting after line 31 the follow-  
25 ing:

26 c. A sheriff or deputy sheriff shall be eligible  
27 for the retirement benefits provided in paragraph  
28 a of this subsection only after the sheriff or deputy  
29 sheriff has made the annual employee contributions  
30 in excess of the employer and employee contributions  
31 required in section ninety-seven B point eleven  
32 (97B.11) of the Code for twenty-five years. A sheriff  
33 or deputy sheriff who wishes to make contributions  
34 for employment as a sheriff or deputy sheriff prior  
35 to July 1, 1979 shall send proof of employment as  
36 a sheriff or deputy sheriff and send payment of the  
37 additional employee contributions required for the  
38 service plus two percent interest plus interest  
39 dividends for all completed calendar years and for  
40 any completed calendar year for which the interest  
41 dividend has not been declared and for completed  
42 months of partially completed calendar years at two  
43 percent interest plus the interest dividend rate  
44 calculated for the previous year, compounded annually,  
45 from the end of the calendar year in which contribution  
46 was made to the first day of the month of such date.  
47 The county treasurer shall send payment of the  
48 additional employer contributions required for the  
49 employee contributions paid by the sheriff or deputy  
50 sheriff. The employer contributions shall include

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5804  
5805  
1 two percent interest plus interest dividends for all  
2 completed calendar years and for any completed calendar  
3 year for which the interest dividend has not been  
4 declared and for completed months of partially  
5 completed calendar years at two percent interest plus  
6 the interest dividend rate calculated for the previous  
7 year, compounded annually, from the end of the calendar  
8 year in which contribution was made to the first day  
9 of the month of such date. All payments shall be  
10 received by the department of job service by June  
11 1, 1979.

5802  
12 41. Page 21, line 5, by striking the words "one  
13 dollar and fifty cents" and inserting in lieu thereof  
14 the words "two dollars".

15 42. Page 21, by striking lines 10 and 11.

5827  
16 43. Page 21, line 20, by inserting after the word  
17 "date." the words "However, if the member is at least  
18 sixty years of age and has completed thirty or more  
19 years of service, the monthly retirement allowance  
20 shall be reduced by twenty-five hundredths percent  
21 per month for each month that the early retirement  
22 date precedes the normal retirement date."

23 44. Page 21, by striking lines 30 through 35.

24 45. Page 22, by striking lines 1 through 4.

25 46. Page 22, by inserting after line 35 the follow-  
26 ing:

27 "Sec. \_\_\_\_ . Section ninety-seven B point fifty-  
28 three (97B.53), subsection two (2), Code 1977, is  
29 amended to read as follows:

30 2. If the employment with the employer of a member  
31 is terminated prior to ~~his~~ the member's retirement,  
32 other than by death, but after ~~he~~ the member has  
33 either

34 a. Completed at least four years of service, or

35 b. Has attained the age of fifty-five, ~~he~~ the  
36 member shall receive a monthly retirement allowance  
37 commencing on the first day of the month ~~next-following~~  
38 ~~ex-coinciding-with-the-date-he~~ in which the member  
39 attains the age of sixty-five years, if ~~he~~ the member  
40 is then alive, or, if the member so elects in  
41 accordance with section 97B.47, commencing on the  
42 first day of ~~any the~~ the month ~~coinciding-ex-next-following~~  
43 ~~the-date-he~~ in which the member attains the age of  
44 fifty-five and any month thereafter prior to the date  
45 ~~he~~ the member attains the age of sixty-five years,  
46 and continuing on the first day of each month  
47 thereafter during ~~his~~ the member's lifetime, provided  
48 the member does not receive prior to the date ~~his~~  
49 the member's retirement allowance is to commence a  
50 refund of accumulated contributions under any of the

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1 provisions of this chapter. The amount of each such  
2 monthly retirement allowance shall be determined as  
3 provided in either section 97B.49 or in section 97B.50,  
4 whichever is applicable."

5 47. Page 23, by striking lines 3 through 6 and  
6 inserting in lieu thereof the following:

7 "NEW SECTION. A person who served as a member  
8 of the general assembly for at least four years during  
9 any period between July 4, 1953 and January 7, 1979  
10 who submits proof to the department of such membership  
11 in the general assembly may make contributions".

12 48. Page 23, line 10, by inserting after the word  
13 "member" the words "or former member".

14 49. Page 23, line 17, by inserting after the  
15 period the words "If the person has attained the age  
16 of sixty-five years prior to January 8, 1979, the  
17 retirement allowance shall be computed under the  
18 provisions of section ninety-seven B point forty-nine  
19 (97B.49) of the Code as it was effective on the first  
20 of the month in which the person attained the age  
21 of sixty-five years."

22 50. Page 23, by inserting after line 32 the  
23 following section:

24 "Sec. \_\_\_\_ Section three hundred eighty-four point  
25 six (384.6), subsection one (1), Code 1977, is amended  
26 to read as follows:

27 1. Accounting for pension and related employee  
28 benefit funds. A city may make contributions to a  
29 retirement system other than the Iowa public employees'  
30 retirement system for its city manager in an annual  
31 amount not to exceed the amount that would have been  
32 contributed by the employer under the provisions of  
33 section ninety-seven B point eleven (97B.11) of the  
34 Code. A city may certify taxes to be levied for the  
35 trust and agency fund in the amount necessary to meet  
36 such obligations."

37 51. Page 23, by striking line 34 and inserting  
38 in lieu thereof the words and figures "subsections  
39 nine (9), ten (10),".

40 52. Page 23, line 35, by inserting after the  
41 figure "(21)," the word "and".

42 53. Page 24, line 1, by striking the words and  
43 figure "and twenty-three (23),".

44 54. Page 24, by striking lines 3 through 12.

45 55. Page 24, lines 16 and 17, by striking the  
46 words "only such surviving spouse of a marriage  
47 consummated" and inserting in lieu thereof the words  
48 "~~only-such~~ the surviving spouse of a marriage  
49 ~~consummated~~ solemnized".

50 56. Page 24, line 18, by striking the word "or"

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- 1 and inserting in lieu thereof the words ". Surviving  
2 spouse shall include a former spouse only if the  
3 division of assets in the dissolution of marriage  
4 decree pursuant to section five hundred ninety-eight  
5 point seventeen (598.17) of the Code grants the former  
6 spouse rights of a spouse under this chapter. If  
7 there is no surviving spouse of a marriage solemnized  
8 prior to retirement of a deceased member, surviving  
9 spouse includes".
- 10 57. Page 24, lines 19 and 20, by striking the  
11 words "consummated subsequent to retirement" and  
12 inserting in lieu thereof the words "solemnized  
13 subsequent to retirement of the member".
- 14 58. Page 25, line 3, by striking the words "a  
15 rate adopted by the board" and inserting in lieu  
16 thereof the words "rates adopted by the boards".
- 17 59. Page 25, line 8, by striking the words "a  
18 rate adopted by the board" and inserting in lieu  
19 thereof the words "rates adopted by the boards".
- 20 60. Page 25, by striking lines 10, 11, and 12.
- 21 61. Page 25, by striking lines 16 through 33.
- 22 62. Page 26, line 1, by striking the words "are  
23 or".
- 24 63. Page 26, line 3, by striking the words "systems  
25 are-system is" and inserting in lieu thereof the words  
26 "systems are".
- 27 64. Page 26, by striking lines 14 through 35.
- 28 65. Page 27, by striking lines 1 through 35.
- 29 66. Page 28, by striking lines 1 through 35.
- 30 67. Page 29, by striking lines 1 through 20.
- 31 68. Page 29, line 22, by inserting after the  
32 figure "(1)," the word and letter "paragraph c,".
- 33 69. Page 29, by striking lines 23 through 35.
- 34 70. Page 30, by striking lines 1 through 12.
- 35 71. Page 30, line 29, by striking the word and  
36 figure ", three (3),".
- 37 72. Page 31, by striking lines 4 through 14.
- 38 73. Page 32, by striking lines 2 through 16.
- 39 74. Page 32, line 30, by striking the words and  
40 figure "unnumbered paragraph one (1), and".
- 41 75. Page 32, line 31, by striking the word "are"  
42 and inserting in lieu thereof the word "is".
- 43 76. Page 32, by striking lines 32 through 35.
- 44 77. Page 33, by striking lines 1 through 13.
- 45 78. Page 36, line 32, by striking the word  
46 "respective" and inserting in lieu thereof the word  
47 "respective".
- 48 79. Page 39, by striking line 12 and inserting  
49 in lieu thereof the words and figures "Code 1977,  
50 is amended by striking subsection three (3)."

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- 1 80. Page 39, by striking lines 13 through 35.
- 2 81. Page 40, by striking lines 1 through 35.
- 3 82. Page 41, by striking lines 1 through 21.
- 4 83. Page 41, line 25, by striking the words "~~each~~  
5 the" and inserting in lieu thereof the word "each".
- 6 84. Page 41, by striking line 35 and inserting  
7 in lieu thereof the words and figures "subsection  
8 three (3), Code 1977, is amended".
- 9 85. Page 42, lines 14 and 15, by striking the  
10 words "by the member cities".
- 11 86. Page 42, line 21, by striking the words "~~boards~~  
12 board" and inserting in lieu thereof the word "boards".
- 13 87. Page 42, line 32, by striking the words "sum  
14 of the".
- 15 88. Page 42, by striking lines 33, 34, and 35  
16 and inserting in lieu thereof the words "funds in  
17 hand to the credit of the fund and dividing the".
- 18 89. Page 43, line 4, by striking the words "~~boards~~  
19 board" and inserting in lieu thereof the word "boards".
- 20 90. Page 43, line 27, by striking the words "by  
21 each applicable city".
- 22 91. Page 43, line 31, by striking the word "The"  
23 and inserting in lieu thereof the word "Each".
- 24 92. Page 44, by striking lines 8 through 21.
- 25 93. Page 44, by striking lines 22 through 35.
- 26 94. Page 45, line 12, by striking the words  
27 "~~systems system~~" and inserting in lieu thereof the  
28 word "systems".
- 29 95. By striking page 45, line 22 through page  
30 46, line 1.
- 31 96. Page 46, by striking lines 2 through 23.
- 32 97. Page 46, line 31, by striking the words "are  
33 members of the" and inserting in lieu thereof the  
34 words "have established".
- 35 98. Page 46, line 32, by striking the word "system"  
36 and inserting in lieu thereof the word "systems".
- 37 99. Page 47, line 7, by striking the word "system"  
38 and inserting in lieu thereof the words "respective  
39 board of trustees".
- 40 100. Page 47, line 7, by striking the words "a  
41 study" and inserting in lieu thereof the words  
42 "actuarial studies".
- 43 101. Page 47, by striking lines 10 through 15.
- 44 102. Page 47, line 17, by striking the words "system  
45 shall" and inserting in lieu thereof the words  
46 "respective board of trustees shall".
- 47 103. Page 47, line 27, by striking the words "if  
48 the single".
- 49 104. Page 47, by striking lines 28, 29, and 30  
50 and inserting in lieu thereof a period.

