

100 - (5287) Do Pass 4/22 (p.1627)
2 Appropriation amend (6039) Do Pass 4/25 (p.1859)

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STATE GOVERNMENT

HOUSE FILE 2483

BY NORLAND and STROMER

Passed House, Date 4-29-86 (p.1890) Passed Senate, Date 5-2-86 (p.1543)

Vote: Ayes 100 Nays 0 Vote: Ayes 40 Nays 1

Approved May 29, 1986

A BILL FOR

1 An Act relating to administration and benefits for public
2 retirement systems in this state and making an appropriation.

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

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HF 2483

1 Section 1. Section 97B.41, subsection 1, paragraph b,
2 subparagraph (8), Code 1985, is amended to read as follows:

3 (8) For each calendar year from January 1, 1988 and
4 thereafter, except as provided in subparagraph (9), wages not
5 in excess of twenty-four thousand dollars.

6 Sec. 2. Section 97B.41, subsection 1, paragraph b, Code
7 1985, is amended by adding after subparagraph (8) the
8 following new subparagraph (9) and renumbering the remaining
9 subparagraphs:

10 NEW SUBPARAGRAPH. (9) For each calendar year thereafter,
11 the department shall increase the covered wages limitation by
12 one thousand dollars if the annual actuarial valuation of the
13 assets and liabilities of the retirement system indicates that
14 the cost of the increase in covered wages can be absorbed
15 within the employer and employee contribution rates in effect
16 under section 97B.11. However, covered wages shall not exceed
17 forty thousand dollars for a calendar year.

18 Sec. 3. Section 97B.41, subsection 11, Code 1985, is
19 amended to read as follows:

20 11. "Retired member" means a member who ~~had~~ has applied
21 for and commenced receiving the member's retirement allowance.
22 A member has not established a bona fide retirement if the
23 member accepts other employment as defined in this section
24 before qualifying for at least one calendar month's retirement
25 benefits under this chapter.

26 Sec. 4. Section 97B.41, subsection 13, paragraph c, Code
27 1985, is amended to read as follows:

28 c. The termination at the end of the school year of the
29 contract of employment of an employee ~~who-is-a-teacher~~ in the
30 public schools of the state of Iowa, provided the employee
31 enters into a further contract of employment ~~as-a-teacher~~ in
32 the public schools of the state of Iowa for the next
33 succeeding school year.

34 Sec. 5. Section 97B.41, subsection 19, Code 1985, is
35 amended to read as follows:

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

20 Sec. 6. Section 97B.45, Code 1985, is amended to read as
21 follows:

22 97B.45 RETIREMENT AGE AT SIXTY-FIVE.

23 A member's normal retirement date ~~shall-be~~ is the first of
24 the month in which a member attains the age of sixty-five
25 years except that a member's normal retirement date may be
26 earlier than sixty-five years of age if the member has
27 completed thirty or more years of membership service. A
28 member may retire after the member's sixty-fifth birthday
29 except as otherwise provided in section 97B.46. A member
30 retiring on or after the normal retirement date, as provided
31 in section 97B.46, shall submit a written notice to the
32 department setting forth the date the retirement is to become
33 ~~effective,-provided-that-such.~~ The date shall be after the
34 member's last day of service and not before the first day of
35 the sixth calendar month preceding the month in which the

1 notice is filed, except that credit for service shall cease
2 ceases when contributions cease as provided in section 97B.11.

3 Sec. 7. Section 97B.49, subsection 5, unnumbered paragraph
4 1, Code Supplement 1985, is amended to read as follows:

5 For each active member retiring ~~between January 1, 1976 and~~
6 ~~June 30, 1982~~ on or after July 1, 1986, with four or more
7 complete years of service, a monthly benefit shall be computed
8 which is equal to one-twelfth of an amount equal to ~~forty-~~
9 ~~seven~~ fifty percent of the ~~five-year~~ three-year average
10 covered wage multiplied by a fraction of years of service.
11 ~~For each member retiring on or after July 1, 1982, with four~~
12 ~~or more complete years of service, the percent used in~~
13 ~~computing the monthly benefit is fifty.~~ For the purposes of
14 this subsection, "fraction of years of service" means a
15 number, not to exceed one, equal to the sum of the years of
16 membership service and the number of years of prior service
17 divided by thirty years.

18 Sec. 8. Section 97B.49, subsection 7, Code Supplement
19 1985, is amended to read as follows:

20 7. Notwithstanding other provisions of this chapter, a
21 member who is or has been employed as a conservation peace
22 officer under section 107.13 and who retires ~~between July 1,~~
23 ~~1978 and June 30, 1982~~ on or after July 1, 1986, and at the
24 time of retirement is at least sixty years of age and has
25 completed at least twenty-five years of membership service as
26 a conservation peace officer, may elect to receive, in lieu of
27 the receipt of any benefits under subsection 5 of this
28 section, a monthly retirement allowance equal to one-twelfth
29 of ~~forty-seven~~ fifty percent of the member's ~~five-year~~ three-
30 year average covered wage as a conservation peace officer,
31 with benefits payable during the member's lifetime. ~~For each~~
32 ~~conservation peace officer eligible for benefits under this~~
33 ~~subsection who retires on or after July 1, 1982, the percent~~
34 ~~used in computing the monthly retirement allowance is fifty.~~
35 There is appropriated from the general fund of the state to

1 the Iowa department of job service from funds not otherwise
2 appropriated an actuarially-determined amount sufficient to
3 pay ~~eight-and-forty-three-hundredths-percent-of-the-covered~~
4 ~~wages-of-each-conservation-peace-officer,~~ for the additional
5 benefits provided in this subsection. The amount is in
6 addition to the contribution paid by the employer under
7 section 97B.11~~, to finance increased benefits to conservation~~
8 ~~peace-officers-under-this-subsection.~~

9 Sec. 9. Section 97B.49, subsection 8, paragraph a,
10 unnumbered paragraph 1, Code Supplement 1985, is amended to
11 read as follows:

12 Notwithstanding other provisions of this chapter, a member
13 who is or has been employed as a ~~county-sheriff,~~ as defined in
14 ~~section 39.17 or as a deputy sheriff appointed pursuant to~~
15 ~~section 341.17 Code 1981 or section 331.903,~~ and who retires
16 between January 1, 1978 and June 30, 1982 peace officer and
17 who retires on or after July 1, 1986, and at the time of
18 retirement is at least sixty years of age and has completed at
19 least twenty-five years of membership service as a ~~county~~
20 ~~sheriff or deputy sheriff~~ peace officer, may elect to receive,
21 in lieu of the benefits under subsection 5 of this section, a
22 monthly retirement allowance equal to one-twelfth of ~~forty-~~
23 ~~seven~~ fifty percent of the member's ~~five-year~~ three-year
24 average covered wage as a ~~sheriff or deputy sheriff~~ peace
25 officer, with benefits payable during the member's lifetime.
26 ~~For each sheriff and deputy sheriff eligible for benefits~~
27 ~~under this subsection who retires between July 1, 1982 and~~
28 ~~June 30, 1983, the percent used in computing the monthly~~
29 ~~retirement allowance is fifty.~~

30 Sec. 10. Section 97B.49, subsection 8, paragraph a,
31 unnumbered paragraph 2, Code Supplement 1985, is amended by
32 striking the unnumbered paragraph.

33 Sec. 11. Section 97B.49, subsection 8, paragraph a,
34 unnumbered paragraph 3, Code Supplement 1985, is amended to
35 read as follows:

1 A peace officer who retires on or after July 1, 1984 and
2 has not completed twenty-five years of membership service as
3 required under this subsection is eligible to receive a
4 monthly retirement allowance equal to one-twelfth of fifty
5 percent of the member's three-year average covered wage as a
6 peace officer multiplied by a the fraction of years of service
7 as a peace officer. For the purpose of this subsection,
8 "fraction of years of service" means a number, not to exceed
9 one, equal to the sum of the years of membership service as a
10 peace officer, divided by twenty-five years. On or after July
11 1, 1984, if the peace officer has not reached sixty years of
12 age at retirement, the monthly retirement allowance shall be
13 reduced by five-tenths of one percent per month for each month
14 that the peace officer's retirement precedes the date on which
15 the peace officer attains sixty years of age.

16 Sec. 12. Section 97B.49, subsection 10, unnumbered
17 paragraph 1, Code Supplement 1985, is amended to read as
18 follows:

19 Notwithstanding sections of this chapter relating to
20 eligibility for and determination of retirement benefits, a
21 vested member who is or has been employed as a correctional
22 officer by the Iowa department of corrections and who retires
23 on or after July 1, ~~1983~~ 1986 and at the time of retirement is
24 at least sixty years of age and has completed at least thirty
25 years of membership service as a correctional officer, may
26 elect to receive, in lieu of the receipt of benefits under
27 subsection 5 of this section, a monthly retirement allowance
28 equal to one-twelfth of fifty percent of the member's ~~five-~~
29 ~~year~~ three-year average covered ~~wages~~ wage as a correctional
30 officer, with benefits payable during the member's lifetime.

31 Sec. 13. Section 97B.49, subsection 10, unnumbered
32 paragraph 3, Code Supplement 1985, is amended to read as
33 follows:

34 The Iowa department of corrections shall pay to the Iowa
35 department of job service, from funds appropriated to the Iowa

1 department of corrections, an actuarially-determined amount
2 sufficient to pay ~~one-and-seventy-one-hundredths-percent-of~~
3 ~~the-covered-wages-of-each-correctional-officer,~~ for the
4 additional benefits provided in this subsection. The amount
5 is in addition to the employer contributions required in
6 section 97B.11 ~~to-pay-for-the-lower-retirement-age-for~~
7 ~~correctional-officers-provided-in-this-subsection.~~

8 Sec. 14. Section 97B.49, subsection 13, Code Supplement
9 1985, is amended to read as follows:

10 13. a. Each member who retired from the system between
11 January 1, 1976 and June 30, 1982, or a contingent annuitant
12 or beneficiary of such a member, shall receive with the
13 November ~~1984~~ 1986 and the November ~~1985~~ 1987 monthly benefit
14 payments a retirement dividend equal to fifty percent of the
15 monthly benefit payment the member received for the preceding
16 June. The retirement dividend does not affect the amount of a
17 monthly benefit payment.

18 b. Each member who retired from the system between July 4,
19 1953 and December 31, 1975, or a contingent annuitant or
20 beneficiary of such a member, shall receive with the November
21 ~~1984~~ 1986 and the November ~~1985~~ 1987 monthly benefit payments
22 a retirement dividend equal to seventy-five percent of the
23 monthly benefit payment the member received for the preceding
24 June. The retirement dividend does not affect the amount of a
25 monthly benefit payment.

26 c. Notwithstanding the determination of the amount of a
27 retirement dividend under paragraph a or b, a retirement
28 dividend shall not be less than twenty-five dollars.

29 Sec. 15. Section 97B.50, subsection 1, paragraph b, Code
30 1985, is amended to read as follows:

31 b. For a member who is at least sixty-two years of age and
32 less than sixty-five years of age and who has not completed
33 ~~thirty-five~~ thirty years of membership service and prior
34 service, by twenty-five hundredths of one percent per month
35 for each month that the early retirement date precedes the

1 normal retirement date.

2 Sec. 16. Section 97B.50, subsections 2, 3, and 4, Code
3 1985, are amended to read as follows:

4 2. A member who has completed thirty or more years of
5 service who retires from the system due to disability and
6 commences receiving disability benefits pursuant to the United
7 States Social Security Act (42 U.S.C.), as amended to July 1,
8 1978, who is eligible for early retirement, but has not
9 reached the normal retirement date, shall receive full
10 benefits under section 97B.49 and shall not have benefits
11 reduced upon retirement as required under subsection 1 of this
12 section.

13 3. A member who has not completed thirty years of service
14 who retires from the system due to disability and commences
15 receiving disability benefits pursuant to the United States
16 Social Security Act (42 U.S.C.), as amended to July 1, 1978,
17 who is eligible for early retirement, but has not reached the
18 normal retirement date, shall upon retirement have benefits
19 received under section 97B.49 reduced by twenty-five
20 hundredths of one percent per month for each month that the
21 early retirement date precedes the normal retirement date.

22 4. A member who is at least sixty-two years of age and
23 less than sixty-five years of age who has completed ~~thirty-~~
24 ~~five~~ thirty or more years of membership service and prior
25 service shall receive full benefits under section 97B.49
26 determined as if the member had attained sixty-five years of
27 age. For a member who is at least fifty-nine but less than
28 sixty-two years of age who has completed at least thirty years
29 of service, the monthly retirement allowance shall be reduced
30 by twenty-five hundredths percent per month for each month
31 that the member's retirement date precedes the member's sixty-
32 second birthday.

33 Sec. 17. Section 97B.51, unnumbered paragraph 1, Code
34 1985, is amended to read as follows:

35 Each member ~~shall have~~ has the right ~~at any time~~ prior to

1 the member's retirement date to elect to have the member's
2 retirement allowance payable under one of the options
3 hereinafter set forth in this section in lieu of the
4 retirement allowance otherwise payable to the member upon
5 retirement under ~~any-of-the-provisions-of~~ the retirement
6 system. The amount of ~~any~~ the optional retirement allowance
7 shall be the actuarial equivalent of the amount of ~~such~~ the
8 retirement allowance otherwise payable to the member. The
9 member shall make ~~such~~ an election by written request to the
10 department and ~~such-an~~ the election ~~will-be~~ is subject to the
11 approval of the department. If the member is married,
12 election of an option under this section requires the written
13 acknowledgement of the member's spouse.

14 Sec. 18. NEW SECTION. 97B.72A FORMER LEGISLATIVE MEMBERS
15 AND EMPLOYEES.

16 A vested member of the system who was a member or temporary
17 employee of the general assembly prior to July 1, 1986 but was
18 not eligible under this chapter to elect coverage under the
19 system for all or a portion of the period of service as a
20 member of the general assembly, or period of employment as a
21 temporary employee of the general assembly, at any time on or
22 after July 4, 1953, may make contributions to the system for
23 all or a portion of that period of service or employment. The
24 contributions shall be equal to the accumulated contributions
25 as defined in section 97B.41, subsection 12, which would have
26 been made if the member or employee of the general assembly
27 had been a member of the system during the period of service
28 elected. The member of the system shall submit proof to the
29 department of membership or employment in the general
30 assembly. The department shall credit the member of the
31 system with the period of membership service for which
32 contributions are made.

33 There is appropriated from the general fund of the state to
34 the department an amount sufficient to pay the contributions
35 of the employer based on the period of service of members of

1 the general assembly or employment of employees of the general
2 assembly for which the member paid accumulated contributions
3 under this section. The amount appropriated is equal to the
4 employer contributions which would have been made if the
5 members of the system who made employee contributions had been
6 members of the system during the period for which they made
7 employee contributions under this section plus two percent
8 interest plus the interest dividend rate applicable for each
9 year compounded annually.

10 Sec. 19. The Iowa public employees' retirement system
11 division of the department of personnel is directed to conduct
12 a study during the 1986 legislative interim to develop various
13 alternatives for payment of death benefits to spouses of
14 deceased active members and of deceased retired members and to
15 make recommendations to the general assembly meeting in 1987.

16 EXPLANATION

17 This bill makes the following changes in the Iowa public
18 employees' retirement system administration and benefits:

19 1. It increases the covered wages for IPERS members by
20 \$1,000 per year in any year in which the actuarial report of
21 the system indicates that the increased cost can be absorbed
22 without increasing contribution rates. Covered wages cannot
23 exceed \$40,000.

24 2. It amends the definition of a retired member so that it
25 only includes members who have not accepted other employment
26 before qualifying for retirement benefits for at least one
27 month.

28 3. It allows any employee of a school district who
29 terminates a contract with one district at the end of a school
30 year and enters into another contract with a school district
31 for the next school year to count service as uninterrupted
32 rather than restricting the provision to teachers.

33 4. It provides that benefits be calculated on the three
34 highest years' wages instead of the five highest years' wages.

35 5. It allows members of IPERS to retire without penalty at

1 age 62 with at least 30 years of service.

2 6. It inserts language in the section relating to
3 retirement allowances for peace officers to clarify that the
4 retirement allowance is calculated on the member's three-year
5 average covered wage as a peace officer.

6 7. The dividend payments for IPERS retirees are continued
7 in November, 1986 and November, 1987. Each retiree will
8 receive a minimum payment of \$25.

9 8. It inserts language in the section providing that the
10 early retirement penalty does not apply if the member has
11 retired and is receiving disability benefits from Social
12 Security to clarify that the member has retired from IPERS due
13 to disability.

14 9. It reduces the early retirement penalty for members
15 between the ages of fifty-nine and sixty-two years of age who
16 have completed at least thirty years of service under IPERS
17 from .5 percent to .25 percent per month for each month the
18 member's retirement precedes the member's sixty-second
19 birthday.

20 10. It requires that the spouse of a member, if there is
21 one, acknowledge the selection of a retirement option by a
22 member.

23 11. It allows former legislators and former legislative
24 employees to pay employee contributions and receive credit for
25 general assembly service or employment for periods for which
26 general assembly members and employees were not eligible for
27 membership in IPERS. It provides that the state will pay the
28 employer portion.

29 12. It calls for the IPERS division to develop
30 alternatives for payment of death benefits to spouses of
31 deceased active and retired members and to make recommenda-
32 tions to the general assembly.

33 13. It strikes the specific appropriations for payment of
34 the benefits for conservation peace officers and correctional
35 officers and inserts language that the appropriation be
36 sufficient to pay for the increased benefits.

HOUSE FILE 2483

FISCAL NOTE

REQUESTED BY REPRESENTATIVE LLOYD-JONES

In compliance with a written request received April 21, 1986, a fiscal note for HOUSE FILE 2483 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2483 makes the following changes in the Iowa public employees' retirement system administration and benefits:

1. It increases the covered wages for IPERS members by \$1,000 per year in any year in which the actuarial report of the system indicates that the increased cost can be absorbed without increasing contribution rates. Covered wages cannot exceed \$40,000.
2. It amends the definition of a retired member so that it only includes members who have not accepted other employment before qualifying for retirement benefits for at least one month.
3. It allows any employee of a school district who terminates a contract with one district at the end of a school year and enters into another contract with a school district for the next school year to count service as uninterrupted rather than restricting the provision to teachers.
4. It provides that benefits be calculated on the three highest years' wages instead of the five highest years' wages.
5. It allows members of IPERS to retire without penalty at age 62 with at least 30 years of service.
6. It inserts language in the section relating to retirement allowances for peace officers to clarify that the retirement allowance is calculated on the member's three-year average covered wage as a peace officer.
7. The dividend payments for IPERS retirees are continued in November, 1986 and November, 1987. Each retiree will receive a minimum payment of \$25.
8. It inserts language in the section providing that the early retirement penalty does not apply if the member has retired and is receiving disability benefits from Social Security to clarify that the member has retired from IPERS due to disability.
9. It reduces the early retirement penalty for members between the ages of fifty-nine and sixty-two years of age who have completed at least thirty years of service under IPERS from 5 percent to .25 percent per month for each month the member's retirement precedes the member's sixty-second birthday.
10. It requires that the spouse of a member, if there is one, acknowledge the selection of a retirement option by a member.
11. It allows former legislators and former legislative employees to pay employee contributions and receive credit for general assembly service or employment for periods for which general assembly members and employees were not eligible for membership in IPERS. It provides that the state will pay the employer portion.
12. It calls for the IPERS division to develop alternatives for payment of death benefits to spouses of deceased active and retired members and to make recommendations to the general assembly.

Page Two, Fiscal Note, House File 2483

13. It strikes the specific appropriations for payment of the benefits for conservation peace officers and correctional officers and inserts language that the appropriation be sufficient to pay the increased benefits.

ASSUMPTIONS:

1. Current contribution rate: 9.45% (5.75% - employer; 3.7% - employee)
2. Contribution Rate required for FY 1987: 7.41%
3. Percentage of current contribution available for allocation: 2.04%

FISCAL EFFECT: By Section of the Bill.

1. Section 1 & 2

- a. \$1,000 Covered Salary Increase - change does not occur until calendar year 1989 and beyond.
- b. First year increase in contribution dollars.

Category	Employee at 3.7%	Employer at 5.75%
State Government	\$139,016	\$216,039 (18.00)
County	127,058	197,455 (17.00)
City	91,556	142,283 (12.25)
Schools	357,481	555,545 (47.83)
Misc.	32,289	50,178 (4.32)

- Administrative changes.
- 3. Section 5, 7, 8, 9, 10, & 12
 - High 3 average - requires 35% from available margin of 2.04%.
- 4. Section 6 & 15
 - Age 62 with 30 provision - requires 86% from available margin
- 5. Section 14
 - Lump Sum Dividend - calculated as an element of 7.41% required for FY 1987, therefore, does not require additional contributions.
- 6. Section 16 (4)
 - 30 year - Early Retirement Penalty - requires 55% of 2.04% available margin.
- 7. Section 17

Page Three, Fiscal Note, House File 2483

- Spousal consent - administrative cost only.
- 8. Section 18
 - Former Legislative Employees - for two year period:

	Employer Cost	Employee Cost
Legislative Employees.	\$ 584	\$ 430
Legislators:	\$1947	\$1435
- 9. Section 19
 - Special Study - cost of study estimated to be \$1500.
- 10. The total cost to the IPERS fund as a result of these changes would be to allocate 1.76% of the available 2.04% of excess contributions for FY 1987.

Source: Iowa Public Employees Retirement System (LSB 8411H, DPW)
 FILED APRIL 23, 1986 BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 2483

H-5868

1 Amend House File 2483 as follows:

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

4 "Sec. _____. Section 411.6, subsection 8, Code 1985,
5 is amended by striking the subsection and inserting in
6 lieu thereof the following:

7 8. a. Upon the receipt of proof of the death of a
8 member in service, or a member not in service who has
9 completed fifteen or more years of service as provided
10 in subsection 1, paragraph b, there shall be paid at
11 the option of the beneficiary to the person designated
12 by the member to the board of trustees as the member's
13 beneficiary one of the following:

14 (1) If the member has had one or more years of
15 membership service and no pension is payable under
16 subsection 9, an amount equal to fifty percent of the
17 compensation earnable by the member during the year
18 immediately preceding the member's death if the member
19 is in service, or an amount equal to fifty percent of
20 the compensation earned by the member during the
21 member's last year of service if the member is not in
22 service.

23 (2) For a member in service at the time of death,
24 a pension equal to one-fourth of the average final
25 compensation of the member, but not less than seventy-
26 five dollars.

27 (3) For a member not in service at the time of
28 death, the pension shall be reduced as provided in
29 subsection 1, paragraph b.

30 (4) If the beneficiary selects a pension under
31 subparagraphs 2 or 3, the pension shall be paid
32 commencing when the member would have attained the age
33 of fifty-five except that if there is a child of the
34 member, the pension shall be paid commencing with the
35 member's death until the children reach the age of
36 eighteen, or twenty-two if applicable. The pension
37 shall resume commencing when the member would have
38 attained the age of fifty-five.

39 b. The payments under this subsection shall be
40 made to designated beneficiaries as follows:

41 (1) To the spouse to continue so long as the
42 spouse remains unmarried.

43 (2) If there is no spouse, or if the spouse dies
44 or remarries and there is a child of a member, then to
45 the guardian of the member's child or children,
46 divided as the board of trustees determines, to
47 continue as a joint and survivor pension until every
48 child of the member dies or attains the age of
49 eighteen, or twenty-two if applicable.

50 (3) If there is no surviving spouse or child, then

H-5868

Page Two

1 to the member's dependent father or mother, or both,
2 as the board of trustees determines, to continue until
3 the dependent father or mother's death, or the death
4 of both.

5 c. If there is no nomination of beneficiary, the
6 benefits provided in this subsection shall be paid to
7 the member's estate.

8 d. In addition to the pension specified in
9 paragraph "a", there shall also be paid for each child
10 of a member, a monthly pension equal to six percent of
11 the monthly earnable compensation paid to an active
12 member holding the highest grade in the rank of fire
13 fighter, for a child of a deceased member of a fire
14 department, or the highest grade in the rank of police
15 patrol officer, for a child of a deceased member of a
16 police department.

17 Sec. . Section 411.9, Code 1985, is amended to
18 read as follows:

19 411.9 MILITARY SERVICE EXCEPTIONS.

