

Reprinted 3/88

MAR 4 1988

Place On Calendar

HOUSE FILE 2405  
BY COMMITTEE ON STATE GOVERNMENT

(Formerly House Study Bill 580)

Passed House, Date 3/10/88 (by 105) Passed Senate, Date 4/16/88  
Vote: Ayes 92 Nays 1 Vote: Ayes 43 Nays 4  
Approved May 13, 1988

**A BILL FOR**

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

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

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HF 2405

1 Section 1. Section 97A.1, subsection 2, Code 1987, is  
2 amended to read as follows:

3 2. "Peace officer" or "peace officers" shall mean all  
4 members of the divisions of highway safety and uniformed force  
5 and criminal investigation and bureau of identification in the  
6 department of public safety, except clerical workers, who have  
7 passed a satisfactory physical and mental examination and have  
8 been duly appointed as members of the state department of  
9 public safety in accordance with ~~the provisions of~~ section  
10 80.15, and the division of drug law enforcement, and arson  
11 investigators in the department of public safety hired prior  
12 to July 1, 1988, except clerical workers, and the division of  
13 beer and liquor law enforcement of the department of public  
14 safety, except clerical workers.

15 Sec. 2. Section 97A.6, subsection 8, paragraph b,  
16 unnumbered paragraph 1, Code 1987, is amended to read as  
17 follows:

18 In lieu of the payment specified in paragraph "a," a  
19 beneficiary meeting the qualifications of paragraph "c" may  
20 elect to receive a monthly pension equal to one-twelfth of  
21 forty percent of the average final compensation of the member,  
22 but not less than fifty-dollars an amount equal to twenty  
23 percent of the monthly earnable compensation paid to an active  
24 member having the rank of senior patrol officer of the Iowa  
25 highway safety patrol if the member was in service at the time  
26 of death. For a member not in service at the time of death,  
27 the pension shall be reduced as provided in subsection 1,  
28 paragraph "b".

29 Sec. 3. Section 97A.6, subsection 14, paragraph a,  
30 subparagraph (2), Code 1987, is amended to read as follows:

31 (2) Twenty percent for members with five or more years of  
32 membership service who are receiving an ordinary disability  
33 retirement allowance. However, effective July 1, 1984, for  
34 members who retired before July 1, 1979, and effective July 1,  
35 1988, for members who retire on or after July 1, 1988, twenty-

1 five percent shall be used for members who are receiving an  
2 ordinary disability retirement allowance.

3 Sec. 4. Section 97A.9, Code 1987, is amended to read as  
4 follows:

5 97A.9 MILITARY SERVICE EXCEPTIONS.

6 Any A member who is absent from duty as a peace officer  
7 while serving in the armed services of the United States or  
8 its allies and is discharged or separated ~~therefrom~~ from  
9 service in the armed forces under honorable conditions shall  
10 have ~~any-such~~ the period ~~or-periods~~ of absence while serving  
11 in ~~such~~ the armed services on other than a voluntary basis and  
12 one ~~such~~ period of absence, not in excess of four years, while  
13 serving in ~~such~~ the armed forces on a voluntary basis,  
14 included as part of the member's period of service in the  
15 department. ~~Such~~ The member ~~shall~~ is not be required to  
16 continue the contributions required of the member under  
17 section 97A.8, during ~~such~~ the period of military service,  
18 ~~provided-that~~ if the member ~~shall~~, within ~~six-months~~ one year  
19 after the member has been discharged or separated under  
20 honorable conditions from ~~such~~ military service ~~return~~  
21 returns, and ~~resume~~ resumes the member's duties in the  
22 department, and ~~provided-further;-that-such~~ if the member  
23 ~~shall-be~~ is declared physically capable ~~of-resuming-such~~ to  
24 resume those duties upon examination by the medical board.

25 Sec. 5. Section 97B.2, Code 1987, is amended to read as  
26 follows:

27 97B.2 PURPOSE OF CHAPTER.

28 The purpose of this chapter is to promote economy and  
29 efficiency in the public service by providing an orderly means  
30 ~~whereby~~ for employees ~~who-become-superannuated-may~~, without  
31 hardship or prejudice, ~~be-replaced-by-more-capable-employees;~~  
32 ~~and-to-that-end-providing~~ to have a retirement system which  
33 will provide for the payment of annuities ~~to-public-employees,~~  
34 ~~thereby~~ enabling the employees to care for themselves in  
35 retirement, and which ~~by-its-provisions~~ will improve public

1 employment within the state, reduce excessive personnel  
2 turnover, and offer suitable attraction to high-grade men and  
3 women to enter public service in the state.