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Page 11

- 1 105. Page 47, line 32, by striking the words "the  
2 actuary employed by the system" and inserting in lieu  
3 thereof the words "each actuary employed by a board  
4 of trustees".
- 5 106. Page 48, line 2, by striking the word  
6 "systems" and inserting in lieu thereof the word  
7 "system".
- 8 107. Page 48, line 3, by inserting after the word  
9 "determined" the words "to the state comptroller".
- 10 108. Page 48, line 6, by inserting before the  
11 word "times" the words "computed for a city".
- 12 109. Page 48, line 7, by inserting after the word  
13 "employed" the words "under that system".
- 14 110. Page 48, by striking lines 9, 10, and 11  
15 and inserting in lieu thereof the following:  
16 "Sec. \_\_\_\_ . Sections ninety-seven A point ten  
17 (97A.10) and four hundred eleven point ten (411.10),  
18 Code 1977, are repealed."
- 19 111. Page 48, line 16, by striking the word  
20 "section" and inserting in lieu thereof the word  
21 "sections".
- 22 112. Page 49, line 5, by striking the word "board"  
23 and inserting in lieu thereof the words "respective  
24 boards".
- 25 113. Page 49, by striking lines 7 and 8 and in-  
26 serting in lieu thereof the words "by the respective  
27 board of trustees".
- 28 114. Page 49, line 9, by striking the words and  
29 figures "to July 1, 1979,".
- 30 115. Page 49, by striking lines 13 and 14 and  
31 inserting in lieu thereof the words "by the respective  
32 boards of trustees".
- 33 116. Page 49, line 15, by striking the words and  
34 figures "to July 1, 1979,".
- 35 117. Page 49, by striking lines 22 through 26  
36 and inserting in lieu thereof the following:  
37 "3. Beginning July 1, 1979, the respective boards  
38 of trustees shall maintain and invest funds in the  
39 annuity reserve fund and the annuity savings fund".
- 40 118. Page 49, line 30, by striking the words  
41 "account maintained by the board" and inserting in  
42 lieu thereof the words "annuity reserve fund maintained  
43 by the respective".
- 44 119. Page 50, lines 13 and 14, by striking the  
45 words and figure "ninety-seven A point six (97A.6)"  
46 and inserting in lieu thereof the words and figure  
47 "four hundred eleven point six (411.6)".
- 48 120. Page 50, by striking lines 23 through 28.
- 49 121. Page 50, line 31, by striking the word "board"  
50 and inserting in lieu thereof the words "respective

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Page 12

1 board".

2 122. Page 50, line 35, by striking the word "board"  
3 and inserting in lieu thereof the words "respective  
4 board".

5 123. Page 51, by striking lines 3 through 13.

6 124. By striking page 51, line 29 through page

5790  
5815-7 52, line 35.

8 125. Page 53, by striking line 1 and inserting  
9 in lieu thereof the following sections:

10 "Sec. \_\_\_\_\_. The legislative council is directed  
11 to approve the establishment of a joint subcommittee  
12 of the senate and house committees on state government  
13 to study during the legislative interim the funding,  
14 benefits, and administration of the various public  
15 retirement systems in this state. The study shall  
16 include but not be limited to a method of funding  
17 the judicial retirement system to provide actuarial  
18 soundness, a method for paying the accumulated  
19 contributions to the members of the peace officers'  
20 retirement system and the local police and fire  
21 retirement systems as early as is financially feasible,  
22 and a method of compensating public employees who  
23 are employed in hazardous duty occupations.

5788  
5823  
24 Sec. \_\_\_\_\_. Section sixty-two (62) of this Act is  
25 effective January 8, 1979."

26 126. Page 53, line 4, by striking the words "except  
27 that the board".

28 127. Page 53, by striking lines 5 through 10 and  
29 inserting in lieu thereof a period.

30 128. By numbering and renumbering sections as  
31 necessary in accordance with this amendment.

S-5783 FILED  
MAY 3, 1978

BY COMMITTEE ON STATE GOVERNMENT  
MINNETTE DODERER, CHAIRPERSON

*Amended by 5788, 5790, 5803,  
5808, 5813, 5817, 5821, 5822B & 5827 5/5 and  
Adopted (p. 1280)*

HOUSE FILE 2426

S-5789

1 Amend House File 2426, as amended, passed and  
2 reprinted by the House as follows:  
3 1. Page 23, line 2, by striking the word "section"  
4 and inserting in lieu thereof the word "sections".  
5 2. Page 23, by inserting after line 32 the follow-  
6 ing:  
7 "NEW SECTION. A vested or retired member who was  
8 a vested member of a public retirement system in  
9 another state may, upon submitting verification of  
10 membership and service in the public retirement system  
11 in another state to the department not later than  
12 July 1, 1979 for members vested on July 1, 1978 or  
13 within one year after the member becomes vested, make  
14 employer and employee contributions to the system  
15 for the period of service in the public retirement  
16 system in another state and receive credit for  
17 membership service in this system. The contributions  
18 paid by the vested or retired member for service in  
19 the public retirement system in another state shall  
20 be equal to the accumulated contributions as defined  
21 in section ninety-seven B point forty-one (97B.41),  
22 subsection thirteen (13), of the Code, by the member  
23 for that period of membership service and the  
24 contributions of the employer which would have been  
25 contributed for that period of membership service  
26 plus interest on the contributions for the period  
27 from the date of service of the member in the public  
28 retirement system in another state to the date of  
29 payment of the contributions by the member equal to  
30 two percent plus the interest dividend rate applicable  
31 for each year."

S-5789 FILED *withdrawn 5/5 (p. 1278)* BY EDGAR H. HOLDEN  
MAY 4, 1978

HOUSE FILE 2426

S-5786

1 Amend House File 2426 as amended, passed and  
2 reprinted by the House as follows:  
3 1. Page 23, by striking lines 1 through 32.

5828  
S-5786 FILED *lost 5/5 (p. 1279)* BY BOB RUSH  
MAY 4, 1978

HOUSE FILE 2426

S-5785

1 Amend the Committee on State Government  
2 amendment, S-5783, to House File 2426 as amended,  
3 passed and reprinted by the House as follows:  
4 1. Page 8, by striking lines 5 through 11.

S-5785 FILED *withdrawn 5/5 (p. 1278)* BY BOB RUSH  
MAY 4, 1978

## HOUSE FILE 2426

## AN ACT

## RELATING TO CERTAIN PUBLIC RETIREMENT SYSTEMS AND MAKING 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 seven (7), eight (8), twelve (12), seventeen (17), nineteen (19), and twenty (20), Code 1977, are amended to read as follows:

7. "Beneficiary" shall mean any person receiving ~~a pension, an annuity,~~ a retirement allowance or other benefit as provided by this chapter.

8. "Surviving spouse" shall mean ~~only such the~~ surviving spouse or former spouse of a marriage ~~consummated solemnized~~ prior to retirement of a deceased member from active service. Surviving spouse shall include a former spouse only if the division of assets in the dissolution of marriage decree pursuant to section five hundred ninety-eight point seventeen (598.17) of the Code grants the former spouse rights of a spouse under this chapter. If there is no surviving spouse of a marriage solemnized prior to retirement of a deceased member, surviving spouse includes a surviving spouse of a marriage of two years or more duration solemnized subsequent to retirement of the member.

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~~ the member's rank or position including compensation for longevity and excluding any amount received for overtime compensation or other special additional compensation, meal and travel expenses, and uniform allowances and excluding any amount received upon termination or retirement in payment for accumulated sick leave or vacation.

17. "Retirement allowance" shall mean the ~~sum-of-the~~

~~annuity-and-the~~ pension, or any benefits in lieu thereof, granted to a member upon retirement.

19. "Pension reserve" shall mean the present value of all payments to be made on account of any pension, or benefit in lieu of a pension, granted under the provisions of this chapter, upon the basis of such mortality tables as shall be adopted by the board of trustees and ~~regular~~ interest computed at a rate adopted by the board upon the recommendation of the actuary.

20. "Actuarial equivalent" shall mean a benefit of equal value, when computed upon the basis of mortality tables adopted by the board of trustees, and ~~regular~~ interest computed at a rate adopted by the board upon the recommendation of the actuary.

Sec. 2. Section ninety-seven A point one (97A.1), Code 1977, is amended by striking subsections ten (10), eleven (11), fifteen (15), and eighteen (18).

Sec. 3. Section ninety-seven A point three (97A.3), subsection two (2), Code 1977, is amended to read as follows:

2. Should any member in any period of five consecutive years after last becoming a member, be absent from service for more than four years, ~~or should he withdraw his accumulated contributions~~ or should he or she become a beneficiary or die, he or she shall thereupon cease to be a member of this system.