20 Any A member who is absent while serving in the
21 armed services of the United States or its allies and
22 is discharged or separated therefrom from the armed
23 services under honorable conditions shall have any
24 such the period or periods of absence while serving in
25 such the armed services ~~on-other-than-a-voluntary~~
26 ~~basis-and-one-such-period-of-absence~~, not in excess of
27 four years unless any period in excess of four years
28 is at the request and for the convenience of the
29 federal government, while-serving-in-such-armed-forces
30 on-a-voluntary-basis included as part of the member's
31 period of service in the department. Such The member
32 shall not ~~be-required-to~~ continue the contributions
33 required of the member under section 411.8 during such
34 the period of military service, provided-that if the
35 member ~~shall~~, within six months after the member has
36 been discharged or separated under honorable
37 conditions from such military service, ~~return-and~~
38 resume returns and resumes duties in the department,
39 and ~~provided-further-that-such~~ if the member ~~shall-be~~
40 is declared physically capable of resuming such duties
41 upon examination by the medical board. A period of
42 absence may exceed four years at the request and for
43 the convenience of the federal government."

44 2. By numbering and renumbering sections as
45 necessary.

H-5868 FILED APRIL 21, 1986 BY RUNNING of Linn

4/25 4/29 (7.1889)

HOUSE FILE 2483

H-5887

1 Amend House File 2483 as follows:

2 1. Page 2, by striking lines 23 through 27 and
3 inserting the following:

4 "A member's normal retirement date ~~shall be the~~ is
5 any of the following, whichever is applicable to the
6 member:

7 1. The first of the month in which a member
8 attains the age of sixty-five years if the member has
9 not completed thirty years of membership service.

10 2. The first of the month in which the member
11 attains the age of sixty-two years if the member has
12 completed thirty years of membership service.

13 3. The first of any month in which the member has
14 completed thirty years of membership service if the
15 member has attained the age of sixty-two years but is
16 not yet sixty-five years of age.

17 PARAGRAPH DIVIDED. A".

18 2. Page 6, by inserting after line 28 the
19 following:

20 "Sec. ____ . Section 97B.49, Code Supplement 1985,
21 is amended by adding the following new subsection:

22 NEW SUBSECTION. 14. Notwithstanding other
23 provisions of this chapter, a member who is or has
24 been employed by the office of disaster services as an
25 airport firefighter who retires on or after July 1,
26 1986, and at the time of retirement is at least sixty
27 years of age and has completed at least twenty-five
28 years of membership service as an airport firefighter,
29 may elect to receive, in lieu of the receipt of any
30 benefits under subsection 5 of this section, a monthly
31 retirement allowance equal to one-twelfth of fifty
32 percent of the member's three-year average covered
33 wage as an airport firefighter, with benefits payable
34 during the member's lifetime.

35 An airport firefighter who retires on or after July
36 1, 1986 and has not completed twenty-five years of
37 membership service as required under this subsection
38 is eligible to receive a monthly retirement allowance
39 equal to one-twelfth of fifty percent of the member's
40 three-year average covered wage as an airport
41 firefighter multiplied by a fraction of years of
42 service as an airport firefighter. For the purpose of
43 this subsection, "fraction of years of service" means
44 a number, not to exceed one, equal to the sum of the
45 years of membership service as an airport firefighter,
46 divided by twenty-five years. On or after July 1,
47 1986, if the airport firefighter has not reached sixty
48 years of age at retirement, the monthly retirement
49 allowance shall be reduced by five-tenths of one
50 percent per month for each month that the airport

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1 firefighter's retirement precedes the date on which
2 the airport firefighter attains sixty years of age.

3 The employer and each employee eligible for
4 benefits under this subsection shall annually
5 contribute an actuarially determined amount specified
6 by the department, as a percentage of covered wages,
7 that is necessary to pay for the additional benefits
8 provided by this subsection. The annual contribution
9 in excess of the employer and employee contributions
10 required in section 97B.11 shall be paid by the
11 employer and the employee in the same proportion that
12 the employer and employee contributions are made under
13 section 97B.11.

14 There is appropriated from the general fund of the
15 state to the department from funds not otherwise
16 appropriated an amount sufficient to pay the employer
17 share of the cost of the additional benefits provided
18 in this subsection."

19 3. Page 6, by inserting before line 29 the
20 following:

21 "Sec. _____. Section 97B.50, subsection 1, paragraph
22 a, Code 1985, is amended to read as follows:

23 a. For a member who is less than sixty-two years
24 of age and has not completed thirty years of
25 membership service, by five-tenths of one percent per
26 month for each month that the member's early
27 retirement date precedes the normal retirement date."

28 4. Page 7, line 32, by inserting after the word
29 "birthday." the following: "For a member who is at
30 least fifty-five years of age and less than fifty-nine
31 years of age who has completed thirty years of
32 membership service, the monthly retirement allowance
33 shall be reduced by five-tenths percent per month for
34 each month that the member's retirement date precedes
35 the member's normal retirement date."

36 5. Page 9, by inserting after line 9 the
37 following:

38 "Sec. _____. NEW SECTION. 97B.76 PUBLIC RETIREMENT
39 SYSTEMS COMMITTEE ESTABLISHED.

604 40 1. A public retirement systems committee is
41 established. The committee consists of five members
42 of the senate appointed by the majority leader of the
43 senate and five members of the house of
44 representatives appointed by the speaker of the house.
45 The committee shall elect a chairperson and vice
46 chairperson. Meetings may be called by the
47 chairperson or a majority of the members.

48 Members shall be appointed prior to January 31 of
49 the first regular session of each general assembly and
50 shall serve for terms ending upon the convening of the

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1 following general assembly or when their successors
2 are appointed, whichever is later. A vacancy shall be
3 filled in the same manner as the original appointment
4 and shall be for the remainder of the unexpired term
5 of the vacancy.

6 2. The members of the committee shall be
7 reimbursed for actual and necessary expenses incurred
8 in the performance of their duties and shall be paid
9 forty dollars for each day in which they engaged in
10 the performance of their duties. However, per diem
11 compensation and expenses shall not be paid when the
12 general assembly is actually in session at the seat of
13 government. Expenses and per diem shall be paid from
14 funds appropriated pursuant to section 2.12.

15 3. The committee shall:

16 a. Develop and recommend retirement standards and
17 a coherent state policy on public retirement systems.

18 b. Continuously survey pension and retirement
19 developments in other states and in industry and
20 business and periodically review the state's policy
21 and standards in view of these developments and
22 changing economic and social conditions.

23 c. Review the provisions in the public retirement
24 systems in effect in this state.

25 d. Review individually sponsored bills relating to
26 the public retirement systems.

27 e. Review proposals from interested associations
28 and organizations recommending changes in the state's
29 retirement laws.

30 f. Study the feasibility of adopting a
31 consolidated retirement system for the public
32 employees of this state.

33 g. Make recommendations to the general assembly.

34 4. The committee may contract for actuarial
35 assistance deemed necessary, and the costs of
36 actuarial studies are payable from funds appropriated
37 in section 2.12, subject to the approval of the
38 legislative council. The committee may administer
39 oaths, issue subpoenas, and cite for contempt with the
40 approval of the general assembly when the general
41 assembly is in session and with the approval of the
42 legislative council when the general assembly is not
43 in session.

44 Administrative assistance shall be provided by the
45 legislative service bureau and the legislative fiscal
46 bureau."

47 6. By numbering and renumbering sections as
48 necessary.

H-5887 FILED APRIL 22, 1986 BY COMMITTEE ON STATE GOVERNMENT

*Adopted as amended by 6049
4/29 (p 1884)*

HOUSE FILE 2483

H-6039

1 Amend House File 2483 as follows:
2 1. Page 8, by striking lines 12 and 13 and
3 inserting the following: "the department shall send
4 written notification to a member's spouse of the
5 election of an option under this section."

H-6039 FILED APRIL 28, 1986 BY COMMITTEE ON APPROPRIATIONS

Adopted 4/29 (p. 1884)

HOUSE FILE 2483

H-6049

1 Amend the amendment, H-5887, to House File 2483 as
2 follows:
3 1. Page 2, line 41, by striking the word "five"
4 and inserting the following: "three".
5 2. Page 2, line 43, by striking the word "five"
6 and inserting the following: "three".
7 3. Page 3, by inserting after line 46 the
8 following:
9 "Sec. ____ . The public retirement systems committee
10 may direct the department of personnel to conduct a
11 study of the public retirement systems established in
12 this state and to provide to the committee by March 1,
13 1987, an analysis of its findings and recommendations
14 concerning modification to or consolidation of the
15 existing systems. If the committee directs the
16 department of personnel to conduct the study, there is
17 appropriated from the Iowa public employees'
18 retirement system fund an amount sufficient to pay the
19 costs of the study. The department of personnel shall
20 determine the portion of the cost of the study to be
21 allocated to each public retirement system in this
22 state and shall notify the governing boards of each
23 public system. Each governing board shall reimburse
24 the Iowa public employees' retirement system fund for
25 its share of the cost from moneys available to the
26 governing boards."

BY DODERER of Johnson

BLANSHAN of Greene

H-6049 FILED APRIL 28, 1986

SWEARINGEN of Keokuk

CARPENTER of Polk

HAMMOND of Story

Adopted 4/29 (p. 1884)

HOUSE FILE 2483

H-6016

1 Amend House File 2483 as follows:

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

4 "Sec. _____. Section 97B.41, Code 1985, is amended
5 by adding the following new subsections:

6 NEW SUBSECTION. 22. "Fiscal month benefit" means
7 a benefit or allowance calculated on a fiscal month
8 period that commences on the date the member attains a
9 retirement age and retires or on the fiscal day after
10 the member terminates employment.

11 NEW SUBSECTION. 23. "Calendar day" or "day" means
12 the twenty-four consecutive hour period from 12:01
13 a.m. through 12:00 p.m.

14 NEW SUBSECTION. 24. "Fiscal day" means any
15 twenty-four consecutive hour period.

16 NEW SUBSECTION. 25. "Calendar week" or "week"
17 means any seven consecutive days.

18 NEW SUBSECTION. 26. "Fiscal week" means any seven
19 consecutive fiscal day period.

20 NEW SUBSECTION. 27. "Month" means a calendar
21 month.

22 NEW SUBSECTION. 28. "Fiscal month" means any
23 twenty-eight, twenty-nine, thirty, or thirty-one day
24 or fiscal day period.

25 NEW SUBSECTION. 29. "Calendar year" or "year"
26 means the twelve consecutive month period from 12:01
27 a.m. January 1 through 12:00 p.m. December 31.

28 NEW SUBSECTION. 30. "Fiscal year" means any
29 twelve consecutive months or fiscal months, except
30 where specific dates are included in the definition.

31 NEW SUBSECTION. 31. ATTAINMENT OF AGE. An
32 individual attains a specific age on the day before
33 the individual's birthday."

BY COCHRAN of Webster

CLARK of Cerro Gordo

H-6016 FILED APRIL 23, 1986

Lost 4/29 (p 1889)

HOUSE FILE 2483

H-5986

1 Amend House File 2483 as follows:
2 1. Page 8, by striking lines 12 and 13 and
3 inserting the following: "the department shall send
4 written notification to a member's spouse of the
5 election of an option under this section."

BY HALVORSON of Webster

H-5986 FILED APRIL 23, 1986 HANSON of Delaware

W/O 4/29 (j. 1889)

HOUSE FILE 2483

H-6013

1 Amend House File 2483 as follows:
2 1. Page 7, line 12, by inserting after the word
3 "section." the following: "This section takes effect
4 July 1, 1986 for a member meeting the requirements of
5 this subsection who retired from the system at any
6 time between July 4, 1953 and June 30, 1978."
7 2. Page 7, line 21, by inserting after the word
8 "date." the following: "This section takes effect
9 July 1, 1986 for a member meeting the requirements of
10 this subsection who retired from the system at any
11 time between July 4, 1953 and June 30, 1978."

H-6013 FILED APRIL 23, 1986 BY TEAFORD of Black Hawk

Adopted 4/29 (j. 1889)

HOUSE FILE 2483

H-6025

1 Amend House File 2483 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Section 1. Section 97A.6, subsection 8, Code
5 1985, is amended by striking the subsection and
6 inserting in lieu thereof the following:

7 8. a. Upon the receipt of proof of the death of a
8 member in service, or a member not in service who has
9 completed fifteen or more years of service as provided
10 in subsection 1, paragraph "b", there shall be paid to
11 the person designated by the member to the board of
12 trustees as the member's beneficiary if the member has
13 had one or more years of membership service and no
14 pension is payable under subsection 9, an amount equal
15 to fifty percent of the compensation earnable by the
16 member during the year immediately preceding the
17 member's death if the member is in service, or an
18 amount equal to fifty percent of the compensation
19 earned by the member during the member's last year of
20 service if the member is not in service.

21 b. In lieu of the payment specified in paragraph
22 "a", a beneficiary meeting the qualifications of
23 paragraph "c" may elect to receive a pension equal to
24 one-fourth of the average final compensation of the
25 member, but not less than fifty dollars if the member
26 was in service at the time of death. For a member not
27 in service at the time of death, the pension shall be
28 reduced as provided in subsection 1, paragraph "b".

29 The pension shall be paid commencing when the
30 member would have attained the age of fifty-five
31 except that if there is a child of the member, the
32 pension shall be paid commencing with the member's
33 death until the children reach the age of eighteen, or
34 twenty-two if applicable. The pension shall resume
35 commencing when the member would have attained the age
36 of fifty-five.

37 In addition to the pension, there shall also be
38 paid for each child of a member, a monthly pension
39 equal to six percent of the monthly earnable
40 compensation paid to an active member holding the
41 highest grade in the rank of fire fighter, for a child
42 of a deceased member of a fire department, or the
43 highest grade in the rank of police patrol officer,
44 for a child of a deceased member of a police
45 department.

46 c. The pension under paragraph "b" may be selected
47 only by the following beneficiaries:

48 (1) The spouse, to continue so long as the spouse
49 remains unmarried.

50 (2) If there is no spouse, or if the spouse dies

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1 or remarries and there is a child of a member, then
2 the guardian of the member's child or children,
3 divided as the board of trustees determines, to
4 continue as a joint and survivor pension until every
5 child of the member dies or attains the age of
6 eighteen, or twenty-two if applicable.

7 (3) If there is no surviving spouse or child, then
8 the member's dependent father or mother, or both, as
9 the board of trustees determines, to continue until
10 the dependent father or mother's death, or the death
11 of both.

12 d. If there is no nomination of beneficiary, the
13 benefits provided in this subsection shall be paid to
14 the member's estate."

15 2. Page 9, by inserting after line 9 the
16 following:

17 "Sec. ____ . Section 411.6, subsection 8, Code 1985,
18 is amended by striking the subsection and inserting in
19 lieu thereof the following:

20 8. a. Upon the receipt of proof of the death of a
21 member in service, or a member not in service who has
22 completed fifteen or more years of service as provided
23 in subsection 1, paragraph "b", there shall be paid to
24 the person designated by the member to the board of
25 trustees as the member's beneficiary if the member has
26 had one or more years of membership service and no
27 pension is payable under subsection 9, an amount equal
28 to fifty percent of the compensation earnable by the
29 member during the year immediately preceding the
30 member's death if the member is in service, or an
31 amount equal to fifty percent of the compensation
32 earned by the member during the member's last year of
33 service if the member is not in service.

34 b. In lieu of the payment specified in paragraph
35 "a", a beneficiary meeting the qualifications of
36 paragraph "c" may elect to receive a pension equal to
37 one-fourth of the average final compensation of the
38 member, but not less than seventy-five dollars if the
39 member was in service at the time of death. For a
40 member not in service at the time of death, the
41 pension shall be reduced as provided in subsection 1,
42 paragraph "b".

43 The pension shall be paid commencing when the
44 member would have attained the age of fifty-five
45 except that if there is a child of the member, the
46 pension shall be paid commencing with the member's
47 death until the children reach the age of eighteen, or
48 twenty-two if applicable. The pension shall resume
49 commencing when the member would have attained the age
50 of fifty-five.

1 In addition to the pension, there shall also be
2 paid for each child of a member, a monthly pension
3 equal to six percent of the monthly earnable
4 compensation paid to an active member holding the
5 highest grade in the rank of fire fighter, for a child
6 of a deceased member of a fire department, or the
7 highest grade in the rank of police patrol officer,
8 for a child of a deceased member of a police
9 department.

10 c. The pension under paragraph "b" may be selected
11 only by the following beneficiaries:

12 (1) The spouse, to continue so long as the spouse
13 remains unmarried.

14 (2) If there is no spouse, or if the spouse dies
15 or remarries and there is a child of a member, then
16 the guardian of the member's child or children,
17 divided as the board of trustees determines, to
18 continue as a joint and survivor pension until every
19 child of the member dies or attains the age of
20 eighteen, or twenty-two if applicable.

21 (3) If there is no surviving spouse or child, then
22 the member's dependent father or mother, or both, as
23 the board of trustees determines, to continue until
24 the dependent father or mother's death, or the death
25 of both.

26 d. If there is no nomination of beneficiary, the
27 benefits provided in this subsection shall be paid to
28 the member's estate.

29 Sec. ____ . Section 411.9, Code 1985, is amended to
read as follows:

411.9 MILITARY SERVICE EXCEPTIONS.

32 Any A member who is absent while serving in the
33 armed services of the United States or its allies and
34 is discharged or separated ~~therefrom~~ from the armed
35 services under honorable conditions shall have any
36 such the period or periods of absence while serving in
37 such the armed services ~~on-other-than-a-voluntary~~
38 ~~basis-and-one-such-period-of-absence~~, not in excess of
39 four years unless any period in excess of four years
40 is at the request and for the convenience of the
41 federal government, while-serving-in-such-armed-forces
42 on-a-voluntary-basis included as part of the member's
43 period of service in the department. ~~Such~~ The member
44 shall ~~not be-required-to~~ continue the contributions
45 required of the member under section 411.8 during ~~such~~
46 the period of military service, provided-that if the
47 member shall, within six months after the member has
48 been discharged or separated under honorable
49 conditions from ~~such~~ such military service, ~~return-and~~
50 resume returns and resumes duties in the department,
1 and provided-further-that-such if the member shall-be
2 is declared physically capable of resuming such duties
3 upon examination by the medical board. A period of
4 absence may exceed four years at the request and for
the convenience of the federal government."

5 2. By numbering and renumbering sections as
6 necessary.

W/S 4/29 (p. 1885)

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1 the member would have attained the age of fifty-five.
2 For a member in service at the time of death, the
3 pension shall be paid commencing with the member's
4 death. In addition to the pension, there shall also
5 be paid for each child of a member, a monthly pension
6 equal to six percent of the monthly earnable
7 compensation paid to an active member holding the
8 highest grade in the rank of fire fighter, for a child
9 of a deceased member of a fire department, or the
10 highest grade in the rank of police patrol officer,
11 for a child of a deceased member of a police
12 department.

13 c. The pension under paragraph "b" may be selected
14 only by the following beneficiaries:

15 (1) The spouse, to continue so long as the spouse
16 remains unmarried.

17 (2) If there is no spouse, or if the spouse dies
18 or remarries and there is a child of a member, then
19 the guardian of the member's child or children,
20 divided as the board of trustees determines, to
21 continue as a joint and survivor pension until every
22 child of the member dies or attains the age of
23 eighteen, or twenty-two if applicable.

24 (3) If there is no surviving spouse or child, then
25 the member's dependent father or mother, or both, as
26 the board of trustees determines, to continue until
27 remarriage or death.

28 d. If there is no nomination of beneficiary, the
29 benefits provided in this subsection shall be paid to
30 the member's estate.

31 Sec. ____ . Section 411.9, Code 1985, is amended to
32 read as follows:

33 411.9 MILITARY SERVICE EXCEPTIONS.

34 Any A member who is absent while serving in the
35 armed services of the United States or its allies and
36 is discharged or separated ~~therefrom~~ from the armed
37 services under honorable conditions shall have any
38 such the period or periods of absence while serving in
39 such the armed services ~~on-other-than-a-voluntary~~
40 ~~basis-and-one-such-period-of-absence~~, not in excess of
41 four years unless any period in excess of four years
42 is at the request and for the convenience of the
43 federal government, while-serving-in-such-armed-forces
44 on-a-voluntary-basis included as part of the member's
45 period of service in the department. ~~Such~~ The member
46 shall not ~~be-required-to~~ continue the contributions
47 required of the member under section 411.8 during ~~such~~
48 the period of military service, provided-that if the
49 member ~~shall~~, within six months after the member has
50 been discharged or separated under honorable

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1 conditions from such military service, return-and
2 resume returns and resumes duties in the department,
3 and ~~provided-further-that-such~~ if the member shall-be
4 is declared physically capable of resuming such duties
5 upon examination by the medical board. A period of
6 absence may exceed four years at the request and for
7 the convenience of the federal government."

8 2. By numbering and renumbering sections as
9 necessary.

H-6051 FILED APRIL 29, 1986 BY RUNNING of Linn

ADOPTED (p. 1888)

HOUSE FILE 2483

H-6051

1 Amend House File 2483 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Section 1. Section 97A.6, subsection 8, Code
5 1985, is amended by striking the subsection and
6 inserting in lieu thereof the following:

7 8. a. Upon the receipt of proof of the death of a
8 member in service, or a member not in service who has
9 completed fifteen or more years of service as provided
10 in subsection 1, paragraph "b", there shall be paid to
11 the person designated by the member to the board of
12 trustees as the member's beneficiary if the member has
13 had one or more years of membership service and no
14 pension is payable under subsection 9, an amount equal
15 to fifty percent of the compensation earned by the
16 member during the year immediately preceding the
17 member's death if the member is in service, or an
18 amount equal to fifty percent of the compensation
19 earned by the member during the member's last year of
20 service if the member is not in service.

21 b. In lieu of the payment specified in paragraph
22 "a", a beneficiary meeting the qualifications of
23 paragraph "c" may elect to receive a pension equal to
24 one-fourth of the average final compensation of the
25 member, but not less than fifty dollars if the member
26 was in service at the time of death. For a member not
27 in service at the time of death, the pension shall be
28 reduced as provided in subsection 1, paragraph "b".

29 For a member not in service at the time of death,
30 the pension shall be paid commencing when the member
31 would have attained the age of fifty-five except that
32 if there is a child of the member, the pension shall
33 be paid commencing with the member's death until the
34 children reach the age of eighteen, or twenty-two if
35 applicable. The pension shall resume commencing when
36 the member would have attained the age of fifty-five.

37 For a member in service at the time of death, the
38 pension shall be paid commencing with the member's
39 death. In addition to the pension, there shall also
40 be paid for each child of a member, a monthly pension
41 equal to six percent of the monthly earnable
42 compensation payable to an active member having the
43 rank of senior patrol officer of the Iowa highway
44 safety patrol.

45 For the purpose of this chapter, a senior patrol
46 officer is a person who has completed ten years of
47 service in the Iowa highway safety patrol.

48 c. The pension under paragraph "b" may be selected
49 only by the following beneficiaries:

50 (1) The spouse, to continue so long as the spouse

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1 remains unmarried.

2 (2) If there is no spouse, or if the spouse dies
3 or remarries and there is a child of a member, then
4 the guardian of the member's child or children,
5 divided as the board of trustees determines, to
6 continue as a joint and survivor pension until every
7 child of the member dies or attains the age of
8 eighteen, or twenty-two if applicable.

9 (3) If there is no surviving spouse or child, then
10 the member's dependent father or mother, or both, as
11 the board of trustees determines, to continue until
12 remarriage or death.

13 d. If there is no nomination of beneficiary, the
14 benefits provided in this subsection shall be paid to
15 the member's estate."

16 2. Page 9, by inserting after line 9 the
17 following:

18 "Sec. _____. Section 411.6, subsection 8, Code 1985,
19 is amended by striking the subsection and inserting in
20 lieu thereof the following:

21 8. a. Upon the receipt of proof of the death of a
22 member in service, or a member not in service who has
23 completed fifteen or more years of service as provided
24 in subsection 1, paragraph "b", there shall be paid to
25 the person designated by the member to the board of
26 trustees as the member's beneficiary if the member has
27 had one or more years of membership service and no
28 pension is payable under subsection 9, an amount equal
29 to fifty percent of the compensation earnable by the
30 member during the year immediately preceding the
31 member's death if the member is in service, or an
32 amount equal to fifty percent of the compensation
33 earned by the member during the member's last year of
34 service if the member is not in service.

35 b. In lieu of the payment specified in paragraph
36 "a", a beneficiary meeting the qualifications of
37 paragraph "c" may elect to receive a pension equal to
38 one-fourth of the average final compensation of the
39 member, but not less than seventy-five dollars if the
40 member was in service at the time of death. For a
41 member not in service at the time of death, the
42 pension shall be reduced as provided in subsection 1,
43 paragraph "b".

