

Appropriations  
Schwegels Chair  
Hultman  
State

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SENATE FILE 2178

BY COMMITTEE ON STATE  
GOVERNMENT

(FORMERLY SSB 2132)  
*approved 2/16/82 (p. 403)*

Passed Senate, Date 3-19-82 (p. 34) Passed House, Date 4-1-82 (p. 1186)  
Vote: Ayes 45 Nays 0 Vote: Ayes 98 Nays 0  
Approved May 22, 1982

### A BILL FOR

1 An Act relating to the administration and benefits of public  
2 retirement systems.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 97A.1, subsections 9 and 10, Code 1981,  
2 are amended to read as follows:

3 9. "Child" ~~or "children" shall mean~~ means only the  
4 surviving issue of a deceased active or retired member, or  
5 the child ~~or children~~ legally adopted by a deceased member  
6 prior to ~~his~~ the member's retirement. "Child" includes only  
7 an individual who is under the age of eighteen years, an  
8 individual who is under the age of twenty-two and is a full-  
9 time student, or an individual who is disabled under the  
10 definitions used in section 402 of the Social Security Act  
11 as amended.

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

22 Sec. 2. Section 97A.6, subsection 1, paragraph b, Code  
23 1981, is amended to read as follows:

24 b. Any member in service who has been a member of the  
25 retirement system fifteen or more years and whose employment  
26 is terminated prior to the member's retirement, other than  
27 by death or disability, shall upon attaining retirement age,  
28 receive a service retirement allowance of fifteen twenty-  
29 seconds of the retirement allowance the member would receive  
30 at retirement if the member's employment had not been  
31 terminated, and an additional one twenty-second of such  
32 retirement allowance for each additional year of service not  
33 exceeding twenty-two years of service. The amount of the  
34 retirement allowance shall be ~~based on~~ calculated in the  
35 manner provided in this paragraph using the average final

1 compensation at the time of termination of employment.

2 Sec. 3. Section 97A.6, subsection 7, paragraph a, Code  
3 1981, is amended by striking the paragraph and inserting in  
4 lieu thereof the following:

5 a. A beneficiary restored to active service at a salary  
6 less than the average final compensation upon the basis of  
7 which the member was retired at age fifty-five or greater,  
8 shall not again become a member of the retirement system and  
9 shall have the member's retirement allowance suspended while  
10 the member is in active service.

11 Sec. 4. Section 97A.6, subsection 7, paragraph b, Code  
12 1981, is amended to read as follows:

13 b. Should a disability beneficiary under age fifty-five  
14 be restored to active service at a compensation not less than  
15 his the disability beneficiary's average final compensation,  
16 his the disability beneficiary's retirement allowance shall  
17 cease, he the disability beneficiary shall again become a  
18 member and he shall contribute thereafter at the same rate  
19 he paid prior to disability, and any former service on the  
20 basis of which his the disability beneficiary's service was  
21 computed at the time of his retirement shall be restored to  
22 full force and effect and upon his subsequent retirement he  
23 the disability beneficiary shall be credited with all his  
24 service as a member, and also with the period of disability  
25 retirement, ~~provided that during such period of disability~~  
26 ~~he has not engaged in a gainful occupation from which his~~  
27 ~~net earnings exceeded the difference between his disability~~  
28 ~~retirement allowance and the amount he would have received~~  
29 ~~for said period if his compensation at the time of disability~~  
30 ~~had continued.~~

31 Sec. 5. Section 97A.6, subsection 8, paragraphs b, d,  
32 e, and f, Code 1981, are amended to read as follows:

33 b. If there ~~be~~ is no such nomination of beneficiary, the  
34 benefits provided in paragraph "a" of this subsection 8 shall  
35 be paid to the member's estate; or in lieu thereof, at the

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

19 d. If there ~~be~~ is no surviving spouse, or if the spouse  
20 dies or remarries ~~before any child of such deceased member~~  
21 ~~shall have attained the age of eighteen years~~ and there is  
22 a child of a member, then to the guardian of the member's  
23 child or children ~~under said age~~, divided ~~in such manner~~ as  
24 the board of trustees ~~in its discretion shall determine~~  
25 determines, to continue as a joint and survivor pension until  
26 every ~~such~~ child of the member dies or attains the age of  
27 eighteen or twenty-two if applicable; or

28 e. If there ~~be~~ is no surviving spouse or child ~~under age~~  
29 ~~eighteen~~, then to the member's dependent father or mother,  
30 as the board of trustees in its discretion ~~shall determine~~  
31 determines, to continue until remarriage or death.

32 f. In addition to the benefits ~~herein~~ enumerated in this  
33 subsection, there shall also be paid for each child of a  
34 member ~~under the age of eighteen years~~ a monthly pension equal  
35 to six percent of the monthly earnable compensation payable

1 to an active member having the rank of senior patrolman of  
2 the Iowa highway safety patrol.

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

6 Sec. 6. Section 97A.6, subsection 9, paragraphs b and  
7 c, Code 1981, are amended to read as follows:

8 b. ~~if there be~~ is no surviving spouse, ~~children-under~~  
9 ~~the-age-of-eighteen-years~~ child, or dependent parent surviving  
10 ~~such a~~ a deceased member, the death shall be treated as an  
11 ordinary death case and the benefit payable ~~in accordance~~  
12 ~~with the provisions of~~ under subsection 2, paragraph "a" of  
13 this section, in lieu of the pension provided in paragraph  
14 "a" of this subsection 9, shall be paid to the member's estate.

15 c. In addition to the benefits for the surviving spouse  
16 ~~herein~~ enumerated in this subsection, there shall also be  
17 paid for each ~~dependent~~ child of a member ~~under-the-age-of~~  
18 ~~eighteen-years~~ a monthly pension equal to six percent of the  
19 monthly earnable compensation payable to an active member  
20 having the rank of senior patrolman of the Iowa highway safety  
21 patrol.

22 Sec. 7. Section 97A.6, subsection 12, paragraph b, Code  
23 1981, is amended to read as follows:

24 b. ~~in-the-event-of-the-death-of~~ If the spouse dies either  
25 prior or subsequent to the death of the member, to the guardian  
26 of each surviving child ~~under-eighteen-years-of-age~~, a monthly  
27 pension equal to the monthly pension payable under subsection  
28 9, paragraph "c," of this section for the support of such  
29 the child.

30 Sec. 8. Section 97B.7, subsection 2, paragraph b,  
31 subparagraphs (3), (4), and (5), Code 1981, are amended by  
32 striking the subparagraphs, inserting in lieu thereof the  
33 following subparagraph, and renumbering the remaining sub-  
34 paragraphs:

35 (3) That the common stock or shares issued by solvent

1 corporations or institutions are eligible for investment if  
2 the stock or shares are listed or admitted to trading on a  
3 securities exchange located in the United States or are  
4 publicly held and have been traded in the "over-the-counter"  
5 market and market quotations are readily available.

6 Sec. 9. Section 97B.8, Code 1981, is amended to read as  
7 follows:

8 97B.8 ADVISORY INVESTMENT BOARD. A board ~~shall-be~~ is  
9 established to be known as the "Advisory Investment Board  
10 of the Iowa Public Employees' Retirement System", hereinafter  
11 called the "board", whose duties ~~shall-be~~ are to advise and  
12 confer with the department in matters relating to the  
13 investment of the trust funds of the Iowa public employees'  
14 retirement system. The powers of the board ~~shall-be-purely~~  
15 are advisory and the department ~~shall~~ is not be bound in the  
16 making of any an investment by the recommendations of the  
17 board.

18 PARAGRAPH DIVIDED. The board shall consist of seven  
19 members. Five of the members shall be appointed by the  
20 governor, one of whom shall be an executive of a domestic  
21 life insurance company, one an executive of a state or national  
22 bank operating within the state of Iowa, one an executive  
23 of a major industrial corporation located within the state  
24 of Iowa, and two shall be active members of the system, one  
25 of whom shall be an employee of a school district, ~~county~~  
26 ~~school-system,--joint-county-system~~ area education agency,  
27 or merged area and one of whom shall not be an employee of  
28 a school district, ~~county-school-system,--joint-county-system~~  
29 area education agency, or merged area. The president of the  
30 senate shall appoint one member from the membership of the  
31 senate and the speaker of the house of representatives shall  
32 appoint one member from the membership of the house. The  
33 two members appointed by the president of the senate and the  
34 speaker of the house of representatives and the two active  
35 members of the system appointed by the governor ~~shall-be~~ are

1 ex officio members of the board.

2 PARAGRAPH DIVIDED. The members who are executives of a  
 3 domestic life insurance company, a state or national bank  
 4 and a major industrial corporation shall be paid their actual  
 5 expenses incurred in performance of their duties and shall  
 6 receive in addition the sum of forty dollars for each day  
 7 of service not exceeding forty days per year. Legislative  
 8 members shall receive the sum of forty dollars for each day  
 9 of service and their actual expenses incurred in the  
 10 performance of their duties. The per diem and expenses of  
 11 the legislative members shall be paid from funds appropriated  
 12 under section 2.12. The members who are active members of  
 13 the system shall be paid their actual expenses incurred in  
 14 the performance of their duties as members of the board and  
 15 performance of their duties as members of the board shall  
 16 not affect their salaries, vacation or leaves of absence for  
 17 sickness or injury. The appointive terms of the members  
 18 appointed by the governor ~~shall-be~~ are for a period of six  
 19 years beginning and ending as provided in section 69.19.  
 20 ~~in-the-event-of~~ If there is a vacancy, through resignation  
 21 or ~~any-other~~ another cause, in the membership of the board,  
 22 the governor ~~shall-have~~ has the power of appointment.  
 23 Appointees to this board ~~shall-be~~ are subject to confirmation  
 24 by the senate.

25 Sec. 10. Section 97B.11, Code 1981, is amended to read  
 26 as follows:

27 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE. Each  
 28 employer shall deduct from the wages of each member of the  
 29 system a contribution in the amount of three and ~~six-tenths~~  
 30 seven-tenths percent of the covered wages paid by the employer  
 31 through June 30, ~~1979~~ 1983, and commencing July 1, ~~1979~~ 1983  
 32 in the amount of three and ~~seven-tenths~~ eight-tenths percent  
 33 of the covered wages paid by the employer, until the first  
 34 of the month in which the member attains the age of seventy  
 35 years or the member's termination or retirement from

1 employment, whichever is earlier. The contributions of the  
2 employer shall be in the amount of ~~three-and-one-half-percent~~  
3 ~~of-the-covered-wages-of-the-member-for-service-through-December~~  
4 ~~31,-1975,-and-in-the-amount-of~~ five and ~~twenty-five~~ seventy-  
5 five hundredths percent of the covered wages of the member  
6 for service ~~commencing-July-1,-1977~~ through June 30, 1979  
7 1983, and in the amount of ~~five-and-seventy-five~~ six and  
8 twenty-five hundredths percent of the covered wages of the  
9 member for service commencing July 1, 1979 1983.

10 Sec. 11. Section 97B.41, subsection 1, paragraph a, un-  
11 numbered paragraph 1, Code 1981, is amended to read as follows:

12 "Wages" means all remuneration for employment, including  
13 the cash value of remuneration paid in any a medium other  
14 than cash, but not including the cash value of remuneration  
15 paid in any a medium other than cash necessitated by the  
16 convenience of the employer, ~~such.~~ The amount as agreed upon  
17 by the employer and employee and for remuneration paid in  
18 a medium other than cash shall be reported to the department  
19 by the employer shall be and is conclusive of the value of  
20 the remuneration in-a-medium-other-than-cash,-except-that.  
21 However, remuneration which does not equal or exceed the sum  
22 of three hundred dollars in any a calendar quarter shall be  
23 excluded. "Wages" does not include special lump sum payments  
24 made as payment for sick leave or accrued vacation or payments  
25 made as an incentive for early retirement. Wages for an  
26 elected official means the salary received by an elected  
27 official, exclusive of expense and travel allowances.

28 Sec. 12. Section 97B.41, subsection 1, paragraph b, sub-  
29 paragraph (4), Code 1981, is amended to read as follows:

30 (4) For each calendar year from January 1, 1976, and  
31 ~~thereafter~~ through December 31, 1982, wages not in excess  
32 of twenty thousand dollars.

33 Sec. 13. Section 97B.41, subsection 1, paragraph b, sub-  
34 paragraph (6), Code 1981, is amended to read as follows:

35 (6) If a member is employed by more than one employer

1 during a calendar year, the total amount of wages paid to  
2 ~~him~~ the member by ~~his~~ the several employers shall be included  
3 in determining the limitation on covered wages as provided  
4 by in this paragraph "b", subparagraph (3) of this section.  
5 If the amount of wages paid to a member by ~~his~~ the member's  
6 several employers during a calendar year exceeds the covered  
7 wage limit, the amount of such excess shall not be subject  
8 to the contributions required by section 97B.11.

9 Sec. 14. Section 97B.41, subsection 1, paragraph b, Code  
10 1981, is amended by adding the following new subparagraph  
11 after subparagraph (4) and renumbering the remaining  
12 subparagraphs:

13 NEW SUBPARAGRAPH. For each calendar year from January  
14 1, 1983 and thereafter, wages not in excess of twenty-two  
15 thousand dollars per year.

16 Sec. 15. Section 97B.41, subsection 20, Code 1981, is  
17 amended to read as follows:

18 20. "Five-year average covered wage" means a member's  
19 covered wages averaged for the highest five ~~consecutive~~ years  
20 of the member's service. If the member has less than five  
21 ~~consecutive~~ years then the average ~~over~~ using the actual  
22 number of years as a member shall be used. For ~~the purposes~~  
23 ~~of this chapter,~~ the ~~word~~ "~~consecutive~~" ~~means~~ words "highest  
24 five years" shall be calculated in sequence with respect to  
25 the years of service rendered as a member and not necessarily  
26 in sequence with respect to actual periods of time measured  
27 by the calendar.

28 If the five-year average covered wage of a member exceeds  
29 the highest maximum covered wages in effect for a calendar  
30 year during the member's period of service, the five-year  
31 average covered wage of the member shall be reduced to the  
32 highest maximum covered wages in effect during the member's  
33 period of service.

34 Sec. 16. Section 97B.48, subsection 3, Code 1981, is  
35 amended to read as follows:

1 3. If ~~at-any-time~~ after the first day of the month in  
2 which the member attains the age of fifty-five years and until  
3 the member's sixty-fifth birthday, a member who is retired  
4 under this chapter is in regular full-time employment, the  
5 member's retirement allowance shall be suspended for as long  
6 as the member remains in employment. However, employment  
7 shall not be regarded as full-time employment until the member  
8 receives remuneration in an amount in excess of two thousand  
9 one hundred dollars for any a calendar year. Effective the  
10 first of the month in which a member attains the age of sixty-  
11 five years, a retired member ~~shall-be-entitled-to~~ may receive  
12 a retirement allowance after return to covered employment  
13 regardless of the amount of remuneration received. As of  
14 the first of the month in which the member attains the age  
15 of seventy years, the member ~~shall-be-entitled-to~~ may receive  
16 a retirement allowance determined under section 97B.49,  
17 regardless of the amount of remuneration received. Upon any  
18 a retirement after re-employment, a retired member ~~shall-be~~  
19 ~~entitled-to~~ may have ~~his-or-her~~ the retired member's retirement  
20 allowance redetermined under this section or section 97B.49  
21 or 97B.50, whichever is applicable, based upon the employee's  
22 ~~and-employer's-additional-contributions,-and-any~~ addition  
23 of credit for the years of membership service of the employee  
24 after re-employment.

25 Sec. 17. Section 97B.48, Code 1981, is amended by adding  
26 the following new subsection:

27 NEW SUBSECTION. A member is not entitled to receive a  
28 retirement allowance under this system before reaching age  
29 seventy if the member is making contributions to another  
30 retirement system in this state which is maintained in whole  
31 or in part by public contributions.

32 Sec. 18. Section 97B.49, subsection 5, unnumbered para-  
33 graph 1, Code 1981, is amended to read as follows:

34 For each active member retiring ~~on-or-after~~ between January  
35 1, 1976 and June 30, 1982, with four or more complete years

1 of service, a monthly benefit shall be computed which is equal  
2 to one-twelfth of an amount equal to forty-seven percent of  
3 the five-year average covered wage multiplied by a fraction  
4 of years of service. For each member retiring on or after  
5 July 1, 1982, with four or more complete years of service,  
6 the percent used in computing the monthly benefit is forty-  
7 nine. For the purposes of this subsection, "fraction of years  
8 of service" means a number, not to exceed one, equal to the  
9 sum of the years of membership service and the number of years  
10 of prior service divided by thirty years.

11 Sec. 19. Section 97B.49, subsection 7, Code 1981, is  
12 amended to read as follows:

13 7. Notwithstanding ~~the~~ other provisions of this chapter,  
14 a member who is or has been employed as a conservation peace  
15 officer under ~~the provisions of~~ section 107.13 and who retires  
16 ~~on or after~~ between July 1, 1978 and June 30, 1982 and at  
17 the time of retirement is at least sixty years of age and  
18 has completed at least twenty-five years of membership service  
19 as a conservation peace officer, may elect to receive, in  
20 lieu of the receipt of any benefits under subsection 5 of  
21 this section, a monthly retirement allowance equal to one-  
22 twelfth of forty-seven percent of the member's five-year  
23 average covered wage as a conservation peace officer multiplied  
24 by a fraction of years of service, with benefits payable  
25 during the member's lifetime. For each conservation peace  
26 officer eligible for benefits under this subsection who retires  
27 on or after July 1, 1982, the percent used in computing the  
28 monthly retirement allowance is forty-nine. There is  
29 appropriated from the general fund of the state to the Iowa  
30 department of job service from funds not otherwise appropriated  
31 an amount sufficient to pay eight and forty-three hundredths  
32 percent of the covered wages of each conservation peace  
33 officer, in addition to the contribution paid by the employer  
34 under section 97B.11, to finance increased benefits to  
35 conservation peace officers under this subsection.

1 Sec. 20. Section 97B.49, subsection 8, paragraph a, Code  
2 1981, is amended to read as follows:

3 a. Notwithstanding ~~the~~ other provisions of this chapter,  
4 a member ~~who is or has been~~ employed as a county sheriff,  
5 as defined in section 39.17, or as a deputy sheriff appointed  
6 pursuant to ~~chapter 341, and~~ section 341.1, Code 1981, or  
7 section 331.903, Code 1981 Supplement, who retires ~~on or after~~  
8 as a county sheriff or deputy sheriff between January 1, 1978  
9 and June 30, 1982 and at the time of retirement is at least  
10 sixty years of age and has completed at least twenty-five  
11 years of membership service as a ~~county sheriff or deputy~~  
12 sheriff peace officer as defined in section 801.4, subsection  
13 7, may elect to receive, in lieu of the benefits under  
14 subsection 5 of this section, a monthly retirement allowance  
15 equal to one-twelfth of forty-seven percent of the member's  
16 five-year average covered wage ~~as a sheriff or deputy sheriff~~  
17 multiplied by a fraction of years of service, with benefits  
18 payable during the member's lifetime. For each sheriff or  
19 deputy sheriff eligible for benefits under this paragraph  
20 who retires as a county sheriff or deputy sheriff on or after  
21 July 1, 1982, the percent used in computing the monthly  
22 retirement allowance is forty-nine.

23 Sec. 21. Section 97B.49, subsection 10, unnumbered para-  
24 graph 1, Code 1981, is amended to read as follows:

25 Notwithstanding sections of this chapter relating to  
26 eligibility for and determination of retirement benefits,  
27 a vested member who is or has been employed as a correctional  
28 officer by the department of social services and who retires  
29 on or after July 1, 1983 and at the time of retirement is  
30 at least sixty years of age and has completed at least thirty  
31 years of membership service as a correctional officer, may  
32 elect to receive, in lieu of the receipt of benefits under  
33 subsection 5 of this section, a monthly retirement allowance  
34 equal to one-twelfth of ~~forty-seven~~ forty-nine percent of  
35 the member's five-year average covered wages as a correctional

1 officer multiplied by a fraction of years of service, with  
2 benefits payable during the member's lifetime.

3 Sec. 22. Section 97B.75, Code 1981, is amended to read  
4 as follows:

5 97B.75 PRIOR SERVICE CREDIT BEFORE JANUARY 1, 1946. An  
6 active, vested, or retired member who was employed prior to  
7 January 1, 1946 by ~~the state or a political subdivision,~~  
8 ~~except for a member employed by a school district which had~~  
9 ~~established a pension and annuity retirement system under~~  
10 ~~sections 294-8, 294-9, and 294-10, and was not employed by~~  
11 ~~the state or a political subdivision between January 1, 1946~~  
12 ~~and July 4, 1953,~~ an employer may file written verification  
13 of the member's dates of employment with the department of  
14 job service and receive credit for years of prior service  
15 for the period of employment. However, a member who is  
16 eligible for or receiving a retirement allowance based upon  
17 employment with an employer prior to January 1, 1946 is not  
18 eligible for credit for that period of employment.

19 Sec. 23. Chapter 97B, Code 1981, is amended by adding  
20 the following new section:

21 NEW SECTION. VETERANS' CREDIT. An active member in ser-  
22 vice on July 1, 1982 who at any time on or after July 4, 1953  
23 served on active duty in the armed forces of the United States,  
24 upon submitting verification of the dates of the active duty  
25 service in the armed forces to the department, may make em-  
26 ployer and employee contributions to the system based upon  
27 the member's covered wages on July 1, 1982 at the rates in  
28 effect on July 1, 1982 and specified in section 97B.11 for  
29 the period of time of the active duty service, not to exceed  
30 four years, and receive credit for membership service for  
31 the period of time for which the contributions are made.  
32 Verification of active duty service and payment of  
33 contributions shall be made to the department not later than  
34 June 30, 1983. However, a member is not eligible to make  
35 contributions under this section if the member is receiving

1 or is eligible to receive retirement pay from the United  
2 States government for active duty in the armed forces.

3 Sec. 24. Chapter 97B, Code 1981, is amended by adding  
4 the following new section:

5 NEW SECTION. FORMER MEMBERS. A vested, or retired member  
6 who was a member of the teachers insurance and annuity  
7 association-college retirement equity fund at any time between  
8 July 1, 1967 and June 30, 1971 and who became a member of  
9 the system on July 1, 1971, upon submitting verification of  
10 service and wages earned during the period of service under  
11 the teachers insurance and annuity association-college  
12 retirement equity fund, may make employer and employee  
13 contributions to the system based upon the covered wages of  
14 the member and the covered wages and the contribution rates  
15 in effect for that period of service and receive credit for  
16 membership service under this system equivalent to the number  
17 of years of service in the teachers insurance and annuity  
18 association-college retirement equity fund. In addition,  
19 a member making employer and employee contributions because  
20 of membership in the teachers insurance and annuity  
21 association-college retirement equity fund under this section  
22 who was a member of the system on June 30, 1967 and withdrew  
23 the member's accumulated contributions because of membership  
24 on July 1, 1967 in the teachers insurance and annuity  
25 association-college retirement equity fund, may make employer  
26 and employee contributions to the system for the period of  
27 service under the system prior to July 1, 1967.

28 The contributions paid by the vested or retired member  
29 shall be equal to the accumulated contributions as defined  
30 in section 97B.41, subsection 13, by the member for that  
31 period of service and the employer contribution for that  
32 period of service that would have been or had been contributed  
33 by the vested or retired member and the employer plus interest  
34 on the contributions that would have accrued for the period  
35 from the date the previous service commenced under this system

1 or from the date the service of the member in the teachers  
2 insurance and annuity association-college retirement equity  
3 fund commenced to the date of payment of the contributions  
4 by the member equal to two percent plus the interest dividend  
5 rate applicable for each year.

6 Verification of service and wages earned and payment of  
7 contributions shall be made to the department not later than  
8 June 30, 1983.

9 Sec. 25. Section 411.1, subsection 11, Code 1981, is  
10 amended to read as follows:

11 11. "Child" ~~or-"children"-shall-mean~~ means only surviving  
12 issue of a deceased active or retired member, or the child  
13 ~~or-children~~ legally adopted by a deceased member prior to  
14 ~~his~~ the member's retirement. "Child" includes only an  
15 individual who is under the age of eighteen years, an  
16 individual who is under the age of twenty-two years and is  
17 a full-time student, or an individual who is disabled under  
18 the definitions used in section 402 of the Social Security  
19 Act as amended.

20 Sec. 26. Section 411.6, subsection 1, paragraph b, Code  
21 1981, is amended to read as follows:

22 b. Any member in service who has been a member of the  
23 retirement system fifteen or more years and whose employment  
24 is terminated prior to the member's retirement, other than  
25 by death or disability, shall upon attaining retirement age,  
26 receive a service retirement allowance of fifteen twenty-  
27 seconds of the retirement allowance the member would receive  
28 at retirement if ~~his-or-her~~ the member's employment had not  
29 been terminated, and an additional one twenty-second of such  
30 retirement allowance for each additional year of service not  
31 exceeding twenty-two years of service. The amount of the  
32 retirement allowance shall be ~~based-on~~ calculated in the  
33 manner provided in this paragraph using the average final  
34 compensation at the time of termination of employment.

35 Sec. 27. Section 411.6, subsection 7, paragraph a, Code

1 1981, is amended by striking the paragraph and inserting in  
2 lieu thereof the following:

3 a. A beneficiary restored to active service at a salary  
4 less than the average final compensation upon the basis of  
5 which the member was retired at age fifty-five or greater,  
6 shall not again become a member of the retirement system and  
7 shall have the member's retirement allowance suspended while  
8 the member is in active service.

9 Sec. 28. Section 411.6, subsection 7, paragraph b, Code  
10 1981, is amended to read as follows:

11 b. Should a disability beneficiary under age fifty-five  
12 be restored to active service at a compensation not less than  
13 his the disability beneficiary's average final compensation,  
14 his the disability beneficiary's retirement allowance shall  
15 cease, he the disability beneficiary shall again become a  
16 member and he shall contribute thereafter at the same rate  
17 he paid prior to disability, and any former service on the  
18 basis of which his the disability beneficiary's service was  
19 computed at the time of his retirement shall be restored to  
20 full force and effect and upon his subsequent retirement he  
21 the disability beneficiary shall be credited with all his  
22 service as a member and also with the period of disability  
23 retirement, ~~provided that during such period of disability~~  
24 ~~he has not engaged in a gainful occupation from which his~~  
25 ~~net earnings exceeded the difference between his disability~~  
26 ~~retirement allowance and the amount he would have received~~  
27 ~~for said period if his compensation at the time of disability~~  
28 ~~had continued.~~

29 Sec. 29. Section 411.6, subsection 8, paragraphs b, d,  
30 and e, Code 1981, are amended to read as follows:

31 b. If there be is no such nomination of beneficiary, the  
32 benefits provided in paragraph "a" shall be paid to the  
33 member's estate; or in lieu thereof, at the option of the  
34 following beneficiaries, respectively, even though nominated  
35 as such beneficiaries, for a member in service, ~~there shall~~

1 ~~be paid~~ at the time of death a pension which shall be paid  
2 equal to one-fourth of the average final compensation of such  
3 the member, but in no instance less than seventy-five dollars.  
4 ~~in addition to the benefits herein enumerated, there~~ There  
5 shall also be paid for each child of a member ~~under the age~~  
6 ~~of eighteen years~~ a monthly pension equal to six percent of  
7 the monthly earnable compensation paid to an active member  
8 holding the highest grade in the rank of fire fighter, for  
9 a child of a deceased member of a fire department, or the  
10 highest grade in the rank of police patrol officer, for a  
11 child of a deceased member of a police department, or for  
12 a member not in service the pension shall be reduced as  
13 provided in subsection 1, paragraph "c," of this section and  
14 shall be paid commencing when the member would have attained  
15 the age of fifty-five except that if there is a child of the  
16 member ~~under the age of eighteen, or under the age of twenty-~~  
17 ~~two who is a full-time student, or who is disabled, under~~  
18 ~~the definitions used in section 402 of the Social Security~~  
19 ~~Act as amended to July 17, 1978 42 U.S.C. 402,~~ the pension  
20 shall be paid commencing with the member's death until the  
21 children reach the age of eighteen, or twenty-two if  
22 applicable. The pension shall resume commencing when the  
23 member would have attained the age of fifty-five;

24 d. If there ~~be~~ is no spouse, or if the spouse dies or  
25 remarries ~~before any child of such deceased member shall have~~  
26 ~~attained the age of eighteen years~~ and there is a child of  
27 a member, then to the guardian of ~~his or her~~ the member's  
28 child or children ~~under said age, divided in such manner as~~  
29 the board of trustees ~~in its discretion shall determine~~  
30 determines, to continue as a joint and survivor pension until  
31 every ~~such~~ child of the member dies or attains the age of  
32 eighteen or twenty-two if applicable; or

33 e. If there ~~be~~ is no surviving spouse or child ~~under age~~  
34 eighteen, then to his or her dependent father or mother or  
35 both, as the board of trustees in its discretion ~~shall~~

1 ~~determine~~ determines, to continue until remarriage or death.

2 Sec. 30. Section 411.6, subsection 9, paragraphs a and  
3 b, Code 1981, are amended to read as follows:

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

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

23 Sec. 31. Section 411.6, subsection 11, paragraph b, Code  
24 1981, is amended to read as follows:

25 b. ~~in-the-event-of-the-death-of~~ if the spouse dies either  
26 prior or subsequent to the death of the member, to the guardian  
27 of each surviving child ~~under-eighteen-years-of-age~~, a monthly  
28 pension equal to the monthly pension payable under subsection  
29 9 of this section for the support of ~~such~~ the child.

30 Sec. 32. Section 411.21, subsection 7, unnumbered para-  
31 graph 1, Code 1981, is amended to read as follows:

32 Notwithstanding subsections 1, 3, 4, 5 and 6 of this sec-  
33 tion, beginning January 1, 1981, an active or vested member  
34 may request in writing and receive from the board of trustees,  
35 ~~his-or-her~~ the member's accumulated contributions from the

1 annuity savings fund and remain eligible to receive benefits  
2 under section 411.6. However, a member with fifteen or more  
3 years of service prior to July 1, 1979, is not eligible for  
4 a service retirement allowance under section 411.6 if ~~he or~~  
5 she the member withdrew ~~his or her~~ the member's accumulated  
6 contributions from the annuity savings fund after July 1,  
7 1972 but prior to July 1, 1979, except as provided in section  
8 411.4. Accumulated contributions shall be paid according  
9 to the following schedule:

10 Sec. 33. Section 411.6, subsection 12, paragraph a,  
11 unnumbered paragraph 1, Code 1981, is amended to read as  
12 follows:

13 ~~Effective July 1, 1980, and on~~ On each July 1 ~~thereafter~~  
14 and January 1, the monthly pensions authorized in this section  
15 payable to retired members and to beneficiaries, except  
16 children of a deceased member, shall be adjusted as provided  
17 in this paragraph. An amount equal to the following  
18 percentages of the difference between the monthly earnable  
19 compensation payable to an active member of the department,  
20 of the same rank and position on the salary scale as was held  
21 by the retired or deceased member at the time of the member's  
22 retirement or death, for July or January of the preceding  
23 year and the monthly earnable compensation payable to an  
24 active member of the department of the same rank and position  
25 on the salary scale for July or January of the year just  
26 beginning shall be added to the monthly pension of each retired  
27 member and each beneficiary as follows:

28 Sec. 34. Section 411.6, subsection 12, paragraph a,  
29 unnumbered paragraph 4, Code 1981, is amended to read as  
30 follows:

31 As of ~~the first of~~ July 1 and January 1 of each year, the  
32 monthly pension payable to each surviving child under the  
33 provisions of subsections 8, 9, and 11 of this section shall  
34 be adjusted to equal six percent of the monthly earnable  
35 compensation payable on that July 1 or January 1 to an active

1 member holding the highest grade in the rank of fire fighter,  
2 for a child of a deceased member of a fire department, or  
3 holding the highest grade in the rank of police patrol officer,  
4 for a child of a deceased member of a police department.