Sec. 4. Section ninety-seven A point three (97A.3), Code 1977, is amended by adding the following new subsection:

NEW SUBSECTION. Effective July 1, 1979, a person shall not become a member of the system unless that person has passed the physical and mental examination given under the provisions of section eighty point fifteen (80.15) of the Code and unless that person has received a diploma for satisfactory completion of a training school held pursuant to the provisions of section eighty point thirteen (80.13) of the Code.

Sec. 5. Section ninety-seven A point five (97A.5), subsection one (1), Code 1977, 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~~ chairperson of said board, the state treasurer, and a an actively engaged member of the system, to be chosen by secret ballot by the members thereof for a term of two years.

Sec. 6. Section ninety-seven A point six (97A.6), subsection one (1), paragraph c, Code 1977, is amended to read as follows:

c. 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 40 of this section.~~

Sec. 7. Section ninety-seven A point six (97A.6), subsections two (2), four (4), and six (6), Code 1977, are amended to read as follows:

2. ALLOWANCE ON SERVICE RETIREMENT. Upon retirement from service, a member shall receive a service retirement allowance which shall consist of:

~~a--An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement, and~~

~~b--A pension given by the state which shall equal one-~~

half of the member's average final compensation.

4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT. Upon retirement for ordinary disability a member shall receive a service retirement allowance if he the member has attained the age of fifty-five, otherwise he the member shall receive an ordinary disability retirement allowance which shall consist of:

~~a--An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of retirement, and~~

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

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

~~a--An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement, and~~

~~b--A pension, in addition to the annuity, of equal to sixty-six and two-thirds percent of his the member's average final compensation.~~

Sec. 8. Section ninety-seven A point six (97A.6), subsection seven (7), paragraph a, Code 1977, is amended to

read as follows:

a. Should any beneficiary for either ordinary or accidental disability, except a beneficiary who is fifty-five years of age or over and would have completed twenty-two years of service if he or she had remained in active service, be engaged in a gainful occupation paying more than the difference between ~~his the member's~~ retirement allowance and ~~his-average-final compensation~~ the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement, then the amount of ~~his-pension~~ the retirement allowance shall be reduced to an amount which together with ~~his-annuity-and~~ the amount earned by ~~him~~ the member shall equal the amount of ~~his-average final-compensation~~ the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. Should ~~his the member's~~ earning capacity be later changed, the amount of ~~his-pension~~ the retirement allowance may be further modified, provided, that the new pension retirement allowance shall not exceed the amount of the pension retirement allowance originally granted adjusted by annual readjustments of pensions pursuant to subsection fifteen (15) of this section 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~~ the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. A beneficiary restored to active service at a salary less than the average final compensation upon the basis of which ~~he~~ the member was retired at age fifty-five or greater, shall not again become a member of the retirement system and shall have his or her retirement allowance suspended while in active service. If the rank or position held by the retired member is subsequently abolished, adjustments to the allowable limit on the amount of income which can be earned in a gainful occupation shall be computed in the same manner as provided in subsection fifteen (15), paragraph d,

of this section for readjustment of pensions when a rank or position has been abolished.

A beneficiary retired under the provisions of this paragraph in order to be eligible for continued receipt of retirement benefits shall no later than May fifteenth of each year submit to the board of trustees a copy of his or her state income tax return for the preceding year.

Retroactive to July 1, 1976, the limitations on pay of a member engaged in a gainful occupation who is retired under accidental disability prescribed in this paragraph shall not apply to a member who retired before July 1, 1976.

Sec. 9. Section ninety-seven A point six (97A.6), subsections eight (8), nine (9), thirteen (13), nineteen (19), and twenty (20), Code 1977, are amended to read as follows:

8. ORDINARY DEATH BENEFIT. 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 1, paragraph "c", of this section, there shall be paid to such person having an insurable interest in the member's life as the member shall have nominated by written designation duly executed and filed with the board of trustees:

a. ~~The member's accumulated contributions and, if~~ 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~~ an amount equal to fifty percent of the compensation earned by the member during the year immediately preceding 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

b. If there be no such nomination of beneficiary, the benefits provided in ~~paragraphs~~ paragraph "a" and ~~"b"~~ of this subsection 8 shall be paid to 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 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 subsection 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 402 of the Social Security Act as amended to July 1, 1976 (42 U.S.C. 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;

c. To the surviving spouse to continue so long as said partner remains unmarried; or

d. If there be no surviving spouse, or if the spouse dies or remarries before any child of such deceased member shall have attained the age of eighteen years, then to the guardian of the member's child or children under said age, divided in such manner as the board of trustees in its discretion shall determine, to continue as a joint and survivor pension until every such child dies or attains the age of eighteen; or

e. If there be no surviving spouse or child under age eighteen, then to the member's dependent father or mother, as the board of trustees in its discretion shall determine, to continue until remarriage or death.

f. 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~~ a monthly pension equal to six percent of the monthly earnable compensation payable to an active member having the rank of senior patrolman of the Iowa highway safety patrol.

For the purpose of this chapter, a senior patrolman is a man or woman who has completed ten years of service in the Iowa highway safety patrol.

9. ACCIDENTAL DEATH BENEFIT. If, upon the receipt of evidence and proof that the death of a member was the natural and proximate result of an accident or exposure occurring at some definite time and place while the member was in the actual performance of duty, the board of trustees shall decide that death was so caused in the performance of duty there shall be paid, in lieu of the ordinary death benefit provided in subsection 8 of this section, to ~~his~~ the member's estate or to such person having an insurable interest in his or her life as ~~he~~ the member shall have nominated by written designation duly executed and filed with the board of trustees:

a. ~~His accumulated contributions, and in addition thereto--~~

b. A pension equal to one-half of the average final compensation of such member shall be paid to the surviving spouse, children or dependent parents as provided in paragraphs "c", "d", and "e" of subsection 8 of this section.

e b. If there be no surviving spouse, children under the age of eighteen years or dependent parent surviving such deceased member, the death shall be treated as an ordinary death case and the benefit payable in accordance with the provisions of subsection 8, paragraph "b a" of this section, in lieu of the pension provided in paragraph "b a" of this subsection 9, shall be paid to the member's estate.

d c. In addition to the benefits for the surviving spouse herein enumerated, there shall also be paid for each dependent child of a member under the age of eighteen years ~~the sum of twenty dollars per month~~ a monthly pension equal to six percent of the monthly earnable compensation payable to an active member having the rank of senior patrolman of the Iowa highway safety patrol.

13. PENSION TO SURVIVING SPOUSE AND CHILDREN OF DECEASED PENSIONED MEMBERS. In the event of the death of any member receiving a retirement allowance under the provisions of subsections 2, 4 or 6 of this section there shall be paid

a pension:

a. To the member's surviving spouse to continue so long as said party remains unmarried, equal to one-half the amount received by such deceased beneficiary, but in no instance less than fifty dollars per month, and in addition thereto ~~the sum of twenty dollars per month~~ a monthly pension equal to the monthly pension payable under subsection nine (9), paragraph c, of this section for each child under eighteen years of age; or

b. In the event of the death of the spouse either prior or subsequent to the death of the member, to the guardian of each surviving child under eighteen years of age, ~~in the sum of twenty dollars per month~~ a monthly pension equal to the monthly pension payable under subsection nine (9), paragraph c, of this section for the support of such child.

Sec. 10. Section ninety-seven A point six (97A.6), Code 1977, is amended by striking subsection ten (10) and subsection fifteen (15), paragraph b.

Sec. 11. Section ninety-seven A point six (97A.6), subsection fifteen (15), paragraph a, Code 1977, 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 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 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.

As of the first of July of each year, the monthly pension payable to each surviving child under the provisions of subsections eight (8), nine (9), and thirteen (13) of this section shall be adjusted to equal six percent of the monthly earnable compensation payable on that July first to an active member having the rank of senior patrolman of the Iowa highway safety patrol.

Sec. 12. Section ninety-seven A point seven (97A.7), Code 1977, is amended by striking subsection three (3).

Sec. 13. Section ninety-seven A point seven (97A.7), subsection six (6), Code 1977, is amended to read as follows:

6. The board of trustees may invest funds of the fire and police retirement systems created under the provisions of chapter 411 in the manner prescribed in this section.

Sec. 14. Section ninety-seven A point eight (97A.8), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

All the assets of the system created and established by this chapter shall be credited according to the purpose for which they are held to one of ~~five three~~ funds, namely, ~~the annuity-savings-fund, the annuity-reserve-fund,~~ the pension accumulation fund, the pension reserve fund, and the expense fund.

Sec. 15. Section ninety-seven A point eight (97A.8), subsection three (3), unnumbered paragraph one (1) and paragraphs a and b, Code 1977, are amended to read as follows:

The pension accumulation fund shall be the fund in which shall be accumulated all ~~reserves moneys~~ for the payment of all pensions and other benefits payable from contributions made by the state and from which shall be paid the lump-sum death benefits for all members payable from the said contributions. Contributions to and payments from the pension accumulation fund shall be as follows:

a. On account of each member there shall be paid annually into the pension accumulation fund by the state of Iowa an amount equal to a certain percentage of the earnable compensation of the member to be known as the "normal

contribution". The rate percent of such contribution shall be fixed on the basis of the liabilities of the retirement system as shown by annual actuarial valuations. ~~Until the first valuation the normal contribution shall be eight percent.~~

b. On the basis of 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 sum of 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, all reduced by the employee contribution made pursuant to paragraph f of this subsection.~~ The normal rate of contribution shall be determined by the state commissioner of insurance after each valuation.

Sec. 16. Section ninety-seven A point eight (97A.8), subsection three (3), paragraph f, Code 1977, is amended to read as follows:

f. An amount equal to one two and twenty-one hundredths percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund. ~~The provisions of this section, subsection 17 paragraphs "b" and "c", of the Code relating to the contributions of members shall be applicable to this paragraph.~~

Sec. 17. Section ninety-seven A point eight (97A.8),

subsection three (3), Code 1977, is amended by adding the following new paragraph:

NEW PARAGRAPH. The board of trustees shall certify to the state comptroller and the state comptroller shall cause to be deducted from the earnable compensation of each member the contribution required under this subsection and shall forward the contributions to the board of trustees for recording and for deposit in the pension accumulation fund.