4 Sec. 6. Section 97B.4, unnumbered paragraph 2, Code 1987,  
5 is amended to read as follows:

6 The department, members of the investment board, and the  
7 treasurer of state are not personally liable for actions or  
8 omissions, under this chapter that do not involve malicious or  
9 wanton misconduct even if those actions or omissions violate  
10 the standards established in section 97B.7.

11 Sec. 7. Section 97B.4, Code 1987, is amended by adding the  
12 following new unnumbered paragraph:

13 NEW UNNUMBERED PARAGRAPH. In the administration of the  
14 investment of moneys in the fund, employees of the department  
15 and members of the board may travel outside the state for the  
16 purpose of meeting with investment firms and consultants and  
17 attending conferences and meetings to fulfill their fiduciary  
18 responsibilities. This travel is not subject to section  
19 421.38, subsection 2.

20 Sec. 8. Section 97B.7, subsection 2, paragraph b,  
21 unnumbered paragraph 1, Code 1987, is amended to read as  
22 follows:

23 Invest, subject to chapter 12A, the portion of the  
24 retirement fund which in the judgment of the department is not  
25 needed for current payment of benefits under this chapter.  
26 The department shall execute the disposition and investment of  
27 moneys in the retirement fund in accordance with the  
28 investment policy and goal statement established by the  
29 investment board. In the investment of the fund, the  
30 department and investment board shall exercise the judgment  
31 and care, under the circumstances then prevailing, which  
32 persons of prudence, discretion, and intelligence exercise in  
33 the management of their own affairs ~~as provided in section~~  
34 633-123, subsection 1, not for the purpose of speculation, but  
35 with regard to the permanent disposition of the funds,

1 considering the probable income, as well as the probable  
2 safety, of their capital. Within the limitations of the  
3 standard prescribed in this section, a fiduciary may acquire  
4 and retain every kind of property and every kind of investment  
5 which persons of prudence, discretion, and intelligence  
6 acquire or retain for their own account.

7 Sec. 9. Section 97B.7, subsection 2, paragraph b,  
8 unnumbered paragraph 4, Code 1987, is amended to read as  
9 follows:

10 Consistent with this paragraph, investments made under this  
11 paragraph shall be made in a manner that will enhance the  
12 economy of this state, and in particular, will result in  
13 increased employment of the residents of this state.

14 Investments of moneys in the fund are not subject to sections  
15 73.15 through 73.21.

16 Sec. 10. Section 97B.7, subsection 2, paragraph b,  
17 unnumbered paragraph 5, Code 1987, is amended to read as  
18 follows:

19 If Except as provided in section 97B.4, if there is loss on  
20 the-redemption-or-sale-of-securities,-where-invested-as  
21 prescribed-by-law,-neither to the fund, the treasurer, nor the  
22 department is, and the board are not personally liable, but  
23 and the loss shall be charged against the retirement fund, and  
24 there There is appropriated from the retirement fund an the  
25 amount as required for-the to cover a loss. Expenses incurred  
26 in the sale and purchase of securities belonging to the  
27 retirement fund shall be charged to the retirement fund, and  
28 there is appropriated from the retirement fund an the amount  
29 as required for the expenses incurred. Investment management  
30 expenses shall be charged to the investment income of the  
31 retirement fund, and there is appropriated from the retirement  
32 fund an the amount as required for the investment management  
33 expenses, subject to the limitations stated in this  
34 subparagraph. The amount appropriated for a fiscal year under  
35 this subparagraph shall not exceed one-half percent of the

1 market value of the retirement fund. The department shall  
2 report the investment management expenses for a fiscal year as  
3 a percent of the market value of the retirement fund in the  
4 annual report to the governor required in section 97B.4. A  
5 person who has signed a contract with the department for  
6 investment management purposes shall meet the requirements for  
7 doing business in Iowa sufficient to be subject to tax under  
8 rules of the department of revenue and finance.