5 Sec. 35. Section 411.6, subsection 12, paragraphs b and  
6 d, Code 1981, are amended to read as follows:

7 b. All monthly pensions adjusted as provided in this  
8 subsection shall be payable beginning on July 1 and January  
9 1 of the year in which the adjustment is made and shall  
10 continue in effect until the next following July 1 or January  
11 1 at which time the monthly pensions shall again be adjusted  
12 in accordance with paragraph "a" of this subsection.

13 d. A retired member eligible for benefits under ~~the~~  
14 ~~provisions of~~ subsection 1 of this section is not eligible  
15 for the ~~annual~~ readjustment of pensions provided in this  
16 subsection unless the member served twenty-two years and  
17 attained the age of fifty-five years prior to ~~his~~ the member's  
18 termination of employment.

19 Sec. 36. Chapter 411, Code 1981, is amended by adding  
20 the following new section:

21 NEW SECTION. REFUND OF CONTRIBUTIONS. A member who  
22 terminates membership service under this system prior to the  
23 member's retirement, other than by death, upon request shall  
24 receive a return of the member's contributions paid under  
25 section 411.8, subsection 1, paragraph f. The request shall  
26 be in writing to the board of trustees. If the member has  
27 fifteen or more years of service and requests a refund of  
28 the member's contributions, the member forfeits any rights  
29 to benefits under this chapter. A refund of contributions  
30 paid by the board of trustees includes interest earned on  
31 the contributions of the member at the rate of six percent,  
32 compounded annually.

33 Sec. 37. Pensions payable under section 32 of this Act  
34 shall commence July 1, 1982 for a member or a member's spouse.

35

EXPLANATION

1 Section 1 provides that taxable meals and travel expenses  
2 of members of the peace officers' retirement system are not  
3 included in a member's earnable compensation.

4 Section 2 provides how the service retirement allowance  
5 is calculated if a vested member of the peace officers' re-  
6 tirement system terminates employment before reaching age  
7 fifty-five.

8 Sections 3 and 4 remove the limitations on outside income  
9 of disability retirees of the peace officers' retirement  
10 system.

11 Sections 1 and 5 through 7 continue benefits for surviving  
12 children of all deceased members of the peace officers' retire-  
13 ment system until the children are 22 years of age if they  
14 are full-time students and for life if they are disabled  
15 children.

16 Section 8 strikes limitations on common stock investments  
17 of moneys in the IPERS fund and substitutes language existing  
18 for common stock investments of moneys by life insurance  
19 companies.

20 Section 9 strikes a reference to the abolished county and  
21 joint county school systems in the IPERS law.

22 Section 10 increases the employee contribution by .10  
23 percent and the employer contribution by .50 percent for IPERS  
24 commencing July 1, 1983.

25 Section 11 provides that additional payments made at a  
26 member's retirement will not be included in the member's  
27 covered wages under IPERS.

28 Sections 12 and 14 increase the covered wages for IPERS  
29 commencing January 1, 1983 from \$20,000 to \$22,000 annually.

30 Section 13 corrects an internal reference.

31 Section 15 prohibits a member's five-year average covered  
32 wage under IPERS from exceeding the highest maximum covered  
33 wages during the member's years of service and provides that  
34 the five highest years need not be consecutive.

35 Section 16 strikes obsolete language needed when IPERS

1 was a money purchase plan.

2 Section 17 prohibits a vested member of IPERS from receiving  
3 IPERS benefits before reaching age seventy if the member is  
4 still actively employed by a public employer and is making  
5 contributions to another public retirement system such as  
6 TIAA-CREF.

7 Sections 18 through 21 increase the percent of the five-  
8 year average covered wage used in computing retirement bene-  
9 fits under IPERS from 47 percent to 49 percent.

10 Section 20 also allows sheriffs and deputy sheriffs to  
11 count other IPERS years as peace officers when determining  
12 years of service for the special benefits available to them.

13 Section 22 provides that an IPERS member cannot receive  
14 credit for public employment prior to January 1, 1946 if the  
15 member is eligible for or receiving a retirement allowance  
16 for that public employment, which includes employment by a  
17 school district that had established a pension and annuity  
18 retirement system.

19 Section 23 allows members who served in the armed forces  
20 of the United States between July 4, 1953 and June 30, 1982  
21 to pay employer and employee contributions for up to four  
22 years based upon their current covered wages and receive  
23 credit for the service.

24 Section 24 provides a buy-back for those members of IPERS  
25 who were members of TIAA-CREF from July 1, 1967 through June  
26 30, 1971.

27 Section 26 provides how the service retirement allowance  
28 is calculated if a vested member of a fire or police retirement  
29 system terminates employment before reaching age 55.

30 Sections 27 and 28 remove the limitations on outside in-  
31 come of disability retirees of local police and fire retirement  
32 systems.

33 Sections 25 and 29 through 31 continue benefits for  
34 surviving children of all deceased members of the fire and  
35 police retirement systems until the children are 22 years

1 of age if they are full-time students and for life if they  
2 are disabled children.

3 Sections 32 and 37 provide that a member of a local fire  
4 or police retirement system who withdrew the member's contribu-  
5 tions before July 1, 1972 and had at least fifteen years of  
6 service is eligible for a pension under the chapter. The  
7 provision also applies to a spouse of a member.

8 Sections 33 through 35 provide for a readjustment of  
9 pensions in both July and January for members of local police  
10 and fire retirement systems so that if an active member  
11 receives a salary increase in January, the retired member's  
12 monthly pension will also be increased.

13 Section 36 allows members of local fire and police re-  
14 tirement systems to apply for and receive a refund of their  
15 contributions if they terminate employment under the system.

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SENATE 4  
MARCH 5, 1982

SENATE FILE 2178  
FISCAL NOTE

REQUESTED BY SENATOR NYSTROM

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 2178 pursuant to Joint Rule 16.

S.F. 2178 is An Act relating to the administration and benefits of public retirement systems.

Section 1:

Inclusion of taxable meal and travel expenses in earnable compensation.

If this amounted to 5% of salary, earnable compensation and average final compensation (upon which retirement benefits are based) would increase 5%, and retirement benefits would increase 5%. Costs would also increase 5%, so that if cost is now 32% of salary, the increase would be 1.6% of salary. This would be \$160,000 per year for \$10 million salaries.

Section 3, 4, 27, 28

Removes limitations on outside income of disability retirees of Peace Officers Retirement (3,4) and Fire and Police (27,28). A monthly income would be paid to a disabled member who is earning an income and also receiving disability income. Extra cost would be the monthly disability pension paid to the disabled member earning the outside income. Such pensions can range from \$5,000 to \$10,000 per year for a disabled member.

Section 10, 12, 14

Increases the employee contribution by 1% and the employers contribution by .50% for IPERS commencing July 1, 1983. Increases the covered wages for IPERS commencing January 1, 1983 from \$20,000 to \$22,000.

The estimated cost to all units of government will be approximately \$8,350,000.

Sections 32, 37

Fire and Police officers who quit before 7/1/72 with fifteen years service and withdrew contributions can reinstate pension rights for themselves and spouses at no cost to themselves.

The law at the time they quit and withdrew contributions clearly gave member the choice of withdrawing contributions and losing benefits, or leaving contributions and keeping benefits. The member made his choice. Reinstatement under this legislation increases costs of systems by the amount of pension benefits that will be paid to the member and to his surviving spouse.

Sections 33, 34, 35

Readjustment of Fire and Police pensions in January and July

Designed to increase (decrease) pensions twice a year if active member salaries are increased twice a year. This increases pensions by advancing the higher pension payments by half a year. Thus, if salaries are increased 3% in January and 3% in July, this provision would raise pensions starting in January rather than in the following July. Under these conditions the extra payout currently

SENATE 5  
MARCH 5, 1982

SENATE FILE 2178 - FISCAL NOTE  
Page 2

in a city with an \$11 million payroll would be in the \$25,000 range or more per year. There would also be an extra administrative cost.  
Section 36

Refund at termination of the 2.21% of contributions by Fire and Policy members.

The 2.21% extra member contributions were intended to be entirely released by members once made, as a permanent contribution by members to help pay the additional costs of escalation and of 1976 benefit increases, as agreed by participants at the time. (The state also contracted to pay part of the latter costs.) If these accumulated contributions are returned to the members when they quit or retire, there will have been no sharing of costs, and the cities' costs will increase by 2.21% of members' salaries. Statewide this would be approximately \$1 million per year.

SOURCE: FARR ANALYSTS, CONSULTANTS, & TECHNICAL SERVICES

FILED: BY GERRY RANKIN, FISCAL DIRECTOR  
MARCH 4, 1982

SENATE FILE 2178

S-5183

1 Amend Senate File 2178 as follows:

2 1. Page 1, line 16, by striking the words "taxable  
3 meal and travel" and inserting in lieu thereof the  
4 words "the daily amount received for meals under  
5 section 80.8".

6 2. Page 1, line 18, by striking the words  
7 "nontaxable meal: and" and inserting in lieu thereof  
8 the words "meal-and other payments for meal expenses,".

9 3. Page 1, line 18, by inserting after the word  
10 "expenses," the words "uniform cleaning allowances,".

11 4. Page 6, by striking line 31 and inserting in  
12 lieu thereof the following: "through June-30,-1979  
13 December 31, 1983, and commencing July-1,-1979 January  
14 1, 1984,".

15 5. Page 7, lines 6 and 7, by striking the words  
16 and figures "June 30, 1979 1983" and inserting in  
17 lieu thereof the words and figures "June-30,-1979  
18 December 31, 1983".

19 6. Page 7, line 9, by striking the word and figures  
20 "July 1, 1979 1983" and inserting in lieu thereof  
21 the words and figures "July-1,-1979 January 1, 1984".

22 7. Page 9, by striking lines 25 through 31.

23 8. Page 10, lines 23 and 24, by striking the words  
24 "multiplied by a fraction of years of service" and  
25 inserting in lieu thereof the words "multiplied-by  
26 a-fraction-of-years-of-service".

27 9. Page 11, by striking lines 1 through 22 and  
28 inserting in lieu thereof the following:

29 "Sec.      Section 97B.49, subsection 8, Code  
30 1981, is amended to read as follows:

31 8. a. Notwithstanding the other provisions of  
32 this chapter, a member who is or has been employed  
33 as a county sheriff, as defined in section 39.17,  
34 or as a deputy sheriff appointed pursuant to ~~chapter~~  
35 341 section 341.1, Code 1981, or section 331.903,  
36 Code 1981 Supplement, and who retires on-or-after  
37 between January 1, 1978 and June 30, 1982, and at  
38 the time of retirement is at least sixty years of  
39 age and has completed at least twenty-five years of  
40 membership service as a county sheriff or deputy  
41 sheriff, may elect to receive, in lieu of the benefits  
42 under subsection 5 of this section, a monthly  
43 retirement allowance equal to one-twelfth of forty-  
44 seven percent of the member's five-year average covered  
45 wage as a sheriff or deputy sheriff multiplied-by  
46 a-fraction-of-years-of-service, with benefits payable  
47 during the member's lifetime.

48 Notwithstanding other provisions of this chapter,  
49 a member who is or has been employed as a peace  
50 officer, and who retires on or after July 1, 1982

1 and meets the age requirements and membership service  
2 requirements for benefits specified in this paragraph  
3 may elect to receive a monthly retirement allowance  
4 equal to one-twelfth of forty-nine percent of the  
5 member's five-year average covered wage as a peace  
6 officer, with benefits payable during the member's  
7 lifetime.

8 For the purpose of this subsection membership  
9 service as a peace officer means service under this  
10 system as any or all of the following:

11 (1) As a county sheriff as defined in section  
12 39.17.

13 (2) As a deputy sheriff appointed pursuant to  
14 section 341.1, Code 1981, or section 331.903, Code  
15 1981 Supplement.

16 (3) As a marshal or police officer in a city not  
17 covered under chapter 400.

18 b. Each county and applicable city and employee  
19 eligible for benefits under this section shall annually  
20 contribute an amount determined by the Iowa department  
21 of job service, as a percentage of covered wages,  
22 to be necessary to pay for the additional benefits  
23 provided by this section. The annual contribution  
24 in excess of the employer and employee contributions  
25 required by this chapter shall be paid by the employer  
26 and the employee in the same proportion that employer  
27 and employee contributions are made under section  
28 97B.11. The additional percentage of covered wage  
29 wages shall be calculated separately by the department  
30 for service under paragraph a, subparagraphs 1 and  
31 2, and for service under paragraph a, subparagraph  
32 3, and each shall be an actuarially determined amount  
33 for that type of service which, if contributed  
34 throughout the entire period of active service, would  
35 be sufficient to provide the pension benefit provided  
36 in this section."

37 10. Page 12, line 1, by striking the words  
38 "multiplied by a fraction of years of service" and  
39 inserting in lieu thereof the words "~~multiplied by~~  
40 ~~a-fraction-of-years-of-service~~".

41 11. Page 18, lines 22 and 23, by striking the  
42 words "July or January of the preceding year" and  
43 inserting in lieu thereof the words "~~July-of-the~~  
44 ~~preceding-year~~ the month in which the last preceding  
45 adjustment was made".

46 12. Page 18, lines 25 and 26, by striking the  
47 words "July or January of the year just beginning"  
48 and inserting in lieu thereof the words "~~July-of-the~~  
49 ~~year-just-beginning~~ the month in which the adjustment  
50 is made".

1 13. Page 19, lines 10 and 11, by striking the  
2 words and figures "following July 1 and January 1"  
3 and inserting in lieu thereof the words and figures  
4 "~~following-July-1~~ adjustment".

SENATE FILE 2178

S-5197

- 1 Amend Senate File 2178 as follows:  
2 1. Page 13, lines 25 and 26, by striking the words  
3 "employer and".  
4 2. Page 13, line 31, by striking the word "service"  
5 and inserting in lieu thereof the word "service,".  
6 3. Page 13, line 32, by inserting after the word  
7 "service" the words "under the teachers insurance  
8 and annuity association-college retirement equity  
9 fund,".  
10 4. Page 13, line 33, by inserting after the word  
11 "employer" the words ", if applicable,".

S-5197 FILED

BY JAMES WELLS

MARCH 4, 1982

*Adopted 3/9 (p. 640)*

SENATE FILE 2178

S-5202

- 1 Amend Senate File 2178 as follows:  
2 1. Page 6, by striking line 32 and inserting in  
3 lieu thereof the following: "in the amount of ~~three~~  
4 ~~and-seven-tenths~~ four percent".  
5 2. Page 7, line 8, by striking the word "~~twenty-~~  
6 ~~five~~" and inserting in lieu thereof the word "five".

S-5202 FILED

BY EDGAR H. NOLDEN

MARCH 5, 1982

*Adopted 3/9 (p. 640)*

SENATE FILE 2178

S-5217

- 1 Amend S-5183, filed to Senate File 2178, as follows:  
2 1. Page 1, by striking lines 11 through 21.

S-5217 FILED

BY JOHN N. NYSTROM

MARCH 9, 1982

*Placed out of order 3/14 (p. 640)*

SENATE FILE 2178

S-5288

- 1 Amend Senate File 2178 as follows:
- 2 1. By striking page 6, line 25 through page 7,
- 3 line 9.

S-5288 FILED

MARCH 17, 1982

*Ruled out of order 2/19 (84)*

BY COMMITTEE ON APPROPRIATIONS

JOHN S. MURRAY, CHAIR

S-5317

SENATE FILE 2178

- 1 Amend the amendment S-5183 to Senate File 2178
- 2 as follows:
- 3 1. Page 1, by striking lines 11 through 21 and
- 4 inserting in lieu thereof the following:
- 5 " By striking page 6, line 25 through page
- 6 7, line 9."

S-5317 FILED

MARCH 19, 1982

*RULED OUT OF ORDER (84)*

BY JOHN S. MURRAY

S-5286

1 Amend Senate File 2178 as follows:

2 1. Page 14, by inserting after line 19 the  
3 following section:

4 "Sec. \_\_\_\_ Section 411.6, subsection 1, paragraph  
5 a, Code 1981, is amended to read as follows:

6 a. Any member in service may retire upon his  
7 written application to the board of police or fire  
8 trustees as the case may be, setting forth at what  
9 time, not less than thirty nor more than ninety days  
10 subsequent to the execution and filing ~~thereof~~ ~~he~~  
11 of the application, the member desires to be retired,  
12 provided that. However, the said member at the time  
13 so specified for his retirement shall have attained  
14 the age of fifty-five and shall have served twenty-  
15 two years or more ~~in said department~~, and  
16 notwithstanding that, during ~~such~~ the period of  
17 notification, ~~he~~ the member may have separated from  
18 the service."

19 2. Page 19, by inserting after line 18 the  
20 following:

21 "Sec. \_\_\_\_ Section 411.19, Code 1981, is amended  
22 to read as follows:

23 411.19 TRANSFER OF BENEFITS TO ANOTHER CITY.  
24 A member of a retirement system established in this  
25 chapter who terminates employment with a city and  
26 is subsequently employed by another city and is  
27 eligible for coverage under this chapter, or who  
28 transfers in the same city from one retirement system  
29 under this chapter to another retirement system under  
30 this chapter may transfer membership service earned  
31 under the first system to the system under which the  
32 member is employed. Upon the written request of the  
33 member with verification by the board of trustees  
34 of the system under which the member is employed,  
35 the board of trustees of the first system shall  
36 transmit to the board of trustees of the system under  
37 which the member is employed, within thirty days of  
38 the receipt of the request, the member's accumulated  
39 contributions ~~to be deposited in the annuity savings~~  
40 ~~fund of the system under which the member is employed~~  
41 and the actuarial equivalent of the amount in the  
42 pension accumulation fund which would be necessary  
43 to fund a pension equal to one twenty-second times  
44 the number of years of membership service completed,  
45 under the first system, to be deposited in the pension  
46 accumulation fund of the system under which the member  
47 is employed."

48 2. Renumber as necessary.

S-5286 FILED  
MARCH 17, 1982

BY JOHN NYSTROM

*Adopted 3/19 (p 841)*

State Government Swearingen, Chair; Brandt, Carpenter, Dieleman and Toft.

SENATE FILE 2178

BY COMMITTEE ON STATE GOVERNMENT

(AS AMENDED AND PASSED BY THE SENATE MARCH 19, 1982)

Passed Senate, Date See Below Passed House, Date 4-1-82 (p. 1186)  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes 98 Nays 0  
Disapproved May 22, 1982  
Motion to Reconsider (p. 1187) 4/10 4/14

### A BILL FOR

1 An Act relating to the administration and benefits of public  
2 retirement systems.

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

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\_\_\_\_\_ = New Language  
by the Senate

\* = Language Stricken  
by the Senate

*Conference Committee Appointed 4/20*  
*Representatives Swearingen (Chair), Toft, Carpenter, Dieleman, Brandt (p. 1551)*  
*Senators Nystrom (Chair), Schwegel, Gude, Slaton, Carr (p. 1316)*  
*Passed per Conference Committee Report 4/24*  
*Senate 4-24-82 (p. 1485) House 4-24-82 (p. 1893)*  
*42-1 94-2*

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1 Section 1. Section 97A.1, subsections 9 and 10, Code 1981,  
2 are amended to read as follows:

3 9. "Child" ~~or "children"~~ ~~shall mean~~ means only the  
4 surviving issue of a deceased active or retired member, or  
5 the child ~~or children~~ legally adopted by a deceased member  
6 prior to ~~his~~ the member's retirement. "Child" includes only  
7 an individual who is under the age of eighteen years, an  
8 individual who is under the age of twenty-two and is a full-  
9 time student, or an individual who is disabled under the  
10 definitions used in section 402 of the Social Security Act  
11 as amended.

12 10. "Earnable compensation" or "compensation earnable"  
13 shall mean the regular compensation which a member would earn  
14 during one year on the basis of the stated compensation for  
15 the member's rank or position including compensation for  
16 longevity and the daily amount received for meals under section  
17 80.8 expenses and excluding any amount received for overtime  
18 compensation or other special additional compensation, meal  
19 and other payments for meal expenses, travel expenses, uniform  
20 cleaning allowances, and uniform allowances and excluding  
21 any amount received upon termination or retirement in payment  
22 for accumulated sick leave or vacation.

23 Sec. 2. Section 97A.6, subsection 1, paragraph b, Code  
24 1981, is amended to read as follows:

25 b. Any member in service who has been a member of the  
26 retirement system fifteen or more years and whose employment  
27 is terminated prior to the member's retirement, other than  
28 by death or disability, shall upon attaining retirement age,  
29 receive a service retirement allowance of fifteen twenty-  
30 seconds of the retirement allowance the member would receive  
31 at retirement if the member's employment had not been  
32 terminated, and an additional one twenty-second of such  
33 retirement allowance for each additional year of service not  
34 exceeding twenty-two years of service. The amount of the  
35 retirement allowance shall be ~~based on~~ calculated in the

1 manner provided in this paragraph using the average final  
2 compensation at the time of termination of employment.

3 Sec. 3. Section 97A.6, subsection 7, paragraph a, Code  
4 1981, is amended by striking the paragraph and inserting in  
5 lieu thereof the following:

6 a. A beneficiary restored to active service at a salary  
7 less than the average final compensation upon the basis of  
8 which the member was retired at age fifty-five or greater,  
9 shall not again become a member of the retirement system and  
10 shall have the member's retirement allowance suspended while  
11 the member is in active service.

12 Sec. 4. Section 97A.6, subsection 7, paragraph b, Code  
13 1981, is amended to read as follows:

14 b. Should a disability beneficiary under age fifty-five  
15 be restored to active service at a compensation not less than  
16 his the disability beneficiary's average final compensation,  
17 his the disability beneficiary's retirement allowance shall  
18 cease, he the disability beneficiary shall again become a  
19 member and he shall contribute thereafter at the same rate  
20 he paid prior to disability, and any former service on the  
21 basis of which his the disability beneficiary's service was  
22 computed at the time of his retirement shall be restored to  
23 full force and effect and upon his subsequent retirement he  
24 the disability beneficiary shall be credited with all his  
25 service as a member, and also with the period of disability  
26 retirement, ~~provided that during such period of disability~~  
27 ~~he has not engaged in a gainful occupation from which his~~  
28 ~~net earnings exceeded the difference between his disability~~  
29 ~~retirement allowance and the amount he would have received~~  
30 ~~for said period if his compensation at the time of disability~~  
31 ~~had continued.~~

32 Sec. 5. Section 97A.6, subsection 8, paragraphs b, d,  
33 e, and f, Code 1981, are amended to read as follows:

34 b. If there be is no such nomination of beneficiary, the  
35 benefits provided in paragraph "a" of this subsection 8 shall

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

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

29 e. If there ~~be~~ is no surviving spouse or child ~~under age~~  
30 ~~eighteen~~, then to the member's dependent father or mother,  
31 as the board of trustees in its discretion ~~shall determine~~  
32 determines, to continue until remarriage or death.

33 f. In addition to the benefits ~~herein~~ enumerated in this  
34 subsection, there shall also be paid for each child of a  
35 member ~~under the age of eighteen years~~ a monthly pension equal

1 to six percent of the monthly earnable compensation payable  
2 to an active member having the rank of senior patrolman of  
3 the Iowa highway safety patrol.

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

7 Sec. 6. Section 97A.6, subsection 9, paragraphs b and  
8 c, Code 1981, are amended to read as follows:

9 b. If there ~~be~~ is no surviving spouse, ~~children-under~~  
10 ~~the-age-of-eighteen-years~~ child, or dependent parent surviving  
11 ~~such a~~ deceased member, the death shall be treated as an  
12 ordinary death case and the benefit payable ~~in-accordance~~  
13 ~~with-the-provisions-of~~ under subsection 8, paragraph "a" of  
14 this section, in lieu of the pension provided in paragraph  
15 "a" of this subsection 9, shall be paid to the member's estate.

16 c. In addition to the benefits for the surviving spouse  
17 ~~herein~~ enumerated in this subsection, there shall also be  
18 paid for each ~~dependent~~ child of a member ~~under-the-age-of~~  
19 ~~eighteen-years~~ a monthly pension equal to six percent of the  
20 monthly earnable compensation payable to an active member  
21 having the rank of senior patrolman of the Iowa highway safety  
22 patrol.

23 Sec. 7. Section 97A.6, subsection 12, paragraph b, Code  
24 1981, is amended to read as follows:

25 b. ~~in-the-event-of-the-death-of~~ If the spouse dies either  
26 prior or subsequent to the death of the member, to the guardian  
27 of each surviving child ~~under-eighteen-years-of-age~~, a monthly  
28 pension equal to the monthly pension payable under subsection  
29 9, paragraph "c," of this section for the support of ~~such~~  
30 the child.

31 Sec. 8. Section 97B.7, subsection 2, paragraph b,  
32 subparagraphs (3), (4), and (5), Code 1981, are amended by  
33 striking the subparagraphs, inserting in lieu thereof the  
34 following subparagraph, and renumbering the remaining sub-  
35 paragraphs:

1 (3) That the common stock or shares issued by solvent  
2 corporations or institutions are eligible for investment if  
3 the stock or shares are listed or admitted to trading on a  
4 securities exchange located in the United States or are  
5 publicly held and have been traded in the "over-the-counter"  
6 market and market quotations are readily available.

7 Sec. 9. Section 97B.8, Code 1981, is amended to read as  
8 follows:

9 97B.8 ADVISORY INVESTMENT BOARD. A board ~~shall-be~~ is  
10 established to be known as the "Advisory Investment Board  
11 of the Iowa Public Employees' Retirement System", hereinafter  
12 called the "board", whose duties ~~shall-be~~ are to advise and  
13 confer with the department in matters relating to the  
14 investment of the trust funds of the Iowa public employees'  
15 retirement system. The powers of the board ~~shall-be-purely~~  
16 are advisory and the department ~~shall~~ is not be bound in the  
17 making of ~~any~~ an investment by the recommendations of the  
18 board.

19 PARAGRAPH DIVIDED. The board shall consist of seven  
20 members. Five of the members shall be appointed by the  
21 governor, one of whom shall be an executive of a domestic  
22 life insurance company, one an executive of a state or national  
23 bank operating within the state of Iowa, one an executive  
24 of a major industrial corporation located within the state  
25 of Iowa, and two shall be active members of the system, one  
26 of whom shall be an employee of a school district, ~~county~~  
27 ~~school-system, joint-county-system~~ area education agency,  
28 or merged area and one of whom shall not be an employee of  
29 a school district, ~~county-school-system, joint-county-system~~  
30 area education agency, or merged area. The president of the  
31 senate shall appoint one member from the membership of the  
32 senate and the speaker of the house of representatives shall  
33 appoint one member from the membership of the house. The  
34 two members appointed by the president of the senate and the  
35 speaker of the house of representatives and the two active

1 members of the system appointed by the governor ~~shall-be~~ are  
2 ex officio members of the board.

3 PARAGRAPH DIVIDED. The members who are executives of a  
4 domestic life insurance company, a state or national bank  
5 and a major industrial corporation shall be paid their actual  
6 expenses incurred in performance of their duties and shall  
7 receive in addition the sum of forty dollars for each day  
8 of service not exceeding forty days per year. Legislative  
9 members shall receive the sum of forty dollars for each day  
10 of service and their actual expenses incurred in the  
11 performance of their duties. The per diem and expenses of  
12 the legislative members shall be paid from funds appropriated  
13 under section 2.12. The members who are active members of  
14 the system shall be paid their actual expenses incurred in  
15 the performance of their duties as members of the board and  
16 performance of their duties as members of the board shall  
17 not affect their salaries, vacation or leaves of absence for  
18 sickness or injury. The appointive terms of the members  
19 appointed by the governor ~~shall-be~~ are for a period of six  
20 years beginning and ending as provided in section 69.19.  
21 ~~in-the-event-of~~ If there is a vacancy, through resignation  
22 or ~~any-other~~ another cause, in the membership of the board,  
23 the governor ~~shall-have~~ has the power of appointment.  
24 Appointees to this board ~~shall-be~~ are subject to confirmation  
25 by the senate.

26 Sec. 10. Section 97B.11, Code 1981, is amended to read  
27 as follows:

28 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE. Each  
29 employer shall deduct from the wages of each member of the  
30 system a contribution in the amount of three and ~~six-tenths~~  
31 seven-tenths percent of the covered wages paid by the employer  
32 through ~~June-30-1979~~ December 31, 1983, and commencing ~~July~~  
33 ~~1-1-1979~~ January 1, 1984, in the amount of three and ~~seven-~~  
34 ~~tenths~~ eight-tenths percent of the covered wages paid by the  
35 employer, until the first of the month in which the member

1 attains the age of seventy years or the member's termination  
2 or retirement from employment, whichever is earlier. The  
3 contributions of the employer shall be in the amount of ~~three~~  
4 ~~and one-half percent of the covered wages of the member for~~  
5 ~~service through December 31, 1975, and in the amount of~~ five  
6 and ~~twenty-five~~ seventy-five hundredths percent of the covered  
7 wages of the member for service ~~commencing July 1, 1977~~ through  
8 ~~June 30, 1979~~ December 31, 1983, and in the amount of ~~five~~  
9 ~~and seventy-five~~ six and twenty-five hundredths percent of  
10 the covered wages of the member for service commencing July  
11 1, 1979 January 1, 1984.

12 Sec. 11. Section 97B.41, subsection 1, paragraph a, un-  
13 numbered paragraph 1, Code 1981, is amended to read as follows:

14 "Wages" means all remuneration for employment, including  
15 the cash value of remuneration paid in any a medium other  
16 than cash, but not including the cash value of remuneration  
17 paid in any a medium other than cash necessitated by the  
18 convenience of the employer, ~~such~~. The amount as agreed upon  
19 by the employer and employee and for remuneration paid in  
20 a medium other than cash shall be reported to the department  
21 by the employer shall be and is conclusive of the value of  
22 the remuneration in a medium other than cash, except that.  
23 However, remuneration which does not equal or exceed the sum  
24 of three hundred dollars in any a calendar quarter shall be  
25 excluded. "Wages" does not include special lump sum payments  
26 made as payment for sick leave or accrued vacation or payments  
27 made as an incentive for early retirement. Wages for an  
28 elected official means the salary received by an elected  
29 official, exclusive of expense and travel allowances.