44 For a member not in service at the time of death,
45 the pension shall be paid commencing when the member
46 would have attained the age of fifty-five except that
47 if there is a child of the member, the pension shall
48 be paid commencing with the member's death until the
49 children reach the age of eighteen, or twenty-two if
50 applicable. The pension shall resume commencing when

STATE OF IOWA

FISCAL NOTE TO

LSB No. 8411H.2
Staff ID. DPW

REQ. BY CARR

HOUSE FILE 2483

In compliance with a written request received May 1, 1986, a fiscal note for HOUSE FILE 2483 as amended and passed by the House is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2483 makes the following changes in the Iowa public employees' retirement system administration and benefits:

1. It increases the covered wages for IPERS members by \$1,000 per year in any year in which the actuarial report of the system indicates that the increased cost can be absorbed without increasing contribution rates. Covered wages cannot exceed \$40,000.
2. It amends the definition of a retired member so that it only includes members who have not accepted other employment before qualifying for retirement benefits for at least one month.
3. It allows any employee of a school district who terminates a contract with one district at the end of a school year and enters into another contract with a school district for the next school year to count service as uninterrupted rather than restricting the provision to teachers.
4. It provides that benefits be calculated on the three highest years' wages instead of the five highest years' wages.
5. It allows members of IPERS to retire without penalty at age 62 with at least 30 years of service.
6. It inserts language in the section relating to retirement allowances for peace officers to clarify that the retirement allowance is calculated on the member's three-year average covered wage as a peace officer.
7. The dividend payments for IPERS retirees are continued in November, 1986 and November, 1987. Each retiree will receive a minimum payment of \$25.
8. It inserts language in the section providing that the early retirement penalty does not apply if the member has retired and is receiving disability benefits from Social Security to clarify that the member has retired from IPERS due to disability.
9. It reduces the early retirement penalty for members between the ages of fifty-nine and sixty-two years of age who have completed at least thirty years of service under IPERS from .5 percent to .25 percent per month for each month the member's retirement precedes the member's sixty-second birthday.
10. It requires that the spouse of a member, if there is one, acknowledge the selection of a retirement option by a member.
11. It allows former legislators and former legislative employees to pay employee contributions and receive credit for general assembly service or employment for periods for which general assembly members and employees were not eligible for membership in IPERS. It provides that the state will pay the employer portion.
12. It calls for the IPERS division to develop alternatives for payment of death benefits to spouses of deceased active and retired members and to make recommendations to the general assembly.

STATE OF IOWA
FISCAL NOTE

LSB No. 8411H.2
Staff ID. DPW

FN p. 2

13. It strikes the specific appropriations for payment of the benefits for conservation peace officers and correctional officers and inserts language that the appropriation be sufficient to pay the increased benefits.

14. Defines an IPERS member's normal retirement date.

15. Provides that airport fire fighters employed by the office of disaster services can retire at age 60 with 25 years of service.

16. Establishes a permanent public retirement systems committee in the General Assembly and defines its duties.

17. Clarifies the death benefit options under the peace officers retirement system and retirement systems for police and fire fighters.

ASSUMPTIONS:

1. Current contribution rate: 9.45% (5.75% - employer; 3.7% - employee)
2. Contribution Rate required for FY 1987: 7.41%
3. Percentage of current contribution available for allocation: 2.04%

FISCAL EFFECT: By Section of the Bill.

1. Section 2 & 3

a. \$1,000 Covered Salary Increase - change does not occur until calendar year 1989 and beyond.

b. First year increase in contribution dollars.

Category	Employee at 3.7%	Employer at 5.75%
State Government	\$139,016	\$216,039 (18.00)
County	127,058	197,455 (17.00)
City	91,556	142,283 (12.25)
Schools	357,481	555,545 (47.83)
Misc.	32,289	50,178 (4.32)

2. Section 1, 4, 5, 12, 14, & 19 (2/3), 24, 25

- Administrative changes.

3. Section 6, 8, 9, 10, 11, & 13

- High 3 average - requires .35% from available margin of 2.04%.

4. Section 7 & 17, 18

- Age 62 with 30 provision - requires .86% from available margin of 2.04%.

STATE OF IOWA
FISCAL NOTE

LSB No. 8411H.2
Staff ID. DPW

FN p.3

5. Section 15

- Lump Sum Dividend - calculated as an element of 7.41% required for FY 1987, therefore, does not require additional contributions.

6. Section 19 (4)

- 30 year - Early Retirement Penalty - requires .55% of 2.04% available margin.

7. Section 20

- Spousal consent - administrative cost only.

8. Section 21

- Former Legislative Employees - for two year period:

	Employer Cost	Employee Cost
Legislative Employees:	\$ 584	\$ 430
Legislators:	\$1947	\$1435

9. Section 26

- Special Study - cost of study estimated to be \$1500.

10. Section 22 & 23

- Permanent public retirement system committee created - no estimate of cost available.

11. Section 16

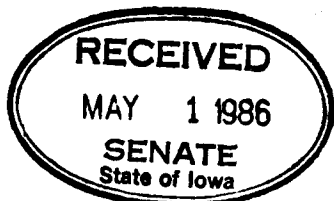
- Airport fire fighters 60 with 25 - no estimate available.

12. The total cost to the IPERS fund as a result of these changes would be to allocate approximately 1.76% of the available 2.04% of excess contributions for FY 1987.

Source: Iowa Public Employees Retirement System

(LSB 8411H.2, DPW)

Filed by the Sec. of the Senate 5/2/86



J. Dennis C. Prouty
Fiscal Director
Legislative Fiscal Bureau
Date: 5/1/86

HOUSE FILE 2483
BY NORLAND and STROMER

(As Amended and Passed by the House April 29, 1986)

Passed House, Date 5-2-86 (p. 3130) Passed Senate, Date 5-2-86 (p. 1543)

Vote: Ayes 90 Nays 0 Vote: Ayes 40 Nays 1

Approved May 29 1986
Repassed Senate 5-2-86 (p. 1604)
44-0

A BILL FOR

1 An Act relating to administration and benefits for public
2 retirement systems in this state and making an appropriation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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House Amendments _____

5939 >

1 Section 1. Section 97A.6, subsection 8, Code 1985, is
2 amended by striking the subsection and inserting in lieu
3 thereof the following:
4 8. a. Upon the receipt of proof of the death of a member
5 in service, or a member not in service who has completed
6 fifteen or more years of service as provided in subsection 1,
7 paragraph "b", there shall be paid to the person designated by
8 the member to the board of trustees as the member's
9 beneficiary if the member has had one or more years of
10 membership service and no pension is payable under subsection
11 9, an amount equal to fifty percent of the compensation earned
12 by the member during the year immediately preceding the
13 member's death if the member is in service, or an amount equal
14 to fifty percent of the compensation earned by the member
15 during the member's last year of service if the member is not
16 in service.

5939 17

18 b. In lieu of the payment specified in paragraph "a", a
19 beneficiary meeting the qualifications of paragraph "c" may
20 elect to receive a pension equal to one-fourth of the average
21 final compensation of the member, but not less than fifty
22 dollars if the member was in service at the time of death.
23 For a member not in service at the time of death, the pension
24 shall be reduced as provided in subsection 1, paragraph "b".
25 For a member not in service at the time of death, the
26 pension shall be paid commencing when the member would have
27 attained the age of fifty-five except that if there is a child
28 of the member, the pension shall be paid commencing with the
29 member's death until the children reach the age of eighteen,
30 or twenty-two if applicable. The pension shall resume
31 commencing when the member would have attained the age of
32 fifty-five.
33 For a member in service at the time of death, the pension
34 shall be paid commencing with the member's death. In addition
35 to the pension, there shall also be paid for each child of a
member, a monthly pension equal to six percent of the monthly

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

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

7 c. The pension under paragraph "b" may be selected only by
8 the following beneficiaries:

9 (1) The spouse, to continue so long as the spouse remains
10 unmarried.

11 (2) If there is no spouse, or if the spouse dies or
12 remarries and there is a child of a member, then the guardian
13 of the member's child or children, divided as the board of
14 trustees determines, to continue as a joint and survivor
15 pension until every child of the member dies or attains the
16 age of eighteen, or twenty-two if applicable.

17 (3) If there is no surviving spouse or child, then the
18 member's dependent father or mother, or both, as the board of
19 trustees determines, to continue until remarriage or death.

20 d. If there is no nomination of beneficiary, the benefits
21 provided in this subsection shall be paid to the member's
22 estate.

5939 > 23 Sec. 2. Section 97B.41, subsection 1, paragraph b,
24 subparagraph (8), Code 1985, is amended to read as follows:

25 (8) For each calendar year from January 1, 1988 and
26 thereafter, except as provided in subparagraph (9), wages not
27 in excess of twenty-four thousand dollars.

28 Sec. 3. Section 97B.41, subsection 1, paragraph b, Code
29 1985, is amended by adding after subparagraph (8) the
30 following new subparagraph (9) and renumbering the remaining
31 subparagraphs:

32 NEW SUBPARAGRAPH. (9) For each calendar year thereafter,
33 the department shall increase the covered wages limitation by
34 one thousand dollars if the annual actuarial valuation of the
35 assets and liabilities of the retirement system indicates that

1 the cost of the increase in covered wages can be absorbed
2 within the employer and employee contribution rates in effect
3 under section 97B.11. However, covered wages shall not exceed
4 forty thousand dollars for a calendar year.

5 Sec. 4. Section 97B.41, subsection 11, Code 1985, is
6 amended to read as follows:

7 11. "Retired member" means a member who ~~had~~ has applied
8 for and commenced receiving the member's retirement allowance.
9 A member has not established a bona fide retirement if the
10 member accepts other employment as defined in this section
11 before qualifying for at least one calendar month's retirement
12 benefits under this chapter.

13 Sec. 5. Section 97B.41, subsection 13, paragraph c, Code
14 1985, is amended to read as follows:

15 c. The termination at the end of the school year of the
16 contract of employment of an employee ~~who-is-a-teacher~~ in the
17 public schools of the state of Iowa, provided the employee
18 enters into a further contract of employment ~~as-a-teacher~~ in
19 the public schools of the state of Iowa for the next
20 succeeding school year.

21 Sec. 6. Section 97B.41, subsection 19, Code 1985, is
22 amended to read as follows:

23 19. "~~Five-year~~ Three-year average covered wage" means a
24 member's covered wages averaged for the highest ~~five~~ three
25 years of the member's service. ~~If-the-member-has-less-than~~
26 ~~five-years-of-service,-then-the-average-shall-be-computed~~
27 ~~using-the-actual-number-of-years-as-a-member.~~ The highest
28 ~~five~~ three years of a member's covered wages shall be
29 determined using calendar years. However, if a member's final
30 quarter of a year of employment does not occur at the end of a
31 calendar year, the department may determine the wages for the
32 ~~fifth~~ third year by combining the wages from the highest
33 quarter or quarters not being used in the selection of the
34 ~~four~~ two highest years with the final quarter or quarters of
35 the member's service to create a full year. If the ~~five-year~~

1 three-year average covered wage of a member exceeds the
2 highest maximum covered wages in effect for a calendar year
3 during the member's period of service, the five-year three-
4 year average covered wage of the member shall be reduced to
5 the highest maximum covered wages in effect during the
6 member's period of service.

7 Sec. 7. Section 97B.45, Code 1985, is amended to read as
8 follows:

9 97B.45 RETIREMENT AGE AT SIXTY-FIVE.

10 A member's normal retirement date ~~shall be the~~ is any of
11 the following, whichever is applicable to the member:

12 1. The first of the month in which a member attains the
13 age of sixty-five years if the member has not completed thirty
14 years of membership service.

15 2. The first of the month in which the member attains the
16 age of sixty-two years if the member has completed thirty
17 years of membership service.

18 3. The first of any month in which the member has
19 completed thirty years of membership service if the member has
20 attained the age of sixty-two years but is not yet sixty-five
21 years of age.

22 PARAGRAPH DIVIDED. A member may retire after the member's
23 sixty-fifth birthday except as otherwise provided in section
24 97B.46. A member retiring on or after the normal retirement
25 date, as provided in section 97B.46, shall submit a written
26 notice to the department setting forth the date the retirement
27 is to become effective, ~~provided that such.~~ The date shall be
28 after the member's last day of service and not before the
29 first day of the sixth calendar month preceding the month in
30 which the notice is filed, except that credit for service
31 ~~shall cease~~ ceases when contributions cease as provided in
32 section 97B.11.

33 Sec. 8. Section 97B.49, subsection 5, unnumbered paragraph
34 1, Code Supplement 1985, is amended to read as follows:

35 For each active member retiring ~~between January 1, 1976 and~~

1 ~~June-30, 1982~~ on or after July 1, 1986, with four or more
2 complete years of service, a monthly benefit shall be computed
3 which is equal to one-twelfth of an amount equal to ~~forty-~~
4 ~~seven~~ fifty percent of the ~~five-year~~ three-year average
5 covered wage multiplied by a fraction of years of service.
6 ~~For each member retiring on or after July 1, 1982, with four~~
7 ~~or more complete years of service, the percent used in~~
8 ~~computing the monthly benefit is fifty.~~ For the purposes of
9 this subsection, "fraction of years of service" means a
10 number, not to exceed one, equal to the sum of the years of
11 membership service and the number of years of prior service
12 divided by thirty years.

13 Sec. 9. Section 97B.49, subsection 7, Code Supplement
14 1985, is amended to read as follows:

15 7. Notwithstanding other provisions of this chapter, a
16 member who is or has been employed as a conservation peace
17 officer under section 107.13 and who retires ~~between July 1,~~
18 ~~1978 and June 30, 1982~~ on or after July 1, 1986, and at the
19 time of retirement is at least sixty years of age and has
20 completed at least twenty-five years of membership service as
21 a conservation peace officer, may elect to receive, in lieu of
22 the receipt of any benefits under subsection 5 of this
23 section, a monthly retirement allowance equal to one-twelfth
24 of ~~forty-seven~~ fifty percent of the member's ~~five-year~~ three-
25 year average covered wage as a conservation peace officer,
26 with benefits payable during the member's lifetime. ~~For each~~
27 ~~conservation peace officer eligible for benefits under this~~
28 ~~subsection who retires on or after July 1, 1982, the percent~~
29 ~~used in computing the monthly retirement allowance is fifty.~~

30 There is appropriated from the general fund of the state to
31 the Iowa department of job service from funds not otherwise
32 appropriated an actuarially-determined amount sufficient to
33 pay ~~eight-and-forty-three-hundredths-percent-of-the-covered~~
34 ~~wages-of-each-conservation-peace-officer,~~ for the additional
35 benefits provided in this subsection. The amount is in

1 addition to the contribution paid by the employer under
2 section 97B.11~~7-to-finance-increased-benefits-to-conservation~~
3 ~~peace-officers-under-this-subsection.~~

4 Sec. 10. Section 97B.49, subsection 8, paragraph a,
5 unnumbered paragraph 1, Code Supplement 1985, is amended to
6 read as follows:

7 Notwithstanding other provisions of this chapter, a member
8 who is or has been employed as a ~~county-sheriff, as defined in~~
9 ~~section-39-17, or as a deputy-sheriff appointed pursuant to~~
10 ~~section-341-17-Code-1981, or section-331-903, and who retires~~
11 between January 1, 1978 and June 30, 1982 peace officer and
12 who retires on or after July 1, 1986, and at the time of
13 retirement is at least sixty years of age and has completed at
14 least twenty-five years of membership service as a ~~county~~
15 ~~sheriff or deputy-sheriff~~ peace officer, may elect to receive,
16 in lieu of the benefits under subsection 5 of this section, a
17 monthly retirement allowance equal to one-twelfth of ~~forty-~~
18 seven fifty percent of the member's ~~five-year~~ three-year
19 average covered wage as a ~~sheriff or deputy-sheriff~~ peace
20 officer, with benefits payable during the member's lifetime.
21 ~~For each sheriff and deputy-sheriff eligible for benefits~~
22 ~~under this subsection who retires between July 1, 1982 and~~
23 ~~June 30, 1983, the percent used in computing the monthly~~
24 ~~retirement allowance is fifty.~~

25 Sec. 11. Section 97B.49, subsection 8, paragraph a,
26 unnumbered paragraph 2, Code Supplement 1985, is amended by
27 striking the unnumbered paragraph.

28 Sec. 12. Section 97B.49, subsection 8, paragraph a,
29 unnumbered paragraph 3, Code Supplement 1985, is amended to
30 read as follows:

5939 31 A peace officer who retires on or after July 1, 1984 and
32 has not completed twenty-five years of membership service as
33 required under this subsection is eligible to receive a
34 monthly retirement allowance equal to one-twelfth of fifty
35 percent of the member's three-year average covered wage as a

1 peace officer multiplied by a the fraction of years of service
2 as a peace officer. For the purpose of this subsection,
3 "fraction of years of service" means a number, not to exceed
4 one, equal to the sum of the years of membership service as a
5 peace officer, divided by twenty-five years. On or after July
6 1, 1984, if the peace officer has not reached sixty years of
7 age at retirement, the monthly retirement allowance shall be
8 reduced by five-tenths of one percent per month for each month
9 that the peace officer's retirement precedes the date on which
10 the peace officer attains sixty years of age.

11 Sec. 13. Section 97B.49, subsection 10, unnumbered
12 paragraph 1, Code Supplement 1985, is amended to read as
13 follows:

14 Notwithstanding sections of this chapter relating to
15 eligibility for and determination of retirement benefits, a
16 vested member who is or has been employed as a correctional
17 officer by the Iowa department of corrections and who retires
18 on or after July 1, ~~1983~~ 1986 and at the time of retirement is
19 at least sixty years of age and has completed at least thirty
20 years of membership service as a correctional officer, may
21 elect to receive, in lieu of the receipt of benefits under
22 subsection 5 of this section, a monthly retirement allowance
23 equal to one-twelfth of fifty percent of the member's five-
24 year three-year average covered wages wage as a correctional
25 officer, with benefits payable during the member's lifetime.

26 Sec. 14. Section 97B.49, subsection 10, unnumbered
27 paragraph 3, Code Supplement 1985, is amended to read as
28 follows:

29 The Iowa department of corrections shall pay to the Iowa
30 department of job service, from funds appropriated to the Iowa
31 department of corrections, an actuarially-determined amount
32 sufficient to pay one-and-seventy-one-hundredths-percent-of
33 the-covered-wages-of-each-correctional-officer, for the
34 additional benefits provided in this subsection. The amount
35 is in addition to the employer contributions required in

1 ~~section 97B.11 to pay for the lower retirement age for~~
2 ~~correctional officers provided in this subsection.~~

3 Sec. 15. Section 97B.49, subsection 13, Code Supplement
4 1985, is amended to read as follows:

5 13. a. Each member who retired from the system between
6 January 1, 1976 and June 30, 1982, or a contingent annuitant
7 or beneficiary of such a member, shall receive with the
8 November ~~1984~~ 1986 and the November ~~1985~~ 1987 monthly benefit
9 payments a retirement dividend equal to fifty percent of the
10 monthly benefit payment the member received for the preceding
11 June. The retirement dividend does not affect the amount of a
12 monthly benefit payment.

13 b. Each member who retired from the system between July 4,
14 1953 and December 31, 1975, or a contingent annuitant or
15 beneficiary of such a member, shall receive with the November
16 ~~1984~~ 1986 and the November ~~1985~~ 1987 monthly benefit payments
17 a retirement dividend equal to seventy-five percent of the
18 monthly benefit payment the member received for the preceding
19 June. The retirement dividend does not affect the amount of a
20 monthly benefit payment.

21 c. Notwithstanding the determination of the amount of a
22 retirement dividend under paragraph a or b, a retirement
23 dividend shall not be less than twenty-five dollars.

24 Sec. 16. Section 97B.49, Code Supplement 1985, is amended
25 by adding the following new subsection:

26 NEW SUBSECTION. 14. Notwithstanding other provisions of
27 this chapter, a member who is or has been employed by the
28 office of disaster services as an airport firefighter who
29 retires on or after July 1, 1986, and at the time of
30 retirement is at least sixty years of age and has completed at
31 least twenty-five years of membership service as an airport
32 firefighter, may elect to receive, in lieu of the receipt of
33 any benefits under subsection 5 of this section, a monthly
34 retirement allowance equal to one-twelfth of fifty percent of
35 the member's three-year average covered wage as an airport

1 firefighter, with benefits payable during the member's
2 lifetime.

3 An airport firefighter who retires on or after July 1, 1986
4 and has not completed twenty-five years of membership service
5 as required under this subsection is eligible to receive a
6 monthly retirement allowance equal to one-twelfth of fifty
7 percent of the member's three-year average covered wage as an
8 airport firefighter multiplied by a fraction of years of
9 service as an airport firefighter. For the purpose of this
10 subsection, "fraction of years of service" means a number, not
11 to exceed one, equal to the sum of the years of membership
12 service as an airport firefighter, divided by twenty-five
13 years. On or after July 1, 1986, if the airport firefighter
14 has not reached sixty years of age at retirement, the monthly
15 retirement allowance shall be reduced by five-tenths of one
16 percent per month for each month that the airport
17 firefighter's retirement precedes the date on which the
18 airport firefighter attains sixty years of age.

19 The employer and each employee eligible for benefits under
20 this subsection shall annually contribute an actuarially
21 determined amount specified by the department, as a percentage
22 of covered wages, that is necessary to pay for the additional
23 benefits provided by this subsection. The annual contribution
24 in excess of the employer and employee contributions required
25 in section 97B.11 shall be paid by the employer and the
26 employee in the same proportion that the employer and employee
27 contributions are made under section 97B.11.

28 There is appropriated from the general fund of the state to
29 the department from funds not otherwise appropriated an amount
30 sufficient to pay the employer share of the cost of the
31 additional benefits provided in this subsection.

32 Sec. 17. Section 97B.50, subsection 1, paragraph a, Code
33 1985, is amended to read as follows:

34 a. For a member who is less than sixty-two years of age
35 and has not completed thirty years of membership service, by

1 five-tenths of one percent per month for each month that the
2 member's early retirement date precedes the normal retirement
3 date.

4 5912 Sec. 18. Section 97B.50, subsection 1, paragraph b, Code
5 1985, is amended to read as follows:

6 b. For a member who is at least sixty-two years of age and
7 less than sixty-five years of age and who has not completed
8 thirty-five thirty years of membership service and prior
9 service, by twenty-five hundredths of one percent per month
10 for each month that the early retirement date precedes the
11 normal retirement date.

12 Sec. 19. Section 97B.50, subsections 2, 3, and 4, Code
13 1985, are amended to read as follows:

14 2. A member who has completed thirty or more years of
15 service who retires from the system due to disability and
16 commences receiving disability benefits pursuant to the United
17 States Social Security Act (42 U.S.C.), as amended to July 1,
18 1978, who is eligible for early retirement, but has not
19 reached the normal retirement date, shall receive full
20 benefits under section 97B.49 and shall not have benefits
21 reduced upon retirement as required under subsection 1 of this
22 section. This section takes effect July 1, 1986 for a member
23 meeting the requirements of this subsection who retired from
24 the system at any time between July 4, 1953 and June 30, 1978.

25 3. A member who has not completed thirty years of service
26 who retires from the system due to disability and commences
27 receiving disability benefits pursuant to the United States
28 Social Security Act (42 U.S.C.), as amended to July 1, 1978,
29 who is eligible for early retirement, but has not reached the
30 normal retirement date, shall upon retirement have benefits
31 received under section 97B.49 reduced by twenty-five
32 hundredths of one percent per month for each month that the
33 early retirement date precedes the normal retirement date.
34 This section takes effect July 1, 1986 for a member meeting
35 the requirements of this subsection who retired from the

1 system at any time between July 4, 1953 and June 30, 1978.

2 4. A member who is at least sixty-two years of age and
3 less than sixty-five years of age who has completed ~~thirty-~~
4 five thirty or more years of membership service and prior
5 service shall receive full benefits under section 97B.49
6 determined as if the member had attained sixty-five years of
7 age. For a member who is at least fifty-nine but less than
8 sixty-two years of age who has completed at least thirty years
9 of service, the monthly retirement allowance shall be reduced
10 by twenty-five hundredths percent per month for each month
11 that the member's retirement date precedes the member's sixty-
12 second birthday. For a member who is at least fifty-five
13 years of age and less than fifty-nine years of age who has
14 completed thirty years of membership service, the monthly
15 retirement allowance shall be reduced by five-tenths percent
16 per month for each month that the member's retirement date
17 precedes the member's normal retirement date.