9 Sec. 11. Section 97B.8, unnumbered paragraph 3, Code 1987,  
10 is amended to read as follows:

11 The members who are executives of a domestic life insurance  
12 company, a state or national bank, and a major industrial  
13 corporation, and the member who is a retired member of the  
14 system, shall be paid their actual expenses incurred in  
15 performance of their duties and shall receive in addition the  
16 sum of forty dollars for each day of service not exceeding  
17 forty days per year. Legislative members shall receive forty  
18 dollars for each day of service and their actual expenses  
19 incurred in the performance of their duties. The per diem and  
20 expenses of the legislative members shall be paid from funds  
21 appropriated under section 2.12. The members who are active  
22 members of the system and the director of the department shall  
23 be paid their actual expenses incurred in the performance of  
24 their duties as members of the board and performance of their  
25 duties as members of the board shall not affect their  
26 salaries, ~~vacation~~ vacations, or leaves of absence for  
27 sickness or injury. The appointive terms of the members  
28 appointed by the governor are for a period of six years  
29 beginning and ending as provided in section 69.19. If there  
30 is a vacancy in the membership of the board, the governor has  
31 the power of appointment. Appointees to this board are  
32 subject to confirmation by the senate.

33 Sec. 12. Section 97B.9, unnumbered paragraph 1, Code 1987,  
34 is amended to read as follows:

35 Contributions unpaid on the date on which they are due and

1 payable as prescribed by the department, shall bear interest  
2 at the combined interest and dividend rate of one-half of one  
3 per-centum-per-month-from-and-after-such-date-until-payment  
4 plus-accrued-interest-is-received-by-the-department required  
5 under section 97B.70 for the applicable calendar year,  
6 provided that the department may prescribe fair and reasonable  
7 regulations pursuant to which such the interest shall not  
8 accrue with respect to contributions required. Interest  
9 collected pursuant to this section shall be paid into the Iowa  
10 public employees' retirement fund.

11 Sec. 13. Section 97B.11, Code 1987, is amended to read as  
12 follows:

13 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

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

30 Sec. 14. Section 97B.15, Code 1987, is amended to read as  
31 follows:

32 97B.15 RULES.

33 The department ~~shall-have-full-power-and-authority-to~~ may  
34 make rules under chapter 17A and to establish procedures, not  
35 inconsistent with ~~the-provisions-of~~ this chapter, which are

1 necessary or appropriate to carry-out-such-provisions  
2 implement this chapter and shall adopt reasonable and proper  
3 rules to regulate and provide for the nature and extent of the  
4 proofs and evidence and the method of taking and furnishing  
5 the same proofs and evidence in order to establish the right  
6 to benefits hereunder under this chapter. The department may  
7 adopt rules to conform the requirements for receipt of  
8 retirement benefits under this chapter to the mandates of  
9 applicable federal statutes and regulations governing age  
10 discrimination or the taxation of distributions.

11 Sec. 15. Section 97B.16, Code 1987, is amended by striking  
12 the section and inserting in lieu thereof the following:

13 97B.16 PROCEDURE OF DEPARTMENT.

14 The department shall make decisions as to the rights of an  
15 individual applying for a payment under this chapter. When  
16 requested by an individual, or a person who makes a showing in  
17 writing that the individual's or person's rights may be  
18 prejudiced by a decision the department has made, a hearing  
19 shall be scheduled under the Iowa administrative procedures  
20 Act, chapter 17A. If a hearing is held, the decision shall,  
21 on the basis of evidence adduced at the hearing, be affirmed,  
22 modified, or reversed under chapter 17A.

23 Sec. 16. Section 97B.17, Code 1987, is amended to read as  
24 follows:

25 97B.17 RECORDS MAINTAINED.

26 The department shall establish and maintain records of each  
27 member, including but not limited to the amount of wages of  
28 each member, the contribution of each member with interest,  
29 and interest dividends credited thereon, and such these  
30 records shall-be are the basis for the compilation of the  
31 retirement benefits provided under this chapter. Such The  
32 following records maintained under this chapter containing  
33 personal identifiable information are not public records for  
34 the purposes of chapter 22:

35 1. Records containing social security numbers.



1 2. Records listing designated beneficiaries.

2 3. Records specifying amounts accumulated in members'  
3 active accounts.

4 4. Records containing names, addresses, and amounts of  
5 monthly benefits to which members or their beneficiaries are  
6 entitled.

7 5. Records containing names, addresses, and amounts of  
8 lump sum refund payments to terminated members or their  
9 beneficiaries.

10 Summary information concerning the demographics of the  
11 members and general statistical information concerning the  
12 system is subject to chapter 22, as well as aggregate  
13 information by category.

14 However, the department's records shall-be are evidence for  
15 the purpose of proceedings before the department or any court  
16 of the amounts of such wages and the periods in which they  
17 were paid, and the absence of an entry as to ~~an individual's a~~  
18 member's wages in such the records for any period ~~shall-be is~~  
19 evidence that no wages were not paid ~~such-individual that~~  
20 member in such the period.