30 Sec. 12. Section 97B.41, subsection 1, paragraph b, sub-  
31 paragraph (4), Code 1981, is amended to read as follows:

32 (4) For each calendar year from January 1, 1976, and  
33 ~~thereafter~~ through December 31, 1982, wages not in excess  
34 of twenty thousand dollars.

35 Sec. 13. Section 97B.41, subsection 1, paragraph b, sub-

1 paragraph (6), Code 1981, is amended to read as follows:

2 (6) If a member is employed by more than one employer  
3 during a calendar year, the total amount of wages paid to  
4 ~~him~~ the member by ~~his~~ the several employers shall be included  
5 in determining the limitation on covered wages as provided  
6 by in this paragraph "b"-subparagraph-(3)-of-this-section.  
7 If the amount of wages paid to a member by ~~his~~ the member's  
8 several employers during a calendar year exceeds the covered  
9 wage limit, the amount of such excess shall not be subject  
10 to the contributions required by section 97B.11.

11 Sec. 14. Section 97B.41, subsection 1, paragraph b, Code  
12 1981, is amended by adding the following new subparagraph  
13 after subparagraph (4) and renumbering the remaining  
14 subparagraphs:

15 NEW SUBPARAGRAPH. For each calendar year from January  
16 1, 1983 and thereafter, wages not in excess of twenty-two  
17 thousand dollars per year.

18 Sec. 15. Section 97B.41, subsection 20, Code 1981, is  
19 amended to read as follows:

20 20. "Five-year average covered wage" means a member's  
21 covered wages averaged for the highest five ~~consecutive~~  
22 of the member's service. If the member has less than five  
23 ~~consecutive~~ years then the average ~~over~~ using the actual  
24 number of years as a member shall be used. For ~~the purposes~~  
25 ~~of this chapter,~~ the word-"consecutive"-means words "highest  
26 five years" shall be calculated in sequence with respect to  
27 the years of service rendered as a member and not necessarily  
28 in sequence with respect to actual periods of time measured  
29 by the calendar.

30 If the five-year average covered wage of a member exceeds  
31 the highest maximum covered wages in effect for a calendar  
32 year during the member's period of service, the five-year  
33 average covered wage of the member shall be reduced to the  
34 highest maximum covered wages in effect during the member's  
35 period of service.

1 Sec. 16. Section 97B.48, subsection 3, Code 1981, is  
2 amended to read as follows:

3 3. If ~~at-any-time~~ after the first day of the month in  
4 which the member attains the age of fifty-five years and until  
5 the member's sixty-fifth birthday, a member who is retired  
6 under this chapter is in regular full-time employment, the  
7 member's retirement allowance shall be suspended for as long  
8 as the member remains in employment. However, employment  
9 shall not be regarded as full-time employment until the member  
10 receives remuneration in an amount in excess of two thousand  
11 one hundred dollars for ~~any~~ a calendar year. Effective the  
12 first of the month in which a member attains the age of sixty-  
13 five years, a retired member ~~shall-be-entitled-to~~ may receive  
14 a retirement allowance after return to covered employment  
15 regardless of the amount of remuneration received. As of  
16 the first of the month in which the member attains the age  
17 of seventy years, the member ~~shall-be-entitled-to~~ may receive  
18 a retirement allowance determined under section 97B.49,  
19 regardless of the amount of remuneration received. Upon ~~any~~  
20 a retirement after re-employment, a retired member ~~shall-be~~  
21 ~~entitled-to~~ may have ~~his-or-her~~ the retired member's retirement  
22 allowance redetermined under this section or section 97B.49  
23 or 97B.50, whichever is applicable, based upon the ~~employee's~~  
24 ~~and-employer's-additional-contributions,~~ and any addition  
25 of credit for the years of membership service of the employee  
26 after re-employment.

\* 27 Sec. 17. Section 97B.49, subsection 5, unnumbered para-  
28 graph 1, Code 1981, is amended to read as follows:

29 For each active member retiring ~~on-or-after~~ between January  
30 1, 1976 and June 30, 1982, with four or more complete years  
31 of service, a monthly benefit shall be computed which is equal  
32 to one-twelfth of an amount equal to forty-seven percent of  
33 the five-year average covered wage multiplied by a fraction  
34 of years of service. For each member retiring on or after  
35 July 1, 1982, with four or more complete years of service,

1 the percent used in computing the monthly benefit is forty-  
2 nine. For the purposes of this subsection, "fraction of years  
3 of service" means a number, not to exceed one, equal to the  
4 sum of the years of membership service and the number of years  
5 of prior service divided by thirty years.

6 Sec. 18. Section 97B.49, subsection 7, Code 1981, is  
7 amended to read as follows:

8 7. Notwithstanding the other provisions of this chapter,  
9 a member who is or has been employed as a conservation peace  
10 officer under ~~the provisions of~~ section 107.13 and who retires  
11 ~~on or after~~ between July 1, 1978 and June 30, 1982 and at  
12 the time of retirement is at least sixty years of age and  
13 has completed at least twenty-five years of membership service  
14 as a conservation peace officer, may elect to receive, in  
15 lieu of the receipt of any benefits under subsection 5 of  
16 this section, a monthly retirement allowance equal to one-  
17 twelfth of forty-seven percent of the member's five-year  
18 average covered wage as a conservation peace officer ~~multiplied~~  
19 ~~by a fraction of years of service~~, with benefits payable  
20 during the member's lifetime. For each conservation peace  
21 officer eligible for benefits under this subsection who retires  
22 on or after July 1, 1982, the percent used in computing the  
23 monthly retirement allowance is forty-nine. There is  
24 appropriated from the general fund of the state to the Iowa  
25 department of job service from funds not otherwise appropriated  
26 an amount sufficient to pay eight and forty-three hundredths  
27 percent of the covered wages of each conservation peace  
28 officer, in addition to the contribution paid by the employer  
29 under section 97B.11, to finance increased benefits to  
30 conservation peace officers under this subsection.

31 Sec. 19. Section 97B.49, subsection 8, Code 1981, is  
32 amended to read as follows:

33 8. a. Notwithstanding the other provisions of this chapter,  
34 a member who is or has been employed as a county sheriff,  
35 as defined in section 39.17, or as a deputy sheriff appointed

1 pursuant to ~~chapter-341~~ section 341.1, Code 1981, or section  
2 331.903, Code 1981 Supplement, and who retires ~~on-or-after~~  
3 between January 1, 1978 and June 30, 1982, and at the time  
4 of retirement is at least sixty years of age and has completed  
5 at least twenty-five years of membership service as a county  
6 sheriff or deputy sheriff, may elect to receive, in lieu of  
7 the benefits under subsection 5 of this section, a monthly  
8 retirement allowance equal to one-twelfth of forty-seven  
9 percent of the member's five-year average covered wage as  
10 a sheriff or deputy sheriff ~~multiplied-by-a-fraction-of-years~~  
11 ~~of-service~~, with benefits payable during the member's lifetime.  
12 Notwithstanding other provisions of this chapter, a member  
13 who is or has been employed as a peace officer, and who retires  
14 on or after July 1, 1982 and meets the age requirements and  
15 membership service requirements for benefits specified in  
16 this paragraph may elect to receive a monthly retirement  
17 allowance equal to one-twelfth of forty-nine percent of the  
18 member's five-year average covered wage as a peace officer,  
19 with benefits payable during the member's lifetime.  
20 For the purpose of this subsection membership service as  
21 a peace officer means service under this system as any or  
22 all of the following:  
23 (1) As a county sheriff as defined in section 39.17.  
24 (2) As a deputy sheriff appointed pursuant to section  
25 341.1, Code 1981, or section 331.903, Code 1981 Supplement.  
26 (3) As a marshal or police officer in a city not covered  
27 under chapter 400.  
28 b. Each county and applicable city and employee eligible  
29 for benefits under this section shall annually contribute  
30 an amount determined by the Iowa department of job service,  
31 as a percentage of covered wages, to be necessary to pay for  
32 the additional benefits provided by this section. The annual  
33 contribution in excess of the employer and employee  
34 contributions required by this chapter shall be paid by the  
35 employer and the employee in the same proportion that employer

1 and employee contributions are made under section 97B.11.  
2 The additional percentage of covered wage wages shall be  
3 calculated separately by the department for service under  
4 paragraph a, subparagraphs 1 and 2, and for service under  
5 paragraph a, subparagraph 3, and each shall be an actuarially  
6 determined amount for that type of service which, if  
7 contributed throughout the entire period of active service,  
8 would be sufficient to provide the pension benefit provided  
9 in this section.

10 Sec. 20. Section 97B.49, subsection 10, unnumbered para-  
11 graph 1, Code 1981, is amended to read as follows:

12 Notwithstanding sections of this chapter relating to  
13 eligibility for and determination of retirement benefits,  
14 a vested member who is or has been employed as a correctional  
15 officer by the department of social services and who retires  
16 on or after July 1, 1983 and at the time of retirement is  
17 at least sixty years of age and has completed at least thirty  
18 years of membership service as a correctional officer, may  
19 elect to receive, in lieu of the receipt of benefits under  
20 subsection 5 of this section, a monthly retirement allowance  
21 equal to one-twelfth of ~~forty-seven~~ forty-nine percent of  
22 the member's five-year average covered wages as a correctional  
23 officer ~~multiplied by a fraction of years of service~~, with  
24 benefits payable during the member's lifetime.

25 Sec. 21. Section 97B.75, Code 1981, is amended to read  
26 as follows:

27 97B.75 PRIOR SERVICE CREDIT BEFORE JANUARY 1, 1946. An  
28 active, vested, or retired member who was employed prior to  
29 January 1, 1946 by ~~the state or a political subdivision,~~  
30 ~~except for a member employed by a school district which had~~  
31 ~~established a pension and annuity retirement system under~~  
32 ~~sections 294.8, 294.9, and 294.10, and was not employed by~~  
33 ~~the state or a political subdivision between January 1, 1946~~  
34 ~~and July 4, 1953,~~ an employer may file written verification  
35 of the member's dates of employment with the department of

1 job service and receive credit for years of prior service  
2 for the period of employment. However, a member who is  
3 eligible for or receiving a retirement allowance based upon  
4 employment with an employer prior to January 1, 1946 is not  
5 eligible for credit for that period of employment.

6 Sec. 22. Chapter 97B, Code 1981, is amended by adding  
7 the following new section:

8 NEW SECTION. VETERANS' CREDIT. An active member in ser-  
9 vice on July 1, 1982 who at any time on or after July 4, 1953  
10 served on active duty in the armed forces of the United States,  
11 upon submitting verification of the dates of the active duty  
12 service in the armed forces to the department, may make em-  
13 ployer and employee contributions to the system based upon  
14 the member's covered wages on July 1, 1982 at the rates in  
15 effect on July 1, 1982 and specified in section 97B.11 for  
16 the period of time of the active duty service, not to exceed  
17 four years, and receive credit for membership service for  
18 the period of time for which the contributions are made.  
19 Verification of active duty service and payment of  
20 contributions shall be made to the department not later than  
21 June 30, 1983. However, a member is not eligible to make  
22 contributions under this section if the member is receiving  
23 or is eligible to receive retirement pay from the United  
24 States government for active duty in the armed forces.

25 Sec. 23. Chapter 97B, Code 1981, is amended by adding  
26 the following new section:

27 NEW SECTION. FORMER MEMBERS. A vested, or retired member  
28 who was a member of the teachers insurance and annuity  
29 association-college retirement equity fund at any time between  
30 July 1, 1967 and June 30, 1971 and who became a member of  
31 the system on July 1, 1971, upon submitting verification of  
32 service and wages earned during the period of service under  
33 the teachers insurance and annuity association-college  
34 retirement equity fund, may make employer and employee  
35 contributions to the system based upon the covered wages of

1 the member and the covered wages and the contribution rates  
2 in effect for that period of service and receive credit for  
3 membership service under this system equivalent to the number  
4 of years of service in the teachers insurance and annuity  
5 association-college retirement equity fund. In addition,  
6 a member making employer and employee contributions because  
7 of membership in the teachers insurance and annuity  
8 association-college retirement equity fund under this section  
9 who was a member of the system on June 30, 1967 and withdrew  
10 the member's accumulated contributions because of membership  
11 on July 1, 1967 in the teachers insurance and annuity  
12 association-college retirement equity fund, may make employee  
13 contributions to the system for the period of service under  
14 the system prior to July 1, 1967.

15 The contributions paid by the vested or retired member  
16 shall be equal to the accumulated contributions as defined  
17 in section 97B.41, subsection 13, by the member for that  
18 period of service, and the employer contribution for that  
19 period of service under the teachers insurance and annuity  
20 association-college retirement equity fund, that would have  
21 been or had been contributed by the vested or retired member  
22 and the employer, if applicable, plus interest on the  
23 contributions that would have accrued for the period from  
24 the date the previous service commenced under this system  
25 or from the date the service of the member in the teachers  
26 insurance and annuity association-college retirement equity  
27 fund commenced to the date of payment of the contributions  
28 by the member equal to two percent plus the interest dividend  
29 rate applicable for each year.

30 Verification of service and wages earned and payment of  
31 contributions shall be made to the department not later than  
32 June 30, 1983.

33 Sec. 24. Section 411.1, subsection 11, Code 1981, is  
34 amended to read as follows:

35 11. "Child" ~~or "children"~~ ~~shall mean~~ means only surviving

1 issue of a deceased active or retired member, or the child  
2 ~~or-children~~ legally adopted by a deceased member prior to  
3 ~~his~~ the member's retirement. "Child" includes only an  
4 individual who is under the age of eighteen years, an  
5 individual who is under the age of twenty-two years and is  
6 a full-time student, or an individual who is disabled under  
7 the definitions used in section 402 of the Social Security  
8 Act as amended.

9 Sec. 25. Section 411.6, subsection 1, paragraph a, Code  
10 1981, is amended to read as follows:

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

22 Sec. 26. Section 411.6, subsection 1, paragraph b, Code  
23 1981, is amended to read as follows:

24 b. Any member in service who has been a member of the  
25 retirement system fifteen or more years and whose employment  
26 is terminated prior to the member's retirement, other than  
27 by death or disability, shall upon attaining retirement age,  
28 receive a service retirement allowance of fifteen twenty-  
29 seconds of the retirement allowance the member would receive  
30 at retirement if ~~his-or-her~~ the member's employment had not  
31 been terminated, and an additional one twenty-second of such  
32 retirement allowance for each additional year of service not  
33 exceeding twenty-two years of service. The amount of the  
34 retirement allowance shall be ~~based-on~~ calculated in the  
35 manner provided in this paragraph using the average final

1 compensation at the time of termination of employment.

2 Sec. 27. Section 411.6, subsection 7, paragraph a, Code  
3 1981, is amended by striking the paragraph and inserting in  
4 lieu thereof the following:

5 a. A beneficiary restored to active service at a salary  
6 less than the average final compensation upon the basis of  
7 which the member was retired at age fifty-five or greater,  
8 shall not again become a member of the retirement system and  
9 shall have the member's retirement allowance suspended while  
10 the member is in active service.

11 Sec. 28. Section 411.6, subsection 7, paragraph b, Code  
12 1981, is amended to read as follows:

13 b. Should a disability beneficiary under age fifty-five  
14 be restored to active service at a compensation not less than  
15 his the disability beneficiary's average final compensation,  
16 his the disability beneficiary's retirement allowance shall  
17 cease, he the disability beneficiary shall again become a  
18 member and he shall contribute thereafter at the same rate  
19 he paid prior to disability, and any former service on the  
20 basis of which his the disability beneficiary's service was  
21 computed at the time of his retirement shall be restored to  
22 full force and effect and upon his subsequent retirement he  
23 the disability beneficiary shall be credited with all his  
24 service as a member and also with the period of disability  
25 retirement, ~~provided that during such period of disability~~  
26 ~~he has not engaged in a gainful occupation from which his~~  
27 ~~net earnings exceeded the difference between his disability~~  
28 ~~retirement allowance and the amount he would have received~~  
29 ~~for said period if his compensation at the time of disability~~  
30 ~~had continued.~~

31 Sec. 29. Section 411.6, subsection 8, paragraphs b, d,  
32 and e, Code 1981, are amended to read as follows:

33 b. If there ~~be~~ is no ~~such~~ nomination of beneficiary, the  
34 benefits provided in paragraph "a" shall be paid to the  
35 member's estate; or in lieu thereof, at the option of the

1 following beneficiaries, respectively, even though nominated  
 2 as ~~such~~ beneficiaries, for a member in service, ~~there shall~~  
 3 ~~be paid~~ at the time of death a pension ~~which~~ shall be paid  
 4 equal to one-fourth of the average final compensation of ~~such~~  
 5 the member, but in no instance less than seventy-five dollars.  
 6 ~~In addition to the benefits herein enumerated, there~~ There  
 7 shall also be paid for each child of a member ~~under the age~~  
 8 ~~of eighteen years~~ a monthly pension equal to six percent of  
 9 the monthly earnable compensation paid to an active member  
 10 holding the highest grade in the rank of fire fighter, for  
 11 a child of a deceased member of a fire department, or the  
 12 highest grade in the rank of police patrol officer, for a  
 13 child of a deceased member of a police department, or for  
 14 a member not in service the pension shall be reduced as  
 15 provided in subsection 1, paragraph "c," of this section and  
 16 shall be paid commencing when the member would have attained  
 17 the age of fifty-five except that if there is a child of the  
 18 member ~~under the age of eighteen, or under the age of twenty-~~  
 19 ~~two who is a full-time student, or who is disabled, under~~  
 20 ~~the definitions used in section 402 of the Social Security~~  
 21 ~~Act as amended to July 17, 1978 42 U.S.C. 402,~~ the pension  
 22 shall be paid commencing with the member's death until the  
 23 children reach the age of eighteen, or twenty-two if  
 24 applicable. The pension shall resume commencing when the  
 25 member would have attained the age of fifty-five;

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

35 e. If there ~~be~~ is no surviving spouse or child ~~under age~~

1 eighteen, then to his or her dependent father or mother or  
 2 both, as the ~~board~~ of trustees in its discretion shall  
 3 ~~determine~~ determines, to continue until remarriage or death.

4 Sec. 30. Section 411.6, subsection 9, paragraphs a and  
 5 b, Code 1981, are amended to read as follows:

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

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

25 Sec. 31. Section 411.6, subsection 11, paragraph b, Code  
 26 1981, is amended to read as follows:

27 ~~in-the-event-of-the-death-of~~ If the spouse dies either  
 28 prior or subsequent to the death of the member, to the guardian  
 29 of each surviving child ~~under-eighteen-years-of-age~~, a monthly  
 30 pension equal to the monthly pension payable under subsection  
 31 9 of this section for the support of ~~such~~ the child.

32 Sec. 32. Section 411.21, subsection 7, unnumbered para-  
 33 graph 1, Code 1981, is amended to read as follows:

34 Notwithstanding subsections 1, 3, 4, 5 and 6 of this sec-  
 35 tion, beginning January 1, 1981, an active or vested member

1 may request in writing and receive from the board of trustees,  
2 ~~his-or-her~~ the member's accumulated contributions from the  
3 annuity savings fund and remain eligible to receive benefits  
4 under section 411.6. However, a member with fifteen or more  
5 years of service prior to July 1, 1979, is not eligible for  
6 a service retirement allowance under section 411.6 if ~~he-or~~  
7 ~~she~~ the member withdrew ~~his-or-her~~ the member's accumulated  
8 contributions from the annuity savings fund after July 1,  
9 1972 but prior to July 1, 1979, except as provided in section  
10 411.4. Accumulated contributions shall be paid according  
11 to the following schedule:

12 Sec. 33. Section 411.6, subsection 12, paragraph a,  
13 unnumbered paragraph 1, Code 1981, is amended to read as  
14 follows:

15 ~~Effective-July-1,-1980,-and-on~~ On each July 1 ~~thereafter~~  
16 and January 1, the monthly pensions authorized in this section  
17 payable to retired members and to beneficiaries, except  
18 children of a deceased member, shall be adjusted as provided  
19 in this paragraph. An amount equal to the following  
20 percentages of the difference between the monthly earnable  
21 compensation payable to an active member of the department,  
22 of the same rank and position on the salary scale as was held  
23 by the retired or deceased member at the time of the member's  
24 retirement or death, for ~~July-of-the-preceding-year~~ the month  
25 in which the last preceding adjustment was made and the monthly  
26 earnable compensation payable to an active member of the  
27 department of the same rank and position on the salary scale  
28 for July-of-the-year-just-beginning the month in which the  
29 adjustment is made shall be added to the monthly pension of  
30 each retired member and each beneficiary as follows:

31 Sec. 34. Section 411.6, subsection 12, paragraph a,  
32 unnumbered paragraph 4, Code 1981, is amended to read as  
33 follows:

34 As of ~~the-first-of~~ July 1 and January 1 of each year, the  
35 monthly pension payable to each surviving child under the

1 provisions of subsections 8, 9, and 11 of this section shall  
 2 be adjusted to equal six percent of the monthly earnable  
 3 compensation payable on that July 1 or January 1 to an active  
 4 member holding the highest grade in the rank of fire fighter,  
 5 for a child of a deceased member of a fire department, or  
 6 holding the highest grade in the rank of police patrol officer,  
 7 for a child of a deceased member of a police department.

8 Sec. 35. Section 411.6, subsection 12, paragraphs b and  
 9 d, Code 1981, are amended to read as follows:

10 b. All monthly pensions adjusted as provided in this  
 11 subsection shall be payable beginning on July 1 and January  
 12 1 of the year in which the adjustment is made and shall  
 13 continue in effect until the next ~~following-July-1~~ adjustment  
 14 at which time the monthly pensions shall again be adjusted  
 15 in accordance with paragraph "a" of this subsection.

16 d. A retired member eligible for benefits under ~~the~~  
 17 ~~provisions-of~~ subsection 1 of this section is not eligible  
 18 for the ~~annual~~ readjustment of pensions provided in this  
 19 subsection unless the member served twenty-two years and  
 20 attained the age of fifty-five years prior to ~~his~~ the member's  
 21 termination of employment.

22 Sec. 36. Section 411.19, Code 1981, is amended to read  
 23 as follows:

24 411.19 TRANSFER OF BENEFITS TO ANOTHER CITY. A member  
 25 of a retirement system established in this chapter who  
 26 terminates employment with a city and is subsequently employed  
 27 by another city and is eligible for coverage under this  
 28 chapter, or who transfers in the same city from one retirement  
 29 system under this chapter to another retirement system under  
 30 this chapter may transfer membership service earned under  
 31 the first system to the system under which the member is  
 32 employed. Upon the written request of the member with  
 33 verification by the board of trustees of the system under  
 34 which the member is employed, the board of trustees of the  
 35 first system shall transmit to the board of trustees of the

1 system under which the member is employed, within thirty days  
2 of the receipt of the request, the member's accumulated  
3 contributions to-be-deposited-in-the-annuity-savings-fund  
4 of-the-system-under-which-the-member-is-employed and the  
5 actuarial equivalent of the amount in the pension accumulation  
6 fund which would be necessary to fund a pension equal to one  
7 twenty-second times the number of years of membership service  
8 completed, under the first system, to be deposited in the  
9 pension accumulation fund of the system under which the member  
10 is employed.

11 Sec. 37. Chapter 411, Code 1981, is amended by adding  
12 the following new section:

13 NEW SECTION. REFUND OF CONTRIBUTIONS. A member who  
14 terminates membership service under this system prior to the  
15 member's retirement, other than by death, upon request shall  
16 receive a return of the member's contributions paid under  
17 section 411.8, subsection 1, paragraph f. The request shall  
18 be in writing to the board of trustees. If the member has  
19 fifteen or more years of service and requests a refund of  
20 the member's contributions, the member forfeits any rights  
21 to benefits under this chapter. A refund of contributions  
22 paid by the board of trustees includes interest earned on  
23 the contributions of the member at the rate of six percent,  
24 compounded annually.

25 Sec. 38. Pensions payable under section 32 of this Act  
26 shall commence July 1, 1982 for a member or a member's spouse.

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STATE OF IOWA  
F I S C A L N O T E

Request No. 82-335

In compliance with a written request received March 30, 19 82, there is hereby submitted a Fiscal Note for Amend. H-5583 to S.F. 2178 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.

Amendment H-5583 to S.F. 2178, An Act relating to the administration and benefits of public retirement systems.

Section 1:

Inclusion of taxable meal and travel expenses in earnable compensation. If this amounted to 5 percent of salary, earnable compensation and average final compensation (upon which retirement benefits are based) would increase 5 percent, and retirement benefits would increase 5 percent. Costs would also increase 5 percent so that if cost is now 32 percent of salary, the increase would be 1.6 percent of salary. This would be \$160,000 per year for \$10 million salaries.

Section 12 increases percent of final five year average from 47 percent to 50 percent. Per Milliman and Roberts letter of October 27, 1981.  
 .78 percent covered payroll.

Sections 13, 14, 15.

Similar increase for conservation peace officers, sheriffs, deputies and correctional officers included in the above figure.

Section 16 Pre-76 retirees

.50/mo. first ten years of service  
 .75/mo. second ten years of service  
 1.50/mo. third ten years of service .16 percent covered payroll.

This brings total to approximately 9.28 percent of covered payroll which would be covered by current contributions of 9.45 percent. It is necessary to recognize that the above estimates change as the interest rate and experience of the plan change. It is therefore a good idea to have a margin available for contingencies.

Section 18

There will be a cost to the general fund of the state. That cost cannot be estimated at this time.

FILED MARCH 30, 1982

BY GERRY RANKIN, Fiscal Director

SENATE FILE 2178

74-5583

1 Amend Senate File 2178, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. By striking everything after the enacting  
4 clause and inserting in lieu thereof the following:

5 "Section 1. Section 97A.1, subsections 9 and 10,  
6 Code 1981, are amended to read as follows:

7 9. "Child" ~~or "children" shall mean~~ means only  
8 the surviving issue of a deceased active or retired  
9 member, or the child ~~or children~~ legally adopted by  
10 a deceased member prior to ~~his~~ the member's retirement.  
11 "Child" includes only an individual who is under the  
12 age of eighteen years, an individual who is under  
13 the age of twenty-two and is a full-time student,  
14 or an individual who is disabled under the definitions  
15 used in section 402 of the Social Security Act as  
16 amended.

17 10. "Earnable compensation" or "compensation  
18 earnable" ~~shall mean~~ means the regular compensation  
19 which a member would earn during one year on the basis  
20 of the stated compensation for the member's rank or  
21 position including compensation for longevity and  
22 the daily amount received for meals under section  
23 80.8 and excluding any amount received for overtime  
24 compensation or other special additional compensation,  
25 meal and other payments for meal expenses, uniform  
26 cleaning allowances, travel expenses, and uniform  
27 allowances and excluding any amount received upon  
28 termination or retirement in payment for accumulated  
29 sick leave or vacation.

30 Sec. 2. Section 97A.6, subsection 1, paragraph  
31 b, Code 1981, is amended to read as follows:

32 b. Any member in service who has been a member  
33 of the retirement system fifteen or more years and  
34 whose employment is terminated prior to the member's  
35 retirement, other than by death or disability, shall  
36 upon attaining retirement age, receive a service  
37 retirement allowance of fifteen twenty-seconds of  
38 the retirement allowance the member would receive  
39 at retirement if the member's employment had not been  
40 terminated, and an additional one twenty-second of  
41 such retirement allowance for each additional year  
42 of service not exceeding twenty-two years of service.  
43 The amount of the retirement allowance shall be based  
44 on calculated in the manner provided in this paragraph  
45 using the average final compensation at the time of  
46 termination of employment.

47 Sec. 3. Section 97A.6, subsection 8, paragraphs  
48 b, d, e, and f, Code 1981, are amended to read as  
49 follows:

50 b. If there ~~be~~ is no ~~such~~ nomination of

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

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

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

39 f. In addition to the benefits ~~herein~~ enumerated  
40 in this subsection, there shall also be paid for each  
41 child of a member ~~under the age of eighteen years~~  
42 a monthly pension equal to six percent of the monthly  
43 earnable compensation payable to an active member  
44 having the rank of senior patrolman of the Iowa highway  
45 safety patrol.

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

49 Sec. 4. Section 97A.6, subsection 9, paragraphs  
50 b and c, Code 1981, are amended to read as follows:

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1 b. If there ~~be~~ is no surviving spouse, ~~children~~  
2 ~~under-the-age-of-eighteen-years~~ child, or dependent  
3 parent surviving ~~such a~~ deceased member, the death  
4 shall be treated as an ordinary death case and the  
5 benefit payable ~~in-accordance-with-the-provisions~~  
6 of subsection 8, paragraph "a" of this section,  
7 in lieu of the pension provided in paragraph "a" of  
8 this subsection 9, shall be paid to the member's  
9 estate.

10 c. In addition to the benefits for the surviving  
11 spouse ~~herein~~ enumerated in this subsection, there  
12 shall also be paid for each ~~dependent~~ child of a  
13 member ~~under-the-age-of-eighteen-years~~ a monthly  
14 pension equal to six percent of the monthly earnable  
15 compensation payable to an active member having the  
16 rank of senior patrolman of the Iowa highway safety  
17 patrol.

18 Sec. 5. Section 97A.6, subsection 12, paragraph  
19 b, Code 1981, is amended to read as follows:

20 b. ~~in-the-event-of-the-death-of~~ If the spouse  
21 dies either prior or subsequent to the death of the  
22 member, to the guardian of each surviving child ~~under~~  
23 ~~eighteen-years-of-age~~, a monthly pension equal to  
24 the monthly pension payable under subsection 9,  
25 paragraph "c," of this section for the support of  
26 such the child.

27 Sec. 6. Section 97B.7, subsection 2, paragraph  
28 b, subparagraphs (3), (4), and (5), Code 1981, are  
29 amended by striking the subparagraphs, inserting in  
30 lieu thereof the following subparagraph, and  
31 renumbering the remaining subparagraphs:

32 (3) That the common stock or shares issued by  
33 solvent corporations or institutions are eligible  
34 for investment if the stock or shares are listed or  
35 admitted to trading on a securities exchange located  
36 in the United States or are publicly held and have  
37 been traded in the "over-the-counter" market and  
38 market quotations are readily available.

39 Sec. 7. Section 97B.8, Code 1981, is amended to  
40 read as follows:

41 97B.8 ADVISORY INVESTMENT BOARD. A board ~~shall~~  
42 be is established to be known as the "Advisory  
43 Investment Board of the Iowa Public Employees'  
44 Retirement System", hereinafter called the "board",  
45 whose duties ~~shall-be~~ are to advise and confer with  
46 the department in matters relating to the investment  
47 of the trust funds of the Iowa public employees'  
48 retirement system. The powers of the board ~~shall~~  
49 be-purely are advisory and the department ~~shall is~~  
50 not be bound in the making of any an investment by

1 the recommendations of the board.