The deductions provided for under this subsection shall be made notwithstanding that the minimum compensation provided by law for any member is reduced. Every member is deemed to consent to the deductions made under this section.

Sec. 18. Section ninety-seven A point eight (97A.8), Code 1977, is amended by striking subsections one (1) and two (2).

Sec. 19. Chapter ninety-seven A (97A), Code 1977, is amended by adding the following new section:

NEW SECTION.

1. Members who became vested and terminated service prior to July 1, 1979, and members receiving an annuity from accumulated contributions made prior to July 1, 1979, shall continue to receive the benefits the member was entitled to under the provisions of chapter ninety-seven A (97A), as chapter ninety-seven A (97A) was effective on the date of the member's retirement or vested termination.

2. For the purposes of this section:

a. "Accumulated contributions" means the sum of all amounts deducted from the compensation of a member and credited to the member's individual account in the annuity savings fund together with regular interest thereon as provided in this subsection. Accumulated contributions do not include any amount deducted from the compensation of a member and credited to the pension accumulation fund.

b. "Annuity" means annual payments for life derived from the accumulated contributions of a member. All annuities shall be payable in monthly installments.

c. "Annuity reserve" shall mean the present value of all payments to be made on account of an annuity, or benefit in

lieu of an annuity, granted under the provisions of this chapter, upon the basis of such mortality tables as shall be adopted by the board of trustees, and regular interest.

d. "Annuity savings fund" means the account maintained by the board of trustees in which the accumulated contributions of the members were deposited prior to July 1, 1979, to provide for their annuities.

e. "Annuity reserve fund" means the account maintained by the board of trustees from which shall be paid all annuities and all benefits in lieu of annuities payable as provided in this chapter as this chapter was effective on June 30, 1978.

f. "Regular interest" means 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.

3. Beginning July 1, 1979, the board of trustees shall maintain and invest funds in the annuity reserve fund and the annuity savings fund which had been contributed by members prior to July 1, 1979. Members receiving an annuity as a portion of their retirement or disability benefits on June 30, 1979, shall continue to receive such annuity from the annuity reserve fund maintained by the board of trustees. Members receiving an annuity, if reemployed under service covered by this chapter, shall cease to receive retirement benefits.

4. The accumulated contributions of a member withdrawn by the member or paid to the member's estate or designated beneficiary in the event of the member's death shall be paid from the annuity savings fund account. Upon the retirement of a member, the member's accumulated contributions shall be transferred from the annuity savings fund to the annuity reserve fund.

5. A member of the retirement system prior to July 1, 1979 with fifteen or more years of service whose employment was terminated prior to retirement, other than by death or disability, shall be entitled to receipt of his or her

accumulated contributions upon retirement together with other retirement benefits provided in the law on the date of the member's retirement. However, the member shall not be eligible for a service retirement allowance under section ninety-seven A point six (97A.6) of the Code if he or she has chosen to withdraw his or her accumulated contributions from the annuity savings fund prior to the member's retirement.

6. Any member in service prior to July 1, 1979 may at the time of his or her retirement withdraw his or her accumulated contributions made before July 1, 1979 or receive an annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement.

7. Notwithstanding the provisions of subsections one (1), three (3), four (4), five (5), and six (6) of this section, an active or vested member may request in writing and receive from the board of trustees, his or her accumulated contributions from the annuity savings' fund at the discretion of the board of trustees, except that the board shall not liquidate securities at a loss for the sole purpose of returning the accumulated contributions to the members. All requested accumulated contributions shall be returned prior to July 1, 1984.

8. The actuary shall annually determine the amount required in the annuity reserve fund. If the amount required is less than the amount in the annuity reserve fund, the board of trustees shall transfer the excess funds from the annuity reserve fund to the pension accumulation fund. If the amount required is more than the amount in the annuity reserve fund, the board of trustees shall transfer the amount prescribed by the actuary to the annuity reserve fund from the pension accumulation fund.

Sec. 20. Section ninety-seven B point eleven (97B.11), Code 1977, is amended to read as follows:

97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE. Each employer shall deduct from the wages of each member of the system a contribution in the amount of three and six-tenths

percent of the covered wages paid by the employer through June 30, 1979, and commencing July 1, 1979 in the amount of three and seven-tenths percent of the covered wages paid by the employer, until the first of the month after-the-member's seventieth-birthday in which the member attains the age of seventy years or the member's termination or retirement from employment, whichever is earlier. The contributions of the employer shall be in the amount of three and one-half percent of the covered wages of the member for service through December 31, 1975, and in the amount of five and twenty-five hundredths percent of the covered wages of the member for service commencing July 1, 1977 through June 30, 1979, and in the amount of five and seventy-five hundredths percent of the covered wages of the member for service commencing July 1, 1979.

Sec. 21. Section ninety-seven B point twenty-six (97B.26), Code 1977, is amended to read as follows:

97B.26 HEARING OFFICER. Unless such appeal is withdrawn, a hearing officer to be designated by the department for this purpose, after affording the parties reasonable opportunity for fair hearing, shall affirm or modify the findings of fact and decision of the deputy. ~~At said hearing all of the evidence taken and the proceedings had shall be taken and fully reported by a certified shorthand reporter. Said reporter shall promptly transcribe said evidence and proceedings and certify to same.~~ The hearing shall be recorded by mechanical means and a transcript of the hearing shall be made. The said transcript shall then be made available for use by the appeal board and by the courts at subsequent judicial review proceedings under the Iowa administrative procedure Act, if any. The parties shall be duly notified of the hearing officer's decision, together with his the hearing officer's reasons therefor, which shall be deemed to be the final decision of the department unless, within thirty days after the date of notification or mailing of such decision, further appeal is initiated pursuant to section 97B.27.

Sec. 22. Section ninety-seven B point forty-one (97B.41), subsection one (1), paragraph a, unnumbered paragraph one (1), Code 1977, is amended to read as follows:

"Wages" means all remuneration for employment, including the cash value of remuneration paid in any medium other than cash, but not including the cash value of remuneration paid in any medium other than cash necessitated by the convenience of the employer, such amount as agreed upon by the employer and employee and reported to the department by the employer shall be conclusive of the value of remuneration in a medium other than cash; except that remuneration which does not equal or exceed the sum of three hundred dollars in any calendar quarter shall be excluded, ~~provided, however, that the membership of such employee shall not be considered terminated as long as the employer-employee relationship exists.~~ Wages for an elected official means the salary received by an elected official, exclusive of expense and travel allowances.

Sec. 23. Section ninety-seven B point forty-one (97B.41), subsection one (1), paragraph b, subparagraph five (5), Code 1977, is amended to read as follows:

(5) Effective July 1, ~~1978~~ 1978, covered wages shall not include wages to a member on or after the first of the month ~~coinciding with or next following his seventieth birthday in which the member attains the age of seventy years~~, or after the effective date of his the member's retirement unless he the member is re-employed, as provided under section 97B.48, subsection 3.

Sec. 24. Section ninety-seven B point forty-one (97B.41), subsection two (2), Code 1977, is amended to read as follows:

2. "Employment for any calendar quarter" means any service performed under an employer-employee relationship under the provisions of this chapter if the remuneration equals or exceeds three hundred dollars in the calendar quarter. For the purposes of this chapter, elected officials, ~~excluding members of the general assembly,~~ are deemed to be in employment.

Sec. 25. Section ninety-seven B point forty-one (97B.41),

subsection three (3), paragraph b, Code 1977, is amended by adding the following new subparagraphs:

NEW SUBPARAGRAPH. Persons employed under the federal Comprehensive Employment Training Act as amended to January 1, 1978 unless such employees shall make an application to the department to be covered under the provisions of this chapter.

NEW SUBPARAGRAPH. Foreign exchange teachers and visitors including alien scholars, trainees, professors, teachers, research assistants, and specialists in their field of specialized knowledge or skill.

NEW SUBPARAGRAPH. Members of the ministry, rabbinate, or other religious order who have taken the vow of poverty.

NEW SUBPARAGRAPH. Persons employed as city managers under a form of city government listed in chapter three hundred seventy-two (372) of the Code unless such employees shall make an application to the department to be covered under the provisions of this chapter.

Sec. 26. Section ninety-seven B point forty-one (97B.41), subsections nine (9) and eighteen (18), Code 1977, are amended to read as follows:

9. "Active member" ~~with respect to service after July 4, 1953, at the end of a year~~ during a calendar year means a member who made contributions to the system at any time during the calendar year and who ~~as of December 31 of the current year;~~

a. had not received or applied for a refund of his or her accumulated contributions for withdrawal or death,

~~b. had not terminated employment and applied for a deferred vested retirement allowance,~~ and

e b. had not ~~retired and~~ commenced receiving a retirement allowance.

18. "Membership service" means service rendered by a member after July 4, 1953, and prior to the first of the month ~~coinciding with or next following his seventieth birthday~~ in which the member attains the age of seventy years. Years of membership service shall be counted to the complete quarter

calendar year.

Sec. 27. Section ninety-seven B point forty-one (97B.41), subsection twenty (20), Code 1977, is amended to read as follows:

20. "~~Final-five-year~~ Five-year average covered wage" means a member's covered wages averaged for the highest five consecutive years of the member's ~~last ten consecutive years which will produce the highest average service.~~ If ~~the member has not completed ten consecutive years then the actual years as a member shall be considered, and if~~ the member has less than five consecutive years then the average over the actual number of years as a member shall be used. For the purposes of this chapter the word "consecutive" means in sequence with respect to the years of service rendered as a member and not necessarily in sequence with respect to actual periods of time measured by the calendar.