18 Sec. 20. Section 97B.51, unnumbered paragraph 1, Code
19 1985, is amended to read as follows:

20 Each member ~~shall have~~ has the right ~~at-any-time~~ prior to
21 the member's retirement date to elect to have the member's
22 retirement allowance payable under one of the options
23 ~~hereinafter~~ set forth in this section in lieu of the
24 retirement allowance otherwise payable to the member upon
25 retirement under ~~any-of-the-provisions-of~~ the retirement
26 system. The amount of any the optional retirement allowance
27 shall be the actuarial equivalent of the amount of ~~such the~~
28 retirement allowance otherwise payable to the member. The
29 member shall make ~~such~~ an election by written request to the
30 department and ~~such-an the~~ election ~~will-be~~ is subject to the
31 approval of the department. If the member is married,
32 election of an option under this section requires the written
33 acknowledgement of the member's spouse.

5939 >
34 Sec. 21. NEW SECTION. 97B.72A FORMER LEGISLATIVE MEMBERS
35 AND EMPLOYEES.

5937 1 A vested member of the system who was a member or temporary
2 employee of the general assembly prior to July 1, 1986 but was
3 not eligible under this chapter to elect coverage under the
4 system for all or a portion of the period of service as a
5 member of the general assembly, or period of employment as a
6 temporary employee of the general assembly, at any time on or
7 after July 4, 1953, may make contributions to the system for
8 all or a portion of that period of service or employment. The
9 contributions shall be equal to the accumulated contributions
10 as defined in section 97B.41, subsection 12, which would have
11 been made if the member or employee of the general assembly
12 had been a member of the system during the period of service
13 elected. The member of the system shall submit proof to the
14 department of membership or employment in the general
15 assembly. The department shall credit the member of the
16 system with the period of membership service for which
17 contributions are made.

18 There is appropriated from the general fund of the state to
19 the department an amount sufficient to pay the contributions
20 of the employer based on the period of service of members of
21 the general assembly or employment of employees of the general
22 assembly for which the member paid accumulated contributions
23 under this section. The amount appropriated is equal to the
24 employer contributions which would have been made if the
25 members of the system who made employee contributions had been
26 members of the system during the period for which they made
27 employee contributions under this section plus two percent
28 interest plus the interest dividend rate applicable for each
29 year compounded annually.

5899 30 Sec. 22. NEW SECTION. 97B.76 PUBLIC RETIREMENT SYSTEMS
31 COMMITTEE ESTABLISHED.

5939 32 1. A public retirement systems committee is established.
33 The committee consists of three members of the senate
34 appointed by the majority leader of the senate and three
35 members of the house of representatives appointed by the

1 speaker of the house. The committee shall elect a chairperson
2 and vice chairperson. Meetings may be called by the
3 chairperson or a majority of the members.

4 Members shall be appointed prior to January 31 of the first
5 regular session of each general assembly and shall serve for
6 terms ending upon the convening of the following general
7 assembly or when their successors are appointed, whichever is
8 later. A vacancy shall be filled in the same manner as the
9 original appointment and shall be for the remainder of the
10 unexpired term of the vacancy.

11 2. The members of the committee shall be reimbursed for
12 actual and necessary expenses incurred in the performance of
13 their duties and shall be paid forty dollars for each day in
14 which they engaged in the performance of their duties.
15 However, per diem compensation and expenses shall not be paid
16 when the general assembly is actually in session at the seat
17 of government. Expenses and per diem shall be paid from funds
18 appropriated pursuant to section 2.12.

19 3. The committee shall:

20 a. Develop and recommend retirement standards and a
21 coherent state policy on public retirement systems.

22 b. Continuously survey pension and retirement developments
23 in other states and in industry and business and periodically
24 review the state's policy and standards in view of these
25 developments and changing economic and social conditions.

26 c. Review the provisions in the public retirement systems
27 in effect in this state.

28 d. Review individually sponsored bills relating to the
29 public retirement systems.

30 e. Review proposals from interested associations and
31 organizations recommending changes in the state's retirement
32 laws.

33 f. Study the feasibility of adopting a consolidated
34 retirement system for the public employees of this state.

35 g. Make recommendations to the general assembly.

1 4. The committee may contract for actuarial assistance
2 deemed necessary, and the costs of actuarial studies are
3 payable from funds appropriated in section 2.12, subject to
4 the approval of the legislative council. The committee may
5 administer oaths, issue subpoenas, and cite for contempt with
6 the approval of the general assembly when the general assembly
7 is in session and with the approval of the legislative council
8 when the general assembly is not in session.

9 Administrative assistance shall be provided by the
10 legislative service bureau and the legislative fiscal bureau.

11 Sec. 23. The public retirement systems committee may
12 direct the department of personnel to conduct a study of the
13 public retirement systems established in this state and to
14 provide to the committee by March 1, 1987, an analysis of its
15 findings and recommendations concerning modification to or
16 consolidation of the existing systems. If the committee
17 directs the department of personnel to conduct the study,
18 there is appropriated from the Iowa public employees'
19 retirement system fund an amount sufficient to pay the costs
20 of the study. The department of personnel shall determine the
21 portion of the cost of the study to be allocated to each
22 public retirement system in this state and shall notify the
23 governing boards of each public system. Each governing board
24 shall reimburse the Iowa public employees' retirement system
25 fund for its share of the cost from moneys available to the
26 governing boards.

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27 Sec. 24. Section 411.6, subsection 8, Code 1985, is
28 amended by striking the subsection and inserting in lieu
29 thereof the following:

30 8. a. Upon the receipt of proof of the death of a member
31 in service, or a member not in service who has completed
32 fifteen or more years of service as provided in subsection 1,
33 paragraph "b", there shall be paid to the person designated by
34 the member to the board of trustees as the member's
35 beneficiary if the member has had one or more years of

1 membership service and no pension is payable under subsection
2 9, an amount equal to fifty percent of the compensation
3 earnable by the member during the year immediately preceding
4 the member's death if the member is in service, or an amount
5 equal to fifty percent of the compensation earned by the
6 member during the member's last year of service if the member
7 is not in service.

8 b. In lieu of the payment specified in paragraph "a", a
9 beneficiary meeting the qualifications of paragraph "c" may
5431 10 elect to receive a pension equal to one-fourth of the average
11 final compensation of the member, but not less than seventy-
12 five dollars if the member was in service at the time of
13 death. For a member not in service at the time of death, the
14 pension shall be reduced as provided in subsection 1,
15 paragraph "b".

16 For a member not in service at the time of death, the
17 pension shall be paid commencing when the member would have
18 attained the age of fifty-five except that if there is a child
19 of the member, the pension shall be paid commencing with the
20 member's death until the children reach the age of eighteen,
21 or twenty-two if applicable. The pension shall resume
22 commencing when the member would have attained the age of
23 fifty-five.

24 For a member in service at the time of death, the pension
25 shall be paid commencing with the member's death. In addition
26 to the pension, there shall also be paid for each child of a
27 member, a monthly pension equal to six percent of the monthly
28 earnable compensation paid to an active member holding the
29 highest grade in the rank of fire fighter, for a child of a
30 deceased member of a fire department, or the highest grade in
31 the rank of police patrol officer, for a child of a deceased
32 member of a police department.

33 c. The pension under paragraph "b" may be selected only by
34 the following beneficiaries:

35 (1) The spouse, to continue so long as the spouse remains

1 unmarried.

2 (2) If there is no spouse, or if the spouse dies or
3 remarries and there is a child of a member, then the guardian
4 of the member's child or children, divided as the board of
5 trustees determines, to continue as a joint and survivor
6 pension until every child of the member dies or attains the
7 age of eighteen, or twenty-two if applicable.

8 (3) If there is no surviving spouse or child, then the
9 member's dependent father or mother, or both, as the board of
10 trustees determines, to continue until remarriage or death.

11 d. If there is no nomination of beneficiary, the benefits
12 provided in this subsection shall be paid to the member's
13 estate.

14 Sec. 25. Section 411.9, Code 1985, is amended to read as
15 follows:

16 411.9 MILITARY SERVICE EXCEPTIONS.

17 Any A member who is absent while serving in the armed
18 services of the United States or its allies and is discharged
19 or separated therefrom from the armed services under honorable
20 conditions shall have any-such the period or periods of
21 absence while serving in such the armed services on-other-than
22 a-voluntary-basis-and-one-such-period-of-absence, not in
23 excess of four years unless any period in excess of four years
24 is at the request and for the convenience of the federal
25 government, while-serving-in-such-armed-forces-on-a-voluntary
26 basis included as part of the member's period of service in
27 the department. Such The member shall not be-required-to
28 continue the contributions required of the member under
29 section 411.8 during such the period of military service,
30 provided-that if the member shall, within six months after the
31 member has been discharged or separated under honorable
32 conditions from such military service, return-and-resume
33 returns and resumes duties in the department, and provided
34 further, that-such if the member shall-be is declared
35 physically capable of resuming such duties upon examination by

1 the medical board. A period of absence may exceed four years
2 at the request and for the convenience of the federal
3 government.

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4 Sec. 26. The Iowa public employees' retirement system
5 division of the department of personnel is directed to conduct
6 a study during the 1986 legislative interim to develop various
7 alternatives for payment of death benefits to spouses of
8 deceased active members and of deceased retired members and to
9 make recommendations to the general assembly meeting in 1987.

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HOUSE FILE 2483

S-5939

1 Amend House File 2483, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Section 1A. Section 97A.6, subsection 4, Code
6 1985, is amended to read as follows:

7 4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT.
8 Upon retirement for ordinary disability a member shall
9 receive an ordinary disability retirement allowance
10 which shall consist of a pension which shall equal
11 ~~forty~~ fifty percent of the member's average final
12 compensation except if the member has not had five or
13 more years of membership service, the member shall
14 receive a pension equal to one-fourth of the member's
15 average final compensation."

16 2. Page 1, line 19, by striking the word "one-
17 fourth" and inserting the following: "forty percent".

18 3. Page 2, by inserting after line 22 the
19 following:

20 "Sec. ____ . Section 97A.6, subsection 14, paragraph
21 d, Code 1985, is amended to read as follows:

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

28 4. Page 2, by inserting before line 23 the
29 following:

30 "Sec. ____ . Section 97B.8, unnumbered paragraph 2,
31 Code Supplement 1985, is amended to read as follows:

32 The board shall consist of ~~seven~~ eight members.
33 ~~Five~~ Six of the members shall be appointed by the
34 governor, one of whom shall be an executive of a
35 domestic life insurance company, one an executive of a
36 state or national bank operating within the state of
37 Iowa, one an executive of a major industrial
38 corporation located within the state of Iowa, and ~~two~~
39 three shall be ~~active~~ members of the system, one of
40 whom shall be an active member who is an employee of a
41 school district, area education agency, or merged
42 area, and one of whom shall be an active member who is
43 not be an employee of a school district, area
44 education agency, or merged area, and one of whom is a
45 retired member of the system. The president of the
46 senate shall appoint one member from the membership of
47 the senate and the speaker of the house of
48 representatives shall appoint one member from the
49 membership of the house. The two members appointed by
50 the president of the senate and the speaker of the

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1 house of representatives and the two active members of
2 the system appointed by the governor are ex officio
3 members of the board."

4 5. Page 5, by striking line 30 and inserting the
5 following:

6 "A conservation peace officer who retires on or
7 after July 1, 1986 and has not completed twenty-five
8 years of membership service as required under this
9 subsection is eligible to receive a monthly retirement
10 allowance equal to one-twelfth of fifty percent of the
11 member's three-year average covered wage as a
12 conservation peace officer multiplied by a fraction of
13 years of service as a conservation peace officer. For
14 the purpose of this subsection, "fraction of years of
15 service" means a number, not to exceed one, equal to
16 the sum of the years of membership service as a
17 conservation peace officer, divided by twenty-five
18 years. On or after July 1, 1986, if the conservation
19 peace officer has not reached sixty years of age at
20 retirement, the monthly retirement allowance shall be
21 reduced by five-tenths of one percent per month for
22 each month that the conservation peace officer's
23 retirement precedes the date on which the conservation
24 peace officer attains sixty years of age.

25 Each employee eligible for benefits under this sub-
26 section shall annually contribute, in addition to the
27 contribution under section 97B.11, an amount equal to
28 forty-seven hundredths of the employee's covered wages
29 to pay for a portion of the cost of the benefits
30 provided under this section.

31 PARAGRAPH DIVIDED. There is appropriated from the
32 general fund of the state to".

33 6. Page 6, line 31, by striking the figure "1984"
34 and inserting the following: "~~1984~~ 1986".

35 7. Page 11, by inserting after line 33 the
36 following:

37 "Sec. ____ . Section 97B.72, Code 1985, is amended
38 to read as follows:

39 97B.72 MEMBERS OF GENERAL ASSEMBLY.

40 ~~Persons who are members-of-the-Seventy-first~~
41 ~~General-Assembly-or-a-succeeding~~ or have been members
42 of the general assembly who submit proof to the
43 department of membership in the general assembly
44 during any period beginning July 4, 1953 may make
45 contributions to the system for service equal to the
46 accumulated contributions as defined in section
47 97B.41, subsection 12, which would have been made if
48 the member of the general assembly had been a member
49 of the system during the member's service in the
50 general assembly. The proof of membership in the

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1 general assembly and payment of accumulated
2 contributions shall be transmitted to the department.
3 Persons eligible to receive retirement allowances
4 under this section shall be eligible to commence
5 receiving retirement allowances on January ~~14~~-~~1985~~
6 12, 1987.

7 There is appropriated from the general fund of the
8 state to the Iowa department of job service an amount
9 sufficient to pay the contributions of the employer
10 based on service of the members in an amount equal to
11 the contributions which would have been made if the
12 members of the general assembly who made employee
13 contributions had been members of the system during
14 their service in the general assembly plus two percent
15 interest plus interest dividends for all completed
16 calendar years and for any completed calendar year for
17 which the interest dividend has not been declared and
18 for completed months of partially completed calendar
19 years at two percent interest plus the interest
20 dividend rate calculated for the previous year,
21 compounded annually, from the end of the calendar year
22 in which contribution was made to the first day of the
23 month of such date."

24 8. Page 11, lines 34 and 35, by striking the
25 words "MEMBERS AND".

26 9. Page 12, line 1, by striking the words "member
27 or".

28 10. Page 12, by striking lines 4 through 6 and
29 inserting the following: "system for all or a portion
30 of the period of employment as a temporary employee of
31 the general assembly, at any time on or".

32 11. Page 12, line 8, by striking the words
33 "service or".

34 12. Page 12, line 11, by striking the words
35 "member or".

36 13. Page 12, line 14, by striking the words
37 "membership or".

38 14. Page 12, line 33, by striking the word
39 "three" and inserting the following: "four".

40 15. Page 12, line 34, by inserting after the word
41 "senate" the following: "in consultation with the
42 minority leader".

43 16. Page 12, line 34, by striking the word
44 "three" and inserting the following: "four".

45 17. Page 13, line 1, by inserting after the word
46 "house" the following: "in consultation with the
47 minority leader".

48 18. Page 14, by inserting after line 26 the
49 following:

50 "Sec. ____ . NEW SECTION. 97B.77 VETERANS' CREDIT.

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1 An active member in service on July 1, 1986 who at
2 any time on or after July 1, 1950 served on active
3 duty in the armed forces of the United States, upon
4 submitting verification of the dates of the active
5 duty service in the armed forces to the department,
6 may make employer and employee contributions to the
7 system based upon the member's covered wages for the
8 calendar year beginning January 1, 1985 at the rates
9 in effect under section 97B.11 on January 1, 1985 for
10 the period of time of the active duty service, not to
11 exceed four years, and receive credit for membership
12 service and prior service for the period of time for
13 which the contributions are made. Verification of
14 active duty service and payment of contributions shall
15 be made to the department not later than June 30,
16 1987. However, a member is not eligible to make
17 contributions under this section if the member is
18 receiving or is eligible to receive retirement pay
19 from the United States government for active duty in
20 the armed forces."

21 19. Page 14, by inserting after line 26 the
22 following:

23 "Sec. ____ . Section 410.6, subsections 1 and 2,
24 Code 1985, are amended to read as follows:

25 1. ~~As-of-the-first-of-July-each-year~~ On each July
26 1 and January 1, the monthly pension authorized in
27 this chapter payable to each retired member and to
28 each beneficiary, except children, of a deceased
29 member shall be recomputed. The applicable formulas
30 authorized in this chapter which were used to compute
31 the retired member's or beneficiary's pension at the
32 time of retirement or death shall be used in the
33 recomputation except the earnable compensation payable
34 on each July 1 or January 1 to an active member having
35 the same or equivalent rank or position as was held by
36 such retired or deceased member at the time of
37 retirement or death, shall be used in lieu of the
38 final compensation which the retired or deceased
39 member was receiving at the time of retirement or
40 death. At no time shall the monthly pension or
41 payment to the beneficiary be less than the amount
42 which was paid at the time of such member's retirement
43 or death.

44 2. All monthly pensions adjusted as provided in
45 this section shall be payable beginning on July 1 or
46 January 1 of the year which the adjustment is made and
47 shall continue in effect until the next ~~following-July~~
48 ~~± adjustment~~ at which time the monthly pension shall
49 again be recomputed and all monthly pensions adjusted
50 in accordance with the computations."

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1 20. Page 14, by inserting before line 27 the
2 following:

3 "Sec. _____. Section 411.6, subsection 4, Code 1985,
4 is amended to read as follows:

5 4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT.

6 Upon retirement for ordinary disability a member shall
7 receive an ordinary disability retirement allowance
8 which shall consist of a pension which shall equal
9 ~~forty~~ fifty percent of the member's average final
10 compensation except if the member has not had five or
11 more years of membership service the member shall
12 receive a pension equal to one-fourth of the member's
13 average final compensation."

14 21. Page 15, line 10, by striking the word "one-
15 fourth" and inserting the following: "forty percent".

16 22. Page 16, by inserting after line 13 the
17 following:

18 "Sec. _____. Section 411.6, subsection 12, paragraph
19 d, Code 1985, is amended to read as follows:

20 d. A retired member eligible for benefits under
21 subsection 1 of this section is not eligible for the
22 readjustment of pensions provided in this subsection
23 unless the member served twenty-two years and attained
24 the age of ~~fifty-five~~ fifty years prior to the
25 member's termination of employment."

26 23. Page 17, by inserting after line 3 the
27 following:

28 "Sec. _____. NEW SECTION. 411.30 TRANSFER OF
29 MEMBERSHIP.

30 A vested member of the Iowa public employees'
31 retirement system on June 30, 1986 who meets all of
32 the following requirements shall become a member of a
33 retirement system under this chapter on the effective
34 date of this Act:

35 1. Was a vested member of the retirement system
36 established in this chapter on June 30, 1973.

37 2. Was an elected bailiff of a municipal court on
38 June 30, 1973.

39 3. Became a deputy sheriff on July 1, 1973 and
40 pursuant to 1972 Iowa Acts, chapter 1124, section 43,
41 continued coverage under a retirement system under
42 this chapter.

43 4. Upon election as a county sheriff, was trans-
44 ferred from membership under this chapter to
45 membership in a retirement system established in
46 chapter 97B.

47 The Iowa public employees' retirement system shall
48 transfer to the board of trustees of the applicable
49 retirement system under this chapter an amount equal
50 to the total of the accumulated contributions of the

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1 member as defined in section 97B.41, subsection 12,
2 and the board of trustees of the applicable retirement
3 system under this chapter shall credit the member
4 whose contributions are transferred under this section
5 with membership service under this chapter for the
6 period for which the member was covered under the Iowa
7 public employees' retirement system. If the amount
8 transferred is less than the amount that would have
9 been contributed under section 411.8, subsection 1,
10 paragraph "f", at the rates in effect for the period
11 for which contributions were made plus the interest
12 that would have accrued on the amount, the member
13 shall pay the difference together with interest that
14 would have accrued on the amount.

15 The board of trustees of the applicable retirement
16 system under this chapter shall determine the
17 remaining contribution amount due. The amount due is
18 the amount that would have been paid by the employer
19 under section 411.8, subsection 1, paragraph "f", plus
20 the interest that would have accrued on that amount.
21 The board of trustees shall notify the county board of
22 supervisors of the county in which the sheriff was
23 elected of the remaining amount to be paid to the
24 retirement system under this chapter.

25 The county board of supervisors shall forthwith pay
26 to the board of trustees of the applicable retirement
27 system the remaining amount to be paid from moneys in
28 the county general fund.

29 From the effective date of this Act, the county
30 board of supervisors of the county in which the
31 sheriff was elected shall deduct the contribution
32 required of the member under section 411.8, subsection
33 1, paragraph "f", from the member's earnable
34 compensation and the county shall pay from the county
35 general fund an amount equal to the normal rate of
36 contribution multiplied by the member's earnable
37 compensation to the applicable retirement system for
38 the period in which the member remains sheriff or
39 deputy sheriff of that county."

40 24. Page 17, by inserting after line 3 the
41 following:

42 "Sec. ____ . Section 453.4, Code 1985, is amended to
43 read as follows:

44 453.4 LOCATION OF DEPOSITORIES.

45 Deposits by the treasurer of state shall be in
46 depositories located in this state; by a county
47 officer or county public hospital officer or merged
48 area hospital officer, in depositories located in the
49 county or in an adjoining county within this state; by
50 a memorial hospital treasurer, in a depository located

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1 within this state which shall be selected by the
2 memorial hospital treasurer and approved by the
3 memorial hospital commission; by a city treasurer or
4 other city financial officer, in depositories located
5 in the county in which the city is located or in an
6 adjoining county, but if there is no depository in the
7 county in which the city is located or in an adjoining
8 county then in any other depository located in this
9 state which shall be selected as a depository by the
10 city council; by a school treasurer or by a school
11 secretary in a depository within this state which
12 shall be selected by the board of directors or the
13 trustees of the school district; by a township clerk
14 in a depository located within this state which shall
15 be selected by the township clerk and approved by the
16 trustees of the township. However, deposits may be
17 made in depositories outside of Iowa for the purpose
18 of paying principal and interest on bonded
19 indebtedness of any municipality when the deposit is
20 made not more than ten days before the date the
21 principal or interest becomes due. Further, the
22 treasurer of state may maintain an account or accounts
23 outside the state of Iowa for the purpose of providing
24 custodial services for the state and state retirement
25 fund accounts."

26 25. Page 17, by inserting after line 3 the fol-
27 lowing:

28 "Sec. _____. Section 509A.13, Code 1985, is amended
29 by adding the following new unnumbered paragraph:

30 NEW UNNUMBERED PARAGRAPH. This section applies to
31 employees who retired on or after January 1, 1981."

32 26. Page 17, by inserting after line 3 the fol-
33 lowing:

34 "Sec. _____. Section 422.7, Code Supplement 1985, is
35 amended by adding the following new subsection:

36 NEW SUBSECTION. 21. Add the four percent of the
37 basic salary of a judge, who is a member of the
38 judicial retirement system established in chapter 602,
39 article 9, which is exempt from federal income tax
40 under the Internal Revenue Code of 1954.

41 Sec. _____. Section 602.1611, subsections 1 and 2,
42 Code 1985, are amended to read as follows:

43 1. Justices Judges of the supreme court, judges of
44 the and court of appeals, and district judges, and
45 district associate judges are members of the judicial
46 retirement system as-determined-under established in
47 article 9, part 1, and are not members of the public
48 employees' retirement system established in chapter
49 97B, except as provided in paragraphs "a" and "b".

50 a. District associate judges who exercised the

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1 election under section 602.11115, subsection 1, are
2 members of the public employees' retirement system and
3 are not members of the judicial retirement system.
4 District associate judges who exercised the election
5 under section 602.11115, subsection 2, are members of
6 the judicial retirement system and are inactive
7 members of the public employees' retirement system.

8 b. District associate judges appointed after June
9 30, 1984, judges of the supreme court and court of ap-
10 peals, and district judges, who were vested members of
11 the public employees' retirement system at the time
12 they became members of the judicial retirement system,
13 and whose contributions in the public employees'
14 retirement system were not refunded to them prior to
15 the repeal of section 97B.69, are members of the
16 judicial retirement system and are inactive vested
17 members of the public employees' retirement system
18 until they become qualified to receive retirement
19 benefits from the judicial retirement system and
20 become retired members of the public employees'
21 retirement system or voluntarily withdraw their
22 contributions from the public employees' retirement
23 system.