2 PARAGRAPH DIVIDED. The board shall consist of  
3 seven members. Five of the members shall be appointed  
4 by the governor, one of whom shall be an executive  
5 of a domestic life insurance company, one an executive  
6 of a state or national bank operating within the state  
7 of Iowa, one an executive of a major industrial  
8 corporation located within the state of Iowa, and  
9 two shall be active members of the system, one of  
10 whom shall be an employee of a school district, ~~county~~  
11 ~~school-system, -joint-county-system~~ area education  
12 agency, or merged area and one of whom shall not be  
13 an employee of a school district, ~~county-school-system,~~  
14 joint-county-system area education agency, or merged  
15 area. The president of the senate shall appoint one  
16 member from the membership of the senate and the  
17 speaker of the house of representatives shall appoint  
18 one member from the membership of the house. The  
19 two members appointed by the president of the senate  
20 and the speaker of the house of representatives and  
21 the two active members of the system appointed by  
22 the governor ~~shall-be~~ are ex officio members of the  
23 board.

24 PARAGRAPH DIVIDED. The members who are executives  
25 of a domestic life insurance company, a state or  
26 national bank and a major industrial corporation shall  
27 be paid their actual expenses incurred in performance  
28 of their duties and shall receive in addition the  
29 sum of forty dollars for each day of service not  
30 exceeding forty days per year. Legislative members  
31 shall receive the sum of forty dollars for each day  
32 of service and their actual expenses incurred in the  
33 performance of their duties. The per diem and expenses  
34 of the legislative members shall be paid from funds  
35 appropriated under section 2.12. The members who  
36 are active members of the system shall be paid their  
37 actual expenses incurred in the performance of their  
38 duties as members of the board and performance of  
39 their duties as members of the board shall not affect  
40 their salaries, vacation or leaves of absence for  
41 sickness or injury. The appointive terms of the  
42 members appointed by the governor ~~shall-be~~ are for  
43 a period of six years beginning and ending as provided  
44 in section 69.19. ~~In-the-event-of~~ If there is a  
45 vacancy, through resignation or any-other another  
46 cause, in the membership of the board, the governor  
47 shall-have has the power of appointment. Appointees  
48 to this board ~~shall-be~~ are subject to confirmation  
49 by the senate.

50 Sec. 8. Section 97B.41, subsection 1, paragraph

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Page Five

1 a. unnumbered paragraph 1, Code 1981, is amended to  
2 read as follows:

3 "Wages" means all remuneration for employment,  
4 including the cash value of remuneration paid in any  
5 a medium other than cash, but not including the cash  
6 value of remuneration paid in any a medium other than  
7 cash necessitated by the convenience of the employer,  
8 ~~such.~~ The amount as agreed upon by the employer and  
9 employee and for remuneration paid in a medium other  
10 than cash shall be reported to the department by the  
11 employer ~~shall be~~ and is conclusive of the value of  
12 the remuneration ~~in-a-medium-other-than-cash,-except~~  
13 that. However, remuneration which does not equal  
14 or exceed the sum of three hundred dollars in any  
15 a calendar quarter shall be excluded. "Wages" does  
16 not include special lump sum payments made as payment  
17 for sick leave or accrued vacation or payments made  
18 as an incentive for early retirement. Wages for an  
19 elected official means the salary received by an  
20 elected official, exclusive of expense and travel  
21 allowances.

22 Sec. 9. Section 97B.41, subsection 1, paragraph  
23 b, subparagraph (6), Code 1981, is amended to read  
24 as follows:

25 (6) If a member is employed by more than one  
26 employer during a calendar year, the total amount  
27 of wages paid to ~~him~~ the member by ~~his~~ the several  
28 employers shall be included in determining the  
29 limitation on covered wages as provided by in this  
30 paragraph ~~"b"7-subparagraph-(3)-of-this-section.~~  
31 If the amount of wages paid to a member by ~~his~~ the  
32 member's several employers during a calendar year  
33 exceeds the covered wage limit, the amount of such  
34 excess shall not be subject to the contributions  
35 required by section 97B.11.

36 Sec. 10. Section 97B.41, subsection 20, Code 1981,  
37 is amended by striking the subsection and inserting  
38 in lieu thereof the following:

39 20. "Five-year average covered wage" means a  
40 member's covered wages averaged for the highest five  
41 years of the member's service. If the member has  
42 less than five years of service, then the average  
43 shall be computed using the actual number of years  
44 as a member. The highest five years of a member's  
45 covered wages shall be determined using calendar  
46 years. However, if a member's final quarter of a  
47 year of employment does not occur at the end of a  
48 calendar year, the department may combine the wages  
49 from the highest quarter or quarters not being used  
50 in the computation with the wages for the member's

1 final quarter or quarters to create a full year.  
2 If the five-year average covered wage of a member  
3 exceeds the highest maximum covered wages in effect  
4 for a calendar year during the member's period of  
5 service, the five-year average covered wage of the  
6 member shall be reduced to the highest maximum covered  
7 wages in effect during the member's period of service.

8 Sec. 11. Section 97B.48, subsection 3, Code 1981,  
9 is amended to read as follows:

10 3. If ~~at any time~~ after the first day of the month  
11 in which the member attains the age of fifty-five  
12 years and until the member's sixty-fifth birthday,  
13 a member who is retired under this chapter is in  
14 regular full-time employment, the member's retirement  
15 allowance shall be suspended for as long as the member  
16 remains in employment. However, employment shall  
17 not be regarded as full-time employment until the  
18 member receives remuneration in an amount in excess  
19 of two thousand one hundred dollars for any a calendar  
20 year. Effective the first of the month in which a  
21 member attains the age of sixty-five years, a retired  
22 member ~~shall be entitled to~~ may receive a retirement  
23 allowance after return to covered employment regardless  
24 of the amount of remuneration received. As of the  
25 first of the month in which the member attains the  
26 age of seventy years, the member ~~shall be entitled~~  
27 to may receive a retirement allowance determined under  
28 section 97B.49, regardless of the amount of  
29 remuneration received. Upon any a retirement after  
30 re-employment, a retired member ~~shall be entitled~~  
31 to may have ~~his or her~~ the retired member's retirement  
32 allowance redetermined under this section or section  
33 97B.49 or 97B.50, whichever is applicable, based upon  
34 the employee's and employer's additional contributions,  
35 and any addition of credit for the years of membership  
36 service of the employee after re-employment.

37 Sec. 12. Section 97B.49, subsection 5, unnumbered  
38 paragraph 1, Code 1981, is amended to read as follows:

39 5. For each active member retiring ~~on or after~~  
40 between January 1, 1976 and June 30, 1982, with four  
41 or more complete years of service, a monthly benefit  
42 shall be computed which is equal to one-twelfth of  
43 an amount equal to forty-seven percent of the five-  
44 year average covered wage multiplied by a fraction  
45 of years of service. For each member retiring on  
46 or after July 1, 1982, with four or more complete  
47 years of service, the percent used in computing the  
48 monthly benefit is fifty. For the purposes of this  
49 subsection, "fraction of years of service" means a  
50 number, not to exceed one, equal to the sum of the

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1 membership service and the number of years of prior  
2 service divided by thirty years.

3 Sec. 13. Section 97B.49, subsection 7, Code 1981,  
4 is amended to read as follows:

5 7. Notwithstanding ~~the other~~ provisions of this  
6 chapter, a member who is or has been employed as a  
7 conservation peace officer under ~~the provisions of~~  
8 section 107.13 and who retires ~~on or after~~ between  
9 July 1, 1978 and June 30, 1982 and at the time of  
10 retirement is at least sixty years of age and has  
11 completed at least twenty-five years of membership  
12 service as a conservation peace officer, may elect  
13 to receive, in lieu of the receipt of any benefits  
14 under subsection 5 of this section, a monthly  
15 retirement allowance equal to one-twelfth of forty-  
16 seven percent of the member's five-year average covered  
17 wage as a conservation peace officer ~~multiplied by~~  
18 ~~a fraction of years of service~~, with benefits payable  
19 during the member's lifetime. For each conservation  
20 peace officer eligible for benefits under this  
21 subsection who retires on or after July 1, 1982, the  
22 percent used in computing the monthly retirement  
23 allowance is fifty. There is appropriated from the  
24 general fund of the state to the Iowa department of  
25 job service from funds not otherwise appropriated  
26 an amount sufficient to pay eight and forty-three  
27 hundredths percent of the covered wages of each  
28 conservation peace officer, in addition to the  
29 contribution paid by the employer under section 97B.11,  
30 to finance increased benefits to conservation peace  
31 officers under this subsection.

32 Sec. 14. Section 97B.49, subsection 8, paragraph  
33 a, Code 1981, is amended to read as follows:

34 a. Notwithstanding ~~the other~~ provisions of this  
35 chapter, a member who is or has been employed as a  
36 county sheriff, as defined in section 39.17, or as  
37 a deputy sheriff appointed pursuant to ~~chapter 341~~  
38 section 341.1, Code 1981, or section 331.903, Code  
39 1981 Supplement, and who retires ~~on or after~~ between  
40 January 1, 1978 and June 30, 1982 and at the time  
41 of retirement is at least sixty years of age and has  
42 completed at least twenty-five years of membership  
43 service as a county sheriff or deputy sheriff, may  
44 elect to receive, in lieu of the benefits under  
45 subsection 5 of this section, a monthly retirement  
46 allowance equal to one-twelfth of forty-seven percent  
47 of the member's five-year average covered wage as  
48 a sheriff or deputy sheriff ~~multiplied by a fraction~~  
49 ~~of years of service~~, with benefits payable during  
50 the member's lifetime. For each sheriff and deputy

1 sheriff eligible for benefits under this paragraph  
2 who retires on or after July 1, 1982, the percent  
3 used in computing the monthly retirement allowance  
4 is fifty.

5 Sec. 15. Section 97B.49, subsection 10, unnumbered  
6 paragraph 1, Code 1981, is amended to read as follows:

7 Notwithstanding sections of this chapter relating  
8 to eligibility for and determination of retirement  
9 benefits, a vested member who is or has been employed  
10 as a correctional officer by the department of social  
11 services and who retires on or after July 1, 1983  
12 and at the time of retirement is at least sixty years  
13 of age and has completed at least thirty years of  
14 membership service as a correctional officer, may  
15 elect to receive, in lieu of the receipt of benefits  
16 under subsection 5 of this section, a monthly  
17 retirement allowance equal to one-twelfth of ~~forty-~~  
18 ~~seven~~ fifty percent of the member's five-year average  
19 covered wages as a correctional officer ~~multiplied~~  
20 ~~by a fraction of years of service~~, with benefits  
21 payable during the member's lifetime.

22 Sec. 16. Section 97B.49, Code 1981, is amended  
23 by adding the following new subsection:

24 NEW SUBSECTION. Effective beginning July 1, 1982,  
25 for each member who retired from the system prior  
26 to January 1, 1976, and for each member who retired  
27 from the system on or after January 1, 1976 under  
28 subsection 1 of this section, the amount of regular  
29 monthly retirement allowance attributable to membership  
30 service and prior service that was payable to the  
31 member for June 1982 is increased as follows:

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

34 b. For the eleventh through the twentieth years  
35 of service, one dollar per month for each complete  
36 year of service.

37 c. For the twenty-first through the thirtieth  
38 years of service, one dollar and fifty cents per month  
39 for each complete year of service.

40 d. The amount of monthly increase payable to a  
41 member under this subsection is also payable to a  
42 beneficiary and a contingent annuitant and shall be  
43 reduced by an amount based upon the actuarial  
44 equivalent of the option selected in section 97B.51  
45 or section 97B.52 compared to the full monthly benefit  
46 provided in this section.

47 Sec. 17. Section 97B.53, Code 1981, is amended  
48 by adding the following new subsection:

49 NEW SUBSECTION. The department shall refund  
50 employee and employer contributions on the covered

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1 wages earned by a retired member that are not used  
2 in the recomputation of monthly benefits of that  
3 member.

5024 Sec. 18. Section 97B.72, unnumbered paragraph  
5025 1, Code 1981, is amended to read as follows:

6 Persons who are members of the Sixty-eighth or  
7 Seventieth General Assembly or succeeding general  
8 assemblies who submit proof to the department of  
9 membership in the general assembly during any period  
10 beginning July 4, 1953 and ending January 8, 1979  
11 may make contributions to the system for service equal  
12 to the accumulated contributions as defined in section  
13 97B.41, subsection 13, which would have been made  
14 if the member of the general assembly had been a  
15 member of the system during the member's service in  
16 the general assembly. The proof of membership in  
17 the general assembly and payment of accumulated  
18 contributions for members of the Sixty-eighth and  
19 Seventieth General Assemblies shall be transmitted  
20 to the department ~~not later than~~ between January 10,  
21 1983 and December 31, 1979 1983. Persons Members  
22 of the Sixty-eighth and Seventieth General Assemblies  
23 eligible to receive retirement allowances under this  
24 section shall be are eligible to commence receiving  
25 retirement allowances on January 8, 1979 10, 1983  
26 or upon payment of accumulated contributions, whichever  
27 is later.

28 Members of the Seventy-first General Assembly and  
29 succeeding general assemblies shall transmit proof  
30 of membership and payment of accumulated contributions  
31 to the department during the first year of a general  
32 assembly and be eligible to commence receiving  
33 retirement allowances on January 1 of that year or  
34 upon payment, whichever is later.

35 Sec. 19. Section 97B.75, Code 1981, is amended  
36 to read as follows:

37 97B.75 PRIOR SERVICE CREDIT BEFORE JANUARY 1,  
38 1946. An active, vested, or retired member who was  
39 employed prior to January 1, 1946 by ~~the state or~~  
40 ~~a political subdivision, except for a member employed~~  
41 ~~by a school district which had established a pension~~  
42 ~~and annuity retirement system under sections 294-8,~~  
43 ~~294-9, and 294-10, and was not employed by the state~~  
44 ~~or a political subdivision between January 1, 1946~~  
45 ~~and July 4, 1953,~~ an employer may file written  
46 verification of the member's dates of employment with  
47 the department of job service and receive credit for  
48 years of prior service for the period of employment.  
49 However, a member who is eligible for or receiving  
50 a retirement allowance based upon employment with

1 an employer prior to January 1, 1946 is not eligible  
2 for credit for that period of employment.

3 Sec. 20. Section 411.1, subsection 11, Code 1981,  
4 is amended to read as follows:

5 11. "Child" ~~ex-"children"-shall-mean~~ means only  
6 surviving issue of a deceased active or retired member,  
7 or the child ~~ex-children~~ legally adopted by a deceased  
8 member prior to ~~his~~ the member's retirement. "Child"  
9 includes only an individual who is under the age of  
10 eighteen years, an individual who is under the age  
11 of twenty-two years and is a full-time student, or  
12 an individual who is disabled at the time under the  
13 definitions used in section 402 of the Social Security  
14 Act as amended.

15 Sec. 21. Section 411.5, subsection 1, paragraphs  
16 a and b, Code 1981, are amended to read as follows:

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

28 b. The chief officer of the police department,  
29 the city treasurer, ~~the-city-solicitor-or-attorney,~~  
30 two ~~police~~ police officers elected by secret ballot  
31 by the members of ~~said~~ the department who are entitled  
32 to participate in a ~~police~~ police  
33 retirement system established by law, and ~~two~~ three  
34 citizens who do not hold ~~any-other~~ another public  
35 office, who shall be appointed by the mayor with the  
36 approval of the city council, shall ~~constitute~~ serve  
37 as the members of the board of trustees of the police  
38 retirement system.

39 Sec. 22. Section 411.5, subsection 8, Code 1981,  
40 is amended to read as follows:

41 8. LEGAL ADVISER. The city attorney or solicitor  
42 of the ~~said~~ cities shall be serve as the legal adviser  
43 of the boards of trustees at the request of the boards.

44 Sec. 23. Section 411.6, subsection 1, paragraph  
45 a, Code 1981, is amended to read as follows:

46 a. Any member in service may retire upon ~~his~~  
47 written application to the board of police or fire  
48 trustees as the case may be, setting forth at what  
49 time, not less than thirty nor more than ninety days  
50 subsequent to the execution and filing ~~therefor,~~ he

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1 of the application, the member desires to be retired,  
2 ~~provided, that.~~ However, the said member at the time  
3 so specified for his retirement shall have attained  
4 the age of fifty-five and shall have served twenty-  
5 two years or more ~~in said department,~~ and  
6 notwithstanding that, during ~~such~~ the period of  
7 notification, ~~he~~ the member may have separated from  
8 the service.

9 Sec. 24. Section 411.6, subsection 1, paragraph  
10 b, Code 1981, is amended to read as follows:

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

26 Sec. 25. Section 411.6, subsection 8, paragraphs  
27 b, d, and e, Code 1981, are amended to read as follows:

28 b. If there ~~be~~ is no ~~such~~ nomination of  
29 beneficiary, the benefits provided in paragraph "a"  
30 shall be paid to the member's estate; or in lieu  
31 thereof, at the option of the following beneficiaries,  
32 respectively, even though nominated as ~~such~~  
33 beneficiaries, for a member in service, ~~there shall~~  
34 be paid at the time of death a pension which shall  
35 be paid equal to one-fourth of the average final  
36 compensation of such the member, but in no instance  
37 less than seventy-five dollars. ~~in addition to the~~  
38 benefits herein enumerated, -there There shall also  
39 be paid for each child of a member ~~under the age of~~  
40 ~~eighteen years~~ a monthly pension equal to six percent  
41 of the monthly earnable compensation paid to an active  
42 member holding the highest grade in the rank of fire  
43 fighter, for a child of a deceased member of a fire  
44 department, or the highest grade in the rank of police  
45 patrol officer, for a child of a deceased member of  
46 a police department, or for a member not in service  
47 the pension shall be reduced as provided in subsection  
48 1, paragraph "e b," of this section and shall be paid  
49 commencing when the member would have attained the  
50 age of fifty-five except that if there is a child

1 of the member ~~under the age of eighteen, or under~~  
2 ~~the age of twenty-two who is a full-time student,~~  
3 ~~or who is disabled, under the definitions used in~~  
4 ~~section 402 of the Social Security Act as amended~~  
5 ~~to July 1, 1978 42 U.S.C. 402,~~ the pension shall be  
6 paid commencing with the member's death until the  
7 children reach the age of eighteen, or twenty-two  
8 if applicable. The pension shall resume commencing  
9 when the member would have attained the age of fifty-  
10 five;

11 d. If there ~~be is~~ no spouse, or if the spouse  
12 dies or remarries ~~before any child of such deceased~~  
13 ~~member shall have attained the age of eighteen years~~  
14 and there is a child of a member, then to the guardian  
15 ~~of his or her the member's~~ child or children under  
16 ~~said age, divided in such manner~~ as the board of  
17 ~~trustees in its discretion shall determine~~ determines,  
18 to continue as a joint and survivor pension until  
19 every ~~such child of the member~~ dies or attains the  
20 age of eighteen or twenty-two if applicable; or

21 e. If there ~~be is~~ no surviving spouse or child  
22 ~~under age eighteen, then to his or her the member's~~  
23 dependent father or mother or both, as ~~the board of~~  
24 ~~trustees in its discretion shall determine~~ determines,  
25 to continue until remarriage or death.

26 Sec. 26. Section 411.6, subsection 9, paragraphs  
27 a and b, Code 1981, are amended to read as follows:

28 a. A pension equal to one-half of the average  
29 final compensation of ~~such the~~ member shall be paid  
30 to the member's spouse, children or dependent parents  
31 as provided in paragraphs "c", "d" and "e" of  
32 subsection 8 of this section. ~~In addition to the~~  
33 ~~benefits for the spouse herein enumerated, there~~ There  
34 shall also be paid for each dependent child of a  
35 member ~~under the age of eighteen years~~ a monthly  
36 pension equal to six percent of the monthly earnable  
37 compensation paid to an active member holding the  
38 highest grade in the rank of fire fighter, for a child  
39 of a deceased member of a fire department, or holding  
40 the highest grade in the rank of police patrol officer,  
41 for a child of a deceased member of a police  
42 department.

43 b. If there ~~be is~~ no spouse, ~~children under the~~  
44 ~~age of eighteen years~~ child, or dependent parent  
45 surviving ~~such a~~ deceased member, the death shall  
46 be treated as an ordinary death case and the benefit  
47 payable ~~in accordance with the provisions of~~ under  
48 subsection 8, paragraph "a", in lieu of the pension  
49 provided in paragraph "a" of this subsection 9, shall  
50 be paid to the member's estate.

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1 Sec. 27. Section 411.6, subsection 11, paragraph  
2 b, Code 1981, is amended to read as follows:

3 ~~b. in-the-event-of-the-death-of~~ If the spouse  
4 ~~dies~~ either prior or subsequent to the death of the  
5 member, to the guardian of each surviving child ~~under~~  
6 ~~eighteen-years-of-age~~, a monthly pension equal to  
7 the monthly pension payable under subsection 9 of  
8 this section for the support of ~~such~~ the child.

9 Sec. 28. Section 411.7, subsection 2, Code 1981,  
10 is amended by striking the subsection and inserting  
11 in lieu thereof the following:

12 2. The city treasurer may invest at the direction  
13 of the respective boards of trustees a portion of  
14 the funds established in section 411.8 which in the  
15 judgment of the respective boards are not needed for  
16 current payment of benefits under this chapter in  
17 investments authorized in section 97B.7, subsection  
18 2, paragraph b, for moneys in the Iowa public em-  
19 ployees' retirement fund.

20 Sec. 29. Section 411.11, Code 1981, is amended  
21 to read as follows:

22 411.11 CONTRIBUTIONS BY THE CITY. On or before  
23 January 1 of each year the respective boards of  
24 trustees shall certify to the superintendent of public  
25 safety the amounts which will become due and payable  
26 during the year next following to the pension  
27 accumulation fund and the expense fund. The amounts  
28 so certified shall be included by the superintendent  
29 of public safety in ~~his~~ the annual budget estimate.  
30 The amounts so certified shall be appropriated by  
31 the ~~said~~ respective cities and transferred to the  
32 retirement system for the ensuing year. ~~Said~~ The  
33 cities shall annually levy a tax sufficient in amount  
34 to cover ~~such~~ the appropriations.

35 However, the amounts due and payable for a  
36 retirement system during its first year, or portion  
37 of a year, of operation shall be determined using  
38 the rates of contribution adopted by the board of  
39 trustees.

40 Sec. 30. Section 411.19, Code 1981, is amended  
41 to read as follows:

42 411.19 TRANSFER OF BENEFITS TO ANOTHER CITY.  
43 A member of a retirement system established in this  
44 chapter who terminates employment with a city and  
45 is subsequently employed by another city and is  
46 eligible for coverage under this chapter, or who  
47 transfers in the same city from one retirement system  
48 under this chapter to another retirement system under  
49 this chapter, may transfer membership service earned  
50 under the first system to the system under which the

1 member is employed. Upon the written request of the  
2 member with verification by the board of trustees  
3 of the system under which the member is employed,  
4 the board of trustees of the first system shall  
5 transmit to the board of trustees of the system under  
6 which the member is employed, within thirty days of  
7 the receipt of the request, the member's accumulated  
8 contributions ~~to-be-deposited-in-the-annuity-savings~~  
9 ~~fund-of-the-system-under-which-the-member-is-employed~~  
10 and the actuarial equivalent of the amount in the  
11 pension accumulation fund which would be necessary  
12 to fund a pension equal to one twenty-second times  
13 the number of years of membership service completed,  
14 under the first system, to be deposited in the pension  
15 accumulation fund of the system under which the member  
16 is employed.

17 Sec. 31. Section 411.20, Code 1981, is amended  
18 to read as follows:

19 411.20 APPROPRIATION TO MUNICIPAL ASSISTANCE FUND.

20 1. There is appropriated from the general fund  
21 of the state to the municipal assistance fund  
22 established in chapter 405 for each fiscal year an  
23 amount necessary to be distributed to cities which  
24 have established fire and police retirement systems  
25 under the provisions of this chapter. Funds shall  
26 be used to finance the costs of benefits provided  
27 in this chapter by amendments of the Acts of the  
28 Sixty-sixth General Assembly, chapter 1089.

29 2. Commencing with the fiscal year beginning July  
30 1, 1979 for retirement systems in existence on June  
31 30, 1978, the amounts distributed ~~to-each-eligible~~  
32 ~~city~~ to pay the state's portion of the costs of benefit  
33 improvements provided by the Sixty-sixth General  
34 Assembly, chapter 1089 shall be computed by the actuary  
35 employed by the respective board of trustees on the  
36 basis of the results of actuarial studies valuations  
37 performed by ~~such~~ the actuary for the fiscal years  
38 beginning July 1, 1978 and July 1, 1979 as provided  
39 in this section.

40 Prior to December 31, 1979 the actuary employed  
41 by the respective board of trustees shall perform  
42 the actuarial valuations of the system which are  
43 needed to determine the state's portion of the cost  
44 of the benefit improvements provided by the Acts of  
45 the Sixty-sixth General Assembly, chapter 1089, for  
46 the fiscal year commencing July 1, 1979, under this  
47 section as this section was effective on June 30,  
48 1978. In addition, the actuary shall perform the  
49 actuarial valuations of the system which would have  
50 been needed to determine the state's portion of the

1 cost of the benefit improvements under this section  
2 as this section was effective on June 30, 1978, for  
3 the fiscal year commencing July 1, 1978.

4 On the basis of the results of the actuarial  
5 valuations described above, each actuary employed  
6 by a board of trustees shall determine a ratio of  
7 the payroll which is determined by dividing the total  
8 of the state's portion of the cost of said benefit  
9 improvements as determined by the actuarial valuations  
10 described for the two fiscal years by the total payroll  
11 of the members of the system for the two fiscal years.  
12 The actuary shall certify the ratio so determined  
13 to the state comptroller.

14 For the fiscal year commencing July 1, 1979 and  
15 each fiscal year thereafter, the state comptroller  
16 shall pay to each city an amount equal to the ratio  
17 of payroll computed for a ~~city~~ retirement system times  
18 the payroll of the active members employed under that  
19 system ~~by that city~~ for the fiscal year.

20 3. For retirement systems established on or after  
21 July 1, 1978, the amounts distributed to cities shall  
22 be computed in the manner provided in subsections  
23 1 and 2 by the actuary employed by the respective  
24 board of trustees on the basis of results of actuarial  
25 valuations performed by the actuary for the first  
26 fiscal year, or portion of a fiscal year, and the  
27 second fiscal year for which this chapter applies.  
28 The results of the actuarial valuations for the first  
29 fiscal year, or portion of a fiscal year, for which  
30 this chapter applies, shall determine the state's  
31 portion of the costs for that fiscal year, or portion  
32 of a fiscal year. The results of the actuarial  
33 valuations for the first two fiscal years, or for  
34 a portion of the first fiscal year and all of the  
35 second fiscal year shall determine the state's portion  
36 of the costs for the second and later fiscal years.  
37 Payment shall be made based upon the ratio of payroll  
38 determined in the manner provided in subsection 2."

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H-5583 FILED  
MARCH 26, 1982

BY COMMITTEE ON STATE GOVERNMENT  
SWEARINGEN, Chair

Adopted as amended by: H-5608,  
5618, 5620, 5622, 5623,  
5624, 5626, 5627, 5634  
5655, 5671, & 5674. 4/1 (p. 1185)

SENATE FILE 2178

H-5594

1 Amend amendment H-5583, the Committee on State  
2 Government amendment to Senate File 2178, as amended,  
3 passed, and reprinted by the Senate, as follows:

4 1. Page 8, by inserting after line 21 the  
5 following:

6 "Sec. \_\_\_\_ . Section 97B.49, Code 1981, is amended  
7 by adding the following new subsection:

8 NEW SUBSECTION. Notwithstanding other provisions  
9 of this chapter, a member who is or has been employed  
10 as an employee of the department of transportation  
11 and has been designated a peace officer by resolution  
12 of the department of transportation under section  
13 321.477 and who retires on or after July 1, 1983 and  
14 at the time of retirement is at least sixty years  
15 of age and has completed at least twenty-five years  
16 of membership service as a peace officer of the  
17 department of transportation, may elect to receive,  
18 in lieu of the receipt of any benefits under subsection  
19 5 of this section, a monthly retirement allowance  
20 equal to one-twelfth of fifty percent of the member's  
21 five-year average covered wage as a peace officer  
22 of the department of transportation, with benefits  
payable during the members's lifetime.

The department of transportation shall pay to the  
23 Iowa department of job service, from funds appropriated  
24 to the department of transportation, an amount  
25 sufficient to pay an additional percent of the covered  
26 wages of each peace officer of the department of  
27 transportation, in addition to the contribution paid  
28 by the employer under section 97B.11, to finance the  
29 cost of increased benefits under this subsection."

H-5594 FILED MARCH 29, 1982 BY DIELEMAN of Marion

*Law 4/1 (p. 1171)*

SENATE FILE 2178

H-5595

1 Amend amendment H-5583, the Committee on State  
2 Government amendment, to Senate File 2178, as amended,  
3 passed, and reprinted by the Senate, as follows:

4 1. Page 6, lines 49 and 50, by striking the words  
5 ", not to exceed one," and inserting in lieu thereof  
6 the words "~~7-not-to-exceed-one~~".

7 2. Page 7, line 2, by inserting after the word  
8 "years." the following: "However, in calculating  
9 the fraction of years of service of members with more  
10 than thirty years of membership service and prior  
service, one year of service shall be added for each  
two years of service in excess of thirty years."

H-5595 FILED MARCH 29, 1982 BY BYERLY of Polk

*Law 4/1 (p. 1165)*

SENATE FILE 2178

H-5593

1 Amend amendment H-5583, the Committee on State  
2 Government amendment, to Senate File 2178, as amended,  
3 passed, and reprinted by the Senate, as follows:  
4 1. Page 6, lines 49 and 50, by striking the words  
5 ", not to exceed one," and inserting in lieu thereof  
6 the words "~~not to exceed one~~".