Sec. 28. Section ninety-seven B point forty-three (97B.43), unnumbered paragraph three (3), Code 1977, is amended to read as follows:

Each individual who as of July 1, ~~1978~~ 1978, was an active, vested, or retired member and who (1) made application for and received a refund of contributions made under the abolished system or (2) has on deposit with the retirement fund his or her contributions made under the abolished system shall be entitled to credit for years of prior service in the determination of retirement allowance payments by filing a written election with the department ~~between July 1, 1973, and July 1, 1974~~ on or after July 1, 1978, and by re depositing any withdrawn contributions under the abolished system together with interest as stated in this paragraph. Any individual who as of July 1, ~~1978~~ 1978, is a retired member and who made application for and received a refund of contributions made under the abolished system, may, by filing a written election with the department ~~between July 1, 1973, and July 1, 1974~~ on or after July 1, 1978, have the department retain fifty percent of the monthly increase in retiree benefits that will accrue to the individual because of prior service. If the

monthly increase in retirement benefits is less than ten dollars, the department shall retain five dollars of the scheduled increase, and if the monthly increase is less than five dollars, the provisions of this paragraph shall not apply. The department shall continue to retain such funds until the withdrawn contributions, together with interest accrued to ~~July 4, 1973~~ the month in which the written election is filed, have been repaid. Due notice of this provision shall be sent to all retired members as of July 1, ~~1973~~ 1978. However, this paragraph shall not apply to any person who received a refund of any membership service contributions; provided, however, that a refund of contributions remitted for the calendar quarter ending September 30, 1953 which was based entirely upon employment which terminated prior to July 4, 1953 shall not be considered as a refund of membership service contributions. The interest to be paid into the fund shall be compounded at the rates credited to member accounts from the date of payment of the refund of contributions under the abolished system to the date the member redeposits the refunded amount. The provisions of the first paragraph of this section relating to the consideration given to credited amounts shall apply to the redeposited amounts or to amounts left on deposit. Effective ~~January July 1, 1976~~ July 1, 1978, the provisions of this paragraph shall apply to each individual who as of ~~January July 1, 1976~~ July 1, 1978, was an active, vested, or retired member, but who was not in service on July 4, 1953. The period for filing the written election with the department and redepositing any withdrawn contributions together with interest accrued ~~to shall commence January July 1, 1976-shall be-between-January-1, 1976-and-January-1, 1977~~ shall commence January July 1, 1978. A member who is a retired member as of ~~January July 1, 1976~~ July 1, 1978 may file written election with the department between on or after January July 1, 1976-and-January-1, 1977 1978 to have the department retain fifty percent of the monthly increase as provided in this paragraph.

Sec. 29. Section ninety-seven B point forty-five (97B.45), unnumbered paragraph one (1), Code 1977, is amended to read

as follows:

A member's normal retirement date shall be the first of the month ~~coinciding-with-or-next-following-his-sixty-fifth birthday in which a member attains the age of sixty-five years.~~ A member may retire after ~~his~~ the member's sixty-fifth birthday except as otherwise provided in section 97B.46. A member retiring on or after ~~his~~ the normal retirement date, as provided in section 97B.46, shall submit a written notice to the department setting forth the date the retirement is to become effective, provided that such date shall be after ~~his~~ the member's last day of service and not before the first day of the sixth calendar month preceding the month in which the notice is filed, except that credit for service shall cease when contributions cease as provided in section 97B.11.

Sec. 30. Section ninety-seven B point forty-six (97B.46), Code 1977, is amended to read as follows:

97B.46 SERVICE AFTER AGE SIXTY-FIVE. A member may, on the request of the employer, remain in the active employ of the employer beyond the date ~~he~~ the member attains the age of sixty-five for such period or periods as the employer from time to time shall approve, provided, however, that credit for such service shall cease when contributions cease as provided in section 97B.11. The member shall retire ~~from the-employment-of-the-employer~~ at the end of the last approved period, on the first day of the month ~~next-following-or coinciding-with-such-date in which the member retires, except that such date shall be after the last day of service.~~ A member remaining in service ~~past-his-seventieth-birthday after attaining the age of seventy years~~ shall be entitled to receive a retirement allowance under section 97B.49 as applicable commencing with payment for the calendar month within which the written notice is submitted to the department, except that if ~~he~~ the member fails to submit the notice on a timely basis, retroactive payments shall be made for no more than six months immediately preceding the month in which the written notice is submitted.

Sec. 31. Section ninety-seven B point forty-seven (97B.47),

Code 1977, is amended to read as follows:

97B.47 EARLY RETIREMENT DATE. A member's early retirement date shall be the first of any the month coinciding-with-or following-his-fifty-fifth-birthday-and in which a member attains the age of fifty-five years or the first of any month after attaining the age of fifty-five years prior to his the member's normal retirement date, provided such date shall be after the last day of service. A member may retire on his the member's early retirement date by submitting written notice to the department setting forth the early retirement date which shall not be before the first day of the sixth calendar month preceding the month in which such notice is filed.

Sec. 32. Section ninety-seven B point forty-eight (97B.48), subsection three (3), Code 1977, is amended to read as follows:

3. If at any time after the first day of the month coinciding-with-or-next-following-his-fifty-fifth-birthday in which the member attains the age of fifty-five years and until his the member's sixty-fifth birthday, a member who is retired under this chapter is in regular full-time employment, his the member's retirement allowance shall be suspended for as long as he the member remains in employment. However, employment shall not be regarded as full-time employment until he the member receives remuneration in an amount in excess of two thousand one hundred dollars for any calendar year. Effective the first of the month coinciding with-or-next-following-his-sixty-fifth-birthday in which a member attains the age of sixty-five years, a retired member shall be entitled to receive a retirement allowance after return to covered employment regardless of the amount of remuneration received. As of the first of the month coinciding with-or-next-following-the-member's-seventieth-birthday in which the member attains the age of seventy years, he the member shall be entitled to receive a retirement allowance determined under section 97B.49, regardless of the amount of remuneration received. Upon any retirement after reemployment, a retired member shall be entitled to have his

or her retirement allowance redetermined under this section or sections 97B.49 or 97B.50, whichever is applicable, based upon the employee's and his employer's additional contributions, and any membership service of the employee after his reemployment.

Sec. 33. Section ninety-seven B point forty-nine (97B.49), subsection five (5), Code 1977, is amended to read as follows:

5. For each active member retiring on-or-after between January 1, 1976 and June 30, 1978, with four or more complete years of service a monthly benefit shall be computed which is equal to one-twelfth of an amount equal to forty percent of the ~~final~~ five-year average covered wage multiplied by a fraction of years of service. For each active member retiring on or after July 1, 1978 the monthly benefit computed under this subsection shall be equal to one-twelfth of an amount equal to forty-four percent of the five-year average covered wage multiplied by a fraction of years of service. For the purposes of this subsection, "fraction of years of service" means a number, not to exceed one, equal to the sum of the years of membership service and the number of years of prior service divided by thirty years.

If benefits under this subsection commence on an early retirement date, the amount of benefit shall be reduced in accordance with section 97B.50.

Sec. 34. Section ninety-seven B point forty-nine (97B.49), subsection seven (7), Code 1977, is amended to read as follows:

7. Notwithstanding the provisions of this chapter, a member who is or has been employed as a conservation peace officer under the provisions of section 107.13 and who retires on-or-after between January 1, 1976 and June 30, 1978, and at the time of retirement is at least sixty years of age and has completed at least twenty-five years of membership service as a conservation peace officer, may elect to receive, in lieu of the receipt of any benefits under subsection five (5) of this section, a monthly retirement allowance equal to one-twelfth of forty percent of the member's ~~final~~ five-year average covered wage as a conservation peace

officer, with benefits payable during the member's lifetime. For each such member retiring on or after July 1, 1978, the monthly benefit computed under this subsection shall be equal to one-twelfth of an amount equal to forty-four percent of the five-year average covered wage as a conservation peace officer multiplied by a fraction of years of service. There is appropriated from the general fund of the state to the department of job service from funds not otherwise appropriated an amount sufficient to pay ~~the additional costs above the employee and employer contributions~~ eight and forty-three hundredths percent of the covered wages of each conservation peace officer, in addition to the contribution paid by the employer under section ninety-seven B point eleven (97B.11) of the Code, to pay for finance increased benefits to conservation peace officers under this subsection. The provisions of this subsection shall be effective July 1, 1976.

Sec. 35. Section ninety-seven B point forty-nine (97B.49), Code 1977, is amended by adding the following new subsections:

NEW SUBSECTION. a. Notwithstanding the provisions of this chapter, effective July 1, 1979 to be included in county budgets for the fiscal year beginning July 1, 1979, a member who is or has been employed as a county sheriff, as defined in section thirty-nine point seventeen (39.17) of the Code, or as a deputy sheriff appointed pursuant to chapter three hundred forty-one (341) of the Code, and who retires on or after January 1, 1978, and at the time of retirement is at least sixty years of age and has completed at least twenty-five years of membership service as a county sheriff or deputy sheriff, may elect to receive, in lieu of the receipt of any benefits under subsection five (5) of this section, a monthly retirement allowance equal to one-twelfth of forty-four percent of the member's five-year average covered wage as a sheriff or deputy sheriff, with benefits payable during the member's lifetime.

b. Each county and employee eligible for benefits under this section shall annually contribute an amount determined by the Iowa department of job service, as a percentage of

covered wages, to be necessary to pay for the additional benefits provided by this section. The annual contribution in excess of the employer and employee contributions required by this chapter shall be paid by the employer and the employee in the same proportion that employer and employee contributions are made under section ninety-seven B point eleven (97B.11) of the Code. The additional percentage of covered wage calculated by the department shall be an actuarially determined amount which, if contributed throughout the entire period of active service, would be sufficient to provide the pension benefit provided in this section.