21 Sec. 17. Section 97B.37, Code 1987, is amended to read as  
22 follows:

23 97B.37 RECOGNITION OF AGENTS.

24 The department may prescribe rules governing the  
25 recognition of agents or other persons, ~~other-than-attorneys~~  
26 ~~as-hereinafter-provided~~, representing claimants before the  
27 department, and may require of such the agents or other  
28 persons, before being recognized as representatives of  
29 claimants, that they ~~shall~~ show that they are of good  
30 character and in good repute, possessed of the necessary  
31 qualifications to enable them to render such the claimants  
32 valuable service, and otherwise competent to advise and assist  
33 such the claimants in the presentation of their cases. An  
34 ~~attorney-in-good-standing-who-is-admitted-to-practice-before~~  
35 ~~the-district-or-supreme-court-of-the-state,-shall-be-entitled~~

1 ~~to represent claimants before the department upon filing with~~  
2 ~~the department a certificate of the attorney's right to so~~  
3 ~~practice from the presiding judge or clerk of any such court-~~  
4 Claimants may be represented by counsel at their own expense.

5 Sec. 18. Section 97B.4i, subsection 1, paragraph a,  
6 unnumbered paragraph 1, Code Supplement 1987, is amended to  
7 read as follows:

8 "Wages" means all remuneration for employment, including  
9 the cash value of remuneration paid in a medium other than  
10 cash, but not including the cash value of remuneration paid in  
11 a medium other than cash necessitated by the convenience of  
12 the employer. The amount agreed upon by the employer and  
13 employee for remuneration paid in a medium other than cash  
14 shall be reported to the department by the employer and is  
15 conclusive of the value of the remuneration. However,  
16 remuneration which does not equal or exceed the sum of three  
17 hundred dollars in a calendar quarter shall be excluded.

18 "Wages" does not include special lump sum payments made as  
19 payment for accrued sick leave or accrued vacation or payments  
20 made as an incentive for early retirement or as payments made  
21 upon dismissal, severance, or a special bonus payment. Wages  
22 for an elected official means the salary received by an  
23 elected official, exclusive of expense and travel allowances.

24 Sec. 19. Section 97B.4i, subsection 1, paragraph b,  
25 unnumbered paragraph 1, Code Supplement 1987, is amended to  
26 read as follows:

27 "Covered wages" means wages of a member during the periods  
28 of membership service, including any amount a member may use  
29 to fund a cafeteria benefit plan unless the amounts used are  
30 exempt from the federal income tax and social security, as  
31 follows:

32 Sec. 20. Section 97B.4i, subsection 1, paragraph b,  
33 subparagraph (8), Code Supplement 1987, is amended to read as  
34 follows:

35 (8) For ~~each~~ the calendar year from January 1, 1988, and

1 ~~thereafter, except as provided in subparagraph (9)~~ through  
2 December 31, 1988, wages not in excess of twenty-four thousand  
3 dollars.

4 Sec. 21. Section 97B.41, subsection 1, paragraph b, Code  
5 Supplement 1987, is amended by adding the following new  
6 subparagraph:

7 NEW SUBPARAGRAPH. (8A) For the calendar year beginning  
8 January 1, 1989, and thereafter, except as provided in  
9 subparagraph (9), wages not in excess of twenty-five thousand  
10 dollars.

11 Sec. 22. Section 97B.41, subsection 1, paragraph b,  
12 subparagraph (9), Code Supplement 1987, is amended to read as  
13 follows:

14 (9) For Commencing July 1, 1990, for each calendar year  
15 ~~thereafter~~, the department shall increase the covered wages  
16 limitation by one two thousand dollars if the annual actuarial  
17 valuation of the assets and liabilities of the retirement  
18 system indicates that the cost of the increase in covered  
19 wages can be absorbed within the employer and employee  
20 contribution rates in effect under section 97B.11. However,  
21 covered wages shall not exceed forty thousand dollars for a  
22 calendar year.

23 Sec. 23. Section 97B.41, subsection 1, paragraph b,  
24 subparagraph (10), Code Supplement 1987, is amended to read as  
25 follows:

26 (10) Effective July 1, ~~1978~~ 1988, covered wages shall ~~shall~~ does  
27 not include wages to a member on or ~~after the first of the~~  
28 ~~month in which the member attains the age of seventy years, or~~  
29 after the effective date of the member's retirement unless the  
30 member is ~~re-employed~~ reemployed, as provided under section  
31 97B.48, subsection 3.