H-5593 FILED MARCH 29, 1982 BY BYERLY of Polk

*HD 711 (p 1167)*

SENATE FILE 2178

H-5614

1 Amend amendment H-5583, the Committee on State  
2 Government amendment, to Senate File 2178, as amended,  
3 passed and reprinted by the Senate, as follows:

4 1. Page 13, by inserting after line 19 the  
5 following:

6 "Sec. \_\_\_\_ . Section 411.6, subsection 12, paragraph  
7 a, unnumbered paragraph 1, Code 1981, is amended to  
8 read as follows:

9 ~~Effective-July-1,-1980,-and-on~~ On each July 1  
10 ~~thereafter and January 1~~, the monthly pensions  
11 authorized in this section payable to retired members  
12 and to beneficiaries, except children of a deceased  
13 member, shall be adjusted as provided in this  
14 paragraph. An amount equal to the following  
15 percentages of the difference between the monthly  
16 earnable compensation payable to an active member  
17 of the department, of the same rank and position on  
18 the salary scale as was held by the retired or deceased  
19 member at the time of the member's retirement or  
20 death, for ~~July-of-the-preceding-year~~ the month in  
21 which the last preceding adjustment was made and the  
22 monthly earnable compensation payable to an active  
23 member of the department of the same rank and position  
24 on the salary scale for ~~July-of-the-year-just-beginning~~  
25 the month in which the adjustment is made shall be  
26 added to the monthly pension of each retired member  
27 and each beneficiary as follows:

28 Sec. \_\_\_\_ . Section 411.6, subsection 12, paragraph  
29 a, unnumbered paragraph 4, Code 1981, is amended to  
30 read as follows:

31 As of ~~the-first-of~~ July 1 and January 1 of each  
32 year, the monthly pension payable to each surviving  
33 child under the provisions of subsections 8, 9, and  
34 11 of this section shall be adjusted to equal six  
35 percent of the monthly earnable compensation payable  
36 on that July 1 or January 1 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 411.6, subsection 12, paragraphs  
43 b and d, Code 1981, are amended to read as follows:

44 b. All monthly pensions adjusted as provided in  
45 this subsection shall be payable beginning on July  
46 1 and January 1 of the year in which the adjustment  
47 is made and shall continue in effect until the next  
48 ~~following-July-1~~ adjustment at which time the monthly  
49 pensions shall again be adjusted in accordance with  
50 paragraph "a" of this subsection.

H-5614  
Page Two

1 d. A retired member eligible for benefits under  
2 ~~the provisions of~~ subsection 1 of this section is  
3 not eligible for the ~~annual~~ readjustment of pensions  
4 provided in this subsection unless the member served  
5 twenty-two years and attained the age of fifty-five  
6 years prior to ~~his~~ the member's termination of  
7 employment."

8 2. By numbering and renumbering sections and  
9 correcting internal references as necessary.

BY KREWSON of Polk  
CLEMENTS of Scott  
RUNNING of Linn  
TRUCANO of Polk

H-5614 FILED  
MARCH 30, 1982

*Law 4/1 (p. 1130)  
Amendment + Law (p. 1185)*

SENATE FILE 2178

H-5608

1 Amend amendment H-5583, the Committee on State  
2 Government amendment to Senate File 2178, as amended,  
3 passed, and reprinted by the Senate, as follows:

4 1. Page 6, by inserting after line 7 the following:  
5 "Sec. \_\_\_\_ Section 97B.41, Code 1981, is amended  
6 by adding the following new subsection:

7 NEW SUBSECTION. ATTAINMENT OF AGE. A member  
8 attains any given age on the day before the anniversary  
9 of the member's birth."

10 2. By numbering and renumbering sections and  
11 correcting internal references as necessary.

H-5608 FILED  
MARCH 30, 1982

*Adopted 4/1 (p. 1165)*

BY CLARK of Cerro Gordo  
COCHRAN of Webster

SENATE FILE 2178

H-5618

- 1 Amend amendment H-5583, the Committee on State
- 2 Government amendment to Senate File 2178, as amended,
- 3 passed and reprinted by the Senate, as follows:
- 4 1. Page 1, line 9, by striking the word "the"
- 5 and inserting in lieu thereof the words "the a".

H-5618 FILED MARCH 30, 1982 BY SPEAR of Lee

*Adopted 4/1 (p 1153)*

SENATE FILE 2178

H-5619

- 1 Amend amendment H-5583, the Committee on State
- 2 Government amendment to Senate File 2178, as amended,
- 3 passed and reprinted by the Senate, as follows:
- 4 1. Page 10, line 7, by striking the word "the"
- 5 and inserting in lieu thereof the words "the a".

H-5619 FILED MARCH 30, 1982 BY SPEAR of Lee

*Adopted 4/1 (p 1178)*

SENATE FILE 2178

H-5620

- 1 Amend amendment H-5583, the Committee on State
- 2 Government amendment to Senate File 2178, as amended,
- 3 passed and reprinted by the Senate, as follows:
- 4 1. Page 4, lines 45 and 46, by striking the words
- 5 "~~through resignation or any-other~~ another cause,"
- 6 and inserting in lieu thereof the words "~~7-through~~
- 7 ~~resignation-or-any-other-cause~~".

H-5620 FILED BY MARCH 30, 1982 BY SPEAR of Lee

*Adopted 4/1 (p 1155)*

SENATE FILE 2178

H-5622

- 1 Amend amendment H-5583, the Committee on State
- 2 Government amendment, to Senate File 2178, as amended,
- 3 passed, and reprinted by the Senate, as follows:
- 4 1. Page 1, line 16, by inserting after the word
- 5 "amended" the words "if the disability occurred to
- 6 the individual during the time the individual was
- 7 under the age of eighteen years and the parent of
- 8 the individual was an active member of the system".
- 9 2. Page 10, line 14, by inserting after the word
- 10 "amended" the words "if the disability occurred to
- 11 the individual during the time the individual was
- 12 under the age of eighteen years and the parent of
- 13 the individual was an active member of the system".

H-5622 FILED  
MARCH 30, 1982

*Adopted 4/1 (p 1153)*

BY CARPENTER of Polk  
SWEARINGEN of Keokuk

SENATE FILE 2178

H-5615

1 Amend amendment H-5583, the Committee on State  
 2 Government amendment, to Senate File 2178, as amended,  
 3 passed, and reprinted by the Senate, as follows:  
 4 1. Page 15, by inserting after line 38 the  
 5 following:  
 6 "Sec. \_\_\_\_ . The department of job service, in  
 7 cooperation with the advisory investment board of  
 8 the Iowa public employees' retirement system shall  
 9 prepare a plan for submission to the general assembly  
 10 not later than March 1, 1983 outlining the feasibility  
 11 of investment of moneys in the Iowa public employees'  
 12 retirement fund in negotiable bonds and notes of the  
 13 Iowa housing finance authority, the Iowa family farm  
 14 development authority, the Iowa railway finance  
 15 authority, and any other bonds issued by an agency  
 16 of the state under laws of this state with a purpose  
 17 of aiding the economic development of this state."  
 18 2. By numbering and renumbering sections and  
 19 correcting internal references as necessary.

BY KREWSON of Polk

JOHNSON of Linn	PELTON of Clinton
MULLINS of Kossuth	HALVORSON of Webster
HANSON of Delaware	CARL of Poweshiek
BRANSTAD of Winnebago	ANDERSON of Audubon
O'KANE of Woodbury	BRUNER of Story
SCHNEKLOTH of Scott	AVENSON of Fayette
HANSEN of O'Brien	POPE of Polk

H-5615 FILED  
 MARCH 30, 1982  
*Just 4/1/82 (p. 1162)*

SENATE FILE 2178

H-5617

1 Amend amendment H-5583, the Committee on State  
 2 Government amendment, to Senate File 2178, as amended,  
 3 passed, and reprinted by the Senate, as follows:  
 4 1. Page 9, by striking lines 4 through 34.  
 5 2. By numbering and renumbering sections and  
 6 correcting internal references as necessary.

BY TYRRELL of Iowa  
 MAULSBY of Calhoun  
 JOHNSON of Howard  
 RENKEN of Grundy  
 JOHNSON of Linn  
 GROSS of Ringgold  
 SMALLEY of Polk

H-5617 FILED  
 MARCH 30, 1982  
*Just 4/1 (p. 1176)*

SENATE FILE 2178

H-5623

1 Amend amendment H-5583, by the Committee on State  
2 Government, to Senate File 2178, as amended, passed  
3 and reprinted by the Senate, as follows:  
4 1. By striking page 5, line 48 through page 6,  
5 line 1, and inserting in lieu thereof the following:  
6 "calendar year, the department may determine the wages  
7 for the fifth year by combining the wages from the  
8 highest quarter or quarters of a year not being used  
9 in the selection of the four highest years with the  
10 final quarter or quarters of the member's service to  
11 create a full year."

H-5623 FILED MARCH 30, 1982 BY SPEAR of Lee  
*Adopted 4/1 (p 1162)*

SENATE FILE 2178

H-5624

1 Amend amendment H-5583, by the Committee on State  
2 Government, to Senate File 2178, as amended, passed  
3 and reprinted by the Senate, as follows:  
4 1. Page 2, line 36, by inserting after the words  
5 "father or mother" the words "or both".

H-5624 FILED MARCH 30, 1982 BY SPEAR of Lee  
*Adopted 4/1 (p 1153)*

SENATE FILE 2178

H-5629

1 Amend amendment H-5583, the Committee on State  
2 Government amendment, to Senate File 2178, as amended,  
3 passed, and reprinted by the Senate, as follows:

4 1. Page 15, by inserting after line 38 the  
5 following:

6 "Sec. \_\_\_\_ . The department of job service, in  
7 cooperation with the advisory investment board of  
8 the Iowa public employees' retirement system, shall  
9 prepare a report to the general assembly containing  
10 information for investments made under section 97B.7,  
11 subsection 2, paragraph b, Code 1981, including  
12 investment policies of the department and an evaluation  
13 of the investments to show:

- 14 1. Investment yield and safety.
- 15 2. Secondary economic benefits to this state.
- 16 3. Secondary economic benefits to individuals  
17 of low and moderate incomes.
- 18 4. Secondary economic benefits to areas within  
19 the state with levels of high unemployment.
- 20 5. Secondary economic benefits to members of  
21 the system.

22 6. Discernible social impacts.

23 The department shall also explore methods to  
24 diversify investments, taking under consideration  
25 actions taken by other public employment retirement  
26 systems, in order to provide secondary benefits to  
27 members of the system and to the state without  
28 jeopardizing the security, liquidity, or yield of  
29 the investment portfolio."

H-5629 FILED MARCH 30, 1982 BY BRUNER of Story

*Law 4/1 (p. 1183)*

SENATE FILE 2178

H-5632

1 Amend amendment H-5583, the Committee on State  
2 Government amendment, to Senate File 2178, as amended,  
3 passed, and reprinted by the Senate, as follows:

4 1. Page 11, by inserting after line 25 the  
5 following:

6 "Sec. \_\_\_\_ . Section 411.6, subsection 7, paragraph  
7 a, unnumbered paragraph 2, Code 1981, is amended to  
8 read as follows:

9 A beneficiary retired under ~~the provisions of this~~  
10 paragraph who is less than fifty-five years of age,  
11 in order to be eligible for continued receipt of  
12 retirement benefits, shall no later than May 15 of  
13 each year submit to the board of trustees a copy of  
14 his or her state income tax return for the preceding  
15 year."

16 2. By numbering and renumbering sections and  
17 correcting internal references as necessary.

H-5632 FILED MARCH 30, 1982 BY RUNNING of Linn

*Adopted 4/1 (p. 1179)*

SENATE FILE 2178

H-5627

1 Amend amendment H-5583, the Committee on State  
2 Government amendment, to Senate File 2178, as amended,  
3 passed, and reprinted by the Senate, as follows:  
4 1. Page 9, by inserting after line 3 the following:  
5 "Sec. \_\_\_\_ . Section 97B.67, Code 1981, is amended  
6 by adding the following new subsection:  
7 NEW SUBSECTION. It is the intent of the general  
8 assembly that the 70th General Assembly review  
9 whether there is sufficient unobligated revenue in the  
10 general fund of the state to appropriate funds to pay  
11 the benefit increases provided in section 16 of this  
12 Act from the general fund of the state, and if sufficient  
13 revenue is available, the 70th General Assembly shall  
14 appropriate the funds necessary."  
15 2. By numbering and renumbering sections and  
16 correcting internal references as necessary.

H-5627 FILED MARCH 30, 1982 BY HANSON of Delaware  
*Adopted 4/1 (p. 1174)*

SENATE FILE 2178

H-5626

1 Amend amendment H-5583, the Committee on State  
2 Government amendment, to Senate File 2178, as amended,  
3 passed, and reprinted by the Senate, as follows:  
4 1. Page 9, by striking lines 12 and 13 and  
5 inserting in lieu thereof the following: "to the  
6 accumulated employee contributions as defined in section  
7 97B-41, -subsection-13, which would have been made,  
8 plus the interest that would have accrued on the  
9 contributions."  
10 2. Page 9, line 17, by striking the word  
11 "accumulated" and inserting in lieu thereof the word  
12 "accumulated".  
13 3. Page 9, line 18, by striking the word  
14 "contributions" and inserting in lieu thereof the  
15 words "employee contributions plus interest".  
16 4. Page 9, line 26, by striking the words  
17 "accumulated contributions" and inserting in lieu  
18 thereof the words "employee contributions plus  
19 interest".  
20 5. Page 9, line 30, by striking the words  
21 "accumulated contributions" and inserting in lieu  
22 thereof the words "employee contributions plus  
23 interest".

H-5626 FILED MARCH 30, 1982 BY TYRRELL of Iowa  
*Adopted 4/1 (p. 1176)*

1 Amend amendment H-5583, the Committee on State  
2 Government amendment, to Senate File 2178, as amended,  
3 passed and reprinted by the Senate, as follows:

4 1. Page 10, by inserting after line 2 the  
5 following:

6 "Sec. \_\_\_\_ Chapter 97B, Code 1981, is amended  
7 by adding the following new section:

8 NEW SECTION. FORMER MEMBERS. A vested, or retired  
9 member who was a member of the teachers insurance  
10 and annuity association-college retirement equity  
11 fund at any time between July 1, 1967 and June 30,  
12 1971 and who became a member of the system on July  
13 1, 1971, upon submitting verification of service and  
14 wages earned during the period of service under the  
15 teachers insurance and annuity association-college  
16 retirement equity fund, may make employer and employee  
17 contributions to the system based upon the covered  
18 wages of the member and the covered wages and the  
19 contribution rates in effect for that period of service  
20 and receive credit for membership service under this  
21 system equivalent to the number of years of service  
22 in the teachers insurance and annuity association-  
23 college retirement equity fund. In addition, a member  
24 making employer and employee contributions because  
25 of membership in the teachers insurance and annuity  
26 association-college retirement equity fund under this  
27 section who was a member of the system on June 30,  
28 1967 and withdrew the member's accumulated  
29 contributions because of membership on July 1, 1967  
30 in the teachers insurance and annuity association-  
31 college retirement equity fund, may make employee  
32 contributions to the system for the period of service  
33 under the system prior to July 1, 1967.

34 The contributions paid by the vested or retired  
35 member shall be equal to the accumulated contributions  
36 as defined in section 97B.41, subsection 13, by the  
37 member for that period of service, and the employer  
38 contribution for that period of service under the  
39 teachers insurance and annuity association-college  
40 retirement equity fund, that would have been or had  
41 been contributed by the vested or retired member and  
42 the employer, if applicable, plus interest on the  
43 contributions that would have accrued for the period  
44 from the date the previous service commenced under  
45 this system or from the date the service of the member  
46 in the teachers insurance and annuity association-  
47 college retirement equity fund commenced to the date  
48 of payment of the contributions by the member equal  
49 to two percent plus the interest dividend rate  
50 applicable for each year.

1 Verification of service and wages earned and payment  
2 of contributions shall be made to the department not  
3 later than June 30, 1983."

4 2. By numbering and renumbering sections and  
5 correcting internal references as necessary.

SENATE FILE 2178

H-5633

1 Amend amendment H-5583, the Committee on State  
2 Government amendment, to Senate File 2178, as amended,  
3 passed and reprinted by the Senate, as follows:  
4 1. Page 6, by striking lines 39 through 48 and  
5 inserting in lieu thereof the following:  
6 "For each active member retiring on or after January  
7 1, 1976, with four or more complete years of service,  
8 a monthly benefit shall be computed which is equal  
9 to one-twelfth of an amount equal to ~~forty-seven~~ fifty  
10 percent of the five-year average covered wage  
11 multiplied by a fraction of years of service. For  
12 the purposes of this subsection,".  
13 2. Page 7, by striking lines 8 and 9 and inserting  
14 in lieu thereof the words and figures "section 107.13  
15 and who retires on or after July 1, 1978 and at the  
16 time of".  
17 3. Page 7, by striking lines 15 through 23 and  
18 inserting in lieu thereof the following: "retirement  
19 allowance equal to one-twelfth of ~~forty-seven~~ fifty  
20 percent of the member's five-year average covered  
21 wage as a conservation peace officer ~~multiplied by~~  
22 ~~a-fraction-of-years-of-service~~, with benefits payable  
23 during the member's lifetime. There is appropriated  
24 from the".  
25 4. Page 7, by striking lines 39 and 40 and  
26 inserting in lieu thereof the words and figures "1981  
27 Supplement, and who retires on or after January 1,  
28 1978 and at the time".  
29 5. By striking page 7, line 46, through page 8,  
30 line 4, and inserting in lieu thereof the following:  
31 "allowance equal to one-twelfth of ~~forty-seven~~ fifty  
32 percent of the member's five-year average covered  
33 wage as a sheriff or deputy sheriff ~~multiplied by~~  
34 ~~a-fraction-of-years-of-service~~, with benefits payable  
35 during the member's lifetime."

H-5633 FILED  
MARCH 30, 1982  
*Adopted 4/1 (p 1165)*

BY GETTINGS of Wapello  
PONCY of Wapello

SENATE FILE 2178

H-5634

1 Amend amendment H-5583, the Committee on State  
2 Government amendment, to Senate File 2178, as amended,  
3 passed, and reprinted by the Senate, as follows:  
4 1. Page 2, lines 36 and 37, by striking the words  
5 "in its discretion" and inserting in lieu thereof  
6 the words "~~in-its-discretion~~".  
7 2. Page 12, line 24, by striking the words "in  
8 its discretion" and inserting in lieu thereof the  
9 words "~~in-its-discretion~~".

H-5634 FILED MARCH 30, 1982

BY SPEAR of Lee

*Adopted 4/1 (p 1154)*

H-5641

1 Amend amendment H-5583, the Committee on State  
2 Government amendment to Senate File 2178, as amended,  
3 passed, and reprinted by the Senate, as follows:

4 1. Page 4, by inserting after line 49 the  
5 following:

6 "Sec. \_\_\_\_ . Section 97B.11, Code 1981, is amended  
7 to read as follows:

8 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

9 Each employer shall deduct from the wages of each  
10 member of the system a contribution in the amount  
11 of three and ~~six-tenths~~ seven-tenths percent of the  
12 covered wages paid by the employer through June-30,  
13 ~~1979~~ December 31, 1983, and commencing ~~July-1, 1979~~  
14 January 1, 1984 in the amount of three and seven-  
15 ~~tenths~~ eight-tenths percent of the covered wages paid  
16 by the employer, until the first of the month in which  
17 the member attains the age of seventy years or the  
18 member's termination or retirement from employment,  
19 whichever is earlier. The contributions of the  
20 employer shall be in the amount of ~~three-and-one-half~~  
21 ~~percent-of-the-covered-wages-of-the-member-for-service~~  
22 ~~through-December-31-1975-and-in-the-amount-of~~ five  
23 ~~and-twenty-five~~ seventy-five hundredths percent of  
24 the covered wages of the member for service ~~commencing~~  
25 ~~July-1, 1977~~ through ~~June-30, 1979~~ December 31, 1983,  
26 and in the amount of ~~five-and-seventy-five~~ six and  
27 twenty-five hundredths percent of the covered wages  
28 of the member for service commencing ~~July-1, 1979~~  
29 January 1, 1984."

30 2. By numbering and renumbering sections and  
31 correcting internal references as necessary.

H-5641 FILED  
MARCH 31, 1982  
*File 4/1 (A 1157)*

BY BRANDT of Black Hawk  
GROTH of Buena Vista  
FEY of Scott

SENATE FILE 2178

H-5638

1 Amend amendment H-5583, the Committee on State  
2 Government amendment to Senate File 2178, as amended,  
3 passed, and reprinted by the Senate, as follows:

4 1. Page 5, by inserting after line 21 the  
5 following:

6 "Sec. \_\_\_\_ . Section 97B.41, subsection 1, paragraph  
7 b, subparagraph (4), Code 1981, is amended to read  
8 as follows:

9 (4) For each calendar year from January 1, 1976,  
10 ~~and thereafter through December 31, 1982~~, wages not  
11 in excess of twenty thousand dollars."

12 2. Page 5, by inserting after line 35 the  
13 following:

14 "Sec. \_\_\_\_ . Section 97B.41, subsection 1, paragraph  
15 b, Code 1981, is amended by adding the following new  
16 subparagraphs after subparagraph (4) and renumbering  
17 the remaining subparagraphs:

18 NEW SUBPARAGRAPH. For each calendar year from  
19 January 1, 1983 through December 31, 1984, wages not  
20 in excess of twenty-one thousand dollars per year.

21 NEW SUBPARAGRAPH. For each calendar year from  
22 January 1, 1985 through December 31, 1986, wages not  
23 in excess of twenty-three thousand dollars per year.

24 NEW SUBPARAGRAPH. For each calendar year from  
25 January 1, 1987 and thereafter, wages not in excess  
26 of twenty-five thousand dollars per year."

27 3. Page 6, line 48, by striking the word "fifty"  
28 and inserting in lieu thereof the word "forty-nine".

29 4. Page 7, line 23, by striking the word "fifty"  
30 and inserting in lieu thereof the word "forty-nine".

31 5. Page 8, line 4, by striking the word "fifty"  
32 and inserting in lieu thereof the word "forty-nine".

33 6. Page 8, line 18, by striking the word "fifty"  
34 and inserting in lieu thereof the word "forty-nine".

35 7. By numbering and renumbering sections and  
36 correcting internal references as necessary.

H-5638 FILED MARCH 31, 1982 BY LLOYD-JONES of Johnson  
*Done 4/1 (p 1167)*

SENATE FILE 2178

H-5640

1 Amend amendment H-5583, the Committee on State  
2 Government amendment to Senate File 2178, as amended,  
3 passed and reprinted by the Senate, as follows:

4 1. Page 8, by striking lines 22 through 46.

5 2. By numbering and renumbering sections and  
6 correcting internal references as necessary.

H-5640 FILED MARCH 31, 1982 BY BRANDT of Black Hawk  
*Done 4/1 (p 1172)*

1 Amend amendment H-5583, the Committee on State  
2 Government amendment, to Senate File 2178, as amended,  
3 passed, and reprinted by the Senate, as follows:

4 1. Page 4, by inserting after line 49 the  
5 following:

6 "Sec. \_\_\_\_ . Section 97B.11, Code 1981, is amended  
7 to read as follows:

8 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

9 1. Each employer shall deduct from the wages of  
10 each member of the system a contribution in the Each  
11 employee shall contribute an amount of equal to three  
12 and six-tenths percent of the covered wages paid by  
13 the employer of the employee through June 30, 1979,  
14 and commencing July 1, 1979 in the amount of three  
15 and seven-tenths percent of the covered wages paid  
16 by the employer of the employee, until the first of  
17 the month in which the member attains the age of  
18 seventy years or the member's termination or retirement  
19 from employment, whichever is earlier. The  
20 contributions of the employer shall be in the amount  
21 of three and one-half percent of the covered wages  
22 of the member for service through December 31, 1975,  
23 and in the amount of five and twenty-five hundredths  
24 percent of the covered wages of the member for service  
25 commencing July 1, 1977 through June 30, 1979, and  
26 in the amount of five and seventy-five hundredths  
27 percent of the covered wages of the member for service  
28 commencing July 1, 1979.

29 2. Contributions of the employee shall be in the  
30 form of a deduction from the covered wages of the  
31 member and shall be made notwithstanding that the  
32 wages paid in cash to the employee are reduced by  
33 the deduction below the minimum prescribed by law.  
34 Each member is deemed to consent and agree to the  
35 deduction from covered wages provided in this section  
36 and to acknowledge that the member has received the  
37 member's entire wages.

38 3. Each employer shall pick up the employee  
39 contributions required by subsection 2 for covered  
40 wages earned after July 1, 1982, and the contributions  
41 so picked up shall be treated as employer contributions  
42 in determining tax treatment under the United States  
43 Internal Revenue Code. However, each employer shall  
44 continue to withhold federal and state income taxes  
45 based upon these contributions until the internal  
46 revenue service or the federal courts rule that  
47 pursuant to section 414(h) of the United States  
48 Internal Revenue Code, these contributions shall not  
49 be included as gross income of the employee until  
50 such time as they are distributed or made available.

H-5646  
Page Two

1 The employer shall pay the employee contributions  
2 from the same source of funds which is used in paying  
3 earnings to the employee. The employer may pick up  
4 these contributions by a reduction in the cash wages  
5 of the employee or by an offset against a future wage  
6 increase or by a combination of a reduction in wages  
7 and offset against a future wage increase. If employee  
8 contributions are picked up, they shall be treated  
9 for all purposes of this chapter in the same manner  
10 and to the same extent as employee contributions made  
11 prior to the date picked up.

12 Sec.     . Section 97B.14, Code 1981, is amended  
13 to read as follows:

14 97B.14 CONTRIBUTIONS FORWARDED. Contributions  
15 ~~deducted from the wages of the member and the~~  
16 ~~employer's contribution of the employer and the~~  
17 employee shall be forwarded to the department for  
18 recording and deposited with the treasurer of the  
19 state to the credit of the Iowa public employees'  
20 retirement fund. Contributions shall be remitted  
21 monthly, if total contributions by both employee and  
22 employer amount to one hundred dollars or more each  
23 month, and shall be otherwise paid in such manner,  
24 at such times and under such conditions, either by  
25 copies of payrolls or other methods necessary or  
26 helpful in securing proper identification of the  
27 member, as may be prescribed by the department."

28 2. Page 8, by inserting after line 4 the following:

29 "Sec.     . Section 97B.49, subsection 8, paragraph  
30 b, Code 1981, is amended to read as follows:

31 b. Each county and employee eligible for benefits  
32 under this section shall annually contribute an amount  
33 determined by the Iowa department of job service,  
34 as a percentage of covered wages, to be necessary  
35 to pay for the additional benefits provided by this  
36 section. The annual contribution in excess of the  
37 employer and employee contributions required by this  
38 chapter shall be ~~paid by the employer and the employee~~  
39 made in the same proportion that employer and employee  
40 contributions are made under section 97B.11. The  
41 additional percentage of covered wage calculated by  
42 the department shall be an actuarially determined  
43 amount which, if contributed throughout the entire  
44 period of active service, would be sufficient to  
45 provide the pension benefit provided in this section."

46 3. By numbering and renumbering sections and  
47 correcting internal references as necessary.

SENATE FILE 2178

H-5663

1 Amend amendment H-5583, the Committee on State  
2 Government amendment to Senate File 2178, as amended,  
3 passed, and reprinted by the Senate, as follows:

52 X 4 1. By striking page 7, line 36 through page 8,  
5 line 1 and inserting in lieu thereof the following:  
6 "county sheriff, as defined in section 39.17, ~~or~~ as  
7 a deputy sheriff appointed pursuant to ~~chapter 341~~  
8 section 341.1, Code 1981, or section 331.903, Code  
9 1981 Supplement, or as a marshal or police officer  
10 in a city not covered under chapter 400, and who  
11 retires ~~on or after~~ between January 1, 1978 and June  
12 30, 1982 and at the time of retirement is at least  
13 sixty years of age and has completed at least twenty-  
14 five years of membership service as a county sheriff  
15 ~~or~~, deputy sheriff, or marshal or police officer as  
16 defined in this subsection, may elect to receive,  
17 in lieu of the benefits under subsection 5 of this  
18 section, a monthly retirement allowance equal to one-  
19 twelfth of forty-seven percent of the member's five-  
20 year average covered wage as a sheriff ~~or~~, deputy  
21 sheriff ~~multiplied by a fraction of years of service,~~  
22 or marshal or police officer as defined in this  
23 subsection, with benefits payable during the member's  
24 lifetime. For each sheriff, deputy sheriff, and  
25 marshall or police officer as defined in this section  
26 eligible for benefits under this paragraph".

27 2. Page 8, by inserting after line 4 the following:  
28 "Sec. \_\_\_\_ Section 97B.49, subsection 8, paragraph  
29 b, Code 1981, is amended to read as follows:

30 b. Each county and applicable city and employee  
31 eligible for benefits under this section shall annually  
32 contribute an amount determined by the Iowa department  
33 of job service, as a percentage of covered wages,  
34 to be necessary to pay for the additional benefits  
35 provided by this section. The annual contribution  
36 in excess of the employer and employee contributions  
37 required by this chapter shall be paid by the employer  
38 and the employee in the same proportion that employer  
39 and employee contributions are made under section  
40 97B.11. The additional percentage of covered wage  
41 calculated by the department shall be an actuarially  
42 determined amount which, if contributed throughout  
43 the entire period of active service, would be  
44 sufficient to provide the pension benefit provided  
45 in this section."

46 3. By numbering and renumbering sections and  
47 correcting internal references as necessary.

H-5663 FILED MARCH 31, 1982

BY WELSH of Dubuque

*Look 4/1/82 1120*

COCHRAN of Webster

HORN of Linn

JAY of Appanoose

HOWELL of Floyd

SENATE FILE 2178

H-5642

1 Amend amendment H-5583, the Committee on State  
2 Government amendment to Senate File 2178, as amended,  
3 passed, and reprinted by the Senate, as follows:  
4 1. By striking page 7, line 36 through page 8,  
5 line 1 and inserting in lieu thereof the following:  
6 "county sheriff, as defined in section 39.17, ~~or~~  
7 as a deputy sheriff appointed pursuant to ~~chapter~~  
8 ~~341~~ section 341.1, Code 1981, or section 331.903,  
9 Code 1981 Supplement, or as a marshal or police officer  
10 in a city not covered under chapter 400, and who  
11 retires ~~on-or-after~~ between January 1, 1978 and June  
12 30, 1982 and at the time of retirement is at least  
13 sixty years of age and has completed at least twenty-  
14 five years of membership service as a county sheriff  
15 ~~or~~, deputy sheriff, or marshal or police officer as  
16 defined in this subsection, may elect to receive,  
17 in lieu of the benefits under subsection 5 of this  
18 section, a monthly retirement allowance equal to one-  
19 twelfth of forty-seven percent of the member's five-  
20 year average covered wage as a sheriff ~~or~~, deputy  
21 sheriff ~~multiplied by a fraction of years of service,~~  
22 or marshal or police officer as defined in this  
23 subsection, with benefits payable during the member's  
24 lifetime. For each sheriff, deputy sheriff, and  
25 marshall or police officer as defined in this section  
26 eligible for benefits under this paragraph".

H-5642 FILED  
MARCH 31, 1982  
*Adopted 4/1 (p 1165)*

BY WELSH of Dubuque                      HORN of Linn  
COCHRAN of Webster                      JAY of Appanoose  
HOWELL of Floyd

SENATE FILE 2178

H-5655

1 Amend amendment H-5583 to Senate File 2178,  
2 as follows:  
3 1. Page 3, by inserting after line 38, the  
4 following:  
5 "(4) That, where prudent, investments made  
6 under this paragraph shall be made in a manner that  
7 will enhance the economy of this state, and in  
8 particular, will result in increased employment of  
9 the residents of this state."