NEW SUBSECTION. Effective July 1, 1978, for each member who retired from the system prior to January 1, 1976, the amount of regular monthly retirement allowance attributable to membership service and prior service that was payable to the member for June 1978 is increased as follows:

- a. For the first ten years of service, fifty cents per month for each complete year of service.
- b. For the eleventh through the twentieth years of service, two dollars per month for each complete year of service.
- c. For the twenty-first through the thirtieth years of service, three dollars per month for each complete year of service.

Sec. 36. Section ninety-seven B point fifty (97B.50), Code 1977, is amended to read as follows:

97B.50 EARLY RETIREMENT.

1. A member shall upon retirement on his early retirement date be entitled to receive a monthly retirement allowance determined in the same manner as provided for normal retirement in subsections 1, 4 and 5 of section 97B.49 reduced by five-tenths of one percent per month for each month that the early retirement date precedes the normal retirement date.

2. A member who has completed thirty or more years of service who retires from the system and commences receiving disability benefits pursuant to the United States Social Security Act (42 U.S.C.), as amended to July 1, 1978, who is eligible for early retirement, but has not reached the

normal retirement date, shall receive full benefits under section ninety-seven B point forty-nine (97B.49) of the Code and shall not have benefits reduced upon retirement as required under subsection one (1) of this section.

3. A member who has not completed thirty years of service who retires from the system and commences receiving disability benefits pursuant to the United States Social Security Act (42 U.S.C.), as amended to July 1, 1978, who is eligible for early retirement, but has not reached the normal retirement date, shall upon retirement have benefits received under section ninety-seven B point forty-nine (97B.49) of the Code reduced by twenty-five hundredths of one percent per month for each month that the early retirement date precedes the normal retirement date.

Sec. 37. Section ninety-seven B point fifty-one (97B.51), subsection three (3), Code 1977, is amended to read as follows:

3. A member who had elected to take the option stated in subsection 1 of this section may, at any time prior to his or her retirement, revoke such an election by written notice to the commission department.

Sec. 38. Section ninety-seven B point fifty-two (97B.52), subsection one (1), paragraph c, Code 1977, is amended by striking unnumbered paragraphs two (2) and three (3) and inserting in lieu thereof the following:

If the beneficiary is the estate of the member or is not an individual, or if two or more persons are to share as beneficiaries, payment shall be made under the provisions of paragraph a of this subsection. If the beneficiary is an individual, the beneficiary may elect in writing to the department payment in one of the forms specified in this subsection, except that if the beneficiary does not file notice of election with the department within one hundred eighty days after the member's death, payment shall be made under the provisions of paragraph a of this subsection.

If the payment form prescribed in paragraphs b or c of this subsection is elected by the beneficiary, and the monthly life annuity elected would equal less than ten dollars, the

department may require the application of the payment form prescribed in paragraph a of this subsection in lieu of the elected payment form.

The provisions of this subsection shall apply if the claim under this subsection is filed with the department on or after July 1, 1978, even though the member may have specified the payment form on designation of beneficiary form filed with the department.

Sec. 39. Section ninety-seven B point fifty-three (97B.53), subsection two (2), Code 1977, is amended to read as follows:

2. If the employment with the employer of a member is terminated prior to his the member's retirement, other than by death, but after he the member has either

a. Completed at least four years of service, or

b. Has attained the age of fifty-five, he the member shall receive a monthly retirement allowance commencing on the first day of the month ~~next-following-or-coinciding-with-the-date he in which the member~~ attains the age of sixty-five years, if he the member is then alive, or, if the member so elects in accordance with section 97B.47, commencing on the first day of ~~any the month coinciding-or-next-following-the-date he in which the member~~ attains the age of fifty-five and ~~any month thereafter~~ prior to the date he the member attains the age of sixty-five years, and continuing on the first day of each month thereafter during his the member's lifetime, provided the member does not receive prior to the date his the member's retirement allowance is to commence a refund of accumulated contributions under any of the provisions of this chapter. The amount of each such monthly retirement allowance shall be determined as provided in either section 97B.49 or in section 97B.50, whichever is applicable.

Sec. 40. Chapter ninety-seven B (97B), Code 1977, is amended by adding the following new sections:

NEW SECTION. Persons who are members of the Sixty-eighth General Assembly who submit proof to the department of membership in the general assembly during any period beginning July 4, 1953 and ending January 8, 1979 may make contributions

to the system for service equal to the accumulated contributions as defined in section ninety-seven B point forty-one (97B.41), subsection thirteen (13), of the Code which would have been made if the member of the general assembly had been a member of the system during the member's service in the general assembly. The proof of membership in the general assembly and payment of accumulated contributions shall be transmitted to the department not later than December 31, 1979. Persons eligible to receive retirement allowances under this section shall be eligible to commence receiving retirement allowances on January 8, 1979.

There is appropriated from the general fund of the state to the Iowa department of job service an amount sufficient to pay the contributions of the employer based on service of the members in an amount equal to the contributions which would have been made if the members of the general assembly who made employee contributions had been members of the system during their service in the general assembly plus two percent interest plus interest dividends for all completed calendar years and for any completed calendar year for which the interest dividend has not been declared and for completed months of partially completed calendar years at two percent interest plus the interest dividend rate calculated for the previous year, compounded annually, from the end of the calendar year in which contribution was made to the first day of the month of such date.

NEW SECTION. A vested or retired member who was not a vested member of a public retirement system in another state may, upon submitting verification of membership and service in the public retirement system in another state to the department not later than July 1, 1979 for members vested on July 1, 1978 or within one year after the member becomes vested, make employer and employee contributions to the system for the period of service in the public retirement system in another state and receive credit for membership service in this system. The contributions paid by the vested or retired member for service in the public retirement system

in another state shall be equal to the accumulated contributions as defined in section ninety-seven B point forty-one (97B.41), subsection thirteen (13), of the Code, by the member for that period of membership service and the contributions of the employer which would have been contributed for that period of membership service plus interest on the contributions for the period from the date of service of the member in the public retirement system in another state to the date of payment of the contributions by the member equal to two percent plus the interest dividend rate applicable for each year.

Sec. 41. Section three hundred eighty-four point six (384.6), subsection one (1), Code 1977, is amended to read as follows:

1. Accounting for pension and related employee benefit funds. A city may make contributions to a retirement system other than the Iowa public employees' retirement system for its city manager in an annual amount not to exceed the amount that would have been contributed by the employer under the provisions of section ninety-seven B point eleven (97B.11) of the Code. A city may certify taxes to be levied for the trust and agency fund in the amount necessary to meet such obligations.

Sec. 42. Section four hundred eleven point one (411.1), subsections nine (9), ten (10), fourteen (14), nineteen (19), twenty-one (21), and twenty-two (22), Code 1977, are amended to read as follows:

9. "Beneficiary" shall mean any person receiving ~~a pension or an annuity~~, a retirement allowance or other benefit as provided by this chapter.

10. "Surviving spouse" shall mean ~~only-such~~ the surviving spouse of a marriage ~~consummated~~ solemnized prior to retirement of a deceased member from active service. Surviving spouse shall include a former spouse only if the division of assets in the dissolution of marriage decree pursuant to section five hundred ninety-eight point seventeen (598.17) of the Code grants the former spouse rights of a spouse under this chapter. If there is no surviving spouse of a marriage

solemnized prior to retirement of a deceased member, surviving spouse includes a surviving spouse of a marriage of two years or more duration solemnized subsequent to retirement of the member.

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 the member's rank or position including compensation for longevity and excluding any amount received for overtime compensation or other special additional compensation, meal and travel expenses, and uniform allowances and excluding any amount received upon termination or retirement in payment for accumulated sick leave or vacation.

19. "Retirement allowance" shall mean the ~~sum-of-the annuity-and-the~~ pension, or any benefits in lieu thereof, granted to a member upon retirement.

21. "Pension reserve" shall mean the present value of all payments to be made on account of any pension, or benefit in lieu of a pension, granted under the provisions of this chapter, upon the basis of such mortality tables as shall be adopted by the boards of trustees, and ~~regular~~ interest computed at rates adopted by the boards upon the recommendation of the actuary.

22. "Actuarial equivalent" shall mean a benefit of equal value, when computed upon the basis of mortality tables adopted by the boards of trustees, and ~~regular~~ interest computed at rates adopted by the boards upon the recommendation of the actuary.

Sec. 43. Section four hundred eleven point one (411.1), Code 1977, is amended by striking subsections twelve (12), thirteen (13), seventeen (17), and twenty (20).

Sec. 44. Section four hundred eleven point three (411.3), Code 1977, is amended to read as follows:

1. All persons who become ~~police~~ police officers or ~~firemen~~ fire fighters after the date such the retirement systems are established by this chapter, shall become members thereof as a condition of their employment. Such members

shall not be required to make contributions under any other pension or retirement system of city, county, or state of Iowa, anything to the contrary notwithstanding.

2. Should any member in any period of five consecutive years after last becoming a member, be absent from service for more than four years, ~~ex-should-he-withdraw-his-accumulated contributions,~~ or should he or she become a beneficiary or die, he or she shall thereupon cease to be a member of the system.

Sec. 45. Section four hundred eleven point six (411.6), subsection one (1), paragraph c, Code 1977, is amended to read as follows:

c. Any member in service who has been a member of the retirement system fifteen or more years and whose employment is terminated prior to his 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 he the member would receive at retirement if his or her 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 his accumulated contributions as provided in subsection 10 of this section.~~

Sec. 46. Section four hundred eleven point six (411.6), subsections two (2) and four (4), Code 1977, are amended to read as follows:

2. ALLOWANCE ON SERVICE RETIREMENT. Upon retirement from service, a member shall receive a service retirement allowance which shall consist of:

~~at--An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement, and~~

~~bt--A~~ a pension given by the city which shall equal one-

half of the member's average final compensation.