24 ~~2. District-associate-judges-are-members-of-the~~
25 ~~judicial-retirement-system-under-article-97-part-17-or~~
26 ~~the-Iowa-public-employees'-retirement-system.~~
27 Alternate district associate judges whose appointment
28 is authorized under section 602.6303 are not members
29 of either the judicial retirement system or the Iowa
30 public employees' retirement system.

31 Sec. ____ . Section 602.9104, Code 1985, is amended
32 to read as follows:

33 ~~602.9104 DEPOSIT-BY-JUDGE--- DEDUCTIONS FROM~~
34 ~~JUDGES' SALARIES -- CONTRIBUTIONS BY GOVERNING-BODY~~
35 ~~STATE.~~

36 ~~1. Each-judge-coming-within-the-purview-of-this~~
37 ~~article-shall, on-or-before-retirement, pay-to-the~~
38 ~~court-administrator-for-deposit-with-the-treasurer-of~~
39 ~~state-to-the-credit-of-a-fund-to-be-known-as-the~~
40 ~~"judicial-retirement-fund", hereinafter-called-the~~
41 ~~"fund", a-sum-equal-to-four-percent-of-the-judge's~~
42 ~~basic-salary-for-services-as-such-judge-for-the-total~~
43 ~~period-of-service-as-a-judge-of-a-municipal, superior,~~
44 ~~district-or-supreme-court, or-the-court-of-appeals,~~
45 ~~including-district-associate-judges, before-the-date~~
46 ~~of-said-notice, and-after-the-date-of-the-notice-there~~
47 ~~shall-be-deducted-and-withheld-from-the-basic-salary~~
48 ~~of-each-judge-coming-within-the-purview-of-this~~
49 ~~article-a-sum-equal-to-four-percent-of-such-basic~~
50 ~~salary.--Provided-that-the-maximum-amount-which-any~~

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1 ~~judge shall be required to contribute for past service~~
2 ~~shall not exceed for municipal or superior or district~~
3 ~~associate judges thirty-five hundred dollars, for~~
4 ~~district judges four thousand dollars, for court of~~
5 ~~appeals judges four thousand five hundred dollars, and~~
6 ~~for supreme court judges five thousand dollars. A~~
7 judge to whom this article applies, shall be paid an
8 amount equal to ninety-six percent of the basic salary
9 of the judge as set by the general assembly. An
10 amount equal to four percent of the basic salary of
11 the judge as set by the general assembly is designated
12 as the judge's contribution to the judicial retirement
13 fund, and shall be paid by the state in the manner
14 provided in subsection 2.

15 2. ~~The amounts so deducted and withheld from the~~
16 ~~basic salary of each said judge~~ The amount designated
17 in subsection 1 as the judge's contribution to the
18 judicial retirement fund shall be paid by the state
19 comptroller from the general fund of the state to the
20 court administrator for deposit with the treasurer of
21 state to the credit of the judicial retirement fund,
22 and said. Moneys in the fund is hereby are
23 appropriated for the payment of annuities, refunds,
24 and allowances herein provided by this article, except
25 that the amount of such the appropriations affecting
26 payment of annuities, refunds, and allowances to
27 judges of the municipal and superior court shall be is
28 limited to that part of said the fund accumulated for
29 their benefit as hereinafter provided in this article.
30 The corpus and income of the fund shall be used only
31 for the exclusive benefit of the judges covered under
32 this article or their survivors.

33 3. ~~The judges of the municipal, superior, district~~
34 ~~and supreme court, and the court of appeals, including~~
35 ~~district associate judges, coming within the~~
36 ~~provisions of~~ A judge covered under this article shall
37 be is deemed to consent and agree to the deductions
38 from reduction in basic salary as provided herein and
39 payment less such deductions shall be a full and
40 complete discharge and acquittance of all claims and
41 demands whatsoever for all regular services rendered
42 by such judges during the period covered by such
43 payment, except the right to the benefits to which
44 they shall be entitled under the provisions of this
45 article in subsection 1.

46 4. The state shall contribute a sum not exceeding
47 an amount equal to three percent of the basic salary
48 of all judges of the district and supreme court for
49 the years 1949 and 1950 and thereafter covered under
50 this article, or such sums as may be necessary over

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1 the amount contributed by the ~~district and supreme~~
2 ~~court judges to finance the system, but only to the~~
3 ~~extent that the system applies to them. After June~~
4 ~~30, 1973, the state shall contribute such sums as may~~
5 ~~be necessary over the amount contributed by district~~
6 ~~associate judges to finance the system as to them for~~
7 ~~the portion of their tenure after July 17, 1973, and~~
8 ~~thereafter such sums as may be necessary over the~~
9 ~~amount contributed by the district associate judges to~~
10 ~~finance the system, but only to the extent the system~~
11 ~~applies to them. After July 17, 1976, the state shall~~
12 ~~contribute such sums as may be necessary over the~~
13 ~~amount contributed by judges of the court of appeals~~
14 ~~to finance the system, but only to the extent the~~
15 ~~system applies to them.~~

16 Sec. ____ . Section 602.9107, Code 1985, is amended
17 to read as follows:

18 602.9107 AMOUNT OF ANNUITY.

19 1. The annual annuity of a judge under this system
20 shall be is an amount equal to three percent of the
21 judge's average annual basic salary for the judge's
22 last three years as a judge of one or more of the
23 courts included in this article, multiplied by the
24 judge's years of service as a judge of one or more of
25 such the courts, but no such for which contributions
26 were made to the system. However, an annual annuity
27 shall not exceed an amount equal to fifty percent of
28 the basic annual salary that which the judge is
29 receiving at the time the judge becomes separated from
30 such service. Forfeitures shall not be used to
31 increase the annuities a judge or survivor would
32 otherwise receive under the system.

33 2. A judge shall not receive under this article in
34 any calendar year an annuity benefit which, if
35 received in the form of a straight life annuity with
36 no ancillary benefits, exceeds the lesser of the
37 following:

38 a. A dollar limitation of ninety thousand dollars
39 adjusted each January 1 to the dollar limitation
40 determined by the federal commissioner of internal
41 revenue pursuant to section 415(d) of the United
42 States Internal Revenue Code of 1954, as amended.

43 b. A compensation limit of one hundred percent of
44 the average compensation paid to the judge during
45 those three consecutive calendar years as a judge of
46 one or more of the courts included in this article
47 which give the highest average.

48 The limitations of this subsection do not apply to
49 an annuity benefit which is less than ten thousand
50 dollars.

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1 3. The limitations in subsection 2 shall be
2 adjusted as follows:

3 a. If the annuity begins prior to the sixty-second
4 birthday of the judge, the dollar limitation shall be
5 equal to an annual annuity benefit which is equal to
6 the actuarial equivalent of an annuity benefit
7 commencing on the sixty-second birthday of the judge,
8 but not below seventy-five thousand dollars.

9 b. If the annuity begins after the sixty-fifth
10 birthday of the judge, the dollar limitation shall be
11 equal to an annual annuity benefit which is the
12 actuarial equivalent of an annuity benefit commencing
13 on the sixty-fifth birthday of the judge.

14 c. If the annuity begins prior to the judge having
15 ten years of creditable service, the dollar
16 limitation, the one hundred percent of average
17 compensation limitation, and the exception for an
18 annuity benefit which is less than ten thousand
19 dollars, shall be reduced by a fraction, the numerator
20 of which is the total years and months of creditable
21 service, and the denominator of which is ten.

22 For purposes of the limitations of this subsection,
23 the actuarial equivalent shall be determined from
24 actuarial tables using the 1983 group annuity table
25 for males and five percent interest compounded
26 annually. The value of the joint and survivorship
27 feature of an annuity shall not be taken into account
28 in applying the limitations of this section.

29 4. This section is intended to meet the
30 requirements of section 415 of the United States
31 Internal Revenue Code and shall be construed in
32 accordance with that section, and shall, by this
33 reference, incorporate any subsequent changes to that
34 section which apply to the judicial retirement system.

35 Sec. ____ . Section 602.9108, Code 1985, is amended
36 to read as follows:

37 602.9108 INDIVIDUAL ACCOUNTS -- REFUNDING.

38 The amounts-deducted-and-withheld-from-the-basic
39 salary-of-each-judge-of-the-municipal,-superior,
40 district-or-supreme-court,-or-court-of-appeals,
41 including-district-associate-judges,-for-the-credit-of
42 amount designated as the judge's contribution to the
43 judicial retirement fund in section 602.9104,
44 subsection 1, and all amounts paid into such the fund
45 by each a judge shall be credited to the individual
46 account of such the judge. In-the-event If a judge of
47 the-municipal,-superior,-district-or-supreme-court,-or
48 court-of-appeals,-including-district-associate-judges,
49 covered under this article becomes separated from
50 service as such a judge before the judge completes an

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1 aggregate of six years of service as a judge of one or
2 more of ~~such the courts, the total amount of the~~
3 ~~judge's contribution to the fund in the judge's~~
4 ~~individual account shall be returned to said the judge~~
5 ~~or the judge's legal representatives, and in the event~~
6 ~~within one year of the separation. If a judge, who is~~
7 ~~covered under this article and who has completed an~~
8 aggregate of six years or more of service as a judge
9 of one or more of ~~such the courts, dies before~~
10 retirement, without a survivor, the total amount of
11 ~~the judge's contribution to the fund in the judge's~~
12 ~~individual account shall be paid in one sum to the~~
13 ~~judge's legal representatives, and in the event within~~
14 ~~one year of the judge's death. If an annuitant under~~
15 this section dies without a survivor, and without
16 having received in annuities an amount equal to the
17 total amount ~~remaining to the annuitant's credit in~~
18 ~~the judge's individual account at the time of~~
19 separation from service, the amount remaining to the
20 annuitant's credit shall be paid in one sum to the
21 annuitant's legal representatives within one year of
22 the annuitant's death.

23 Sec. ____ . Section 602.9114, Code 1985, is amended
24 to read as follows:

25 602.9114 FORFEITURE OF BENEFITS -- REFUND.

26 ~~In the event If a judge of the supreme, district or~~
27 ~~municipal court including a district associate judge,~~
28 ~~or a judge of the court of appeals, covered under this~~
29 ~~part is removed for cause other than permanent~~
30 ~~disability the judge and the judge's survivor shall~~
31 ~~forfeit the right to any retirement benefits under the~~
32 ~~system but the total amount of the judge's~~
33 ~~contribution to the fund in the judge's individual~~
34 ~~account shall be returned to the judge or the judge's~~
35 ~~legal representative representatives within one year~~
36 ~~of the removal.~~

37 Sec. ____ . Section 602.9115, Code 1985, is amended
38 to read as follows:

39 602.9115 ANNUITY FOR SURVIVOR OF ANNUITANT.

40 The survivor of a judge who was qualified for
41 retirement compensation under the system at the time
42 of the judge's death, is entitled to receive an
43 annuity of one-half of the amount of the annuity the
44 judge was receiving or would have been entitled to
45 receive at the time of the judge's death, or if the
46 judge died before age sixty-five, then one-half of the
47 amount the judge would have been entitled to receive
48 at age sixty-five based on the judge's years of
49 service for which contributions were made to the
50 system. The annuity shall begin on the judge's death

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1 or upon the ~~survivor~~ survivor's reaching age sixty,
2 whichever is later. However, a survivor less than
3 sixty years old may elect to receive a decreased
4 retirement annuity to begin on the judge's death by
5 filing a written election with the state court
6 administrator. The election is subject to the
7 approval of the state court administrator. The amount
8 of the decreased retirement annuity shall be the
9 actuarial equivalent of the amount of the annuity
10 otherwise payable to the survivor under this section.

11 For the purposes of this article "survivor" means
12 the surviving spouse of a person who was a judge, if
13 married to the judge for at least five-years-next one
14 year preceding the judge's death, ~~but does not include~~
15 ~~a surviving spouse who remarries.~~

16 ~~In the event~~ If the judge dies leaving a survivor
17 but without receiving in annuities an amount equal to
18 the judge's credit, the balance shall be credited to
19 the account of the judge's survivor, and if the
20 survivor dies ~~without remarrying and~~ without receiving
21 in annuities an amount equal to ~~said~~ the balance, the
22 amount then remaining shall be paid to the survivor's
23 legal ~~representative~~ representatives within one year
24 of the survivor's death.

25 Sec. . NEW SECTION. 602.9115A OPTIONAL
26 ANNUITY FOR JUDGE AND SURVIVOR.

27 In lieu of the annuities and refunds provided for
28 judges and judges' survivors under sections 602.9107,
29 602.9108, 602.9115, 602.9204, 602.9208, and 602.9209,
30 judges may elect to receive an optional retirement
31 annuity during the judge's lifetime and have the
32 optional retirement annuity, or a designated fraction
33 of the optional retirement annuity, continued and paid
34 to the judge's survivor after the judge's death and
35 during the lifetime of the survivor.

36 The judge shall make the election request in
37 writing to the state court administrator prior to
38 retirement. The election is subject to the approval
39 of the state court administrator. The judge may
40 revoke the election prior to retirement by written
41 request to the state court administrator, but cannot
42 revoke the election after retirement.

43 The optional retirement annuity shall be the
44 actuarial equivalent of the amounts of the annuities
45 payable to judges and survivors under sections
46 602.9107, 602.9115, 602.9204, 602.9208, and 602.9209.
47 The actuarial equivalent shall be based on the
48 mortality and interest assumptions set out in section
49 602.9107, subsection 3.

50 If the judge dies without a survivor, prior to re-

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1 tirement or prior to receipt in annuities of an amount
2 equal to the total amount remaining to the judge's
3 credit at the time of separation from service, the
4 election is null and void and the refunding provisions
5 of section 602.9108 apply.

6 If the judge dies with a survivor prior to
7 retirement, the election remains valid and the
8 survivor is entitled to receive the annuity beginning
9 at the death of the judge.

10 If the judge dies with a survivor and the survivor
11 subsequently dies prior to receipt in annuities by
12 both the judge and the survivor of an amount equal to
13 the total amount remaining to the judge's credit at
14 the time of separation from service, the election
15 remains valid and the refunding provision of section
16 602.9115 applies.

17 Sec. ____ . Section 602.9204, Code 1985, is amended
18 to read as follows:

19 602.9204 ANNUITY OF SENIOR JUDGE AND RETIRED
20 SENIOR JUDGE.

21 A senior judge or a retired senior judge shall not
22 be paid a salary. A senior judge or retired senior
23 judge shall be paid an annuity under the judicial
24 retirement system in the manner provided in section
25 602.9109, but computed under this section in lieu of
26 section 602.9107, as follows: The annuity paid to a
27 senior judge or retired senior judge shall be an
28 amount equal to three percent of the current base
29 basic salary, as of the time each payment is made, of
30 the office in which the senior judge last served as a
31 judge before retirement as a judge or senior judge,
32 multiplied by the judge's years of service prior to
33 retirement as a judge of one or more of the courts
34 included under this chapter article, for which
35 contributions were made to the system, except the
36 annuity of the senior judge or retired senior judge
37 shall not exceed fifty percent of such the current
38 base basic salary."

39 27. Page 17, by inserting after line 3 the fol-
40 lowing:

41 "Sec. ____ . A member of the peace officers' retire-
42 ment system employed by the department of public
43 safety as an arson investigator on the effective date
44 of this Act who became a member of the peace officers'
45 retirement system on July 1, 1976 shall receive credit
46 for membership service under the peace officers'
47 retirement system for the member's period of
48 employment as an arson investigator prior to July 1,
49 1976."

50 28. Page 17, by inserting after line 3 the fol-

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May 2, 1986

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1 lowing:
2 "Sec. _____. Section 1A of this Act takes effect
3 July 1, 1986 for members receiving an ordinary
4 disability retirement allowance prior to the effective
5 date of this Act."
6 29. Page 17, by inserting after line 3 the
7 following:
8 "Sec. _____. Section 602.9105, Code 1985, is
9 repealed. Section 602.9103, Code Supplement 1985, is
10 repealed."

S-5939 Filed May 1, 1986

BY COMM. ON STATE GOV. , CARR, CHAIR

Adopted 5/2 (p 1543)

S-5941

HOUSE FILE 2483

1 Amend House File 2483, as amended, passed, and re-
2 printed by the House, as follows:
3 1. Page 17, line 8, by inserting after the word
4 "members" the following: ", to determine the cost of
5 vested buybacks,".

S-5941 FILED May 1, 1986

BY NYSTROM

ADO 5/2 (p 1543)

HOUSE FILE 2483

S-5942

1 Amend House File 2483, as amended, passed, and re-
2 printed by the House, as follows:
3 1. Page 17, line 8, by inserting after the word
4 "members" the following: ", to determine the cost of
5 vested buybacks, to determine the cost of providing
6 earlier retirement benefits for motor vehicle enforce-
7 ment officers employed by the department of transpor-
8 tation,".

S-5942 Filed and adopted May 2, 1986 BY HULTMAN

S-5914

1 Amend House File 2483, as amended, passed and
2 reprinted by the House, as follows:

3 1. Page 10, by inserting after line 3 the
4 following:

5 Section 1. Section 97B.49, Code Supplement 1985,
6 is amended by adding the following new subsection:

7 NEW SUBSECTION. 14. Notwithstanding sections of
8 this chapter relating to eligibility for and
9 determination of retirement benefits, a vested member
10 who is or has been employed as a peace officer of the
11 department of transportation under section 321.477,
12 and who retires on or after July 1, 1984 and at the
13 time of retirement is at least sixty years of age, and
14 has completed at least twenty-five years of service as
15 a peace officer in this state, may elect to receive a
16 monthly retirement allowance equal to one-twelfth of
17 fifty percent of the member's five-year average
18 covered wages as a peace officer, with benefits
19 payable during the member's lifetime.

20 There is appropriated annually from the road use
21 tax fund to the Iowa department of job service from
22 funds not otherwise appropriated, an actuarially
23 determined amount sufficient to pay additional costs
24 above the employee and employer contributions made
25 under section 97B.11, to finance the increased
26 benefits to peace officers of the department of
27 transportation under this subsection.

28 For the purpose of this subsection, "service as a
29 peace officer" means service as a peace officer of the
30 department of transportation, marshal or police
31 officer of a city, sheriff or deputy sheriff, special
32 agent of the department of public safety, conservation
33 peace officer, traffic weight officer employed by the
34 highway commission prior to the creation of the
35 department of transportation, or peace officer
36 employed by the Iowa state commerce commission prior
37 to the creation of the department of transportation.

38 A peace officer who retires on or after July 1,
39 1986 and has not completed twenty-five years of
40 membership service as required under this subsection
41 is eligible to receive a monthly retirement allowance
42 equal to one-twelfth of fifty percent multiplied by a
43 fraction of years of service as a peace officer. For
44 the purpose of this section, "fraction of years of
45 service" means a number, not to exceed one, equal to
46 the sum of the years of membership service as a peace
47 officer, divided by twenty-five years. On or after
48 July 1, 1986, if the peace officer has not reached
49 sixty years of age at retirement, the monthly
50 retirement allowance shall be reduced by five-tenths

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1 of one percent per month for each month that the peace
2 officer's retirement precedes the date on which the
3 peace officer attains sixty years of age."

S-5914 Filed April 30, 1986

BY DIELEMAN

4/25 5/2 (p. 15-43)

S-5899

1 Amend House File 2483 as amended, passed and
2 reprinted by the House, as follows:

3 1. Page 12, by inserting after line 29 the
4 following:

5 "Sec. ____ . Section 97B.74, unnumbered paragraph 1,
6 Code 1985, is amended to read as follows:

7 An active, ~~vested, or retired~~ member of the system
8 who has been an active member of the system during
9 this period of membership service for at least one
10 year and who at any time between after July 4, 1953
11 and ~~July 17, 1973~~ was a member of the system, ~~but who~~
12 ~~did not meet the requirements to be a vested member~~
13 ~~for that period of membership service,~~ and who
14 received a refund of contributions for that period of
15 membership service, may elect in writing to the
16 department to make contributions to the system for
17 that period of membership service for which a refund
18 of contributions was made. The contributions repaid
19 by the member for ~~such~~ service shall be equal to the
20 accumulated contributions, as defined in section
21 97B.41, subsection 12, received by the member for that
22 period of membership service plus interest on the
23 accumulated contributions for the period from the date
24 of receipt by the member to the date of repayment
25 equal to two percent plus the interest dividend rate
26 applicable for each year compounded annually.

27 Sec. ____ . Section 97B.74, unnumbered paragraph 2,
28 Code 1985, is amended by striking the unnumbered
29 paragraph."

S-5899 Filed April 30, 1986

BY HOLDEN

W/D 5/2 (j. 1543)

SENATE AMENDMENT TO HOUSE FILE 2483

H-6139

1 Amend House File 2483, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Section 1A. Section 97A.6, subsection 4, Code
6 1985, is amended to read as follows:

7 4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT.

8 Upon retirement for ordinary disability a member shall
9 receive an ordinary disability retirement allowance
10 which shall consist of a pension which shall equal
11 ~~forty~~ fifty percent of the member's average final
12 compensation except if the member has not had five or
13 more years of membership service, the member shall
14 receive a pension equal to one-fourth of the member's
15 average final compensation."

16 2. Page 1, line 19, by striking the word "one-
17 fourth" and inserting the following: "forty percent".

18 3. Page 2, by inserting after line 22 the
19 following:

20 "Sec. _____. Section 97A.6, subsection 14, paragraph
21 d, Code 1985, is amended to read as follows:

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

28 4. Page 2, by inserting before line 23 the
29 following:

30 "Sec. _____. Section 97B.8, unnumbered paragraph 2,
31 Code Supplement 1985, is amended to read as follows:

32 The board shall consist of ~~seven~~ eight members.
33 ~~Five~~ Six of the members shall be appointed by the
34 governor, one of whom shall be an executive of a
35 domestic life insurance company, one an executive of a
36 state or national bank operating within the state of
37 Iowa, one an executive of a major industrial
38 corporation located within the state of Iowa, and ~~two~~
39 three shall be ~~active~~ members of the system, one of
40 whom shall be an active member who is an employee of a
41 school district, area education agency, or merged
42 area, and one of whom shall be an active member who is
43 not be an employee of a school district, area
44 education agency, or merged area, and one of whom is a
45 retired member of the system. The president of the
46 senate shall appoint one member from the membership of
47 the senate and the speaker of the house of
48 representatives shall appoint one member from the
49 membership of the house. The two members appointed by
50 the president of the senate and the speaker of the

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1 house of representatives and the two active members of
2 the system appointed by the governor are ex officio
3 members of the board."

4 5. Page 5, by striking line 30 and inserting the
5 following:

6 "A conservation peace officer who retires on or
7 after July 1, 1986 and has not completed twenty-five
8 years of membership service as required under this
9 subsection is eligible to receive a monthly retirement
10 allowance equal to one-twelfth of fifty percent of the
11 member's three-year average covered wage as a
12 conservation peace officer multiplied by a fraction of
13 years of service as a conservation peace officer. For
14 the purpose of this subsection, "fraction of years of
15 service" means a number, not to exceed one, equal to
16 the sum of the years of membership service as a
17 conservation peace officer, divided by twenty-five
18 years. On or after July 1, 1986, if the conservation
19 peace officer has not reached sixty years of age at
20 retirement, the monthly retirement allowance shall be
21 reduced by five-tenths of one percent per month for
22 each month that the conservation peace officer's
23 retirement precedes the date on which the conservation
24 peace officer attains sixty years of age.

25 Each employee eligible for benefits under this sub-
26 section shall annually contribute, in addition to the
27 contribution under section 97B.11, an amount equal to
28 forty-seven hundredths of the employee's covered wages
29 to pay for a portion of the cost of the benefits
30 provided under this section.

31 PARAGRAPH DIVIDED. There is appropriated from the
32 general fund of the state to".

33 6. Page 6, line 31, by striking the figure "1984"
34 and inserting the following: "1984 1986".

35 7. Page 11, by inserting after line 33 the
36 following:

37 "Sec. ____ . Section 97B.72, Code 1985, is amended
38 to read as follows:

39 97B.72 MEMBERS OF GENERAL ASSEMBLY.