H-5655 FILED  
MARCH 31, 1982  
*Adopted 4/1 (p 1155)*

BY SWEARINGEN of Keokuk  
BRANDT of Black Hawk

SENATE FILE 2178

H-5669

1 Amend amendment H-5583, the Committee on State  
 2 Government amendment to Senate File 2178, as amended,  
 3 passed, and reprinted by the Senate, as follows:  
 4 1. Page 8, by inserting after line 46 the  
 5 following:  
 6 "There is appropriated annually from the general  
 7 fund of the state to the Iowa department of job service  
 8 from funds not otherwise appropriated, two million two  
 9 hundred and seventeen thousand dollars per year for  
 10 each year commencing with the fiscal year beginning  
 11 July 1, 1982 through the fiscal year beginning July 1,  
 12 1991 to pay the cost of the increased benefits provided  
 13 in this subsection."

BY BRANDT of Black Hawk

FEY of Scott	LONGERGAN of Boone
PONCY of Wapello	ANDERSON of Jasper
WALTER of Pottawattamie	BAXTER of Des Moines
PAVICH of Pottawattamie	CONNOLLY of Dubuque
ROSENBERG of Story	KNAPP of Dubuque
OXLEY of Linn	DIELEMAN of Marion
BRUNER of Story	HALVORSON of Webster
GROTH of Buena Vista	NORLAND of Worth
LLOYD-JONES of Johnson	GETTINGS of Wapello
CARL of Poweshiek	HOWELL of Floyd
SWARTZ of Marshall	SPEAR of Lee
AVENSON of Fayette	DAVITT of Warren
HORN of Linn	WELSH of Dubuque
STURGEON of Woodbury	SULLIVAN of Van Burean
BYERLY of Polk	BINNEBOESE of Plymouth
RENAUD of Polk	HALL of Linn
COCHRAN of Webster	CONNORS of Polk
DODERER of Johnson	O'KANE of Woodbury
	ARNOULD of Scott

H-5669 FILED  
APRIL 1, 1982  
*Lead #11 (p 1174)*

SENATE FILE 2178

H-5671

1 Amend amendment H-5638 to amendment H-5583 to  
 2 Senate File 2178, as follows:  
 3 1. Page 1, by striking lines 24 through 26.

H-5671 FILED APRIL 1, 1982 BY LLOYD-JONES of Johnson  
ADOPTED BY UNANIMOUS CONSENT (p 1161)

SENATE FILE 2178

H-5665

1 Amend amendment H-5583, the Committee on State  
2 Government amendment, to Senate File 2178, as amended,  
3 passed and reprinted by the Senate, as follows:  
4 1. By striking page 5, line 45, through page 6,  
5 line 1, and inserting in lieu thereof the following:  
6 "covered wages shall be determined using the member's  
7 highest five calendar years. However, if a member's  
8 final quarter of a year of employment does not occur  
9 at the end of a calendar year, the department may  
10 substitute the wages of the member's final quarter  
11 or quarters for wages for a lower quarter or quarters  
12 that would otherwise be used in the computation."

H-5665 FILED APRIL 1, 1982 BY SPEAR of Lee  
*Adopted 4/1 (p 1162)*

SENATE FILE 2178

H-5674

1 Amend amendment H-5583, to Senate File 2178,  
2 as follows:  
3 1. Page 15, by inserting after line 38, the  
4 following:  
5 "Sec. \_\_\_\_\_. Section 11 of this Act applies  
6 only to persons who retire from the system on or  
7 after the effective date of this Act."

H-5674 FILED APRIL 1, 1982 BY SCHROEDER of Pottawattamie  
*Adopted 4/1 (p 1183)*

SENATE FILE 2178

H-5675

1 Amend amendment H-5663 to amendment H-5583, to  
2 Senate File 2178, as follows:  
3 1. Page 1, line 9, by striking the words  
4 "marshal or".  
5 2. Page 1, line 15, by striking the words  
6 "marshal or".  
7 3. Page 1, line 19, by striking the words  
8 "forty-seven", and inserting in lieu thereof the  
9 words "forty-seven fifty".  
10 4. Page 1, line 22, by striking the words  
11 "marshal or".  
12 5. Page 1, line 25, by striking the words  
13 "marshall or".

H-5675 FILED APRIL 1, 1982 BY WELSH of Dubuque  
ADOPTED BY UNANIMOUS CONSENT  
*(p 1169)*

House Amendment to Senate File 2178

S-5630

1 Amend Senate File 2178, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. By striking everything after the enacting  
4 clause and inserting in lieu thereof the following:  
5 "Section 1. Section 97A.1, subsections 9 and 10,  
6 Code 1981, are amended to read as follows:  
7 9. "Child" ~~or "children" shall mean~~ means only  
8 the surviving issue of a deceased active or retired  
9 member, or ~~the a child or children~~ legally adopted  
10 by a deceased member prior to ~~his~~ the member's  
11 retirement. "Child" includes only an individual who  
12 is under the age of eighteen years, an individual  
13 who is under the age of twenty-two and is a full-time  
14 student, or an individual who is disabled under the  
15 definitions used in section 402 of the Social Security  
16 Act as amended if the disability occurred to the  
17 individual during the time the individual was under  
18 the age of eighteen years and the parent of the  
19 individual was an active member of the system.  
20 10. "Earnable compensation" or "compensation  
21 earnable" ~~shall mean~~ means the regular compensation  
22 which a member would earn during one year on the basis  
23 of the stated compensation for the member's rank or  
24 position including compensation for longevity and  
25 the daily amount received for meals under section  
26 80.8 and excluding any amount received for overtime  
27 compensation or other special additional compensation,  
28 ~~meal and other payments for meal expenses, uniform~~  
29 cleaning allowances, travel expenses, and uniform  
30 allowances and excluding any amount received upon  
31 termination or retirement in payment for accumulated  
32 sick leave or vacation.  
33 Sec. 2. Section 97A.6, subsection 1, paragraph  
34 b, Code 1981, is amended to read as follows:  
35 b. Any member in service who has been a member  
36 of the retirement system fifteen or more years and  
37 whose employment is terminated prior to the member's  
38 retirement, other than by death or disability, shall  
39 upon attaining retirement age, receive a service  
40 retirement allowance of fifteen twenty-seconds of  
41 the retirement allowance the member would receive  
42 at retirement if the member's employment had not been  
43 terminated, and an additional one twenty-second of  
44 such retirement allowance for each additional year  
45 of service not exceeding twenty-two years of service.  
46 The amount of the retirement allowance shall be based  
47 on calculated in the manner provided in this paragraph  
48 using the average final compensation at the time of  
49 termination of employment.  
50 Sec. 3. Section 97A.6, subsection 8, paragraphs

1 b, d, e, and f, Code 1981, are amended to read as  
2 follows:

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

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

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

42 f. In addition to the benefits herein enumerated  
43 in this subsection, there shall also be paid for each  
44 child of a member under the age of eighteen years  
45 a monthly pension equal to six percent of the monthly  
46 earnable compensation payable to an active member  
47 having the rank of senior patrolman of the Iowa highway  
48 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 Sec. 4. Section 97A.6, subsection 9, paragraphs  
3 b and c, Code 1981, are amended to read as follows:  
4 b. If there ~~be is~~ no surviving spouse, ~~children~~  
5 ~~under-the-age-of-eighteen-years~~ child, or dependent  
6 parent surviving such a deceased member, the death  
7 shall be treated as an ordinary death case and the  
8 benefit payable ~~in-accordance-with-the-provisions~~  
9 ~~of~~ under subsection 8, paragraph "a" of this section,  
10 in lieu of the pension provided in paragraph "a" of  
11 this subsection 9, shall be paid to the member's  
12 estate.

13 c. In addition to the benefits for the surviving  
14 spouse ~~herein enumerated in this subsection~~, there  
15 shall also be paid for each dependent child of a  
16 member ~~under-the-age-of-eighteen-years~~ a monthly  
17 pension equal to six percent of the monthly earnable  
18 compensation payable to an active member having the  
19 rank of senior patrolman of the Iowa highway safety  
20 patrol.

21 Sec. 5. Section 97A.6, subsection 12, paragraph  
22 b, Code 1981, is amended to read as follows:

23 b. ~~In-the-event-of-the-death-of~~ if the spouse  
24 ~~dies~~ either prior or subsequent to the death of the  
25 member, to the guardian of each surviving child ~~under~~  
26 ~~eighteen-years-of-age~~, a monthly pension equal to  
27 the monthly pension payable under subsection 9,  
28 paragraph "c," of this section for the support of  
29 ~~such~~ the child.

30 Sec. 6. Section 97B.7, subsection 2, paragraph  
31 b, subparagraphs (3), (4), and (5), Code 1981, are  
32 amended by striking the subparagraphs, inserting in  
33 lieu thereof the following subparagraph, and  
34 renumbering the remaining subparagraphs:

35 (3) That the common stock or shares issued by  
36 solvent corporations or institutions are eligible  
37 for investment if the stock or shares are listed or  
38 admitted to trading on a securities exchange located  
39 in the United States or are publicly held and have  
40 been traded in the "over-the-counter" market and  
41 market quotations are readily available.

42 (4) That, where prudent, investments made under  
43 this paragraph shall be made in a manner that will  
44 enhance the economy of this state, and in particular,  
45 will result in increased employment of the residents  
46 of this state.

47 Sec. 7. Section 97B.8, Code 1981, is amended to  
48 read as follows:

49 97B.8 ADVISORY INVESTMENT BOARD. A board shall  
50 be is established to be known as the "Advisory

1 Investment Board of the Iowa Public Employees'  
2 Retirement System", hereinafter called the "board",  
3 whose duties ~~shall-be~~ are to advise and confer with  
4 the department in matters relating to the investment  
5 of the trust funds of the Iowa public employees'  
6 retirement system. The powers of the board ~~shall~~  
7 ~~be-purely~~ are advisory and the department ~~shall~~ is  
8 ~~not be bound~~ in the making of any an investment by  
9 the recommendations of the board.

10 PARAGRAPH DIVIDED. The board shall consist of  
11 seven members. Five of the members shall be appointed  
12 by the governor, one of whom shall be an executive  
13 of a domestic life insurance company, one an executive  
14 of a state or national bank operating within the state  
15 of Iowa, one an executive of a major industrial  
16 corporation located within the state of Iowa, and  
17 two shall be active members of the system, one of  
18 whom shall be an employee of a school district, county  
19 school-system, joint-county-system area education  
20 agency, or merged area and one of whom shall not be  
21 an employee of a school district, county-school-system,  
22 joint-county-system area education agency, or merged  
23 area. The president of the senate shall appoint one  
24 member from the membership of the senate and the  
25 speaker of the house of representatives shall appoint  
26 one member from the membership of the house. The  
27 two members appointed by the president of the senate  
28 and the speaker of the house of representatives and  
29 the two active members of the system appointed by  
30 the governor ~~shall-be~~ are ex officio members of the  
31 board.

32 PARAGRAPH DIVIDED. The members who are executives  
33 of a domestic life insurance company, a state or  
34 national bank and a major industrial corporation shall  
35 be paid their actual expenses incurred in performance  
36 of their duties and shall receive in addition the  
37 sum of forty dollars for each day of service not  
38 exceeding forty days per year. Legislative members  
39 shall receive the sum of forty dollars for each day  
40 of service and their actual expenses incurred in the  
41 performance of their duties. The per diem and expenses  
42 of the legislative members shall be paid from funds  
43 appropriated under section 2.12. The members who  
44 are active members of the system shall be paid their  
45 actual expenses incurred in the performance of their  
46 duties as members of the board and performance of  
47 their duties as members of the board shall not affect  
48 their salaries, vacation or leaves of absence for  
49 sickness or injury. The appointive terms of the  
50 members appointed by the governor ~~shall-be~~ are for

1 a period of six years beginning and ending as provided  
2 in section 69.19. ~~In-the-event-of~~ If there is a  
3 ~~vacancy, through resignation or any other cause,~~ in  
4 the membership of the board, the governor ~~shall have~~  
5 has the power of appointment. Appointees to this  
6 ~~board shall be~~ are subject to confirmation by the  
7 senate.

8 Sec. 8. Section 97B.41, subsection 1, paragraph  
9 a, unnumbered paragraph 1, Code 1981, is amended to  
10 read as follows:

11 "Wages" means all remuneration for employment,  
12 including the cash value of remuneration paid in any  
13 a medium other than cash, but not including the cash  
14 value of remuneration paid in any a medium other than  
15 cash necessitated by the convenience of the employer;  
16 such. The amount as agreed upon by the employer and  
17 employee ~~and~~ for remuneration paid in a medium other  
18 than cash shall be reported to the department by the  
19 employer shall be and is conclusive of the value of  
20 the remuneration in a medium other than cash, except  
21 that. However, remuneration which does not equal  
22 or exceed the sum of three hundred dollars in any  
23 a calendar quarter shall be excluded. "Wages" does  
24 not include special lump sum payments made as payment  
25 for sick leave or accrued vacation or payments made  
26 as an incentive for early retirement. Wages for an  
27 elected official means the salary received by an  
28 elected official, exclusive of expense and travel  
29 allowances.

30 Sec. 9. Section 97B.41, subsection 1, paragraph  
31 b, subparagraph (6), Code 1981, is amended to read  
32 as follows:

33 (6) If a member is employed by more than one  
34 employer during a calendar year, the total amount  
35 of wages paid to him the member by his the several  
36 employers shall be included in determining the  
37 limitation on covered wages as provided by in this  
38 paragraph "b", subparagraph (3), of this section.  
39 If the amount of wages paid to a member by his the  
40 member's several employers during a calendar year  
41 exceeds the covered wage limit, the amount of such  
42 excess shall not be subject to the contributions  
43 required by section 97B.11.

44 Sec. 10. Section 97B.41, subsection 20, Code 1981,  
45 is amended by striking the subsection and inserting  
46 in lieu thereof the following:

47 20. "Five-year average covered wage" means a  
48 member's covered wages averaged for the highest five  
49 years of the member's service. If the member has  
50 less than five years of service, then the average

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2 shall be computed using the actual number of years  
3 as a member. The highest five years of a member's  
4 covered wages shall be determined using calendar  
5 years. However, if a member's final quarter of a  
6 year of employment does not occur at the end of a  
7 calendar year, the department may determine the wages  
8 for the fifth year by combining the wages from the  
9 highest quarter or quarters of a year not being used  
10 in the selection of the four highest years with the  
11 final quarter or quarters of the member's service  
12 to create a full year. If the five-year average covered  
13 wage of a member exceeds the highest maximum covered  
14 wages in effect for a calendar year during the member's  
15 period of service, the five-year average covered wage  
16 of the member shall be reduced to the highest maximum  
17 covered wages in effect during the member's period  
18 of service.

18 Sec. 11. Section 97B.41, Code 1981, is amended  
19 by adding the following new subsection:

20 NEW SUBSECTION. ATTAINMENT OF AGE. A member  
21 attains any given age on the day before the anniversary  
22 of the member's birth.

23 Sec. 12. Section 97B.48, subsection 3, Code 1981,  
24 is amended to read as follows:

25 3. ~~If at any time~~ after the first day of the month  
26 in which the member attains the age of fifty-five  
27 years and until the member's sixty-fifth birthday,  
28 a member who is retired under this chapter is in  
29 regular full-time employment, the member's retirement  
30 allowance shall be suspended for as long as the member  
31 remains in employment. However, employment shall  
32 not be regarded as full-time employment until the  
33 member receives remuneration in an amount in excess  
34 of two thousand one hundred dollars for any a calendar  
35 year. Effective the first of the month in which a  
36 member attains the age of sixty-five years, a retired  
37 member ~~shall be entitled to~~ may receive a retirement  
38 allowance after return to covered employment regardless  
39 of the amount of remuneration received. As of the  
40 first of the month in which the member attains the  
41 age of seventy years, the member ~~shall be entitled~~  
42 to may receive a retirement allowance determined under  
43 section 97B.49, regardless of the amount of  
44 remuneration received. Upon any a retirement after  
45 re-employment, a retired member ~~shall be entitled~~  
46 to may have his or her the retired member's retirement  
47 allowance redetermined under this section or section  
48 97B.49 or 97B.50, whichever is applicable, based upon  
49 the ~~employee's and employer's additional contributions~~  
50 and any addition of credit for the years of membership

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1 service of the employee after re-employment.

2 Sec. 13. Section 97B.49, subsection 5, unnumbered  
3 paragraph 1, Code 1981, is amended to read as follows:

4 For each active member retiring ~~on or after~~ between  
5 January 1, 1976 and June 30, 1982, with four or more  
6 complete years of service, a monthly benefit shall  
7 be computed which is equal to one-twelfth of an amount  
8 equal to forty-seven percent of the five-year average  
9 covered wage multiplied by a fraction of years of  
10 service. For each member retiring ~~on or after~~ July  
11 1, 1982, with four or more complete years of service,  
12 the percent used in computing the monthly benefit  
13 is fifty. For the purposes of this subsection,  
14 "fraction of years of service" means a number, not  
15 to exceed one, equal to the sum of the years of  
16 membership service and the number of years of prior  
17 service divided by thirty years.

18 Sec. 14. Section 97B.49, subsection 7, Code 1981,  
19 is amended to read as follows:

20 7. Notwithstanding the other provisions of this  
21 chapter, a member who is or has been employed as a  
22 conservation peace officer under ~~the provisions of~~  
23 ~~section 107.13 and who retires on or after~~ between  
24 July 1, 1978 and June 30, 1982 and at the time of  
25 retirement is at least sixty years of age and has  
26 completed at least twenty-five years of membership  
27 service as a conservation peace officer, may elect  
28 to receive, in lieu of the receipt of any benefits  
29 under subsection 5 of this section, a monthly  
30 retirement allowance equal to one-twelfth of forty-  
31 seven percent of the member's five-year average covered  
32 wage as a conservation peace officer ~~multiplied by~~  
33 ~~a fraction of years of service~~, with benefits payable  
34 during the member's lifetime. For each conservation  
35 peace officer eligible for benefits under this  
36 subsection who retires on or after July 1, 1982, the  
37 percent used in computing the monthly retirement  
38 allowance is fifty. There is appropriated from the  
39 general fund of the state to the Iowa department of  
40 job service from funds not otherwise appropriated  
41 an amount sufficient to pay eight and forty-three  
42 hundredths percent of the covered wages of each  
43 conservation peace officer, in addition to the  
44 contribution paid by the employer under section 97B.11,  
45 to finance increased benefits to conservation peace  
46 officers under this subsection.

47 Sec. 15. Section 97B.49, subsection 8, paragraph  
48 a, Code 1981, is amended to read as follows:

49 a. Notwithstanding ~~the other~~ provisions of this  
50 chapter, a member who is or has been employed as a

1 county sheriff, as defined in section 39.17, or as  
2 a deputy sheriff appointed pursuant to chapter-341  
3 section 341.1, Code 1981, or section 331.903, Code  
4 1981 Supplement, and who retires on-or-after between  
5 January 1, 1978 and June 30, 1982 and at the time  
6 of retirement is at least sixty years of age and has  
7 completed at least twenty-five years of membership  
8 service as a county sheriff or deputy sheriff, may  
9 elect to receive, in lieu of the benefits under  
10 subsection 5 of this section, a monthly retirement  
11 allowance equal to one-twelfth of forty-seven percent  
12 of the member's five-year average covered wage as  
13 a sheriff or deputy sheriff multiplied by a fraction  
14 of years-of-service, with benefits payable during  
15 the member's lifetime. For each sheriff and deputy  
16 sheriff eligible for benefits under this paragraph  
17 who retires on or after July 1, 1982, the percent  
18 used in computing the monthly retirement allowance  
19 is fifty.

20 Sec. 16. Section 97B.49, subsection 10, unnumbered  
21 paragraph 1, Code 1981, is amended to read as follows:

22 Notwithstanding sections of this chapter relating  
23 to eligibility for and determination of retirement  
24 benefits, a vested member who is or has been employed  
25 as a correctional officer by the department of social  
26 services and who retires on or after July 1, 1983  
27 and at the time of retirement is at least sixty years  
28 of age and has completed at least thirty years of  
29 membership service as a correctional officer, may  
30 elect to receive, in lieu of the receipt of benefits  
31 under subsection 5 of this section, a monthly  
32 retirement allowance equal to one-twelfth of forty-  
33 seven fifty percent of the member's five-year average  
34 covered wages as a correctional officer multiplied  
35 by-a-fraction-of-years-of-service, with benefits  
36 payable during the member's lifetime.

37 Sec. 17. Section 97B.49, Code 1981, is amended  
38 by adding the following new subsection:

39 NEW SUBSECTION. Effective beginning July 1, 1982,  
40 for each member who retired from the system prior  
41 to January 1, 1976, and for each member who retired  
42 from the system on or after January 1, 1976 under  
43 subsection 1 of this section, the amount of regular  
44 monthly retirement allowance attributable to membership  
45 service and prior service that was payable to the  
46 member for June 1982 is increased as follows:

47 a. For the first ten years of service, fifty cents  
48 per month for each complete year of service;

49 b. For the eleventh through the twentieth years  
50 of service, one dollar per month for each complete

1 year of service.

2 c. For the twenty-first through the thirtieth  
3 years of service, one dollar and fifty cents per month  
4 for each complete year of service.

5 d. The amount of monthly increase payable to a  
6 member under this subsection is also payable to a  
7 beneficiary and a contingent annuitant and shall be  
8 reduced by an amount based upon the actuarial  
9 equivalent of the option selected in section 97B.51  
10 or section 97B.52 compared to the full monthly benefit  
11 provided in this section.

12 Sec. 18. Section 97B.53, Code 1981, is amended  
13 by adding the following new subsection:

14 NEW SUBSECTION. The department shall refund  
15 employee and employer contributions on the covered  
16 wages earned by a retired member that are not used  
17 in the recomputation of monthly benefits of that  
18 member.

19 Sec. 19. Section 97B.67, Code 1981, is amended  
20 by adding the following new subsection:

21 NEW SUBSECTION. It is the intent of the general  
22 assembly that the 70th General Assembly review whether  
23 there is sufficient unobligated revenue in the general  
24 fund of the state to appropriate funds to pay the  
25 benefit increases provided in section 17 of this Act  
26 from the general fund of the state, and if sufficient  
27 revenue is available, the 70th General Assembly shall  
28 appropriate the funds necessary.

29 Sec. 20. Section 97B.72, unnumbered paragraph  
30 1, Code 1981, is amended to read as follows:

31 Persons who are members of the Sixty-eighth or  
32 Seventieth General Assembly or succeeding general  
33 assemblies who submit proof to the department of  
34 membership in the general assembly during any period  
35 beginning July 4, 1953 and ending January 8, 1979  
36 may make contributions to the system for service equal  
37 to the accumulated employee contributions as defined  
38 in section 97B.41, subsection 13, which would have  
39 been made, plus the interest that would have accrued  
40 on the contributions, if the member of the general  
41 assembly had been a member of the system during the  
42 member's service in the general assembly. The proof  
43 of membership in the general assembly and payment  
44 of accumulated employee contributions plus interest  
45 for members of the Sixty-eighth and Seventieth General  
46 Assemblies shall be transmitted to the department  
47 not later than between January 10, 1983 and December  
48 31, 1979 1983. Persons Members of the Sixty-eighth  
49 and Seventieth General Assemblies eligible to receive  
50 retirement allowances under this section shall be

1 are eligible to commence receiving retirement  
2 allowances on January 8, 1979 or upon payment  
3 of employee contributions plus interest, whichever  
4 is later.

5 Members of the Seventy-first General Assembly and  
6 succeeding general assemblies shall transmit proof  
7 of membership and payment of employee contributions  
8 plus interest to the department during the first year  
9 of a general assembly and be eligible to commence  
10 receiving retirement allowances on January 1 of that  
11 year or upon payment, whichever is later.

12 Sec. 21. Section 97B.75, Code 1981, is amended  
13 to read as follows:

14 97B.75. PRIOR SERVICE CREDIT BEFORE JANUARY 1,  
15 1946. An active, vested, or retired member who was  
16 employed prior to January 1, 1946 by the state or  
17 ~~a political subdivision, except for a member employed~~  
18 ~~by a school district which had established a pension~~  
19 ~~and annuity retirement system under sections 294-87~~  
20 ~~294-97, and 294-107, and was not employed by the state~~  
21 ~~or a political subdivision between January 1, 1946~~  
22 ~~and July 27, 1953, an employer may file written~~  
23 verification of the member's dates of employment with  
24 the department of job service and receive credit for  
25 years of prior service for the period of employment.  
26 However, a member who is eligible for or receiving  
27 a retirement allowance based upon employment with  
28 an employer prior to January 1, 1946 is not eligible  
29 for credit for that period of employment.

30 Sec. 22. Section 411.1, subsection 11, Code 1981,  
31 is amended to read as follows:

32 11. "Child" or "children" shall mean means only  
33 surviving issue of a deceased active or retired member,  
34 or the a child or children legally adopted by a  
35 deceased member prior to his the member's retirement.  
36 "Child" includes only an individual who is under the  
37 age of eighteen years, an individual who is under  
38 the age of twenty-two years and is a full-time student,  
39 or an individual who is disabled at the time under  
40 the definitions used in section 402 of the Social  
41 Security Act as amended if the disability occurred  
42 to the individual during the time the individual was  
43 under the age of eighteen years and the parent of  
44 the individual was an active member of the system.

45 Sec. 23. Section 411.5, subsection 1, paragraphs  
46 a and b, Code 1981, are amended to read as follows:

47 a. The chief officer of the fire department, the  
48 city treasurer, the city solicitor or attorney, two  
49 firemen fire fighters elected by secret ballot by  
50 the members of said the department who are entitled

1 to participate in a ~~firemen's-pension-fund~~ fire  
2 retirement system established by law, and ~~two three~~  
3 citizens who do not hold ~~any-other~~ another public  
4 office, who shall be appointed by the mayor with the  
5 approval of the city council, shall ~~constitute~~ serve  
6 as the members of the board of trustees of the fire  
7 retirement system.

8 b. The chief officer of the police department,  
9 the city treasurer, ~~the-city-solicitor-or-attorney,~~  
10 two ~~police~~ police officers elected by secret ballot  
11 by the members of ~~said~~ the department who are entitled  
12 to participate in a ~~police~~ police  
13 retirement system established by law, and ~~two three~~  
14 citizens who do not hold ~~any-other~~ another public  
15 office, who shall be appointed by the mayor with the  
16 approval of the city council, shall ~~constitute~~ serve  
17 as the members of the board of trustees of the police  
18 retirement system.

19 Sec. 24. Section 411.5, subsection 8, Code 1981,  
20 is amended to read as follows:

21 8. LEGAL ADVISER. The city attorney or solicitor  
22 of the ~~said~~ cities shall be serve as the legal adviser  
23 of the boards of trustees at the request of the boards.

24 Sec. 25. Section 411.6, subsection 1, paragraph  
25 a, Code 1981, is amended to read as follows:

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

39 Sec. 26. Section 411.6, subsection 1, paragraph  
40 b, Code 1981, is amended to read as follows:

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

1 year of service not exceeding twenty-two years of  
2 service. The amount of the retirement allowance shall  
3 be based on calculated in the manner provided in this  
4 paragraph using the average final compensation at  
5 the time of termination of employment.

6. Sec. 27. Section 411.6, subsection 7, paragraph  
7 a, unnumbered paragraph 2, Code 1981, is amended to  
8 read as follows:

9 A beneficiary retired under ~~the provisions of this~~  
10 paragraph who is less than fifty-five years of age,  
11 in order to be eligible for continued receipt of  
12 retirement benefits, shall no later than May 15 of  
13 each year submit to the board of trustees a copy of  
14 his or her state income tax return for the preceding  
15 year.

16 Sec. 28. Section 411.6, subsection 8, paragraphs  
17 b, d, and e, Code 1981, are amended to read as follows:

18 b. If there ~~be is~~ no such nomination of  
19 beneficiary, the benefits provided in paragraph "a"  
20 shall be paid to the member's estate; or in lieu  
21 thereof, at the option of the following beneficiaries,  
22 respectively, even though nominated as such  
23 beneficiaries, for a member in service, there shall  
24 be paid at the time of death a pension which shall  
25 be paid equal to one-fourth of the average final  
26 compensation of such the member, but in no instance  
27 less than seventy-five dollars. In addition to the  
28 benefits herein enumerated, there There shall also  
29 be paid for each child of a member ~~under the age of~~  
30 ~~eighteen years~~ a monthly pension equal to six percent  
31 of the monthly earnable compensation paid to an active  
32 member holding the highest grade in the rank of fire  
33 fighter, for a child of a deceased member of a fire  
34 department, or the highest grade in the rank of police  
35 patrol officer, for a child of a deceased member of  
36 a police department, or for a member not in service  
37 the pension shall be reduced as provided in subsection  
38 1, paragraph "e b," of this section and shall be paid  
39 commencing when the member would have attained the  
40 age of fifty-five except that if there is a child  
41 of the member ~~under the age of eighteen, or under~~  
42 ~~the age of twenty-two who is a full-time student,~~  
43 ~~or who is disabled, under the definitions used in~~  
44 ~~section 402 of the Social Security Act as amended~~  
45 ~~to July 17, 1978-42 U.S.C.-402,~~ the pension shall be  
46 paid commencing with the member's death until the  
47 children reach the age of eighteen, or twenty-two  
48 if applicable. The pension shall resume commencing  
49 when the member would have attained the age of fifty-  
50 five;

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1 d. If there be ~~is~~ no spouse, or if the spouse  
2 dies or remarries ~~before-any-child-of-such-deceased~~  
3 ~~member-shall-have-attained-the-age-of-eighteen-years~~  
4 ~~and there is a child of a member~~, then to the guardian  
5 ~~of his-or-her the member's~~ child or children under  
6 ~~said-age~~, divided ~~in-such-manner~~ as the board of  
7 trustees ~~in-its-discretion-shall-determine~~ determines,  
8 to continue as a joint and survivor pension until  
9 every such child ~~of the member~~ dies or attains the  
10 age of eighteen ~~or twenty-two if applicable~~; or

11 e. If there be ~~is~~ no surviving spouse or child  
12 ~~under-age-eighteen~~, then to ~~his-or-her the member's~~  
13 dependent father or mother or both, as ~~the board of~~  
14 trustees ~~in-its-discretion shall-determine~~ determines,  
15 to continue until remarriage or death.

16 Sec. 29. Section 411.6, subsection 9, paragraphs  
17 a and b, Code 1981, are amended to read as follows:

18 a. A pension equal to one-half of the average  
19 final compensation of ~~such the~~ member shall be paid  
20 to the member's spouse, children or dependent parents  
21 as provided in paragraphs "c", "d" and "e" of  
22 subsection 8 of this section. ~~In-addition-to-the~~  
23 ~~benefits-for-the-spouse-herein-enumerated, there~~ There  
24 shall also be paid for each dependent child of a  
25 member ~~under-the-age-of-eighteen-years~~ a monthly  
26 pension equal to six percent of the monthly earnable  
27 compensation paid to an active member holding the  
28 highest grade in the rank of fire fighter, for a child  
29 of a deceased member of a fire department, or holding  
30 the highest grade in the rank of police patrol officer,  
31 for a child of a deceased member of a police  
32 department.