4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT. Upon retirement for ordinary disability a member shall receive a service retirement allowance if he the member has attained the age of fifty-five, otherwise he the member shall receive an ordinary disability retirement allowance which shall consist of:

~~a.--An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of retirement, and~~

~~b.--A pension which together with the member's annuity shall make a total retirement allowance equal to ninety forty percent of 4/70 of the member's average final compensation multiplied by the number of years of membership service, if such retirement allowance exceeds one-half of the member's average final compensation, otherwise a pension which together with the member's annuity shall provide a total retirement allowance equal to one-half of 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. 47. Section four hundred eleven point six (411.6), subsection six (6), Code 1977, is amended to read as follows:

6. RETIREMENT AFTER ACCIDENT. 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:

~~a.--An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement, and~~

~~b.--A pension, in addition to the annuity, of equal to 66 2/3 percent of his the member's average final compensation.~~

Sec. 48. Section four hundred eleven point six (411.6), subsection seven (7), paragraph a, Code 1977, is amended to

read as follows:

a. Should any beneficiary for either ordinary or accidental disability, except a beneficiary who is fifty-five years of age or over and would have completed twenty-two years of service if he or she had remained in active service, be engaged in a gainful occupation paying more than the difference between his the member's retirement allowance and his average final compensation the earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement, then the amount of his pension the member's retirement allowance shall be reduced to an amount which together with his annuity and the amount earned by him the member shall equal the amount of his average final compensation the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. Should his the member's earning capacity be later changed, the amount of his pension the member's retirement allowance may be further modified, provided, that the new pension retirement allowance shall not exceed the amount of the pension originally granted retirement allowance adjusted by annual readjustments of pensions pursuant to subsection fourteen (14) of this section 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 the earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. A beneficiary restored to active service at a salary less than the average final compensation upon the basis of which he the member was retired at age fifty-five or greater, shall not again become a member of the retirement system and shall have his or her retirement allowance suspended while in active service. If the rank or position held by the retired member is subsequently abolished, adjustments to the allowable limit on the amount of income which can be earned in a gainful occupation shall be computed in the same manner as provided in subsection fourteen (14), paragraph d, of this section

for readjustment of pensions when a rank or position has been abolished.

A beneficiary retired under the provisions of this paragraph in order to be eligible for continued receipt of retirement benefits shall no later than May fifteenth of each year submit to the board of trustees a copy of his or her state income tax return for the preceding year.

Retroactive to July 1, 1976, the limitations on pay of a member engaged in a gainful occupation who is retired under accidental disability prescribed in this paragraph shall not apply to a member who retired before July 1, 1976.

Sec. 49. Section four hundred eleven point six (411.6), subsections eight (8) and nine (9), Code 1977, are amended to read as follows:

8. ORDINARY DEATH BENEFIT. 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 1, paragraph "c", of this section, there shall be paid to such person having an insurable interest in the member's life as the member shall have nominated by written designation duly executed and filed with the respective board of trustees:

a. ~~The member's accumulated contributions and, if~~ 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~~ an amount equal to fifty percent of the compensation earnable by the member during the year immediately preceding 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

b. If there be no such nomination of beneficiary, the benefits provided in ~~paragraphs~~ paragraph "a" and "b" shall be paid to 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 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~~ a monthly pension equal to six percent of the monthly earnable compensation paid to an active member holding the highest grade in the rank of fire fighter, for a child of a deceased member of a fire department, or the highest grade in the rank of police patrol officer, for a child of a deceased member of a police department or for a member not in service the pension shall be reduced as provided in subsection 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 402 of the Social Security Act as amended to July 1, ~~1976~~ 1978 U.S.C. 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;

c. To the spouse to continue so long as said party remains unmarried; or

d. If there be no spouse, or if the spouse dies or remarries before any child of such deceased member shall have attained the age of eighteen years, then to the guardian of his or her child or children under said age, divided in such manner as the board of trustees in its discretion shall determine, to continue as a joint and survivor pension until every such child dies or attains the age of eighteen; or

e. If there be no surviving spouse or child under age eighteen, then to his or her dependent father or mother or both, as the board of trustees in its discretion shall determine, to continue until remarriage or death.

9. ACCIDENTAL DEATH BENEFIT. If, upon the receipt of evidence and proof that the death of a member in service or the chief of police or fire departments was the natural and proximate result of an injury or disease incurred in or aggravated by the actual performance of duty at some definite time and place, or while acting pursuant to order, outside of the city by which ~~he~~ the member is regularly employed, the board of trustees shall decide that death was so caused in the performance of duty there shall be paid, in lieu of the ordinary death benefit provided in subsection 8 of this section, to ~~his~~ the member's estate or 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 the benefits set forth in paragraphs "a", and "b" ~~and "e"~~ of this subsection:

a. ~~His accumulated contributions, and in addition thereto--~~

b. A pension equal to one-half of the average final compensation of such member shall be paid to ~~his~~ the member's spouse, children or dependent parents as provided in paragraphs "c", "d" and "e" of subsection 8 of this section. In addition to the benefits for the spouse herein enumerated, there shall also be paid for each dependent child of a member under the age of eighteen years ~~the sum of twenty dollars per month~~ a monthly pension equal to six percent of the monthly earnable compensation paid to an active member holding the highest grade in the rank of fire fighter, for a child of a deceased member of a fire department, or holding the highest grade in the rank of police patrol officer, for a child of a deceased member of a police department.

c. b. If there be no spouse, children under the age of eighteen years or dependent parent surviving such deceased member, the death shall be treated as an ordinary death case and the benefit payable in accordance with the provisions of subsection 8, paragraph "b a", in lieu of the pension provided in paragraph "b a" of this subsection 9, shall be paid to ~~his~~ the member's estate.

Disease under this subsection shall mean heart disease or any disease of the lungs or respiratory tract and shall be presumed to have been contracted while on active duty as a result of strain or the inhalation of noxious fumes, poison, or gases.

Sec. 50. Section four hundred eleven point six (411.6), Code 1977, is amended by striking subsection ten (10).

Sec. 51. Section four hundred eleven point six (411.6), subsection thirteen (13), Code 1977, is amended to read as follows:

13. PENSION TO SPOUSE AND CHILDREN OF DECEASED PENSIONED MEMBER. In the event of the death of any member receiving a retirement allowance under the provisions of subsections 2, 4, or 6 of this section there shall be paid a pension:

a. To the spouse to continue so long as said partner remains unmarried, equal to one-half the amount received by such deceased beneficiary, but in no instance less than seventy-five dollars per month, and in addition thereto ~~the sum of twenty dollars per month~~ a monthly pension equal to the monthly pension payable under subsection nine (9) of this section for each child under eighteen years of age; or

b. In the event of the death of the spouse either prior or subsequent to the death of the member, to the guardian of each surviving child under eighteen years of age, ~~in the sum of twenty dollars per month~~ a monthly pension equal to the monthly pension payable under subsection nine (9) of this section for the support of such child.

Sec. 52. Section four hundred eleven point six (411.6), subsection fourteen (14), paragraph a, Code 1977, 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 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.

As of the first of July of each year, the monthly pension payable to each surviving child under the provisions of subsections eight (8), nine (9), and thirteen (13) of this section shall be adjusted to equal six percent of the monthly earnable compensation payable on that July first to an active member holding the highest grade in the rank of fire fighter, for a child of a deceased member of a fire department, or holding the highest grade in the rank of police patrol officer, for a child of a deceased member of a police department.

Sec. 53. Section four hundred eleven point six (411.6), subsection fourteen (14), Code 1977, is amended by striking paragraph b.

Sec. 54. Section four hundred eleven point six (411.6), Code 1977, is amended by striking subsection eleven (11).

Sec. 55. Section four hundred eleven point seven (411.7), Code 1977, is amended by striking subsection three (3).

Sec. 56. Section four hundred eleven point eight (411.8), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

All the assets of each retirement system created and established by this chapter shall be credited according to the purpose for which they are held to one of five three funds, namely, ~~the annuity-savings-fund, the annuity-reserve fund,~~ the pension accumulation fund, the pension reserve fund, and the expense fund.

Sec. 57. Section four hundred eleven point eight (411.8), Code 1977, is amended by striking subsections one (1) and two (2).

Sec. 58. Section four hundred eleven point eight (411.8), subsection three (3), Code 1977, is amended to read as follows:

3. PENSION ACCUMULATION FUND. The pension accumulation fund shall be the fund in which shall be accumulated all reserves moneys for the payment of all pensions and other benefits payable from contributions made by the said cities and the members and from which shall be paid the lump-sum death benefits for all members payable from the said contributions. Contributions to and payments from the pension accumulation fund shall be as follows:

a. On account of each member there shall be paid annually into the pension accumulation fund by the said cities an amount equal to a certain percentage of the earnable compensation of the member to be known as the "normal contribution". The rate percent of such contribution shall be fixed on the basis of the liabilities of the retirement system as shown by annual actuarial valuations. ~~Until the first-valuation-the-normal-contribution-shall-be-7-9-percent.~~

b. On the basis of 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, all reduced by the employee contribution made

pursuant to paragraph f of this subsection. The normal rate of contribution shall be determined by the actuary after each valuation.

c. The total amount payable in each year to the pension accumulation fund shall be not less than the rate percent known as the normal contribution rate of the total compensation earnable by all members during the year, provided, however, that the aggregate payment by the said cities shall be sufficient when combined with the amount in the fund to provide the pensions and other benefits payable out of the fund during the then current year.

d. All lump-sum death benefits on account of death in active service payable from contributions of the said cities shall be paid from the pension accumulation fund.

e. Upon the retirement or death of a member an amount equal to the pension reserve on any pension payable to him or her or on account of his or her death shall be transferred from the pension accumulation fund to the pension reserve fund.

f. An amount equal to one two and twenty-one hundredths percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund. ~~The provisions of this section, subsection 47, paragraphs "b" and "e", relating to the contributions of members shall be applicable to this paragraph.~~

g. Each board of trustees shall certify to the superintendent of public safety as defined in this chapter and the superintendent of public safety as defined in this chapter shall cause to be deducted from the earnable compensation of each member the contribution required under paragraph f of this subsection and shall forward the contributions to the board of trustees for recording and for deposit in the pension accumulation fund.