40 Persons who are members-of-the-Seventy-first
41 General-Assembly-or-a-succeeding or have been members
42 of the general assembly who submit proof to the
43 department of membership in the general assembly
44 during any period beginning July 4, 1953 may make
45 contributions to the system for service equal to the
46 accumulated contributions as defined in section
47 97B.41, subsection 12, which would have been made if
48 the member of the general assembly had been a member
49 of the system during the member's service in the
50 general assembly. The proof of membership in the

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- 1 general assembly and payment of accumulated
- 2 contributions shall be transmitted to the department.
- 3 Persons eligible to receive retirement allowances
- 4 under this section shall be eligible to commence
- 5 receiving retirement allowances on January 147-1985
- 6 12, 1987.
- 7 There is appropriated from the general fund of the
- 8 state to the Iowa department of job service an amount
- 9 sufficient to pay the contributions of the employer
- 10 based on service of the members in an amount equal to
- 11 the contributions which would have been made if the
- 12 members of the general assembly who made employee
- 13 contributions had been members of the system during
- 14 their service in the general assembly plus two percent
- 15 interest plus interest dividends for all completed
- 16 calendar years and for any completed calendar year for
- 17 which the interest dividend has not been declared and
- 18 for completed months of partially completed calendar
- 19 years at two percent interest plus the interest
- 20 dividend rate calculated for the previous year,
- 21 compounded annually, from the end of the calendar year
- 22 in which contribution was made to the first day of the
- 23 month of such date."
- 24 8. Page 11, lines 34 and 35, by striking the
- 25 words "MEMBERS AND".
- 26 9. Page 12, line 1, by striking the words "member
- 27 or".
- 28 10. Page 12, by striking lines 4 through 6 and
- 29 inserting the following: "system for all or a portion
- 30 of the period of employment as a temporary employee of
- 31 the general assembly, at any time on or".
- 32 11. Page 12, line 8, by striking the words
- 33 "service or".
- 34 12. Page 12, line 11, by striking the words
- 35 "member or".
- 36 13. Page 12, line 14, by striking the words
- 37 "membership or".
- 38 14. Page 12, line 33, by striking the word
- 39 "three" and inserting the following: "four".
- 40 15. Page 12, line 34, by inserting after the word
- 41 "senate" the following: "in consultation with the
- 42 minority leader".
- 43 16. Page 12, line 34, by striking the word
- 44 "three" and inserting the following: "four".
- 45 17. Page 13, line 1, by inserting after the word
- 46 "house" the following: "in consultation with the
- 47 minority leader".
- 48 18. Page 14, by inserting after line 26 the
- 49 following:
- 50 "Sec. ____ . NEW SECTION. 97B.77 VETERANS' CREDIT.

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1 An active member in service on July 1, 1986 who at
2 any time on or after July 1, 1950 served on active
3 duty in the armed forces of the United States, upon
4 submitting verification of the dates of the active
5 duty service in the armed forces to the department,
6 may make employer and employee contributions to the
7 system based upon the member's covered wages for the
8 calendar year beginning January 1, 1985 at the rates
9 in effect under section 97B.11 on January 1, 1985 for
10 the period of time of the active duty service, not to
11 exceed four years, and receive credit for membership
12 service and prior service for the period of time for
13 which the contributions are made. Verification of
14 active duty service and payment of contributions shall
15 be made to the department not later than June 30,
16 1987. However, a member is not eligible to make
17 contributions under this section if the member is
18 receiving or is eligible to receive retirement pay
19 from the United States government for active duty in
20 the armed forces."

21 19. Page 14, by inserting after line 26 the
22 following:

23 "Sec. ____ . Section 410.6, subsections 1 and 2,
24 Code 1985, are amended to read as follows:

25 1. ~~As-of-the-first-of-July-each-year~~ On each July
26 1 and January 1, the monthly pension authorized in
27 this chapter payable to each retired member and to
28 each beneficiary, except children, of a deceased
29 member shall be recomputed. The applicable formulas
30 authorized in this chapter which were used to compute
31 the retired member's or beneficiary's pension at the
32 time of retirement or death shall be used in the
33 recomputation except the earnable compensation payable
34 on each July 1 or January 1 to an active member having
35 the same or equivalent rank or position as was held by
36 such retired or deceased member at the time of
37 retirement or death, shall be used in lieu of the
38 final compensation which the retired or deceased
39 member was receiving at the time of retirement or
40 death. At no time shall the monthly pension or
41 payment to the beneficiary be less than the amount
42 which was paid at the time of such member's retirement
43 or death.

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

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1 20. Page 14, by inserting before line 27 the
2 following:

3 "Sec. _____. Section 411.6, subsection 4, Code 1985,
4 is amended to read as follows:

5 4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT.
6 Upon retirement for ordinary disability a member shall
7 receive an ordinary disability retirement allowance
8 which shall consist of a pension which shall equal
9 ~~forty~~ fifty percent of the member's average final
10 compensation except if the member has not had five or
11 more years of membership service the member shall
12 receive a pension equal to one-fourth of the member's
13 average final compensation."

14 21. Page 15, line 10, by striking the word "one-
15 fourth" and inserting the following: "forty percent".

16 22. Page 16, by inserting after line 13 the
17 following:

18 "Sec. _____. Section 411.6, subsection 12, paragraph
19 d, Code 1985, is amended to read as follows:

20 d. A retired member eligible for benefits under
21 subsection 1 of this section is not eligible for the
22 readjustment of pensions provided in this subsection
23 unless the member served twenty-two years and attained
24 the age of ~~fifty-five~~ fifty years prior to the
25 member's termination of employment."

26 23. Page 17, by inserting after line 3 the
27 following:

28 "Sec. _____. NEW SECTION. 411.30 TRANSFER OF
29 MEMBERSHIP.

30 A vested member of the Iowa public employees'
31 retirement system on June 30, 1986 who meets all of
32 the following requirements shall become a member of a
33 retirement system under this chapter on the effective
34 date of this Act:

35 1. Was a vested member of the retirement system
36 established in this chapter on June 30, 1973.

37 2. Was an elected bailiff of a municipal court on
38 June 30, 1973.

39 3. Became a deputy sheriff on July 1, 1973 and
40 pursuant to 1972 Iowa Acts, chapter 1124, section 43,
41 continued coverage under a retirement system under
42 this chapter.

43 4. Upon election as a county sheriff, was trans-
44 ferred from membership under this chapter to
45 membership in a retirement system established in
46 chapter 97B.

47 The Iowa public employees' retirement system shall
48 transfer to the board of trustees of the applicable
49 retirement system under this chapter an amount equal
50 to the total of the accumulated contributions of the

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1 member as defined in section 97B.41, subsection 12,
2 and the board of trustees of the applicable retirement
3 system under this chapter shall credit the member
4 whose contributions are transferred under this section
5 with membership service under this chapter for the
6 period for which the member was covered under the Iowa
7 public employees' retirement system. If the amount
8 transferred is less than the amount that would have
9 been contributed under section 411.8, subsection 1,
10 paragraph "f", at the rates in effect for the period
11 for which contributions were made plus the interest
12 that would have accrued on the amount, the member
13 shall pay the difference together with interest that
14 would have accrued on the amount.

15 The board of trustees of the applicable retirement
16 system under this chapter shall determine the
17 remaining contribution amount due. The amount due is
18 the amount that would have been paid by the employer
19 under section 411.8, subsection 1, paragraph "f", plus
20 the interest that would have accrued on that amount.
21 The board of trustees shall notify the county board of
22 supervisors of the county in which the sheriff was
23 elected of the remaining amount to be paid to the
24 retirement system under this chapter.

25 The county board of supervisors shall forthwith pay
26 to the board of trustees of the applicable retirement
27 system the remaining amount to be paid from moneys in
28 the county general fund.

29 From the effective date of this Act, the county
30 board of supervisors of the county in which the
31 sheriff was elected shall deduct the contribution
32 required of the member under section 411.8, subsection
33 1, paragraph "f", from the member's earnable
34 compensation and the county shall pay from the county
35 general fund an amount equal to the normal rate of
36 contribution multiplied by the member's earnable
37 compensation to the applicable retirement system for
38 the period in which the member remains sheriff or
39 deputy sheriff of that county."

40 24. Page 17, by inserting after line 3 the
41 following:

42 "Sec. ____ . Section 453.4, Code 1985, is amended to
43 read as follows:

44 453.4 LOCATION OF DEPOSITORIES.

45 Deposits by the treasurer of state shall be in
46 depositories located in this state; by a county
47 officer or county public hospital officer or merged
48 area hospital officer, in depositories located in the
49 county or in an adjoining county within this state; by
50 a memorial hospital treasurer, in a depository located

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1 within this state which shall be selected by the
2 memorial hospital treasurer and approved by the
3 memorial hospital commission; by a city treasurer or
4 other city financial officer, in depositories located
5 in the county in which the city is located or in an
6 adjoining county, but if there is no depository in the
7 county in which the city is located or in an adjoining
8 county then in any other depository located in this
9 state which shall be selected as a depository by the
10 city council; by a school treasurer or by a school
11 secretary in a depository within this state which
12 shall be selected by the board of directors or the
13 trustees of the school district; by a township clerk
14 in a depository located within this state which shall
15 be selected by the township clerk and approved by the
16 trustees of the township. However, deposits may be
17 made in depositories outside of Iowa for the purpose
18 of paying principal and interest on bonded
19 indebtedness of any municipality when the deposit is
20 made not more than ten days before the date the
21 principal or interest becomes due. Further, the
22 treasurer of state may maintain an account or accounts
23 outside the state of Iowa for the purpose of providing
24 custodial services for the state and state retirement
25 fund accounts."

26 25. Page 17, by inserting after line 3 the fol-
27 lowing:

28 "Sec. _____. Section 509A.13, Code 1985, is amended
29 by adding the following new unnumbered paragraph:
30 NEW UNNUMBERED PARAGRAPH. This section applies to
31 employees who retired on or after January 1, 1981."

32 26. Page 17, by inserting after line 3 the fol-
33 lowing:

34 "Sec. _____. Section 422.7, Code Supplement 1985, is
35 amended by adding the following new subsection:

36 NEW SUBSECTION. 21. Add the four percent of the
37 basic salary of a judge, who is a member of the
38 judicial retirement system established in chapter 602,
39 article 9, which is exempt from federal income tax
40 under the Internal Revenue Code of 1954.

41 Sec. _____. Section 602.1611, subsections 1 and 2,
42 Code 1985, are amended to read as follows:

43 1. Justices Judges of the supreme court, judges of
44 the and court of appeals, and district judges, and
45 district associate judges are members of the judicial
46 retirement system as determined under established in
47 article 9, part 1, and are not members of the public
48 employees' retirement system established in chapter
49 97B, except as provided in paragraphs "a" and "b".

50 a. District associate judges who exercised the

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1 election under section 602.11115, subsection 1, are
 2 members of the public employees' retirement system and
 3 are not members of the judicial retirement system.
 4 District associate judges who exercised the election
 5 under section 602.11115, subsection 2, are members of
 6 the judicial retirement system and are inactive
 7 members of the public employees' retirement system.

8 b. District associate judges appointed after June
 9 30, 1984, judges of the supreme court and court of ap-
 10 peals, and district judges, who were vested members of
 11 the public employees' retirement system at the time
 12 they became members of the judicial retirement system,
 13 and whose contributions in the public employees'
 14 retirement system were not refunded to them prior to
 15 the repeal of section 97B.69, are members of the
 16 judicial retirement system and are inactive vested
 17 members of the public employees' retirement system
 18 until they become qualified to receive retirement
 19 benefits from the judicial retirement system and
 20 become retired members of the public employees'
 21 retirement system or voluntarily withdraw their
 22 contributions from the public employees' retirement
 23 system.

24 2. District-associate-judges-are-members-of-the
 25 judicial-retirement-system-under-article-97-part-17-or
 26 the-Iowa-public-employees'-retirement-system-
 27 Alternate district associate judges whose appointment
 28 is authorized under section 602.6303 are not members
 29 of either the judicial retirement system or the Iowa
 30 public employees' retirement system.

31 Sec. ____ . Section 602.9104, Code 1985, is amended
 32 to read as follows:

33 602.9104 DEPOSIT-BY-JUDGE--- DEDUCTIONS FROM
 34 JUDGES' SALARIES -- CONTRIBUTIONS BY GOVERNING-BODY
 35 STATE.

36 1. Each-judge-coming-within-the-purview-of-this
 37 article-shall, on or before retirement, pay to the
 38 court-administrator for deposit with the treasurer of
 39 state to the credit of a fund to be known as the
 40 "judicial-retirement-fund", hereinafter called the
 41 "fund", a sum equal to four percent of the judge's
 42 basic salary for services as such judge for the total
 43 period of service as a judge of a municipal, superior,
 44 district or supreme court, or the court of appeals,
 45 including district-associate-judges, before the date
 46 of said notice, and after the date of the notice there
 47 shall be deducted and withheld from the basic salary
 48 of each judge coming within the purview of this
 49 article a sum equal to four percent of such basic
 50 salary.--Provided that the maximum amount which any

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1 ~~judge shall be required to contribute for past service~~
2 ~~shall not exceed for municipal or superior or district~~
3 ~~associate judges thirty-five hundred dollars, for~~
4 ~~district judges four thousand dollars, for court of~~
5 ~~appeals judges four thousand five hundred dollars, and~~
6 ~~for supreme court judges five thousand dollars. A~~
7 judge to whom this article applies, shall be paid an
8 amount equal to ninety-six percent of the basic salary
9 of the judge as set by the general assembly. An
10 amount equal to four percent of the basic salary of
11 the judge as set by the general assembly is designated
12 as the judge's contribution to the judicial retirement
13 fund, and shall be paid by the state in the manner
14 provided in subsection 2.

15 2. ~~The amounts so deducted and withheld from the~~
16 ~~basic salary of each said judge~~ The amount designated
17 in subsection 1 as the judge's contribution to the
18 judicial retirement fund shall be paid by the state
19 comptroller from the general fund of the state to the
20 court administrator for deposit with the treasurer of
21 state to the credit of the judicial retirement fund,
22 and said moneys in the fund is hereby are
23 appropriated for the payment of annuities, refunds,
24 and allowances herein provided by this article, except
25 that the amount of such the appropriations affecting
26 payment of annuities, refunds, and allowances to
27 judges of the municipal and superior court shall be is
28 limited to that part of said the fund accumulated for
29 their benefit as hereinafter provided in this article.
30 The corpus and income of the fund shall be used only
31 for the exclusive benefit of the judges covered under
32 this article or their survivors.

33 3. ~~The judges of the municipal, superior, district~~
34 ~~and supreme court, and the court of appeals, including~~
35 ~~district associate judges, coming within the~~
36 ~~provisions of~~ A judge covered under this article shall
37 be is deemed to consent and agree to the deductions
38 from reduction in basic salary as provided herein and
39 payment less such deductions shall be a full and
40 complete discharge and acquittance of all claims and
41 demands whatsoever for all regular services rendered
42 by such judges during the period covered by such
43 payment, except the right to the benefits to which
44 they shall be entitled under the provisions of this
45 article in subsection 1.

46 4. The state shall contribute a sum not exceeding
47 an amount equal to three percent of the basic salary
48 of all judges of the district and supreme court for
49 the years 1949 and 1950 and thereafter covered under
50 this article, or such sums as may be necessary over

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1 the amount contributed by the district-and-supreme
2 court judges to finance the system, but only to the
3 extent that the system applies to them. After-June
4 30, 1973, the state shall contribute such sums as may
5 be necessary over the amount contributed by district
6 associate judges to finance the system as to them for
7 the portion of their tenure after July 1, 1973, and
8 thereafter such sums as may be necessary over the
9 amount contributed by the district associate judges to
10 finance the system, but only to the extent the system
11 applies to them. After July 1, 1976, the state shall
12 contribute such sums as may be necessary over the
13 amount contributed by judges of the court of appeals
14 to finance the system, but only to the extent the
15 system applies to them.

16 Sec. _____. Section 602.9107, Code 1985, is amended
17 to read as follows:

18 602.9107 AMOUNT OF ANNUITY.

19 1. The annual annuity of a judge under this system
20 shall be is an amount equal to three percent of the
21 judge's average annual basic salary for the judge's
22 last three years as a judge of one or more of the
23 courts included in this article, multiplied by the
24 judge's years of service as a judge of one or more of
25 such the courts, but no such for which contributions
26 were made to the system. However, an annual annuity
27 shall not exceed an amount equal to fifty percent of
28 the basic annual salary that which the judge is
29 receiving at the time the judge becomes separated from
30 such service. Forfeitures shall not be used to
31 increase the annuities a judge or survivor would
32 otherwise receive under the system.

33 2. A judge shall not receive under this article in
34 any calendar year an annuity benefit which, if
35 received in the form of a straight life annuity with
36 no ancillary benefits, exceeds the lesser of the
37 following:

38 a. A dollar limitation of ninety thousand dollars
39 adjusted each January 1 to the dollar limitation
40 determined by the federal commissioner of internal
41 revenue pursuant to section 415(d) of the United
42 States Internal Revenue Code of 1954, as amended.

43 b. A compensation limit of one hundred percent of
44 the average compensation paid to the judge during
45 those three consecutive calendar years as a judge of
46 one or more of the courts included in this article
47 which give the highest average.

48 The limitations of this subsection do not apply to
49 an annuity benefit which is less than ten thousand
50 dollars.

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1 3. The limitations in subsection 2 shall be
 2 adjusted as follows:

3 a. If the annuity begins prior to the sixty-second
 4 birthday of the judge, the dollar limitation shall be
 5 equal to an annual annuity benefit which is equal to
 6 the actuarial equivalent of an annuity benefit
 7 commencing on the sixty-second birthday of the judge,
 8 but not below seventy-five thousand dollars.

9 b. If the annuity begins after the sixty-fifth
 10 birthday of the judge, the dollar limitation shall be
 11 equal to an annual annuity benefit which is the
 12 actuarial equivalent of an annuity benefit commencing
 13 on the sixty-fifth birthday of the judge.

14 c. If the annuity begins prior to the judge having
 15 ten years of creditable service, the dollar
 16 limitation, the one hundred percent of average
 17 compensation limitation, and the exception for an
 18 annuity benefit which is less than ten thousand
 19 dollars, shall be reduced by a fraction, the numerator
 20 of which is the total years and months of creditable
 21 service, and the denominator of which is ten.

22 For purposes of the limitations of this subsection,
 23 the actuarial equivalent shall be determined from
 24 actuarial tables using the 1983 group annuity table
 25 for males and five percent interest compounded
 26 annually. The value of the joint and survivorship
 27 feature of an annuity shall not be taken into account
 28 in applying the limitations of this section.

29 4. This section is intended to meet the
 30 requirements of section 415 of the United States
 31 Internal Revenue Code and shall be construed in
 32 accordance with that section, and shall, by this
 33 reference, incorporate any subsequent changes to that
 34 section which apply to the judicial retirement system.

35 Sec. ____ . Section 602.9108, Code 1985, is amended
 36 to read as follows:

37 602.9108 INDIVIDUAL ACCOUNTS -- REFUNDING.

38 The amounts deducted and withheld from the basic
 39 salary of each judge of the municipal, superior,
 40 district or supreme court, or court of appeals,
 41 including district associate judges, for the credit of
 42 amount designated as the judge's contribution to the
 43 judicial retirement fund in section 602.9104,
 44 subsection 1, and all amounts paid into such the fund
 45 by each a judge shall be credited to the individual
 46 account of such the judge. In the event if a judge of
 47 the municipal, superior, district or supreme court, or
 48 court of appeals, including district associate judges,
 49 covered under this article becomes separated from
 50 service as such a judge before the judge completes an

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1 aggregate of six years of service as a judge of one or
2 more of such the courts, the total amount of ~~the~~
3 ~~judge's contribution to the fund in the judge's~~
4 individual account shall be returned to ~~said the judge~~
5 or the judge's legal representatives, ~~and in the event~~
6 within one year of the separation. If a judge, who is
7 covered under this article and who has completed an
8 aggregate of six years or more of service as a judge
9 of one or more of such the courts, dies before
10 retirement, without a survivor, the total amount of
11 ~~the judge's contribution to the fund in the judge's~~
12 individual account shall be paid in one sum to the
13 judge's legal representatives, and in the event within
14 one year of the judge's death. If an annuitant under
15 this section dies without a survivor, and without
16 having received in annuities an amount equal to the
17 total amount ~~remaining to the annuitant's credit in~~
18 the judge's individual account at the time of
19 separation from service, the amount remaining to the
20 annuitant's credit shall be paid in one sum to the
21 annuitant's legal representatives within one year of
22 the annuitant's death.

23 Sec. _____. Section 602.9114, Code 1985, is amended
24 to read as follows:

25 602.9114 FORFEITURE OF BENEFITS -- REFUND.

26 ~~In the event~~ If a judge of ~~the supreme, district or~~
27 ~~municipal court including a district associate judge,~~
28 ~~or a judge of the court of appeals,~~ covered under this
29 part is removed for cause other than permanent
30 disability the judge and the judge's survivor shall
31 forfeit the right to any retirement benefits under the
32 system but the total amount of ~~the judge's~~
33 contribution to the fund in the judge's individual
34 account shall be returned to the judge or the judge's
35 legal representative representatives within one year
36 of the removal.

37 Sec. _____. Section 602.9115, Code 1985, is amended
38 to read as follows:

39 602.9115 ANNUITY FOR SURVIVOR OF ANNUITANT.

40 The survivor of a judge who was qualified for
41 retirement compensation under the system at the time
42 of the judge's death, is entitled to receive an
43 annuity of one-half of the amount of the annuity the
44 judge was receiving or would have been entitled to
45 receive at the time of the judge's death, or if the
46 judge died before age sixty-five, then one-half of the
47 amount the judge would have been entitled to receive
48 at age sixty-five based on the judge's years of
49 service for which contributions were made to the
50 system. The annuity shall begin on the judge's death

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1 or upon the survivor survivor's reaching age sixty,
2 whichever is later. However, a survivor less than
3 sixty years old may elect to receive a decreased
4 retirement annuity to begin on the judge's death by
5 filing a written election with the state court
6 administrator. The election is subject to the
7 approval of the state court administrator. The amount
8 of the decreased retirement annuity shall be the
9 actuarial equivalent of the amount of the annuity
10 otherwise payable to the survivor under this section.

11 For the purposes of this article "survivor" means
12 the surviving spouse of a person who was a judge, if
13 married to the judge for at least five-years-next one
14 year preceding the judge's death--but-does-not-include
15 a-surviving-spouse-who-remarries.

16 ~~In-the-event~~ If the judge dies leaving a survivor
17 but without receiving in annuities an amount equal to
18 the judge's credit, the balance shall be credited to
19 the account of the judge's survivor, and if the
20 survivor dies ~~without-remarrying-and~~ without receiving
21 in annuities an amount equal to said the balance, the
22 amount ~~then~~ remaining shall be paid to the survivor's
23 legal representative representatives within one year
24 of the survivor's death.

25 Sec. NEW SECTION. 602.9115A OPTIONAL
26 ANNUITY FOR JUDGE AND SURVIVOR.

27 In lieu of the annuities and refunds provided for
28 judges and judges' survivors under sections 602.9107,
29 602.9108, 602.9115, 602.9204, 602.9208, and 602.9209,
30 judges may elect to receive an optional retirement
31 annuity during the judge's lifetime and have the
32 optional retirement annuity, or a designated fraction
33 of the optional retirement annuity, continued and paid
34 to the judge's survivor after the judge's death and
35 during the lifetime of the survivor.

36 The judge shall make the election request in
37 writing to the state court administrator prior to
38 retirement. The election is subject to the approval
39 of the state court administrator. The judge may
40 revoke the election prior to retirement by written
41 request to the state court administrator, but cannot
42 revoke the election after retirement.

43 The optional retirement annuity shall be the
44 actuarial equivalent of the amounts of the annuities
45 payable to judges and survivors under sections
46 602.9107, 602.9115, 602.9204, 602.9208, and 602.9209.
47 The actuarial equivalent shall be based on the
48 mortality and interest assumptions set out in section
49 602.9107, subsection 3.

50 If the judge dies without a survivor, prior to re-

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1 tirement or prior to receipt in annuities of an amount
2 equal to the total amount remaining to the judge's
3 credit at the time of separation from service, the
4 election is null and void and the refunding provisions
5 of section 602.9108 apply.

6 If the judge dies with a survivor prior to
7 retirement, the election remains valid and the
8 survivor is entitled to receive the annuity beginning
9 at the death of the judge.

10 If the judge dies with a survivor and the survivor
11 subsequently dies prior to receipt in annuities by
12 both the judge and the survivor of an amount equal to
13 the total amount remaining to the judge's credit at
14 the time of separation from service, the election
15 remains valid and the refunding provision of section
16 602.9115 applies.