33 b. If there be ~~is~~ no spouse, ~~children-under-the~~  
34 ~~age-of-eighteen-years child~~, or dependent parent  
35 surviving ~~such a deceased~~ member, the death shall  
36 be treated as an ordinary death case and the benefit  
37 payable ~~in-accordance-with-the-provisions-of under~~  
38 subsection 8, paragraph "a", in lieu of the pension  
39 provided in paragraph "a" of this subsection 9, shall  
40 be paid to the member's estate.

41 Sec. 30. Section 411.6, subsection 11, paragraph  
42 b, Code 1981, is amended to read as follows:

43 ~~in-the-event-of-the-death-of~~ If the spouse  
44 ~~dies~~ either prior or subsequent to the death of the  
45 member, to the guardian of each surviving child under  
46 ~~eighteen-years-of-age~~, a monthly pension equal to  
47 the monthly pension payable under subsection 9 of  
48 this section for the support of ~~such the~~ child.

49 Sec. 31. Section 411.7, subsection 2, Code 1981,  
50 is amended by striking the subsection and inserting

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1 in lieu thereof the following:

2 2. The city treasurer may invest at the direction  
3 of the respective boards of trustees a portion of  
4 the funds established in section 411.8 which in the  
5 judgment of the respective boards are not needed for  
6 current payment of benefits under this chapter in  
7 investments authorized in section 97B.7, subsection  
8 2, paragraph b, for moneys in the Iowa public em-  
9 ployees' retirement fund.

10 Sec. 32. Section 411.11, Code 1981, is amended  
11 to read as follows:

12 411.11 CONTRIBUTIONS BY THE CITY. On or before  
13 January 1 of each year the respective boards of  
14 trustees shall certify to the superintendent of public  
15 safety the amounts which will become due and payable  
16 during the year next following to the pension  
17 accumulation fund and the expense fund. The amounts  
18 so certified shall be included by the superintendent  
19 of public safety in his the annual budget estimate.  
20 The amounts so certified shall be appropriated by  
21 the said respective cities and transferred to the  
22 retirement system for the ensuing year. Said The  
23 cities shall annually levy a tax sufficient in amount  
24 to cover such the appropriations.

25 However, the amounts due and payable for a  
26 retirement system during its first year, or portion  
27 of a year, of operation shall be determined using  
28 the rates of contribution adopted by the board of  
29 trustees.

30 Sec. 33. Section 411.19, Code 1981, is amended  
31 to read as follows:

32 411.19 TRANSFER OF BENEFITS TO ANOTHER CITY.  
33 A member of a retirement system established in this  
34 chapter who terminates employment with a city and  
35 is subsequently employed by another city and is  
36 eligible for coverage under this chapter, or who  
37 transfers in the same city from one retirement system  
38 under this chapter to another retirement system under  
39 this chapter, may transfer membership service earned  
40 under the first system to the system under which the  
41 member is employed. Upon the written request of the  
42 member with verification by the board of trustees  
43 of the system under which the member is employed,  
44 the board of trustees of the first system shall  
45 transmit to the board of trustees of the system under  
46 which the member is employed, within thirty days of  
47 the receipt of the request, the member's accumulated  
48 contributions to-be-deposited-in-the-annuity-savings  
49 fund-of-the-system-under-which-the-member-is-employed  
50 and the actuarial equivalent of the amount in the

1 pension accumulation fund which would be necessary  
2 to fund a pension equal to one twenty-second times  
3 the number of years of membership service completed,  
4 under the first system, to be deposited in the pension  
5 accumulation fund of the system under which the member  
6 is employed.

7 Sec. 34. Section 411.20, Code 1981, is amended  
8 to read as follows:

9 411.20 APPROPRIATION TO MUNICIPAL ASSISTANCE FUND.

10 1. There is appropriated from the general fund  
11 of the state to the municipal assistance fund  
12 established in chapter 405 for each fiscal year an  
13 amount necessary to be distributed to cities which  
14 have established fire and police retirement systems  
15 under the provisions of this chapter. Funds shall  
16 be used to finance the costs of benefits provided  
17 in this chapter by amendments of the Acts of the  
18 Sixty-sixth General Assembly, chapter 1089.  
19 2. Commencing with the fiscal year beginning July  
20 1, 1979 for retirement systems in existence on June  
21 30, 1978, the amounts distributed to each eligible  
22 city to pay the state's portion of the costs of benefit  
23 improvements provided by the Sixty-sixth General  
24 Assembly, chapter 1089 shall be computed by the actuary  
25 employed by the respective board of trustees on the  
26 basis of the results of actuarial studies valuations  
27 performed by such the actuary for the fiscal years  
28 beginning July 1, 1978 and July 1, 1979 as provided  
29 in this section.

30 Prior to December 31, 1979 the actuary employed  
31 by the respective board of trustees shall perform  
32 the actuarial valuations of the system which are  
33 needed to determine the state's portion of the cost  
34 of the benefit improvements provided by the Acts of  
35 the Sixty-sixth General Assembly, chapter 1089, for  
36 the fiscal year commencing July 1, 1979, under this  
37 section as this section was effective on June 30,  
38 1978. In addition, the actuary shall perform the  
39 actuarial valuations of the system which would have  
40 been needed to determine the state's portion of the  
41 cost of the benefit improvements under this section  
42 as this section was effective on June 30, 1978, for  
43 the fiscal year commencing July 1, 1978.

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

1 of the members of the system for the two fiscal years.  
2 The actuary shall certify the ratio so determined  
3 to the state comptroller.  
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 computed for a city retirement system times  
8 the payroll of the active members employed under that  
9 system ~~by that city~~ for the fiscal year.  
10 3. For retirement systems established on or after  
11 July 1, 1978, the amounts distributed to cities shall  
12 be computed in the manner provided in subsections  
13 1 and 2 by the actuary employed by the respective  
14 board of trustees on the basis of results of actuarial  
15 valuations performed by the actuary for the first  
16 fiscal year, or portion of a fiscal year, and the  
17 second fiscal year for which this chapter applies.  
18 The results of the actuarial valuations for the first  
19 fiscal year, or portion of a fiscal year, for which  
20 this chapter applies, shall determine the state's  
21 portion of the costs for that fiscal year, or portion  
22 of a fiscal year. The results of the actuarial  
23 valuations for the first two fiscal years, or for  
24 a portion of the first fiscal year and all of the  
25 second fiscal year shall determine the state's portion  
26 of the costs for the second and later fiscal years.  
27 Payment shall be made based upon the ratio of payroll  
28 determined in the manner provided in subsection 2.  
29 Sec. 35. Section 11 of this Act applies only to  
30 persons who retire from the system on or after the  
31 effective date of this Act."

S-5630 FILED  
APRIL 16, 1982

RECEIVED FROM THE HOUSE

*Senate refused to concur 4/19 (p 1266)  
House insisted 4/20 (p 1581)*

REPORT OF THE CONFERENCE COMMITTEE  
ON SENATE FILE 2178

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and the House of Representatives on Senate File 2178, a bill for an Act relating to the administration and benefits of public retirement systems, respectfully make the following report:

1. That the House of Representatives recedes from its amendment, S-5630.
2. That Senate File 2178, as amended, passed, and reprinted by the Senate, be amended as follows:

1. By striking everything after the enacting clause and inserting in lieu thereof the following:

"Section 1. Section 97A.1, subsections 9 and 10, Code 1981, are amended to read as follows:

9. "~~Child or children shall mean~~ means only the surviving issue of a deceased active or retired member, or ~~the a child or children~~ legally adopted by a deceased member prior to ~~his~~ the member's retirement. "Child" includes only an individual who is under the age of eighteen years, an individual who is under the age of twenty-two and is a full-time student, or an individual who is disabled under the definitions used in section 402 of the Social Security Act as amended if the disability occurred to the individual during the time the individual was under the age of eighteen years and the parent of the individual was an active member of the system.

10. "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 the member's rank or position including compensation for longevity and the daily amount received for meals under section

80.8 and excluding any amount received for overtime compensation or other special additional compensation, meal and other payments for meal expenses, uniform cleaning allowances, travel expenses, and uniform allowances and excluding any amount received upon termination or retirement in payment for accumulated sick leave or vacation.

Sec. 2. Section 97A.1, subsection 12, Code 1981, is amended to read as follows:

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

Sec. 3. Section 97A.6, subsection 1, paragraph b, Code 1981, is amended to read as follows:

b. 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~~ calculated in the manner provided in this paragraph using the average final compensation at the time of termination of employment.

Sec. 4. Section 97A.6, subsection 7, paragraph a, Code 1981, is amended by striking the paragraph and inserting in lieu thereof the following:

a. A beneficiary restored to active service at a salary less than the average final compensation upon the basis of which the member was retired at age fifty-five or greater, shall not again become a member of the retirement system and

shall have the member's retirement allowance suspended while the member is in active service.

Sec. 5. Section 97A.6, subsection 7, paragraph b, Code 1981, is amended to read as follows:

b. Should a disability beneficiary under age fifty-five be restored to active service at a compensation not less than his the disability beneficiary's average final compensation, his the disability beneficiary's retirement allowance shall cease, he the disability beneficiary shall again become a member and he shall contribute thereafter at the same rate he paid prior to disability, and any former service on the basis of which his the disability beneficiary's service was computed at the time of his retirement shall be restored to full force and effect and upon his subsequent retirement he the disability beneficiary shall be credited with all his service as a member, and also with the period of disability retirement, ~~provided that during such period of disability he has not engaged in a gainful occupation from which his net earnings exceeded the difference between his disability retirement allowance and the amount he would have received for said period if his compensation at the time of disability had continued.~~

Sec. 6. Section 97A.6, subsection 8, paragraphs b, d, e, and f, Code 1981, are amended to read as follows:

b. If there be is no such nomination of beneficiary, the benefits provided in paragraph "a" 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 beneficiaries, for a member in service ~~there shall be paid at the time of death~~ a pension which shall be paid equal to one-fourth of the average final compensation of such the member, but in no instance less than fifty dollars per month or for a member not in service at the time of death 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, 1978 (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;

d. If there be is 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~~ and there is a child of a member, 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~~ determines, to continue as a joint and survivor pension until every such child of the member dies or attains the age of eighteen or twenty-two if applicable; or

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

f. In addition to the benefits ~~herein~~ enumerated in this subsection, there shall also be paid for each child of a member ~~under the age of eighteen years~~ 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.

Sec. 7. Section 97A.6, subsection 9, paragraphs b and c, Code 1981, are amended to read as follows:

b. If there be is no surviving spouse, ~~children under the age of eighteen years~~ child, or dependent parent surviving such a deceased member, the death shall be treated as an

ordinary death case and the benefit payable ~~in accordance with the provisions of~~ under subsection 8, paragraph "a" of this section, in lieu of the pension provided in paragraph "a" of this subsection 9, shall be paid to the member's estate.

c. In addition to the benefits for the surviving spouse ~~herein enumerated in this subsection~~, there shall also be paid for each ~~dependent~~ child of a member ~~under the age of eighteen years~~ 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.

Sec. 8. Section 97A.6, subsection 12, paragraph b, Code 1981, is amended to read as follows:

b. ~~In the event of the death of~~ If the spouse dies either prior or subsequent to the death of the member, to the guardian of each surviving child ~~under eighteen years of age~~, a monthly pension equal to the monthly pension payable under subsection 9, paragraph "c," of this

Sec. 9. Section 97A.8, subsection 1, paragraph f, Code 1981, is amended to read as follows:

f. An amount equal to two and ~~twenty-one-hundredths~~ nine-tenths percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund.

Sec. 10. Section 97B.7, subsection 2, paragraph b, subparagraphs (3), (4), and (5), Code 1981, are amended by striking the subparagraphs, inserting in lieu thereof the following subparagraph, and renumbering the remaining subparagraphs:

(3) That the common stock or shares issued by solvent corporations or institutions are eligible for investment if the stock or shares are listed or admitted to trading on a securities exchange located in the United States or are publicly held and have been traded in the "over-the-counter" market and market quotations are readily available.

Sec. 11. Section 97B.8, Code 1981, is amended to read

as follows:

97B.8 ADVISORY INVESTMENT BOARD. A board ~~shall-be~~ is established to be known as the "Advisory Investment Board of the Iowa Public Employees' Retirement System", hereinafter called the "board", whose duties ~~shall-be~~ are to advise and confer with the department in matters relating to the investment of the trust funds of the Iowa public employees' retirement system. The powers of the board ~~shall-be-purely~~ are advisory and the department ~~shall~~ is not be bound in the making of ~~any~~ an investment by the recommendations of the board.

PARAGRAPH DIVIDED. The board shall consist of seven members. Five of the members shall be appointed by the governor, one of whom shall be an executive of a domestic life insurance company, one an executive of a state or national bank operating within the state of Iowa, one an executive of a major industrial corporation located within the state of Iowa, and two shall be active members of the system, one of whom shall be an employee of a school district, ~~county school-system,--joint-county-system~~ area education agency, or merged area and one of whom shall not be an employee of a school district, ~~county-school-system,--joint-county-system~~ area education agency, or merged area. The president of the senate shall appoint one member from the membership of the senate and the speaker of the house of representatives shall appoint one member from the membership of the house. The two members appointed by the president of the senate and the speaker of the house of representatives and the two active members of the system appointed by the governor ~~shall-be~~ are ex officio members of the board.

PARAGRAPH DIVIDED. The members who are executives of a domestic life insurance company, a state or national bank and a major industrial corporation shall be paid their actual expenses incurred in performance of their duties and shall receive in addition the sum of forty dollars for each day of service not exceeding forty days per year. Legislative

members shall receive the sum of forty dollars for each day of service and their actual expenses incurred in the performance of their duties. The per diem and expenses of the legislative members shall be paid from funds appropriated under section 2.12. The members who are active members of the system shall be paid their actual expenses incurred in the performance of their duties as members of the board and performance of their duties as members of the board shall not affect their salaries, vacation or leaves of absence for sickness or injury. The appointive terms of the members appointed by the governor ~~shall be~~ are for a period of six years beginning and ending as provided in section 69.19. ~~In-the-event-of~~ If there is a vacancy, through resignation or any other cause, in the membership of the board, the governor ~~shall have~~ has the power of appointment. Appointees to this board ~~shall be~~ are subject to confirmation by the senate.

Sec. 12. Section 97B.11, Code 1981, 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~~ seven-tenths percent of the covered wages paid by the employer through ~~June-30, 1979~~ December 31, 1984, and commencing ~~July 1, 1979~~ January 1, 1985, in the amount of three and ~~seven-tenths~~ eight-tenths percent of the covered wages paid by the employer, until the first of the month 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~~ seventy-five hundredths percent of the covered wages of the member for service ~~commencing July 1, 1977~~ through ~~June-30, 1979~~ December 31, 1984, and in the amount of ~~five and seventy-five~~ six and twenty-five hundredths percent of

the covered wages of the member for service commencing July 1, 1979 January 1, 1985.

Sec. 13. Section 97B.41, subsection 1, paragraph a, un-numbered paragraph 1, Code 1981, is amended to read as follows:

"Wages" means all remuneration for employment, including the cash value of remuneration paid in any a medium other than cash, but not including the cash value of remuneration paid in any a medium other than cash necessitated by the convenience of the employer, ~~such.~~ The amount as agreed upon by the employer and employee and for remuneration paid in a medium other than cash shall be reported to the department by the employer shall be and is conclusive of the value of the remuneration in a medium other than cash, except that. However, remuneration which does not equal or exceed the sum of three hundred dollars in any a calendar quarter shall be excluded. "Wages" does not include special lump sum payments made as payment for sick leave or accrued vacation or payments made as an incentive for early retirement. Wages for an elected official means the salary received by an elected official, exclusive of expense and travel allowances.

Sec. 14. Section 97B.41, subsection 1, paragraph b, subparagraph (4), Code 1981, is amended to read as follows:

(4) For each calendar year from January 1, 1976, ~~and thereafter~~ through December 31, 1982, wages not in excess of twenty thousand dollars.

Sec. 15. Section 97B.41, subsection 1, paragraph b, subparagraph (6), Code 1981, is amended to read as follows:

(6) If a member is employed by more than one employer during a calendar year, the total amount of wages paid to ~~him~~ the member by ~~his~~ the several employers shall be included in determining the limitation on covered wages as provided by in this paragraph ~~"b", subparagraph (3), of this section.~~ If the amount of wages paid to a member by ~~his~~ the member's several employers during a calendar year exceeds the covered wage limit, the amount of such excess shall not be subject to the contributions required by section 97B.11.

Sec. 16. Section 97B.41, subsection 1, paragraph b, Code 1981, is amended by adding the following new subparagraph after subparagraph (4) and renumbering the remaining subparagraphs:

NEW SUBPARAGRAPH. For each calendar year from January 1, 1983 and thereafter, wages not in excess of twenty-one thousand dollars per year.

Sec. 17. Section 97B.41, subsection 20, Code 1981, is amended by striking the subsection and inserting in lieu thereof the following:

20. "Five-year average covered wage" means a member's covered wages averaged for the highest five years of the member's service. If the member has less than five years of service, then the average shall be computed using the actual number of years as a member. The highest five years of a member's covered wages shall be determined using calendar years. However, if a member's final quarter of a year of employment does not occur at the end of a calendar year, the department may determine the wages for the fifth year by combining the wages from the highest quarter or quarters not being used in the selection of the four highest years with the final quarter or quarters of the member's service to create a full year. If the five-year average covered wage of a member exceeds the highest maximum covered wages in effect for a calendar year during the member's period of service, the five-year average covered wage of the member shall be reduced to the highest maximum covered wages in effect during the member's period of service.

Sec. 18. Section 97B.48, subsection 3, Code 1981, is amended to read as follows:

3. If ~~at-any-time~~ after the first day of the month in which the member attains the age of fifty-five years and until the member's sixty-fifth birthday, a member who is retired under this chapter is in regular full-time employment, the member's retirement allowance shall be suspended for as long as the member remains in employment. However, employment

shall not be regarded as full-time employment until the member receives remuneration in an amount in excess of two thousand one hundred dollars for any a calendar year. Effective the first of the month in which a member attains the age of sixty-five years, a retired member ~~shall-be-entitled-to~~ may receive a retirement allowance after return to covered employment regardless of the amount of remuneration received. As of the first of the month in which the member attains the age of seventy years, the member ~~shall-be-entitled-to~~ may receive a retirement allowance determined under section 97B.49, regardless of the amount of remuneration received. Upon any a retirement after re-employment, a retired member ~~shall-be-entitled-to~~ may have ~~his-or-her~~ the retired member's retirement allowance redetermined under this section or section 97B.49 or 97B.50, whichever is applicable, based upon the ~~employee's and-employer's-additional-contributions,-and-any~~ addition of credit for the years of membership service of the employee after re-employment.

Sec. 19. Section 97B.49, subsection 5, unnumbered paragraph 1, Code 1981, is amended to read as follows:

5. For each active member retiring ~~on-or-after~~ between January 1, 1976 and June 30, 1982, 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-seven percent of the five-year average covered wage multiplied by a fraction of years of service. For each member retiring on or after July 1, 1982, with four or more complete years of service, the percent used in computing the monthly benefit is fifty. 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.

Sec. 20. Section 97B.49, subsection 7, Code 1981, is amended to read as follows:

7. Notwithstanding ~~the~~ other 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 July 1, 1978 and June 30, 1982 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 5 of this section, a monthly retirement allowance equal to one-twelfth of forty-seven percent of the member's five-year average covered wage as a conservation peace officer ~~multiplied by a fraction of years of service~~, with benefits payable during the member's lifetime. For each conservation peace officer eligible for benefits under this subsection who retires on or after July 1, 1982, the percent used in computing the monthly retirement allowance is fifty. There is appropriated from the general fund of the state to the Iowa department of job service from funds not otherwise appropriated an amount sufficient to pay 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 97B.11, to finance increased benefits to conservation peace officers under this subsection.

Sec. 21. Section 97B.49, subsection 8, Code 1981, is amended to read as follows:

8. a. Notwithstanding ~~the other~~ provisions of this chapter, a member who is or has been employed as a county sheriff, as defined in section 39.17, or as a deputy sheriff appointed pursuant to ~~chapter 341~~ section 341.1, Code 1981, or section 331.903, Code 1981 Supplement, and who retires ~~on or after~~ between January 1, 1978 and June 30, 1982, 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 benefits under subsection 5 of this section, a monthly retirement allowance equal to one-twelfth of forty-seven percent of the member's five-year average covered wage as a sheriff or deputy sheriff ~~multiplied by a fraction of years~~

of-service, with benefits payable during the member's lifetime.

Notwithstanding other provisions of this chapter, a member who is or has been employed as a peace officer, and who retires on or after July 1, 1982 and meets the age requirements and membership service requirements for benefits specified in this paragraph may elect to receive a monthly retirement allowance equal to one-twelfth of fifty percent of the member's five-year average covered wage as a peace officer, with benefits payable during the member's lifetime.

For the purpose of this subsection membership service as a peace officer means service under this system as any or all of the following:

(1) As a county sheriff as defined in section 39.17.

(2) As a deputy sheriff appointed pursuant to section 341.1, Code 1981, or section 331.903, Code 1981 Supplement.

(3) As a marshal or police officer in a city not covered under chapter 400.

b. Each county and applicable city 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 97B.11. The additional percentage of covered wage wages shall be calculated separately by the department for service under paragraph a, subparagraphs 1 and 2, and for service under paragraph a, subparagraph 3, and each shall be an actuarially determined amount for that type of service which, if contributed throughout the entire period of active service, would be sufficient to provide the pension benefit provided in this section.

Sec. 22. Section 97B.49, subsection 10, unnumbered paragraph 1, Code 1981, is amended to read as follows:

Notwithstanding sections of this chapter relating to eligibility for and determination of retirement benefits, a vested member who is or has been employed as a correctional officer by the department of social services and who retires on or after July 1, 1983 and at the time of retirement is at least sixty years of age and has completed at least thirty years of membership service as a correctional officer, may elect to receive, in lieu of the receipt of benefits under subsection 5 of this section, a monthly retirement allowance equal to one-twelfth of ~~forty-seven~~ fifty percent of the member's five-year average covered wages as a correctional officer ~~multiplied-by-a-fraction-of-years-of-service~~, with benefits payable during the member's lifetime.

Sec. 23. Section 97B.49, Code 1981, is amended by adding the following new subsection:

NEW SUBSECTION. a. Effective beginning July 1, 1982, for each member who retired from the system prior to January 1, 1976, and for each member who retired from the system on or after January 1, 1976 under subsection 1 of this section, the amount of regular monthly retirement allowance attributable to membership service and prior service that was payable to the member for June 1982 is increased as follows:

(1) For the first ten years of service, fifty cents per month for each complete year of service.

(2) For the eleventh through the twentieth years of service, one dollar per month for each complete year of service.

(3) For the twenty-first through the thirtieth years of service, one dollar and fifty cents per month for each complete year of service.

(4) The amount of monthly increase payable to a member under this subsection is also payable to a beneficiary and a contingent annuitant and shall be reduced by an amount based upon the actuarial equivalent of the option selected in section 97B.51 or section 97B.52 compared to the full monthly benefit provided in this section.

b. (1) There is appropriated annually from the general fund of the state to the Iowa department of job service to be deposited in the Iowa public employees' retirement fund, to pay for the benefit increases provided in this subsection, except as otherwise provided in this subsection, the sum of two million two hundred seventeen thousand dollars per year, commencing with the fiscal year beginning July 1, 1982 and through the fiscal year beginning July 1, 2001, for each fiscal year in which the unobligated state general fund balance on June 30 of the preceding fiscal year as certified by the state comptroller by the following September 10 is more than thirty-five million dollars.

(2) If the unobligated state general fund balance on June 30 of any year from 1982 through 2001 as certified by the state comptroller by the following September 10 is less than thirty-five million dollars, the cost of benefit increases provided in this subsection of two million two hundred seventeen thousand dollars per year for the fiscal year following that June 30 shall be absorbed by the Iowa public employees' retirement fund.

(3) If the unobligated state general fund balance on June 30 of any year from 1982 through 2001, minus the amount appropriated in subparagraph (1), is more than thirty-five million dollars as certified by the state comptroller by the following September 10 and the cost of the benefit increases provided in this subsection during that fiscal year, or any previous fiscal year, has been absorbed by the Iowa public employees' retirement fund and has not previously been repaid from the state general fund in the manner provided in this subparagraph, there is appropriated from the general fund of the state to the Iowa department of job service for the fiscal year beginning the following July 1 two million two hundred seventeen thousand dollars to be deposited in the Iowa public employees' retirement fund to pay the cost of the benefit increases provided in this subsection and absorbed by the Iowa public employees' retirement fund for a previous

fiscal year or portion of a fiscal year.

(4) Notwithstanding subparagraphs (1) and (3), funds appropriated in subparagraphs (1) and (3) for a fiscal year shall not exceed the amount by which the unobligated state general fund balance on June 30 of a fiscal year as certified by the state comptroller by the following September 10 exceeds thirty-five million dollars.

Sec. 24. Section 97B.53, Code 1981, is amended by adding the following new subsection:

NEW SUBSECTION. The department shall refund employee and employer contributions on the covered wages earned by a retired member that are not used in the recomputation of monthly benefits of that member.

Sec. 25. Section 97B.75, Code 1981, is amended to read as follows:

97B.75 PRIOR SERVICE CREDIT BEFORE JANUARY 1, 1946. An active, vested, or retired member who was employed prior to January 1, 1946 by ~~the state or a political subdivision, except for a member employed by a school district which had established a pension and annuity retirement system under sections 294.8, 294.9, and 294.10, and was not employed by the state or a political subdivision between January 1, 1946 and July 4, 1953,~~ an employer may file written verification of the member's dates of employment with the department of job service and receive credit for years of prior service for the period of employment. However, a member who is eligible for or receiving a retirement allowance based upon employment with an employer prior to January 1, 1946 is not eligible for credit for that period of employment.

Sec. 26. Section 411.1, subsection 11, Code 1981, is amended to read as follows:

11. "Child" ~~or "children"~~ shall mean only surviving issue of a deceased active or retired member, or ~~the~~ a child ~~or children~~ legally adopted by a deceased member prior to ~~his~~ the member's retirement. "Child" includes only an individual who is under the age of eighteen years, an

individual who is under the age of twenty-two years and is a full-time student, or an individual who is disabled at the time under the definitions used in section 402 of the Social Security Act as amended if the disability occurred to the individual during the time the individual was under the age of eighteen years and the parent of the individual was an active member of the system.

Sec. 27. Section 411.1, subsection 14, Code 1981, is amended to read as follows:

14. "Average final compensation" ~~shall-mean~~ means the average earnable compensation of the member during the ~~five~~ three years of service ~~he~~ the member earned ~~his~~ the member's highest salary as a ~~polieeman~~ police officer or ~~fireman~~ fire fighter, or if ~~he~~ the member has had less than ~~five~~ three years of such service, then the average earnable compensation of ~~his~~ the member's entire period of service.

Sec. 28. Section 411.5, subsection 1, paragraphs a and b, Code 1981, are amended to read as follows:

a. The chief officer of the fire department, the city treasurer, ~~the-city-solicitor-or-attorney~~, two ~~firemen~~ fire fighters elected by secret ballot by the members of ~~said~~ the department who are entitled to participate in a ~~firemen's~~ fire retirement system established by law, and two ~~three~~ citizens who do not hold ~~any-ether~~ another public office, who shall be appointed by the mayor with the approval of the city council, shall ~~constitute~~ serve as the members of the board of trustees of the fire retirement system.

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

retirement system.

Sec. 29. Section 411.5, subsection 8, Code 1981, is amended to read as follows:

8. LEGAL ADVISER. The city attorney or solicitor of ~~the said-cities~~ a city shall ~~be serve as~~ serve as the legal adviser of the ~~boards~~ board of trustees at the request of the board.

Sec. 30. Section 411.6, subsection 1, paragraph a, Code 1981, is amended to read as follows:

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

Sec. 31. Section 411.6, subsection 1, paragraph b, Code 1981, is amended to read as follows:

b. 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 ~~his-or-her~~ 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~~ calculated in the manner provided in this paragraph using the average final compensation at the time of termination of employment.

Sec. 32. Section 411.6, subsection 7, paragraph a, Code 1981, is amended by striking the paragraph and inserting in

lieu thereof the following:

a. A beneficiary restored to active service at a salary less than the average final compensation upon the basis of which the member was retired at age fifty-five or greater, shall not again become a member of the retirement system and shall have the member's retirement allowance suspended while the member is in active service.

Sec. 33. Section 411.6, subsection 7, paragraph b, Code 1981, is amended to read as follows:

b. Should a disability beneficiary under age fifty-five be restored to active service at a compensation not less than his the disability beneficiary's average final compensation, his the disability beneficiary's retirement allowance shall cease, he the disability beneficiary shall again become a member and he shall contribute thereafter at the same rate he paid prior to disability, and any former service on the basis of which his the disability beneficiary's service was computed at the time of his retirement shall be restored to full force and effect and upon his subsequent retirement he the disability beneficiary shall be credited with all his service as a member and also with the period of disability retirement, ~~provided that during such period of disability he has not engaged in a gainful occupation from which his net earnings exceeded the difference between his disability retirement allowance and the amount he would have received for said period if his compensation at the time of disability had continued.~~

Sec. 34. Section 411.6, subsection 8, paragraphs b, d, and e, Code 1981, are amended to read as follows:

b. If there ~~be~~ is no such nomination of beneficiary, the benefits provided in paragraph "a" 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~~ beneficiaries, for a member in service, ~~there shall be paid~~ at the time of death a pension ~~which~~ shall be paid equal to one-fourth of the average final compensation of ~~such~~

the member, but in no instance less than seventy-five dollars. ~~In-addition-to-the-benefits-herein-enumerated,-there~~ There shall also be paid for each child of a member ~~under-the-age~~ of-eighteen-years 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 that 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 17, 1978 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. The pension shall resume commencing when the member would have attained the age of fifty-five;

d. If there be is no spouse, or if the spouse dies or remarries ~~before-any-child-of-such-deceased-member-shall-have~~ attained-the-age-of-eighteen-years and there is a child of a member, then to the guardian of ~~his-or-her~~ the member's child or children ~~under-said-age,~~ divided ~~in-such-manner~~ as the board of trustees ~~in-its-discretion-shall-determine~~ determines, to continue as a joint and survivor pension until every such child of the member dies or attains the age of eighteen or twenty-two if applicable; or

e. If there be is no surviving spouse or child ~~under-age~~ eighteen, then to ~~his-or-her~~ the member's dependent father or mother or both, as the board of trustees ~~in-its-discretion~~ shall-determine determines, to continue until remarriage or death.