The deductions provided for under this subsection shall be made notwithstanding that the minimum compensation provided by law for any member is reduced. Every member is deemed to consent to the deductions made under this section.

Sec. 59. Section four hundred eleven point eleven (411.11), Code 1977, is amended by striking subsection two (2).

Sec. 60. Section four hundred eleven point twelve (411.12), Code 1977, is amended to read as follows:

411.12 GUARANTY. ~~Regular-interest-charges-payable, the~~ The creation and maintenance of ~~reserves moneys~~ reserves in the pension accumulation fund and the maintenance of ~~annuity-reserves~~ and pension reserves as provided for the payment of all ~~pensions, annuities, retirement allowances, refunds,~~ and other benefits granted under the provisions of this chapter and all expenses in connection with the administration and operation of the retirement systems are hereby made direct liability obligations of the said cities. ~~All income, interest, and dividends derived from deposits and investments authorized by this chapter shall be used for the payment of the said obligations of the said cities. Any amounts derived therefrom, which, when combined with regular appropriations made under the provisions of this chapter, exceed the amount required to provide for the discharge of such obligations, shall be used to reduce the regular appropriations otherwise required.~~

Sec. 61. Section four hundred eleven point twenty (411.20), Code 1977, is amended by striking the section and inserting in lieu thereof the following:

411.20 APPROPRIATION TO MUNICIPAL ASSISTANCE FUND. 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 fire and police retirement systems under the provisions of this chapter. Funds shall be used to finance the costs of benefits provided in this chapter by amendments of the Acts of the Sixty-sixth General Assembly, chapter one thousand eighty-nine (1089).

Commencing with the fiscal year beginning July 1, 1979, the amounts distributed to each eligible city to pay the state's portion of the costs of benefit improvements provided by the Sixty-sixth General Assembly, chapter one thousand

eighty-nine (1089) shall be computed by the actuary employed by the respective board of trustees on the basis of the results of actuarial studies performed by such actuary for the fiscal years beginning July 1, 1978 and July 1, 1979 as provided in this section.

Prior to December 31, 1979 the actuary employed by the respective board of trustees shall perform the actuarial valuations of the system which are needed to determine the state's portion of the cost of the benefit improvements provided by the Acts of the Sixty-sixth General Assembly, chapter one thousand eighty-nine (1089), for the fiscal year commencing July 1, 1979, under this section as this section was effective on June 30, 1978. In addition, the actuary shall perform the actuarial valuations of the system which would have been needed to determine the state's portion of the cost of the benefit improvements under this section as this section was effective on June 30, 1978, for the fiscal year commencing July 1, 1978.

On the basis of the results of the actuarial valuations described above, each actuary employed by a board of trustees shall determine a ratio of the payroll which is determined by dividing the total of the state's portion of the cost of said benefit improvements as determined by the actuarial valuations described for the two fiscal years by the total payroll of the members of the system for the two fiscal years. The actuary shall certify the ratio so determined to the state comptroller.

For the fiscal year commencing July 1, 1979 and each fiscal year thereafter, the state comptroller shall pay to each city an amount equal to the ratio of payroll computed for a city times the payroll of the active members employed under that system by that city for the fiscal year.

Sec. 62. Sections ninety-seven A point ten (97A.10) and four hundred eleven point ten (411.10), Code 1977, are repealed.

Sec. 63. Chapter four hundred eleven (411), Code 1977, as amended by Acts of the Sixty-seventh General Assembly,

1977 Session, chapters forty-eight (48) and one hundred eighteen (118), is amended by adding the following new section:

NEW SECTION.

1. Members who became vested and terminated service prior to July 1, 1979, and members receiving an annuity from accumulated contributions made prior to July 1, 1979, shall continue to receive the benefits the member was entitled to under the provisions of chapter four hundred eleven (411), as chapter four hundred eleven (411) was effective on the date of the member's retirement or vested termination.
2. For the purposes of this section:
  - a. "Accumulated contributions" means the sum of all amounts deducted from the compensation of a member and credited to the member's individual account in the annuity savings fund together with regular interest thereon as provided in this subsection. Accumulated contributions do not include any amount deducted from the compensation of a member and credited to the pension accumulation fund.
  - b. "Annuity" means annual payments for life derived from the accumulated contributions of a member. All annuities shall be payable in monthly installments.
  - c. "Annuity reserve" shall mean the present value of all payments to be made on account of an annuity, or benefit in lieu of an annuity, granted under the provisions of this chapter, upon the basis of such mortality tables as shall be adopted by the respective boards of trustees, and regular interest.
  - d. "Annuity savings fund" means the account maintained by the respective board of trustees in which the accumulated contributions of the members were deposited prior to July 1, 1979, to provide for their annuities.
  - e. "Annuity reserve fund" means the account maintained by the respective boards of trustees from which shall be paid all annuities and all benefits in lieu of annuities payable as provided in this chapter as this chapter was effective on June 30, 1979.
  - f. "Regular interest" means 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.

3. Beginning July 1, 1979, the respective boards of trustees shall maintain and invest funds in the annuity reserve fund and the annuity savings fund contributed by members prior to July 1, 1979. Members receiving an annuity as a portion of their retirement or disability benefits on June 30, 1979, shall continue to receive such annuity from the annuity reserve fund maintained by the respective board of trustees. Members receiving an annuity, if reemployed under service covered by this chapter, shall cease to receive retirement benefits.

4. The accumulated contributions of a member withdrawn by the member or paid to the member's estate or designated beneficiary in the event of the member's death shall be paid from the annuity savings fund account. Upon the retirement of a member, the member's accumulated contributions shall be transferred from the annuity savings fund to the annuity reserve fund.

5. A member of the retirement system prior to July 1, 1979 with fifteen or more years of service whose employment was terminated prior to retirement, other than by death or disability, shall be entitled to receipt of his or her accumulated contributions upon retirement together with other retirement benefits provided in the law on the date of the member's retirement. However, the member shall not be eligible for a service retirement allowance under section four hundred eleven point six (411.6) of the Code if he or she has chosen to withdraw his or her accumulated contributions from the annuity savings fund.

6. Any member in service prior to July 1, 1979 may at the time of his or her retirement withdraw his or her accumulated contributions made before July 1, 1979 or receive an annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement.

7. Notwithstanding the provisions of subsections one (1),

three (3), four (4), five (5), and six (6) of this section, beginning January 1, 1981, an active or vested member may request in writing and receive from the board of trustees, his or her accumulated contributions from the annuity savings fund according to the following schedule:

a. During the period beginning January 1, 1981 and ending December 31, 1982, any member who has completed twenty or more years of service.

b. During the period beginning January 1, 1983 and ending December 31, 1984, any member who has completed fifteen or more years of service.

c. During the period beginning January 1, 1985 and ending December 31, 1986, any member who has completed ten or more years of service.

d. During the period beginning January 1, 1987 and ending December 31, 1988, any member who has completed five or more years of service.

8. The actuary shall annually determine the amount required in the annuity reserve fund. If the amount required is less than the amount in the annuity reserve fund, the respective board of trustees shall transfer the excess funds from the annuity reserve fund to the pension accumulation fund. If the amount required is more than the amount in the annuity reserve fund, the respective board of trustees shall transfer the amount prescribed by the actuary to the annuity reserve fund from the pension accumulation fund.

Sec. 64. Section ninety-seven C point two (97C.2), subsection three (3), Code 1977, is amended to read as follows:

3. The term "employee" includes elective and appointive officials of the state or any political subdivision thereof, except ~~members of the general assembly~~, elective officials in positions, the compensation for which is on a fee basis, elective officials of school districts, elective officials of townships, and elective officials of other political subdivisions who are in part-time positions; provided that no member of a county board of supervisors shall be deemed to be an elective official in a part-time position, but every

member of a county board of supervisors shall be deemed to be an employee within the purview of this chapter and shall be eligible to receive all of the benefits provided by this chapter to which he may be entitled as an employee.

Sec. 65. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1978 and ending June 30, 1979 to the courts for a state contribution to the judicial retirement system provided for in chapter six hundred five A (605A) of the Code, the amount of one hundred ninety-five thousand seven hundred (195,700) dollars. The amount appropriated shall be in addition to the amount appropriated in section one (1), subsection one (1), of Senate File two thousand two hundred forty-six (2246), enacted by the Sixty-seventh General Assembly, 1978 Session.

Sec. 66. The legislative council is directed to approve the establishment of a joint subcommittee of the senate and house committees on state government to study during the legislative interim the funding, benefits, and administration of the various public retirement systems in this state. The study shall include but not be limited to a method of funding the judicial retirement system to provide actuarial soundness, a method for paying the accumulated contributions to the members of the peace officers' retirement system and the local police and fire retirement systems as early as is financially feasible, and a method of compensating public employees who are employed in hazardous duty occupations. In addition, the study shall include:

1. Determination of a method to place all public employees under a single retirement system over a period of twenty years.
2. Determination of a system of hazardous pay remuneration for various occupations in which employees are exposed to unusual danger.
3. Determination of the reasonable number of vested years of service for which employees will continue to retire under their present retirement benefit schedule; and determination of the minimum and maximum years of vested service for

personnel within a system wherein the vested employee may choose to receive the IPERS-hazardous pay system or remain under the employee's present system and the conditions of transfer of funds of the employee's present retirement system.

Sec. 67. Section sixty-four (64) of this Act is effective January 8, 1979.

Sec. 68. The sections of this Act amending sections of chapters ninety-seven A (97A) and four hundred eleven (411) of the Code are effective July 1, 1979.

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DALE M. COCHRAN  
Speaker of the House

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ARTHUR A. NEU  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2426, Sixty-seventh General Assembly.

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DAVID L. WRAY  
Chief Clerk of the House

Approved  June 27, 1978

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ROBERT D. RAY  
Governor