17 Sec. _____. Section 602.9204, Code 1985, is amended
18 to read as follows:

19 602.9204 ANNUITY OF SENIOR JUDGE AND RETIRED
20 SENIOR JUDGE.

21 A senior judge or a retired senior judge shall not
22 be paid a salary. A senior judge or retired senior
23 judge shall be paid an annuity under the judicial
24 retirement system in the manner provided in section
25 602.9109, but computed under this section in lieu of
26 section 602.9107, as follows: The annuity paid to a
27 senior judge or retired senior judge shall be an
28 amount equal to three percent of the current base
29 basic salary, as of the time each payment is made, of
30 the office in which the senior judge last served as a
31 judge before retirement as a judge or senior judge,
32 multiplied by the judge's years of service prior to
33 retirement as a judge of one or more of the courts
34 included under this chapter article, for which
35 contributions were made to the system, except the
36 annuity of the senior judge or retired senior judge
37 shall not exceed fifty percent of such the current
38 base basic salary."

39 27. Page 17, by inserting after line 3 the fol-
40 lowing:

41 "Sec. _____. A member of the peace officers' retire-
42 ment system employed by the department of public
43 safety as an arson investigator on the effective date
44 of this Act who became a member of the peace officers'
45 retirement system on July 1, 1976 shall receive credit
46 for membership service under the peace officers'
47 retirement system for the member's period of
48 employment as an arson investigator prior to July 1,
49 1976."

50 28. Page 17, by inserting after line 3 the fol-

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1 lowing:

2 "Sec. _____. Section 1A of this Act takes effect
3 July 1, 1986 for members receiving an ordinary
4 disability retirement allowance prior to the effective
5 date of this Act."

6 29. Page 17, by inserting after line 3 the
7 following:

8 "Sec. _____. Section 602.9105, Code 1985, is
9 repealed. Section 602.9103, Code Supplement 1985, is
10 repealed."

11 30. Page 17, line 8, by inserting after the word
12 "members" the following: ", to determine the cost of
13 vested buybacks, to determine the cost of providing
14 earlier retirement benefits for motor vehicle enforce-
15 ment officers employed by the department of transpor-
16 tation,".

17 31. By renumbering, relettering, or redesignating
18 and correcting internal references as necessary.

H-6139 FILED MAY 2, 1986 RECEIVED FROM THE SENATE
CONCURRED AS AMENDED *by 6144 (p 2129)*

HOUSE FILE 2483

H-6144

- 1 Amend the Senate amendment, H-6139, to House File
2 2483 as amended, passed, and reprinted by the House,
3 as follows:
- 4 1. Page 1, by striking lines 18 through 27.
5 2. Page 2, by inserting after line 3 the
6 following:
7 "_____. Page 5, line 15, by striking the figure
8 "7." and inserting the following: "7- 7.a."
9 3. Page 2, line 6, by striking the word "A" and
10 inserting the following: "b. A".
11 4. Page 2, by striking lines 25 through 30 and
12 inserting the following:
13 "The annual contribution necessary to pay for the
14 additional benefits provided in this paragraph, shall
15 be paid by the employer and employee in the same
16 proportion that employer and employee contributions
17 are made under section 97B.11."
18 5. Page 2, line 31, by inserting after the word
19 "DIVIDED." the following: "c."
20 6. Page 2, by inserting after line 32 the
21 following:
22 "_____. Page 5, line 35, by striking the words
23 "this subsection" and inserting the following:
24 "paragraph "a" and for the employer portion of the
25 benefits provided in paragraph "b"."
26 7. By striking page 2, line 35 through page 3,
27 line 37.
28 8. Page 3, line 39, by striking the word "four"
29 and inserting the following: "five".
30 9. Page 3, line 44, by striking the word "four"
31 and inserting the following: "five".
32 10. By striking page 3, line 48 through page 4,
33 line 20.
34 11. Page 5, by striking lines 16 through 25.
35 12. Page 5, line 30, by striking the word "A" and
36 inserting the following: "Upon the written approval
37 of the applicable county board of supervisors and city
38 council, to the Iowa public employees' retirement
39 system, a".
40 13. Page 6, line 2, by striking the words "and
41 the" and inserting the following: "together with the
42 employer contribution for that period of service plus
43 the interest that accrued on the contributions for
44 that period equal to two percent plus the interest
45 dividend rate applicable for each year. The".
46 14. Page 6, line 7, by inserting after the word
47 "amount" the following: "of the accumulated
48 contributions as defined in section 97B.41, subsection
49 12,".
50 15. Page 6, line 15, by striking the word "The"

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1 and inserting the following:

2 "If the amount of the employer contributions
3 transferred is less than the amount that would have
4 been contributed by the employer under section 411.5,
5 subsection 12, paragraph "b", plus the interest that
6 would have accrued on the contributions, the".

7 16. Page 6, by striking lines 17 through 20 and

8 inserting the following: "remaining contribution
9 amount due."

BY BLANSHAN of Greene
SWEARINGEN of Keokuk
H-6144 FILED MAY 2, 1986
ADOPTED (j. 2129)

CARPENTER of Polk
DODERER of Johnson
HAMMOND of Story

HOUSE AMENDMENT TO
SENATE BILL
HOUSE FILE 2483

S-5972

- 1 Amend the Senate amendment, H-6139, to House File
2 2483 as amended, passed, and reprinted by the House,
3 as follows:
4 1. Page 1, by striking lines 18 through 27.
5 2. Page 2, by inserting after line 3 the
6 following:
7 "____. Page 5, line 15, by striking the figure
8 "7." and inserting the following: "7- 7.a."
9 3. Page 2, line 6, by striking the word "A" and
10 inserting the following: "b. A".
11 4. Page 2, by striking lines 25 through 30 and
12 inserting the following:
13 "The annual contribution necessary to pay for the
14 additional benefits provided in this paragraph, shall
15 be paid by the employer and employee in the same
16 proportion that employer and employee contributions
17 are made under section 97B.11."
18 5. Page 2, line 31, by inserting after the word
19 "DIVIDED." the following: "c."
20 6. Page 2, by inserting after line 32 the
21 following:
22 "____. Page 5, line 35, by striking the words
23 "this subsection" and inserting the following:
24 "paragraph "a" and for the employer portion of the
25 benefits provided in paragraph "b"."
26 7. By striking page 2, line 35 through page 3,
27 line 37.
28 8. Page 3, line 39, by striking the word "four"
29 and inserting the following: "five".
30 9. Page 3, line 44, by striking the word "four"
31 and inserting the following: "five".
32 10. By striking page 3, line 48 through page 4,
33 line 20.
34 11. Page 5, by striking lines 16 through 25.
35 12. Page 5, line 30, by striking the word "A" and
36 inserting the following: "Upon the written approval
37 of the applicable county board of supervisors and city
38 council, to the Iowa public employees' retirement
39 system, a".
40 13. Page 6, line 2, by striking the words "and
41 the" and inserting the following: "together with the
42 employer contribution for that period of service plus
43 the interest that accrued on the contributions for
44 that period equal to two percent plus the interest
45 dividend rate applicable for each year. The".
46 14. Page 6, line 7, by inserting after the word
47 "amount" the following: "of the accumulated
48 contributions as defined in section 97B.41, subsection
49 12,".
50 15. Page 6, line 15, by striking the word "The"

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1 and inserting the following:

2 "If the amount of the employer contributions
3 transferred is less than the amount that would have
4 been contributed by the employer under section 411.5,
5 subsection 12, paragraph "b", plus the interest that
6 would have accrued on the contributions, the".

7 16. Page 6, by striking lines 17 through 20 and
8 inserting the following: "remaining contribution
9 amount due."

S-5972 Filed May 2, 1986 REC'D FROM THE HOUSE

AMENDED

Senate concurred 5/2 (p. 1603)

HOUSE FILE 2483

AN ACT

RELATING TO ADMINISTRATION AND BENEFITS FOR PUBLIC RETIREMENT SYSTEMS IN THIS STATE AND MAKING AN APPROPRIATION.

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

Section 1. Section 97A.6, subsection 4, Code 1985, is amended to read as follows:

4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT. Upon retirement for ordinary disability a member shall receive an ordinary disability retirement allowance which shall consist of a pension which shall equal forty fifty percent of the member's average final compensation except if the member has not had five or more years of membership service, the member shall receive a pension equal to one-fourth of the member's average final compensation.

Sec. 2. Section 97A.6, subsection 8, Code 1985, is amended by striking the subsection and inserting in lieu thereof the following:

8. a. Upon the receipt of proof of the death of a member in service, or a member not in service who has completed fifteen or more years of service as provided in subsection 1, paragraph "b", there shall be paid to the person designated by the member to the board of trustees as the member's beneficiary if the member has had one or more years of membership service and no pension is payable under subsection 9, an amount equal to fifty percent of the compensation earned by the member during the year immediately preceding the member's death if the member is in service, or an amount equal to fifty percent of the compensation earned by the member during the member's last year of service if the member is not in service.

b. In lieu of the payment specified in paragraph "a", a beneficiary meeting the qualifications of paragraph "c" may elect to receive a pension equal to forty percent of the average final compensation of the member, but not less than fifty dollars if the member was in service at the time of death. For a member not in service at the time of death, the pension shall be reduced as provided in subsection 1, paragraph "b".

For a member not in service at the time of death, the pension 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, 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.

For a member in service at the time of death, the pension shall be paid commencing with the member's death. In addition to the pension, there shall also be paid for each child of a member, a monthly pension equal to six percent of the monthly earnable compensation payable to an active member having the rank of senior patrol officer of the Iowa highway safety patrol.

For the purpose of this chapter, a senior patrol officer is a person who has completed ten years of service in the Iowa highway safety patrol.

c. The pension under paragraph "b" may be selected only by the following beneficiaries:

(1) The spouse, to continue so long as the spouse remains unmarried.

(2) If there is no spouse, or if the spouse dies or remarries and there is a child of a member, then the guardian of the member's child or children, divided as the board of trustees determines, to continue as a joint and survivor pension until every child of the member dies or attains the age of eighteen, or twenty-two if applicable.

(3) If there is no surviving spouse or child, then the member's dependent father or mother, or both, as the board of trustees determines, to continue until remarriage or death.

d. If there is no nomination of beneficiary, the benefits provided in this subsection shall be paid to the member's estate.

Sec. 3. Section 97B.8, unnumbered paragraph 2, Code Supplement 1985, is amended to read as follows:

The board shall consist of ~~seven~~ eight members. ~~Five~~ Six 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~~ three shall be ~~active~~ members of the system, one of whom shall be an active member who is an employee of a school district, area education agency, or merged area, and one of whom shall be an active member who is not be an employee of a school district, area education agency, or merged area, and one of whom is a retired member of the system. 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 are ex officio members of the board.

Sec. 4. Section 97B.41, subsection 1, paragraph b, subparagraph (8), Code 1985, is amended to read as follows:

(8) For each calendar year from January 1, 1988 and thereafter, except as provided in subparagraph (9), wages not in excess of twenty-four thousand dollars.

Sec. 5. Section 97B.41, subsection 1, paragraph b, Code 1985, is amended by adding after subparagraph (8) the following new subparagraph (9) and renumbering the remaining subparagraphs:

NEW SUBPARAGRAPH. (9) For each calendar year thereafter, the department shall increase the covered wages limitation by one thousand dollars if the annual actuarial valuation of the assets and liabilities of the retirement system indicates that the cost of the increase in covered wages can be absorbed within the employer and employee contribution rates in effect under section 97B.11. However, covered wages shall not exceed forty thousand dollars for a calendar year.

Sec. 6. Section 97B.41, subsection 11, Code 1985, is amended to read as follows:

11. "Retired member" means a member who ~~had~~ has applied for and commenced receiving the member's retirement allowance. A member has not established a bona fide retirement if the member accepts other employment as defined in this section before qualifying for at least one calendar month's retirement benefits under this chapter.

Sec. 7. Section 97B.41, subsection 13, paragraph c, Code 1985, is amended to read as follows:

c. The termination at the end of the school year of the contract of employment of an employee ~~who-is-a-teacher~~ in the public schools of the state of Iowa, provided the employee enters into a further contract of employment ~~as-a-teacher~~ in the public schools of the state of Iowa for the next succeeding school year.

Sec. 8. Section 97B.41, subsection 19, Code 1985, is amended to read as follows:

19. "~~Five-year~~ Three-year average covered wage" means a member's covered wages averaged for the highest ~~five~~ three 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~~ three 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 ~~third~~ year by combining the wages from the highest quarter or quarters not being used in the selection of the four ~~two~~ highest years with the final quarter or quarters of the member's service to create a full year. If the ~~five-year~~ three-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~~ three-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. 9. Section 97B.45, Code 1985, is amended to read as follows:

97B.45 RETIREMENT AGE AT SIXTY-FIVE.

A member's normal retirement date ~~shall be the~~ is any of the following, whichever is applicable to the member:

1. The first of the month in which a member attains the age of sixty-five years if the member has not completed thirty years of membership service.
2. The first of the month in which the member attains the age of sixty-two years if the member has completed thirty years of membership service.
3. The first of any month in which the member has completed thirty years of membership service if the member has attained the age of sixty-two years but is not yet sixty-five years of age.

PARAGRAPH DIVIDED. A member may retire after the member's sixty-fifth birthday except as otherwise provided in section 97B.46. A member retiring on or after the normal retirement date, as provided in section 97B.46, shall submit a written notice to the department setting forth the date the retirement is to become effective, ~~provided that such.~~ The date shall be after the member's last day of service and not before the first day of the sixth calendar month preceding the month in which the notice is filed, except that credit for service shall cease ceases when contributions cease as provided in section 97B.11.

Sec. 10. Section 97B.49, subsection 5, unnumbered paragraph 1, Code Supplement 1985, is amended to read as follows:

For each active member retiring ~~between January 1, 1976 and June 30, 1982~~ on or after July 1, 1986, 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~~ fifty percent of the ~~five-year~~ three-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. 11. Section 97B.49, subsection 7, Code Supplement 1985, is amended to read as follows:

~~7.~~ 7. a. Notwithstanding other provisions of this chapter, a member who is or has been employed as a conservation peace officer under section 107.13 and who retires ~~between July 1, 1978 and June 30, 1982~~ on or after July 1, 1986, 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~~ fifty percent of the member's ~~five-year~~ three-year average covered wage as a conservation peace officer, 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.~~

b. A conservation peace officer who retires on or after July 1, 1986 and has not completed twenty-five years of membership service as required under this subsection is eligible to receive a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as a conservation peace officer multiplied by a fraction of years of service as a conservation peace officer. For the purpose 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 as a conservation peace officer, divided by twenty-five years. On or after July 1, 1986, if the conservation peace officer has not reached sixty years of age at retirement, the monthly retirement allowance shall be reduced by five-tenths of one percent per month for each month that the conservation peace officer's retirement precedes the date on which the conservation peace officer attains sixty years of age.

The annual contribution necessary to pay for the additional benefits provided in this paragraph, shall be paid by the employer and employee in the same proportion that employer and employee contributions are made under section 97B.11.

PARAGRAPH DIVIDED. c. There is appropriated from the general fund of the state to the Iowa department of job service from funds not otherwise appropriated an actuarially-determined amount sufficient to pay eight-and-forty-three hundredths-percent-of-the-covered-wages-of-each-conservation peace-officer, for the additional benefits provided in paragraph "a" and for the employer portion of the benefits provided in paragraph "b". The amount is 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. 12. Section 97B.49, subsection 8, paragraph a, unnumbered paragraph 1, Code Supplement 1985, is amended to read as follows:

~~Notwithstanding 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 section 341-17, Code 1981, or section 331-903, and who retires between January 1, 1978 and June 30, 1982 peace officer and who retires on or after July 1, 1986, 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 peace officer, 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 fifty percent of the member's five-year three-year average covered wage as a sheriff or deputy-sheriff peace officer, 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.~~

Sec. 13. Section 97B.49, subsection 8, paragraph a, unnumbered paragraph 2, Code Supplement 1985, is amended by striking the unnumbered paragraph.

Sec. 14. Section 97B.49, subsection 8, paragraph a, unnumbered paragraph 3, Code Supplement 1985, is amended to read as follows:

A peace officer who retires on or after July 1, 1984 1986 and has not completed twenty-five years of membership service as required under this subsection is eligible to receive a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as a peace officer multiplied by a the fraction of years of service as a peace officer. For the purpose 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 as a peace officer, divided by twenty-five years. On or after July 1, 1984, if the peace officer has not reached sixty years of

age at retirement, the monthly retirement allowance shall be reduced by five-tenths of one percent per month for each month that the peace officer's retirement precedes the date on which the peace officer attains sixty years of age.

Sec. 15. Section 97B.49, subsection 10, unnumbered paragraph 1, Code Supplement 1985, 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 Iowa department of corrections and who retires on or after July 1, ~~1983~~ 1986 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 fifty percent of the member's ~~five-year~~ three-year average covered ~~wages~~ wage as a correctional officer, with benefits payable during the member's lifetime.

Sec. 16. Section 97B.49, subsection 10, unnumbered paragraph 3, Code Supplement 1985, is amended to read as follows:

The Iowa department of corrections shall pay to the Iowa department of job service, from funds appropriated to the Iowa department of corrections, an actuarially-determined amount sufficient to pay ~~one-and-seventy-one-hundredths-percent-of-the-covered-wages-of-each-correctional-officer,~~ for the additional benefits provided in this subsection. The amount is in addition to the employer contributions required in section 97B.11 ~~to pay for the lower retirement age for correctional officers provided in this subsection.~~

Sec. 17. Section 97B.49, subsection 13, Code Supplement 1985, is amended to read as follows:

13. a. Each member who retired from the system between January 1, 1976 and June 30, 1982, or a contingent annuitant

or beneficiary of such a member, shall receive with the November ~~1984~~ 1986 and the November ~~1985~~ 1987 monthly benefit payments a retirement dividend equal to fifty percent of the monthly benefit payment the member received for the preceding June. The retirement dividend does not affect the amount of a monthly benefit payment.

b. Each member who retired from the system between July 4, 1953 and December 31, 1975, or a contingent annuitant or beneficiary of such a member, shall receive with the November ~~1984~~ 1986 and the November ~~1985~~ 1987 monthly benefit payments a retirement dividend equal to seventy-five percent of the monthly benefit payment the member received for the preceding June. The retirement dividend does not affect the amount of a monthly benefit payment.

c. Notwithstanding the determination of the amount of a retirement dividend under paragraph "a" or "b", a retirement dividend shall not be less than twenty-five dollars.

Sec. 18. Section 97B.49, Code Supplement 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 14. Notwithstanding other provisions of this chapter, a member who is or has been employed by the office of disaster services as an airport firefighter who retires on or after July 1, 1986, 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 an airport firefighter, 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 fifty percent of the member's three-year average covered wage as an airport firefighter, with benefits payable during the member's lifetime.

An airport firefighter who retires on or after July 1, 1986 and has not completed twenty-five years of membership service as required under this subsection is eligible to receive a monthly retirement allowance equal to one-twelfth of fifty

percent of the member's three-year average covered wage as an airport firefighter multiplied by a fraction of years of service as an airport firefighter. For the purpose 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 as an airport firefighter, divided by twenty-five years. On or after July 1, 1986, if the airport firefighter has not reached sixty years of age at retirement, the monthly retirement allowance shall be reduced by five-tenths of one percent per month for each month that the airport firefighter's retirement precedes the date on which the airport firefighter attains sixty years of age.

The employer and each employee eligible for benefits under this subsection shall annually contribute an actuarially determined amount specified by the department, as a percentage of covered wages, that is necessary to pay for the additional benefits provided by this subsection. The annual contribution in excess of the employer and employee contributions required in section 97B.11 shall be paid by the employer and the employee in the same proportion that the employer and employee contributions are made under section 97B.11.

There is appropriated from the general fund of the state to the department from funds not otherwise appropriated an amount sufficient to pay the employer share of the cost of the additional benefits provided in this subsection.

Sec. 19. Section 97B.50, subsection 1, paragraph a, Code 1985, is amended to read as follows:

a. For a member who is less than sixty-two years of age and has not completed thirty years of membership service, by five-tenths of one percent per month for each month that the member's early retirement date precedes the normal retirement date.

Sec. 20. Section 97B.50, subsection 1, paragraph b, Code 1985, is amended to read as follows:

b. For a member who is at least sixty-two years of age and less than sixty-five years of age and who has not completed thirty-five thirty years of membership service and prior service, by twenty-five hundredths of one percent per month for each month that the early retirement date precedes the normal retirement date.

Sec. 21. Section 97B.50, subsections 2, 3, and 4, Code 1985, are amended to read as follows:

2. A member who has completed thirty or more years of service who retires from the system due to disability and commences receiving disability benefits pursuant to the United States Social Security Act (42 U.S.C.), as amended to July 1, 1978, who is eligible for early retirement, but has not reached the normal retirement date, shall receive full benefits under section 97B.49 and shall not have benefits reduced upon retirement as required under subsection 1 of this section. This section takes effect July 1, 1986 for a member meeting the requirements of this subsection who retired from the system at any time between July 4, 1953 and June 30, 1978.

3. A member who has not completed thirty years of service who retires from the system due to disability and commences receiving disability benefits pursuant to the United States Social Security Act (42 U.S.C.), as amended to July 1, 1978, who is eligible for early retirement, but has not reached the normal retirement date, shall upon retirement have benefits received under section 97B.49 reduced by twenty-five hundredths of one percent per month for each month that the early retirement date precedes the normal retirement date. This section takes effect July 1, 1986 for a member meeting the requirements of this subsection who retired from the system at any time between July 4, 1953 and June 30, 1978.

4. A member who is at least sixty-two years of age and less than sixty-five years of age who has completed thirty-five thirty or more years of membership service and prior service shall receive full benefits under section 97B.49

determined as if the member had attained sixty-five years of age. For a member who is at least fifty-nine but less than sixty-two years of age who has completed at least thirty years of service, the monthly retirement allowance shall be reduced by twenty-five hundredths percent per month for each month that the member's retirement date precedes the member's sixty-second birthday. For a member who is at least fifty-five years of age and less than fifty-nine years of age who has completed thirty years of membership service, the monthly retirement allowance shall be reduced by five-tenths percent per month for each month that the member's retirement date precedes the member's normal retirement date.

Sec. 22. Section 97B.51, unnumbered paragraph 1, Code 1985, is amended to read as follows:

Each member ~~shall have~~ has the right ~~at any time~~ prior to the member's retirement date to elect to have the member's retirement allowance payable under one of the options ~~hereinafter~~ set forth in this section in lieu of the retirement allowance otherwise payable to the member upon retirement ~~under any of the provisions of~~ the retirement system. The amount of any the optional retirement allowance shall be the actuarial equivalent of the amount of ~~such the~~ retirement allowance otherwise payable to the member. The member shall make ~~such an~~ election by written request to the department and ~~such an the~~ election ~~will be~~ is subject to the approval of the department. If the member is married, election of an option under this section requires the written acknowledgement of the member's spouse.

Sec. 23. NEW SECTION. 97B.72A FORMER LEGISLATIVE MEMBERS AND EMPLOYEES.

A vested member of the system who was a member or temporary employee of the general assembly prior to July 1, 1986 but was not eligible under this chapter to elect coverage under the system for all or a portion of the period of service as a member of the general assembly, or period of employment as a

temporary employee of the general assembly, at any time on or after July 4, 1953, may make contributions to the system for all or a portion of that period of service or employment. The contributions shall be equal to the accumulated contributions as defined in section 97B.41, subsection 12, which would have been made if the member or employee of the general assembly had been a member of the system during the period of service elected. The member of the system shall submit proof to the department of membership or employment in the general assembly. The department shall credit the member of the system with the period of membership service for which contributions are made.

There is appropriated from the general fund of the state to the department an amount sufficient to pay the contributions of the employer based on the period of service of members of the general assembly or employment of employees of the general assembly for which the member paid accumulated contributions under this section. The amount appropriated is equal to the employer contributions which would have been made if the members of the system who made employee contributions had been members of the system during the period for which they made employee contributions under this section plus two percent interest plus the interest dividend rate applicable for each year compounded annually.

Sec. 24. NEW SECTION. 97B.76 PUBLIC RETIREMENT SYSTEMS COMMITTEE ESTABLISHED.

1. A public retirement systems committee is established. The committee consists of five members of the senate appointed by the majority leader of the senate in consultation with the minority leader and five members of the house of representatives appointed by the speaker of the house in consultation with the minority leader. The committee shall elect a chairperson and vice chairperson. Meetings may be called by the chairperson or a majority of the members.