Sec. 35. Section 411.6, subsection 9, paragraphs a and

b, Code 1981, are amended to read as follows:

a. A pension equal to one-half of the average final compensation of ~~such~~ the member shall be paid to 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~~ There shall also be paid for each ~~dependent~~ child of a member ~~under the-age-of-eighteen-years~~ 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.

b. If there ~~be~~ is no spouse, ~~children-under-the-age-of-eighteen-years~~ child, or dependent parent surviving ~~such~~ a deceased member, the death shall be treated as an ordinary death case and the benefit payable ~~in-accordance-with-the-provisions-of~~ under subsection 8, paragraph "a", in lieu of the pension provided in paragraph "a" of this subsection 9, shall be paid to the member's estate.

Sec. 36. Section 411.6, subsection 11, paragraph b, Code 1981, is amended to read as follows:

b. ~~In-the-event-of-the-death-of~~ If the spouse dies either prior or subsequent to the death of the member, to the guardian of each surviving child ~~under-eighteen-years-of-age~~, a monthly pension equal to the monthly pension payable under subsection 9 of this section for the support of ~~such~~ the child.

Sec. 37. Section 411.6, subsection 12, paragraph a, unnumbered paragraph 1, Code 1981, is amended to read as follows:

~~Effective-July-1,--1980,--and-on~~ On each July 1 thereafter and January 1, the monthly pensions authorized in this section payable to retired members and to beneficiaries, except children of a deceased member, shall be adjusted as provided in this paragraph. An amount equal to the following percentages of the difference between the monthly earnable

compensation payable to an active member of the department, of the same rank and position on the salary scale as was held by the retired or deceased member at the time of the member's retirement or death, for ~~July-of-the-preceding-year~~ the month in which the last preceding adjustment was made and the monthly earnable compensation payable to an active member of the department of the same rank and position on the salary scale for ~~July-of-the-year-just-beginning~~ the month in which the adjustment is made shall be added to the monthly pension of each retired member and each beneficiary as follows:

Sec. 38. Section 411.6, subsection 12, paragraph a, unnumbered paragraph 4, Code 1981, is amended to read as follows:

As of ~~the-first-of~~ July 1 and January 1 of each year, the monthly pension payable to each surviving child under the provisions of subsections 8, 9, and 11 of this section shall be adjusted to equal six percent of the monthly earnable compensation payable on that July 1 or January 1 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. 39. Section 411.6, subsection 12, paragraphs b and d, Code 1981, are amended to read as follows:

b. All monthly pensions adjusted as provided in this subsection shall be payable beginning on July 1 and January 1 of the year in which the adjustment is made and shall continue in effect until the next ~~following-July-1~~ adjustment at which time the monthly pensions shall again be adjusted in accordance with paragraph "a" of this subsection.

d. A retired member eligible for benefits under ~~the provisions-of~~ subsection 1 of this section is not eligible for the ~~annual~~ readjustment of pensions provided in this subsection unless the member served twenty-two years and attained the age of fifty-five years prior to ~~his~~ the member's termination of employment.

Sec. 40. Section 411.7, subsection 2, Code 1981, is amended by striking the subsection and inserting in lieu thereof the following:

2. The city treasurer may invest at the direction of the respective boards of trustees a portion of the funds established in section 411.8 which in the judgment of the respective boards are not needed for current payment of benefits under this chapter in investments authorized in section 97B.7, subsection 2, paragraph b, for moneys in the Iowa public employees' retirement fund.

Sec. 41. Section 411.8, subsection 1, paragraph f, Code 1981, is amended to read as follows:

f. An amount equal to two and ~~twenty-one-hundredths~~ nine-tenths percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund.

Sec. 42. Section 411.11, Code 1981, is amended to read as follows:

411.11 CONTRIBUTIONS BY THE CITY. On or before January 1 of each year the respective boards of trustees shall certify to the superintendent of public safety the amounts which will become due and payable during the year next following to the pension accumulation fund and the expense fund. The amounts so certified shall be included by the superintendent of public safety in ~~his~~ the annual budget estimate. The amounts so certified shall be appropriated by the ~~said~~ respective cities and transferred to the retirement system for the ensuing year. ~~Said~~ The cities shall annually levy a tax sufficient in amount to cover ~~such~~ the appropriations.

However, the amounts due and payable for a retirement system during its first year, or portion of a year, of operation shall be determined using the rates of contribution adopted by the board of trustees.

Sec. 43. Section 411.19, Code 1981, is amended to read as follows:

411.19 TRANSFER OF BENEFITS TO ANOTHER CITY. A member

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

Sec. 44. Section 411.20, Code 1981, is amended to read as follows:

411.20 APPROPRIATION TO MUNICIPAL ASSISTANCE FUND.

1. There is appropriated from the general fund of the state to the municipal assistance fund established in chapter 405 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 1089.

2. Commencing with the fiscal year beginning July 1, 1979 for retirement systems in existence on June 30, 1978, 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 1089 shall be computed by the actuary employed by the respective board of trustees on the basis of the results of actuarial ~~studies~~ valuations performed by ~~such~~ the 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 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~~ retirement system times the payroll of the active members employed under that system ~~by-that-city~~ for the fiscal year.

3. For retirement systems established on or after July 1, 1978, the amounts distributed to cities shall be computed in the manner provided in subsections 1 and 2 by the actuary employed by the respective board of trustees on the basis of results of actuarial valuations performed by the actuary

for the first fiscal year, or portion of a fiscal year, and the second fiscal year for which this chapter applies. The results of the actuarial valuations for the first fiscal year, or portion of a fiscal year, for which this chapter applies, shall determine the state's portion of the costs for that fiscal year, or portion of a fiscal year. The results of the actuarial valuations for the first two fiscal years, or for a portion of the first fiscal year and all of the second fiscal year shall determine the state's portion of the costs for the second and later fiscal years. Payment shall be made based upon the ratio of payroll determined in the manner provided in subsection 2.

Sec. 45. Section 411.21, subsection 7, unnumbered paragraph 1, Code 1981, is amended to read as follows:

Notwithstanding subsections 1, 3, 4, 5 and 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~~ the member's accumulated contributions from the annuity savings fund and remain eligible to receive benefits under section 411.6. However, a member with fifteen or more years of service prior to July 1, 1979, is not eligible for a service retirement allowance under section 411.6 if ~~he-or~~ she the member withdrew ~~his-or-her~~ the member's accumulated contributions from the annuity savings fund after July 1, 1972 but prior to July 1, 1979, except as provided in section 411.4. Accumulated contributions shall be paid according to the following schedule:

Sec. 46. Chapter 411, Code 1981, is amended by adding the following new section:

NEW SECTION. REFUND OF CONTRIBUTIONS. A member who terminates membership service under this system prior to the member's retirement, other than by death, upon request shall receive a return of the member's contributions paid under section 411.8, subsection 1, paragraph f. The request shall be in writing to the board of trustees. If the member has fifteen or more years of service and requests a refund of

the member's contributions, the member forfeits any rights to benefits under this chapter. A refund of contributions paid by the board of trustees includes interest earned on the contributions of the member at the rate of six percent, compounded annually.

Sec. 47. Pensions payable under section 45 of this Act shall commence July 1, 1982 for a member or a member's spouse.

Sec. 48. Payment of benefits to a child, as defined in sections 1 and 26 of this Act, under sections 6, 7, 8, 34, 35, and 36 of this Act is retroactive to July 1, 1981."

ON THE PART OF THE SENATE:

ON THE PART OF THE HOUSE:

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JOHN N. NYSTROM, Chairperson

---

GEORGE R. SWEARINGEN, Chairperson

---

ROBERT CARR

---

DIANE BRANDT

---

FORREST V. SCHWENGELS

---

DOROTHY CARPENTER

---

TOM SLATER

---

WILLIAM W. DIELEMAN

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DALE L. TIEDEN

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SEMOR C. TOFTE

*Senate adopted 4/24 (p. 484)  
House adopted 4/24 (p. 1393)*

CCR 2178

dd/rr/8



# Office of the Governor

STATE CAPITOL  
DES MOINES, IOWA 50319

ROBERT D. RAY  
GOVERNOR

May 22, 1982

The Honorable Mary Jane Odell  
Secretary of State  
State Capitol Building  
L O C A L

Dear Madam Secretary:

I hereby transmit Senate File 2178, an act relating to the administration and benefits of public retirement systems.

X

Senate File 2178 is approved May 22, 1982, with the following exceptions which I hereby disapprove.

I am unable to approve the item designated in the act as Section 12 which reads as follows:

Sec. 12. Section 97B.11, Code 1981, 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~~ seven-tenths percent of the covered wages paid by the employer through ~~June-30-1979~~ December 31, 1984, and commencing ~~July-1-1979~~ January 1, 1985, in the amount of three and ~~seven-tenths~~ eight-tenths percent of the covered wages paid by the employer, until the first of the month 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~~ five and twenty-five hundredths percent of the covered wages of the member for service commencing ~~July-1-1977~~ July-1-1979 through ~~June-30-1979~~ December 31, 1984, and in the amount of ~~five-and-seventy-five~~ six and twenty-five hundredths percent of the covered wages of the member for service commencing ~~July-1-1979~~ January 1, 1985.

The Honorable Mary Jane Odell

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I am unable to approve the item designated in the act as Section 23, Subsection b, numbered subparagraphs 1, 2, 3, and 4 which read as follows:

b. (1) There is appropriated annually from the general fund of the state to the Iowa department of job service to be deposited in the Iowa public employees' retirement fund, to pay for the benefit increases provided in this subsection, except as otherwise provided in this subsection, the sum of two million two hundred seventeen thousand dollars per year, commencing with the fiscal year beginning July 1, 1982 and through the fiscal year beginning July 1, 2001, for each fiscal year in which the unobligated state general fund balance on June 30 of the preceding fiscal year as certified by the state comptroller by the following September 10 is more than thirty-five million dollars.

(2) If the unobligated state general fund balance on June 30 of any year from 1982 through 2001 as certified by the state comptroller by the following September 10 is less than thirty-five million dollars, the cost of benefit increases provided in this subsection of two million two hundred seventeen thousand dollars per year for the fiscal year following that June 30 shall be absorbed by the Iowa public employees' retirement fund.

(3) If the unobligated state general fund balance on June 30 of any year from 1982 through 2001, minus the amount appropriated in subparagraph (1), is more than thirty-five million dollars as certified by the state comptroller by the following September 10 and the cost of the benefit increases provided in this subsection during that fiscal year, or any previous fiscal year, has been absorbed by the Iowa public employees' retirement fund and has not previously been repaid from the state general fund in the manner provided in this subparagraph, there is appropriated from the general fund of the state to the Iowa department of job service for the fiscal year beginning the following July 1 two million two hundred seventeen thousand dollars to be deposited in the Iowa public employees' retirement fund to pay the cost of the benefit increases provided in this subsection and absorbed by the Iowa public employees' retirement fund for a previous fiscal year or portion of a fiscal year.

(4) Notwithstanding subparagraphs (1) and (3), funds appropriated in subparagraphs (1) and (3) for a fiscal year shall not exceed the amount by which the unobligated

state general fund balance on June 30 of a fiscal year as certified by the state comptroller by the following September 10 exceeds thirty-five million dollars.

Senate File 2178 significantly and appropriately upgrades the benefits for public employees who retire under the IPERS system. Employee wages covered under the system are raised from \$20,000 to \$21,000 on January 1, 1984, and to \$22,000 on January 1, 1986. Retirement benefit levels will be calculated by using the highest five years of wages earned rather than the highest five consecutive years. The retirement benefits will then be equal to 50 percent of these highest five years of wages earned rather than the 47 percent level now in the law. And, the maximum benefits for the pre-1976 IPERS retirees will be increased by up to \$30 per month.

While these benefit increases are appropriate, they also up the demands on the IPERS fund. Section 12 and a portion of Section 23 of Senate File 2178 were apparently included in the bill to address that concern.

Section 12 increases the contribution rate for employers in IPERS from 5.75 to 6.25 percent of all covered wages on January 1, 1985. At the same time, the employee contribution rate is increased from 3.7 to 3.8 percent of covered wages. This would result in an annual \$8.2 million increase in the employer contribution, and a \$1.6 million increase in the employees' contribution. This contribution increase would affect the IPERS employers and employees as follows:

<u>Government Entity</u>	<u>Employer Contribution of \$8,189,353</u>	<u>Employer Contribution of \$1,637,871</u>
State	\$1,345,511	\$ 269,102
Regents	131,030	26,206
Counties	1,194,827	238,965
Cities	909,018	181,804
Township	819	164
Schools	4,209,327	841,866
Multiple Units	336,582	67,316
Utilities	62,239	12,448
Total	\$8,189,353	\$1,637,871

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While this would generate substantial revenue for the IPERS fund, it would also burden financially-strapped local governments with a state-mandated contribution increase. Without provisions to assist local governments in handling these increased financial demands, this section of the bill could force some local governments to increase property taxes. That is not fair play.

Moreover, it is apparent that the increase in IPERS benefits provided for in the bill can be paid for without a contribution increase. Present benefit levels are significantly less than the level of contributions to the fund. This fact, combined with the increased contributions associated with hiking the covered wages and the substantial investment income in the fund, ensure the actuarial soundness of IPERS without a contribution rate increase now or in 1985.

Therefore, by disapproving Section 12, IPERS benefits will be appropriately increased, local governments will be spared the extra financial burden resulting from a state-mandated contribution hike and the IPERS fund will remain sound for the future.

Subsection b, numbered subparagraphs 1, 2, 3, and 4 were apparently added by the legislature as an alternative method of financing the increased benefits granted to pre-1976 retirees in the bill. These subparagraphs appropriate from the state general fund \$2.2 million to the IPERS fund for each of the next 20 years in order to pay for the anticipated cost of the pre-1976 retiree benefits. However, the general fund appropriation is to be made only when the fund has a balance sufficient to make the appropriation while maintaining at least a \$35 million balance. In addition, a \$4.4 million appropriation must be made from the general fund if a previous year's balance was insufficient to allow for that year's appropriation.

These provisions are unwieldy and unnecessary. Despite the \$35 million trigger established in the bill, the Comptroller would be required to set aside each year's appropriation. This would effectively prevent the use of the \$2.2 million in fiscal year 1983 and in the 19 ensuing fiscal years. The state can ill afford to have the small 1983 general fund balance reduced even further by this bill. Moreover, the provisions for the retroactive payment of a previous year's unfunded appropriation would be difficult to administer and would further drain the state general fund.

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In addition, as was mentioned previously, the IPERS fund can safely absorb the cost of the pre-1976 retiree benefit increase with the contributions provided in the bill. Therefore, it would appear unnecessary to appropriate additional state general funds to IPERS.

The remaining sections of Senate File 2178 provide for significant benefit increases for state and local peace officers and firemen in cities of over 8,000 population. The bill provides that the calculation of pension benefits for these employees is to be based on the high three rather than the high five years of salary. This is an appropriate change for several reasons:

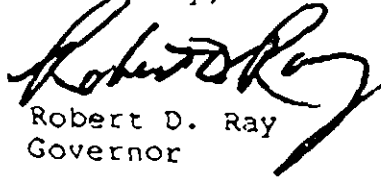
- It takes into account the disparity between IPERS retirees, who get Social Security as well as IPERS benefits, and peace officers and firemen who are not covered under Social Security.
- The change makes Iowa's peace officer retirement system more competitive with those of our neighboring states.
- The bill also provides a mechanism for the employees to at least partially pay for this benefit increase by adding .89 percent to the employee contribution rate. The extent to which this contribution rate hike will actually pay for the benefits granted to local peace officers and firemen was the subject of considerable confusion during the closing hours of the legislative session and remains subject to some debate. I urge the legislature next year to re-examine the relationship of the contribution rate increase to the fiscal impact of the high three on local governments. If it is determined that the rate hike is not sufficient to cover the costs of the high three, the legislature should take action to adjust the employee contribution rate or provide the necessary funding to cities through the Municipal Assistance Fund.

Senate File 2178 also allows peace officers in the cities under 8,000 to satisfy IPERS requirements with 25 years of service and a retirement age of 60. This appears to be an appropriate change since it makes the pension benefits for these peace officers more compatible with those of their counterparts in cities over 8,000 and with state peace officers. However, the cost of this change for these cities has also been the subject to debate. Since this provision is not effective until July 1, 1983, the legislature next year will have the time to review and to address its fiscal impact.

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For the above reasons, I hereby disapprove these items in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the state of Iowa. All other items of Senate File 2178 are hereby approved as of this date.

Sincerely,



Robert D. Ray  
Governor

RDR:cg

cc: Secretary of the Senate  
Chief Clerk of the House

\*Item Voted

SENATE FILE 2178

AN ACT

RELATING TO THE ADMINISTRATION AND BENEFITS OF PUBLIC RETIREMENT SYSTEMS.

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

Section 1. Section 97A.1, subsections 9 and 10, Code 1981, are amended to read as follows:

9. "Child" ~~ex-children~~ shall mean means only the surviving issue of a deceased active or retired member, or the a child ~~or-children~~ legally adopted by a deceased member prior to his the member's retirement. "Child" includes only an individual who is under the age of eighteen years, an individual who is under the age of twenty-two and is a full-time student, or an individual who is disabled under the definitions used in section 402 of the Social Security Act as amended if the disability occurred to the individual during the time the individual was under the age of eighteen years and the parent of the individual was an active member of the system.

10. "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 the member's rank or position including compensation for longevity and the daily amount received for meals under section 80.8 and excluding any amount received for overtime compensation or other special additional compensation, meal and other payments for meal expenses, uniform cleaning allowances, travel expenses, and uniform allowances and excluding any amount received upon termination or retirement in payment for accumulated sick leave or vacation.

Sec. 2. Section 97A.1, subsection 12, Code 1981, is amended to read as follows:

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

Sec. 3. Section 97A.6, subsection 1, paragraph b, Code 1981, is amended to read as follows:

b. 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 calculated in the manner provided in this paragraph using the average final compensation at the time of termination of employment.

Sec. 4. Section 97A.6, subsection 7, paragraph a, unnumbered paragraph 1, Code 1981, is amended to read as follows:

~~student, or who is disabled, under the definitions used in section 402 of the Social Security Act as amended to July 1, 1978 (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;

d. If there ~~be~~ is 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 and there is a child of a member,~~ 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 determines,~~ to continue as a joint and survivor pension until every ~~such child of the member~~ dies or attains the age of eighteen ~~or twenty-two if applicable;~~ or

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

f. In addition to the benefits ~~herein~~ enumerated in this subsection, there shall also be paid for each child of a member ~~under the age of eighteen years~~ 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.

Sec. 7. Section 97A.6, subsection 9, paragraphs b and c, Code 1981, are amended to read as follows:

b. If there ~~be~~ is no surviving spouse, ~~children under the age of eighteen years~~ child, or dependent parent surviving ~~such a~~ deceased member, the death shall be treated as an ordinary death case and the benefit payable ~~in accordance with the provisions of~~ under subsection 8, paragraph "a" of

this section, in lieu of the pension provided in paragraph "a" of this subsection 9, shall be paid to the member's estate.

c. In addition to the benefits for the surviving spouse ~~herein~~ enumerated in this subsection, there shall also be paid for each ~~dependent~~ child of a member ~~under the age of eighteen years~~ 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.

Sec. 8. Section 97A.6, subsection 12, paragraph b, Code 1981, is amended to read as follows:

b. ~~In the event of the death of~~ If the spouse ~~dies~~ either prior or subsequent to the death of the member, to the guardian of each surviving child ~~under eighteen years of age,~~ a monthly pension equal to the monthly pension payable under subsection 9, paragraph "c," of this section for the support of ~~such~~ the child.

Sec. 9. Section 97A.8, subsection 1, paragraph f, Code 1981, is amended to read as follows:

f. An amount equal to ~~two~~ three and ~~twenty-one hundredths~~ one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund.

Sec. 10. Section 97B.7, subsection 2, paragraph b, subparagraphs (3), (4), and (5), Code 1981, are amended by striking the subparagraphs, inserting in lieu thereof the following subparagraphs, and renumbering the remaining subparagraphs:

(3) That the common stock or shares issued by solvent corporations or institutions are eligible for investment if the stock or shares are listed or admitted to trading on a securities exchange located in the United States or are publicly held and have been traded in the "over-the-counter" market and market quotations are readily available.

(4) That, where prudent, investments made under this paragraph shall be made in a manner that will enhance the

wages of the member for service ~~commencing July 1, 1977~~ through ~~June 30, 1979~~ December 31, 1984, and in the amount of ~~five and seventy-five six and twenty-five~~ hundredths percent of the covered wages of the member for service commencing ~~July 1, 1979~~ January 1, 1985.

Sec. 13. Section 97B.41, subsection 1, paragraph a, unnumbered paragraph 1, Code 1981, is amended to read as follows:

"Wages" means all remuneration for employment, including the cash value of remuneration paid in any a medium other than cash, but not including the cash value of remuneration paid in any a medium other than cash necessitated by the convenience of the employer, ~~such~~. The amount as agreed upon by the employer and employee and for remuneration paid in a medium other than cash shall be reported to the department by the employer shall be and is conclusive of the value of the remuneration in a medium other than cash, except that. However, remuneration which does not equal or exceed the sum of three hundred dollars in any a calendar quarter shall be excluded. "Wages" does not include special lump sum payments made as payment for sick leave or accrued vacation or payments made as an incentive for early retirement. Wages for an elected official means the salary received by an elected official, exclusive of expense and travel allowances.

Sec. 14. Section 97B.41, subsection 1, paragraph b, subparagraph (4), Code 1981, is amended to read as follows:

(4) For each calendar year from January 1, 1976, ~~and thereafter~~ through December 31, 1983, wages not in excess of twenty thousand dollars.

Sec. 15. Section 97B.41, subsection 1, paragraph b, subparagraph (6), Code 1981, is amended to read as follows:

(6) If a member is employed by more than one employer during a calendar year, the total amount of wages paid to ~~him~~ the member by ~~his~~ the several employers shall be included in determining the limitation on covered wages as provided ~~by in this paragraph "b", subparagraph (3), of this section.~~ If the amount of wages paid to a member by ~~his~~ the member's

several employers during a calendar year exceeds the covered wage limit, the amount of such excess shall not be subject to the contributions required by section 97B.11.

Sec. 16. Section 97B.41, subsection 1, paragraph b, Code 1981, is amended by adding the following new subparagraphs after subparagraph (4) and renumbering the remaining subparagraphs:

NEW SUBPARAGRAPH. For each calendar year from January 1, 1984 through December 31, 1985, wages not in excess of twenty-one thousand dollars per year.

NEW SUBPARAGRAPH. For each calendar year from January 1, 1986 and thereafter, wages not in excess of twenty-two thousand dollars.

Sec. 17. Section 97B.41, subsection 20, Code 1981, is amended by striking the subsection and inserting in lieu thereof the following:

20. "Five-year average covered wage" means a member's covered wages averaged for the highest five years of the member's service. If the member has less than five years of service, then the average shall be computed using the actual number of years as a member. The highest five years of a member's covered wages shall be determined using calendar years. However, if a member's final quarter of a year of employment does not occur at the end of a calendar year, the department may determine the wages for the fifth year by combining the wages from the highest quarter or quarters not being used in the selection of the four highest years with the final quarter or quarters of the member's service to create a full year. If the five-year average covered wage of a member exceeds the highest maximum covered wages in effect for a calendar year during the member's period of service, the five-year average covered wage of the member shall be reduced to the highest maximum covered wages in effect during the member's period of service.

Sec. 18. Section 97B.48, subsection 3, Code 1981, is amended to read as follows:

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 benefits under subsection 5 of this section, a monthly retirement allowance equal to one-twelfth of forty-seven percent of the member's five-year average covered wage as a sheriff or deputy sheriff ~~multiplied-by-a-fraction-of years-of-service~~, with benefits payable during the member's lifetime. For each sheriff and deputy sheriff eligible for benefits under this subsection who retires between July 1, 1982 and June 30, 1983, the percent used in computing the monthly retirement allowance is fifty.

Notwithstanding other provisions of this chapter, a member who is or has been employed as a peace officer, and who retires on or after July 1, 1983 and meets the age requirements and membership service requirements for benefits specified in this paragraph may elect to receive a monthly retirement allowance equal to one-twelfth of fifty percent of the member's five-year average covered wage as a peace officer, with benefits payable during the member's lifetime.

For the purpose of this subsection membership service as a peace officer means service under this system as any or all of the following:

- (1) As a county sheriff as defined in section 39.17.
- (2) As a deputy sheriff appointed pursuant to section 341.1, Code 1981, or section 331.903, Code 1981 Supplement.
- (3) As a marshal or police officer in a city not covered under chapter 400.

b. Each county and applicable city 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 97B.11.

The additional percentage of covered ~~wage~~ wages shall be calculated separately by the department for service under paragraph a, subparagraphs (1) and (2), and for service under paragraph a, subparagraph (3), and each shall be an actuarially determined amount for that type of service which, if contributed throughout the entire period of active service, would be sufficient to provide the pension benefit provided in this section.

Sec. 22. Section 97B.49, subsection 10, unnumbered paragraph 1, Code 1981, is amended to read as follows:

Notwithstanding sections of this chapter relating to eligibility for and determination of retirement benefits, a vested member who is or has been employed as a correctional officer by the department of social services and who retires on or after July 1, 1983 and at the time of retirement is at least sixty years of age and has completed at least thirty years of membership service as a correctional officer, may elect to receive, in lieu of the receipt of benefits under subsection 5 of this section, a monthly retirement allowance equal to one-twelfth of ~~forty-seven~~ fifty percent of the member's five-year average covered wages as a correctional officer ~~multiplied-by-a-fraction-of-years-of-service~~, with benefits payable during the member's lifetime.

Sec. 23. Section 97B.49, Code 1981, is amended by adding the following new subsection:

NEW SUBSECTION. a. Effective beginning July 1, 1982, for each member who retired from the system prior to January 1, 1976, and for each member who retired from the system on or after January 1, 1976 under subsection 1 of this section, the amount of regular monthly retirement allowance attributable to membership service and prior service that was payable to the member for June 1982 is increased as follows:

- (1) For the first ten years of service, fifty cents per month for each complete year of service.
- (2) For the eleventh through the twentieth years of service, one dollar per month for each complete year of service.

employment with an employer prior to January 1, 1946 is not eligible for credit for that period of employment.

Sec. 26. Section 411.1, subsection 11, Code 1981, is amended to read as follows:

11. "Child" ~~or "children"~~ shall-mean means only surviving issue of a deceased active or retired member, or ~~the a child or children~~ legally adopted by a deceased member prior to ~~his the member's~~ retirement. "Child" includes only an individual who is under the age of eighteen years, an individual who is under the age of twenty-two years and is a full-time student, or an individual who is disabled at the time under the definitions used in section 402 of the Social Security Act as amended if the disability occurred to the individual during the time the individual was under the age of eighteen years and the parent of the individual was an active member of the system.

Sec. 27. Section 411.1, subsection 14, Code 1981, is amended to read as follows:

14. "Average final compensation" ~~shall-mean~~ means the average earnable compensation of the member during the ~~five three~~ years of service ~~he the member~~ earned ~~his the member's~~ highest salary as a ~~police officer~~ police officer or ~~fireman fire fighter~~, or if ~~he the member~~ has had less than ~~five three~~ years of ~~such~~ service, then the average earnable compensation of ~~his the member's~~ entire period of service.

Sec. 28. Section 411.5, subsection 1, paragraphs a and b, Code 1981, are amended to read as follows:

a. The chief officer of the fire department, the city treasurer, ~~the-city-solicitor-or-attorney~~, two ~~firemen~~ fire fighters elected by secret ballot by the members of ~~said the~~ department who are entitled to participate in a ~~firemen's pension-fund~~ fire retirement system established by law, and ~~two three~~ citizens who do not hold ~~any-ether~~ another public office, who shall be appointed by the mayor with the approval of the city council, shall ~~constitute~~ serve as the members of the board of trustees of the fire retirement system.

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

Sec. 29. Section 411.5, subsection 8, Code 1981, is amended to read as follows:

8. LEGAL ADVISER. The city attorney or solicitor of ~~the said-cities~~ a city shall ~~be~~ serve as the legal adviser of the ~~boards~~ board of trustees at the request of the board.

Sec. 30. Section 411.6, subsection 1, paragraph a, Code 1981, is amended to read as follows:

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

Sec. 31. Section 411.6, subsection 1, paragraph b, Code 1981, is amended to read as follows:

b. 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

as ~~such beneficiaries~~, for a member in service, ~~there shall be paid at the time of death~~ a pension which shall be paid equal to one-fourth of the average final compensation of ~~such the~~ member, but in no instance less than seventy-five dollars. ~~In addition to the benefits herein enumerated, there~~ There shall also be paid for each child of a member ~~under the age of eighteen years~~ 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 that 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, 1978 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. The pension shall resume commencing when the member would have attained the age of fifty-five;

d. If there ~~be is~~ no spouse, or if the spouse dies or remarries ~~before any child of such deceased member shall have attained the age of eighteen years~~ and there is a child of a member, then to the guardian of ~~his or her~~ the member's child or children ~~under said age~~, divided in such manner as the board of trustees ~~in its discretion shall determine~~ determines, to continue as a joint and survivor pension until every ~~such~~ child of the member dies or attains the age of eighteen ~~or twenty-two if applicable~~; or

e. If there ~~be is~~ no surviving spouse or child ~~under age eighteen~~, then to ~~his or her~~ the member's dependent father or mother or both, as the board of trustees ~~in its discretion~~

~~shall determine~~ determines, to continue until remarriage or death.

Sec. 35. Section 411.6, subsection 9, paragraphs a and b, Code 1981, are amended to read as follows:

a. A pension equal to one-half of the average final compensation of ~~such the~~ member shall be paid to 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~~ There shall also be paid for each dependent child of a member ~~under the age of eighteen years~~ 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.

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

Sec. 36. Section 411.6, subsection 11, paragraph b, Code 1981, is amended to read as follows:

b. ~~In the event of the death of~~ If the spouse dies either prior or subsequent to the death of the member, to the guardian of each surviving child ~~under eighteen years of age~~, a monthly pension equal to the monthly pension payable under subsection 9 of this section for the support of ~~such the~~ child.

Sec. 37. Section 411.6, subsection 12, paragraph a, unnumbered paragraph 1, Code 1981, is amended to read as follows:

~~Effective July 1, 1980, and on~~ On each July 1 thereafter and January 1, the monthly pensions authorized in this section payable to retired members and to beneficiaries, except

Sec. 43. Section 411.19, Code 1981, is amended to read as follows:

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

Sec. 44. Section 411.20, Code 1981, is amended to read as follows:

411.20 APPROPRIATION TO MUNICIPAL ASSISTANCE FUND.

1. There is appropriated from the general fund of the state to the municipal assistance fund established in chapter 405 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 1089.

2. Commencing with the fiscal year beginning July 1, 1979 for retirement systems in existence on June 30, 1978, 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 1089 shall be computed by the actuary employed by the respective board of trustees on the basis of the results of actuarial ~~studies~~ valuations performed by ~~such~~ the 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 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~~ retirement system times the payroll of the active members employed under that system ~~by that city~~ for the fiscal year.

3. For retirement systems established on or after July