Members shall be appointed prior to January 31 of the first regular session of each general assembly and shall serve for terms ending upon the convening of the following general assembly or when their successors are appointed, whichever is later. A vacancy shall be filled in the same manner as the original appointment and shall be for the remainder of the unexpired term of the vacancy.

2. The members of the committee shall be reimbursed for actual and necessary expenses incurred in the performance of their duties and shall be paid forty dollars for each day in which they engaged in the performance of their duties. However, per diem compensation and expenses shall not be paid when the general assembly is actually in session at the seat of government. Expenses and per diem shall be paid from funds appropriated pursuant to section 2.12.

3. The committee shall:

- a. Develop and recommend retirement standards and a coherent state policy on public retirement systems.
 - b. Continuously survey pension and retirement developments in other states and in industry and business and periodically review the state's policy and standards in view of these developments and changing economic and social conditions.
 - c. Review the provisions in the public retirement systems in effect in this state.
 - d. Review individually sponsored bills relating to the public retirement systems.
 - e. Review proposals from interested associations and organizations recommending changes in the state's retirement laws.
 - f. Study the feasibility of adopting a consolidated retirement system for the public employees of this state.
 - g. Make recommendations to the general assembly.
4. The committee may contract for actuarial assistance deemed necessary, and the costs of actuarial studies are payable from funds appropriated in section 2.12, subject to

the approval of the legislative council. The committee may administer oaths, issue subpoenas, and cite for contempt with the approval of the general assembly when the general assembly is in session and with the approval of the legislative council when the general assembly is not in session.

Administrative assistance shall be provided by the legislative service bureau and the legislative fiscal bureau.

Sec. 25. The public retirement systems committee may direct the department of personnel to conduct a study of the public retirement systems established in this state and to provide to the committee by March 1, 1987, an analysis of its findings and recommendations concerning modification to or consolidation of the existing systems. If the committee directs the department of personnel to conduct the study, there is appropriated from the Iowa public employees' retirement system fund an amount sufficient to pay the costs of the study. The department of personnel shall determine the portion of the cost of the study to be allocated to each public retirement system in this state and shall notify the governing boards of each public system. Each governing board shall reimburse the Iowa public employees' retirement system fund for its share of the cost from moneys available to the governing boards.

Sec. 26. Section 410.6, subsections 1 and 2, Code 1985, are amended to read as follows:

1. ~~As-of-the-first-of-July-each-year~~ On each July 1 and January 1, the monthly pension authorized in this chapter payable to each retired member and to each beneficiary, except children, of a deceased member shall be recomputed. The applicable formulas authorized in this chapter which were used to compute the retired member's or beneficiary's pension at the time of retirement or death shall be used in the recomputation except the earnable compensation payable on each July 1 or January 1 to an active member having the same or equivalent rank or position as was held by such retired or

deceased member at the time of retirement or death, shall be used in lieu of the final compensation which the retired or deceased member was receiving at the time of retirement or death. At no time shall the monthly pension or payment to the beneficiary be less than the amount which was paid at the time of such member's retirement or death.

2. All monthly pensions adjusted as provided in this section shall be payable beginning on July 1 or January 1 of the year which the adjustment is made and shall continue in effect until the next ~~following-July-1~~ adjustment at which time the monthly pension shall again be recomputed and all monthly pensions adjusted in accordance with the computations.

Sec. 27. Section 411.6, subsection 4, Code 1985, is amended to read as follows:

4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT. Upon retirement for ordinary disability a member shall receive an ordinary disability retirement allowance which shall consist of a pension which shall equal ~~forty~~ fifty percent of the member's average final compensation except if the member has not had five or more years of membership service the member shall receive a pension equal to one-fourth of the member's average final compensation.

Sec. 28. Section 411.6, subsection 8, Code 1985, is amended by striking the subsection and inserting in lieu thereof the following:

8. a. Upon the receipt of proof of the death of a member in service, or a member not in service who has completed fifteen or more years of service as provided in subsection 1, paragraph "b", there shall be paid to the person designated by the member to the board of trustees as the member's beneficiary if the member has had one or more years of membership service and no pension is payable under subsection 9, an amount equal to fifty percent of the compensation earnable by the member during the year immediately preceding the member's death if the member is in service, or an amount

equal to fifty percent of the compensation earned by the member during the member's last year of service if the member is not in service.

b. In lieu of the payment specified in paragraph "a", a beneficiary meeting the qualifications of paragraph "c" may elect to receive a pension equal to forty percent of the average final compensation of the member, but not less than seventy-five dollars if the member was in service at the time of death. For a member not in service at the time of death, the pension shall be reduced as provided in subsection 1, paragraph "b".

For a member not in service at the time of death, the pension 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, 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.

For a member in service at the time of death, the pension shall be paid commencing with the member's death. In addition to the pension, there shall also be paid for each child of a member, 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.

c. The pension under paragraph "b" may be selected only by the following beneficiaries:

- (1) The spouse, to continue so long as the spouse remains unmarried.
- (2) If there is no spouse, or if the spouse dies or remarries and there is a child of a member, then the guardian of the member's child or children, divided as the board of

trustees determines, to continue as a joint and survivor pension until every child of the member dies or attains the age of eighteen, or twenty-two if applicable.

(3) If there is no surviving spouse or child, then the member's dependent father or mother, or both, as the board of trustees determines, to continue until remarriage or death.

d. If there is no nomination of beneficiary, the benefits provided in this subsection shall be paid to the member's estate.

Sec. 29. Section 411.9, Code 1985, is amended to read as follows:

411.9 MILITARY SERVICE EXCEPTIONS.

Any A member who is absent while serving in the armed services of the United States or its allies and is discharged or separated ~~therefrom~~ from the armed services under honorable conditions shall have ~~any-such~~ the period or periods of absence while serving in ~~such the~~ armed services on-other-than a-voluntary-basis-and-one-such-period-of-absence, not in excess of four years unless any period in excess of four years is at the request and for the convenience of the federal government, while-serving-in-such-armed-forces-on-a-voluntary basis included as part of the member's period of service in the department. ~~Such The~~ The member shall not ~~be-required-to~~ continue the contributions required of the member under section 411.8 during ~~such the~~ the period of military service, ~~provided-that~~ if the member ~~shall~~, within six months after the member has been discharged or separated under honorable conditions from ~~such~~ military service, ~~return-and-resume~~ returns and resumes duties in the department, and ~~provided further-that-such~~ if the member shall-be is declared physically capable of resuming such duties upon examination by the medical board. A period of absence may exceed four years at the request and for the convenience of the federal government.

Sec. 30. NEW SECTION. 411.30 TRANSFER OF MEMBERSHIP.

Upon the written approval of the applicable county board of supervisors and city council, to the Iowa public employees' retirement system, a vested member of the Iowa public employees' retirement system on June 30, 1986 who meets all of the following requirements shall become a member of a retirement system under this chapter on the effective date of this Act:

1. Was a vested member of the retirement system established in this chapter on June 30, 1973.
2. Was an elected bailiff of a municipal court on June 30, 1973.
3. Became a deputy sheriff on July 1, 1973 and pursuant to 1972 Iowa Acts, chapter 1124, section 43, continued coverage under a retirement system under this chapter.
4. Upon election as a county sheriff, was transferred from membership under this chapter to membership in a retirement system established in chapter 97B.

The Iowa public employees' retirement system shall transfer to the board of trustees of the applicable retirement system under this chapter an amount equal to the total of the accumulated contributions of the member as defined in section 97B.41, subsection 12, together with the employer contribution for that period of service plus the interest that accrued on the contributions for that period equal to two percent plus the interest dividend rate applicable for each year. The board of trustees of the applicable retirement system under this chapter shall credit the member whose contributions are transferred under this section with membership service under this chapter for the period for which the member was covered under the Iowa public employees' retirement system. If the amount of the accumulated contributions as defined in section 97B.41, subsection 12, transferred is less than the amount that would have been contributed under section 411.8, subsection 1, paragraph "f", at the rates in effect for the period for which contributions were made plus the interest

that would have accrued on the amount, the member shall pay the difference together with interest that would have accrued on the amount.

If the amount of the employer contributions transferred is less than the amount that would have been contributed by the employer under section 411.5, subsection 12, paragraph "b", plus the interest that would have accrued on the contributions, the board of trustees of the applicable retirement system under this chapter shall determine the remaining contribution amount due. The board of trustees shall notify the county board of supervisors of the county in which the sheriff was elected of the remaining amount to be paid to the retirement system under this chapter.

The county board of supervisors shall forthwith pay to the board of trustees of the applicable retirement system the remaining amount to be paid from moneys in the county general fund.

From the effective date of this Act, the county board of supervisors of the county in which the sheriff was elected shall deduct the contribution required of the member under section 411.8, subsection 1, paragraph "f", from the member's earnable compensation and the county shall pay from the county general fund an amount equal to the normal rate of contribution multiplied by the member's earnable compensation to the applicable retirement system for the period in which the member remains sheriff or deputy sheriff of that county.

Sec. 31. Section 453.4, Code 1985, is amended to read as follows:

453.4 LOCATION OF DEPOSITORIES.

Deposits by the treasurer of state shall be in depositories located in this state; by a county officer or county public hospital officer or merged area hospital officer, in depositories located in the county or in an adjoining county within this state; by a memorial hospital treasurer, in a depository located within this state which shall be selected

by the memorial hospital treasurer and approved by the memorial hospital commission; by a city treasurer or other city financial officer, in depositories located in the county in which the city is located or in an adjoining county, but if there is no depository in the county in which the city is located or in an adjoining county then in any other depository located in this state which shall be selected as a depository by the city council; by a school treasurer or by a school secretary in a depository within this state which shall be selected by the board of directors or the trustees of the school district; by a township clerk in a depository located within this state which shall be selected by the township clerk and approved by the trustees of the township. However, deposits may be made in depositories outside of Iowa for the purpose of paying principal and interest on bonded indebtedness of any municipality when the deposit is made not more than ten days before the date the principal or interest becomes due. Further, the treasurer of state may maintain an account or accounts outside the state of Iowa for the purpose of providing custodial services for the state and state retirement fund accounts.

Sec. 32. Section 509A.13, Code 1985, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. This section applies to employees who retired on or after January 1, 1981.

Sec. 33. Section 422.7, Code Supplement 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 21. Add the four percent of the basic salary of a judge, who is a member of the judicial retirement system established in chapter 602, article 9, which is exempt from federal income tax under the Internal Revenue Code of 1954.

Sec. 34. Section 602.1611, subsections 1 and 2, Code 1985, are amended to read as follows:

1. Justices Judges of the supreme court, judges-of-the and court of appeals, and district judges, and district associate judges are members of the judicial retirement system as determined under established in article 9, part 1, and are not members of the public employees' retirement system established in chapter 97B, except as provided in paragraphs "a" and "b".

a. District associate judges who exercised the election under section 602.11115, subsection 1, are members of the public employees' retirement system and are not members of the judicial retirement system. District associate judges who exercised the election under section 602.11115, subsection 2, are members of the judicial retirement system and are inactive members of the public employees' retirement system.

b. District associate judges appointed after June 30, 1984, judges of the supreme court and court of appeals, and district judges, who were vested members of the public employees' retirement system at the time they became members of the judicial retirement system, and whose contributions in the public employees' retirement system were not refunded to them prior to the repeal of section 97B.69, are members of the judicial retirement system and are inactive vested members of the public employees' retirement system until they become qualified to receive retirement benefits from the judicial retirement system and become retired members of the public employees' retirement system or voluntarily withdraw their contributions from the public employees' retirement system.

2. District-associate-judges-are-members-of-the-judicial retirement-system-under-article-9, part-1, or-the-Iowa-public employees'-retirement-system. Alternate district associate judges whose appointment is authorized under section 602.6303 are not members of either the judicial retirement system or the Iowa public employees' retirement system.

Sec. 35. Section 602.9104, Code 1985, is amended to read as follows:

602.9104 DEPOSIT-BY-JUDGE--- DEDUCTIONS FROM JUDGES' SALARIES -- CONTRIBUTIONS BY GOVERNING-BODY STATE.

1. Each-judge-coming-within-the-purview-of-this-article shall, on-or-before-retirement, pay-to-the-court-administrator for-deposit-with-the-treasurer-of-state-to-the-credit-of-a fund-to-be-known-as-the-"judicial-retirement-fund", hereinafter-called-the-"fund", a-sum-equal-to-four-percent-of the-judge's-basic-salary-for-services-as-such-judge-for-the total-period-of-service-as-a-judge-of-a-municipal, superior, district-or-supreme-court, or-the-court-of-appeals, including district-associate-judges, before-the-date-of-said-notice, and after-the-date-of-the-notice-there-shall-be-deducted-and withheld-from-the-basic-salary-of-each-judge-coming-within-the purview-of-this-article-a-sum-equal-to-four-percent-of-such basic-salary.---Provided-that-the-maximum-amount-which-any judge-shall-be-required-to-contribute-for-past-service-shall not-exceed-for-municipal-or-superior-or-district-associate judges-thirty-five-hundred-dollars, for-district-judges-four thousand-dollars, for-court-of-appeals-judges-four-thousand five-hundred-dollars, and-for-supreme-court-judges-five thousand-dollars. A judge to whom this article applies, shall be paid an amount equal to ninety-six percent of the basic salary of the judge as set by the general assembly. An amount equal to four percent of the basic salary of the judge as set by the general assembly is designated as the judge's contribution to the judicial retirement fund, and shall be paid by the state in the manner provided in subsection 2.

2. The-amounts-so-deducted-and-withheld-from-the-basic salary-of-each-said-judge The amount designated in subsection 1 as the judge's contribution to the judicial retirement fund shall be paid by the state comptroller from the general fund of the state to the court administrator for deposit with the treasurer of state to the credit of the judicial retirement fund, and-said. Moneys in the fund is-hereby are appropriated for the payment of annuities, refunds, and allowances herein

provided by this article, except that the amount of such the appropriations affecting payment of annuities, refunds, and allowances to judges of the municipal and superior court shall be is limited to that part of said the fund accumulated for their benefit as hereinafter provided in this article. The corpus and income of the fund shall be used only for the exclusive benefit of the judges covered under this article or their survivors.

3. ~~The judges of the municipal, superior, district and supreme court, and the court of appeals, including district associate judges, coming within the provisions of A judge covered under this article shall be~~ is deemed to consent and agree to the deductions from reduction in basic salary as provided herein and ~~payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services rendered by such judges during the period covered by such payment, except the right to the benefits to which they shall be entitled under the provisions of this article in subsection 1.~~

4. The state shall contribute ~~a sum not exceeding an amount equal to~~ an amount equal to three percent of the basic salary of all judges ~~of the district and supreme court for the years 1949 and 1950 and thereafter~~ covered under this article, or such sums as may be necessary over the amount contributed by the district and supreme court judges to finance the system, but only to the extent that the system applies to them. ~~After June 30, 1973, the state shall contribute such sums as may be necessary over the amount contributed by district associate judges to finance the system as to them for the portion of their tenure after July 1, 1973, and thereafter such sums as may be necessary over the amount contributed by the district associate judges to finance the system, but only to the extent the system applies to them. After July 1, 1976, the state shall contribute such sums as may be necessary over the amount contributed by judges of the court of appeals to finance the system, but only to the extent the system applies to them.~~

Sec. 36. Section 602.9107, Code 1985, is amended to read as follows:

602.9107 AMOUNT OF ANNUITY.

1. The annual annuity of a judge under this system shall be is an amount equal to three percent of the judge's average annual basic salary for the judge's last three years as a judge of one or more of the courts included in this article, multiplied by the judge's years of service as a judge of one or more of such the courts, but no such for which contributions were made to the system. However, an annual annuity shall not exceed an amount equal to fifty percent of the basic annual salary that which the judge is receiving at the time the judge becomes separated from such service. Forfeitures shall not be used to increase the annuities a judge or survivor would otherwise receive under the system.

2. A judge shall not receive under this article in any calendar year an annuity benefit which, if received in the form of a straight life annuity with no ancillary benefits, exceeds the lesser of the following:

a. A dollar limitation of ninety thousand dollars adjusted each January 1 to the dollar limitation determined by the federal commissioner of internal revenue pursuant to section 415(d) of the United States Internal Revenue Code of 1954, as amended.

b. A compensation limit of one hundred percent of the average compensation paid to the judge during those three consecutive calendar years as a judge of one or more of the courts included in this article which give the highest average.

The limitations of this subsection do not apply to an annuity benefit which is less than ten thousand dollars.

3. The limitations in subsection 2 shall be adjusted as follows:

a. If the annuity begins prior to the sixty-second birthday of the judge, the dollar limitation shall be equal to

an annual annuity benefit which is equal to the actuarial equivalent of an annuity benefit commencing on the sixty-second birthday of the judge, but not below seventy-five thousand dollars.

b. If the annuity begins after the sixty-fifth birthday of the judge, the dollar limitation shall be equal to an annual annuity benefit which is the actuarial equivalent of an annuity benefit commencing on the sixty-fifth birthday of the judge.

c. If the annuity begins prior to the judge having ten years of creditable service, the dollar limitation, the one hundred percent of average compensation limitation, and the exception for an annuity benefit which is less than ten thousand dollars, shall be reduced by a fraction, the numerator of which is the total years and months of creditable service, and the denominator of which is ten.

For purposes of the limitations of this subsection, the actuarial equivalent shall be determined from actuarial tables using the 1983 group annuity table for males and five percent interest compounded annually. The value of the joint and survivorship feature of an annuity shall not be taken into account in applying the limitations of this section.

4. This section is intended to meet the requirements of section 415 of the United States Internal Revenue Code and shall be construed in accordance with that section, and shall, by this reference, incorporate any subsequent changes to that section which apply to the judicial retirement system.

Sec. 37. Section 602.9108, Code 1985, is amended to read as follows:

602.9108 INDIVIDUAL ACCOUNTS -- REFUNDING.

The amounts deducted and withheld from the basic salary of each judge of the municipal, superior, district or supreme court, or court of appeals, including district associate judges, for the credit of amount designated as the judge's contribution to the judicial retirement fund in section

602.9104, subsection 1, and all amounts paid into such the fund by each a judge shall be credited to the individual account of such the judge. In-the-event If a judge of-the municipal, superior, district or supreme court, or court of appeals, including district associate judges, covered under this article becomes separated from service as such a judge before the judge completes an aggregate of six years of service as a judge of one or more of such the courts, the total amount of-the-judge's-contribution-to-the-fund in the judge's individual account shall be returned to said the judge or the judge's legal representatives, and-in-the-event within one year of the separation. If a judge, who is covered under this article and who has completed an aggregate of six years or more of service as a judge of one or more of such the courts, dies before retirement, without a survivor, the total amount of-the-judge's-contribution-to-the-fund in the judge's individual account shall be paid in one sum to the judge's legal representatives, and-in-the-event within one year of the judge's death. If an annuitant under this section dies without a survivor, and without having received in annuities an amount equal to the total amount remaining-to-the annuitant's-credit in the judge's individual account at the time of separation from service, the amount remaining to the annuitant's credit shall be paid in one sum to the annuitant's legal representatives within one year of the annuitant's death.

Sec. 38. Section 602.9114, Code 1985, is amended to read as follows:

602.9114 FORFEITURE OF BENEFITS -- REFUND.

In-the-event If a judge of-the-supreme, district or municipal court including a district associate judge, or a judge of-the-court-of-appeals, covered under this part is removed for cause other than permanent disability the judge and the judge's survivor shall forfeit the right to any retirement benefits under the system but the total amount of

~~the judge's contribution to the fund~~ in the judge's individual account shall be returned to the judge or the judge's legal ~~representative~~ representatives within one year of the removal.

Sec. 39. Section 602.9115, Code 1985, is amended to read as follows:

602.9115 ANNUITY FOR SURVIVOR OF ANNUITANT.

The survivor of a judge who was qualified for retirement compensation under the system at the time of the judge's death, is entitled to receive an annuity of one-half of the amount of the annuity the judge was receiving or would have been entitled to receive at the time of the judge's death, or if the judge died before age sixty-five, then one-half of the amount the judge would have been entitled to receive at age sixty-five based on the judge's years of service for which contributions were made to the system. The annuity shall begin on the judge's death or upon the survivor ~~survivor's~~ reaching age sixty, whichever is later. However, a survivor less than sixty years old may elect to receive a decreased retirement annuity to begin on the judge's death by filing a written election with the state court administrator. The election is subject to the approval of the state court administrator. The amount of the decreased retirement annuity shall be the actuarial equivalent of the amount of the annuity otherwise payable to the survivor under this section.

For the purposes of this article "survivor" means the surviving spouse of a person who was a judge, if married to the judge for at least ~~five years next one year~~ preceding the judge's death, ~~but does not include a surviving spouse who remarries.~~

~~In the event~~ If the judge dies leaving a survivor but without receiving in annuities an amount equal to the judge's credit, the balance shall be credited to the account of the judge's survivor, and if the survivor dies ~~without remarrying~~ and without receiving in annuities an amount equal to ~~said~~ the balance, the amount ~~then~~ remaining shall be paid to the

survivor's legal ~~representative~~ representatives within one year of the survivor's death.

Sec. 40. NEW SECTION. 602.9115A OPTIONAL ANNUITY FOR JUDGE AND SURVIVOR.

In lieu of the annuities and refunds provided for judges and judges' survivors under sections 602.9107, 602.9108, 602.9115, 602.9204, 602.9208, and 602.9209, judges may elect to receive an optional retirement annuity during the judge's lifetime and have the optional retirement annuity, or a designated fraction of the optional retirement annuity, continued and paid to the judge's survivor after the judge's death and during the lifetime of the survivor.

The judge shall make the election request in writing to the state court administrator prior to retirement. The election is subject to the approval of the state court administrator. The judge may revoke the election prior to retirement by written request to the state court administrator, but cannot revoke the election after retirement.

The optional retirement annuity shall be the actuarial equivalent of the amounts of the annuities payable to judges and survivors under sections 602.9107, 602.9115, 602.9204, 602.9208, and 602.9209. The actuarial equivalent shall be based on the mortality and interest assumptions set out in section 602.9107, subsection 3.

If the judge dies without a survivor, prior to retirement or prior to receipt in annuities of an amount equal to the total amount remaining to the judge's credit at the time of separation from service, the election is null and void and the refunding provisions of section 602.9108 apply.

If the judge dies with a survivor prior to retirement, the election remains valid and the survivor is entitled to receive the annuity beginning at the death of the judge.

If the judge dies with a survivor and the survivor subsequently dies prior to receipt in annuities by both the judge and the survivor of an amount equal to the total amount

remaining to the judge's credit at the time of separation from service, the election remains valid and the refunding provision of section 602.9115 applies.

Sec. 41. Section 602.9204, Code 1985, is amended to read as follows:

602.9204 ANNUITY OF SENIOR JUDGE AND RETIRED SENIOR JUDGE.

A senior judge or a retired senior judge shall not be paid a salary. A senior judge or retired senior judge shall be paid an annuity under the judicial retirement system in the manner provided in section 602.9109, but computed under this section in lieu of section 602.9107, as follows: The annuity paid to a senior judge or retired senior judge shall be an amount equal to three percent of the current ~~base~~ basic salary, as of the time each payment is made, of the office in which the senior judge last served as a judge before retirement as a judge or senior judge, multiplied by the judge's years of service prior to retirement as a judge of one or more of the courts included under this chapter article, for which contributions were made to the system, except the annuity of the senior judge or retired senior judge shall not exceed fifty percent of ~~such~~ the current ~~base~~ basic salary.

Sec. 42. A member of the peace officers' retirement system employed by the department of public safety as an arson investigator on the effective date of this Act who became a member of the peace officers' retirement system on July 1, 1976 shall receive credit for membership service under the peace officers' retirement system for the member's period of employment as an arson investigator prior to July 1, 1976.

Sec. 43. Section 1 of this Act takes effect July 1, 1986 for members receiving an ordinary disability retirement allowance prior to the effective date of this Act.

Sec. 44. Section 602.9105, Code 1985, is repealed. Section 602.9103, Code Supplement 1985, is repealed.

Sec. 45. The Iowa public employees' retirement system division of the department of personnel is directed to conduct

a study during the 1986 legislative interim to develop various alternatives for payment of death benefits to spouses of deceased active members and of deceased retired members, to determine the cost of vested buybacks, to determine the cost of providing earlier retirement benefits for motor vehicle enforcement officers employed by the department of transportation, and to make recommendations to the general assembly meeting in 1987.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2483, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 29, 1986

TERRY E. BRANSTAD
Governor