32 Sec. 24. Section 97B.41, subsection 3, paragraph a,  
33 unnumbered paragraph 2, Code Supplement 1987, is amended to  
34 read as follows:

35 If an interstate agency is established under chapter 28E

1 and similar enabling legislation in an adjoining state, and a  
2 city employer had made contributions to the system for  
3 employees performing functions which are transferred to the  
4 interstate agency, the employees of the interstate agency who  
5 perform those functions shall be considered to be employees of  
6 the city employer for the sole purpose of membership in the  
7 system, although the employer contributions for those  
8 employees are made by the interstate agency.

9 Sec. 25. Section 97B.41, subsection 3, paragraph b,  
10 subparagraph (2), Code Supplement 1987, is amended to read as  
11 follows:

12 ~~(2) Members-of-the-general-assembly-of-Iowa~~ Elective  
13 officials not included in subparagraph (1) and temporary  
14 employees of the general assembly of Iowa unless ~~such-members~~  
15 the elected officials or employees shall make an application  
16 to the department to be covered under ~~the-provisions-of~~ this  
17 chapter. ~~A-member-of-the-general-assembly~~ An elected official  
18 not covered under subparagraph (1) or a temporary employee of  
19 the general assembly who made an application to the department  
20 to be covered under this chapter may terminate membership  
21 under this chapter by informing the department in writing of  
22 the ~~member's~~ elected official's or temporary employee's  
23 termination.

24 Sec. 26. Section 97B.41, subsection 10, Code Supplement  
25 1987, is amended by adding the following new paragraph:

26 NEW PARAGRAPH. e. On or after July 1, 1988, an inactive  
27 member who had accumulated, as of the date of the member's  
28 last termination of employment, years of membership service  
29 equal to or exceeding the years of membership service  
30 specified in this subsection for qualifying as a vested member  
31 on that date of termination.

32 Sec. 27. Section 97B.41, subsection 13, paragraph a, Code  
33 Supplement 1987, is amended to read as follows:

34 a. Service in the armed forces of the United States during  
35 a period of war or national emergency, provided if the

1 employee was employed by the employer immediately prior to  
2 entry into such the armed forces, and further-provided if the  
3 employee was released from such service and returns to  
4 employment with the employer within ninety-days twelve months  
5 of the date on which the employee ~~shall have~~ has the right of  
6 release from such service or within such a longer period as  
7 ~~may be~~ provided by the applicable laws of the United States  
8 ~~applicable-thereto~~.

9 Sec. 28. Section 97B.41, subsection 17, Code Supplement  
10 1987, is amended to read as follows:

11 17. "Membership service" means service rendered by a  
12 member after July 4, 1953, ~~and prior to the first of the month~~  
13 ~~in which the member attains the age of seventy years~~. Years  
14 of membership service shall be counted to the complete quarter  
15 calendar year.

16 Sec. 29. Section 97B.43, Code 1987, is amended by adding  
17 the following new unnumbered paragraph:

18 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member  
19 eligible for an increased retirement allowance because of the  
20 repayment of contributions under this section is entitled to  
21 receipt of retroactive adjustment payments for no more than  
22 six months immediately preceding the month in which written  
23 notice was submitted to the department.

24 Sec. 30. Section 97B.45, Code 1987, is amended by adding  
25 the following new subsection:

26 NEW SUBSECTION. 4. The first of any month in which a  
27 member meets the membership service and age requirements to  
28 retire under section 97B.49, subsection 15.

29 Sec. 31. Section 97B.46, subsection 1, Code Supplement  
30 1987, is amended to read as follows:

31 1. A member who is ~~an employee of the state and~~ not an  
32 active member of any other retirement system in the state  
33 which is maintained in whole or in part by public  
34 contributions may remain in service beyond the date the member  
35 attains the age of sixty-five. The employee shall retire on

1 the first day of the month after the last day of service. The  
2 employer shall not consider age as a factor in determining the  
3 continuation of the member's service.

4 Sec. 32. Section 97B.46, subsection 2, Code Supplement  
5 1987, is amended by striking the subsection.

6 Sec. 33. Section 97B.48, subsection 3, Code 1987, is  
7 amended to read as follows:

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

34 Sec. 34. Section 97B.49, subsection 7, paragraph a, Code  
35 Supplement 1987, is amended to read as follows:

1 a. Notwithstanding other provisions of this chapter, a  
2 member who is or has been employed as a conservation peace  
3 officer under section 107.13 and who retires on or after July  
4 1, 1986, and before July 1, 1988, and at the time of  
5 retirement is at least sixty years of age and has completed at  
6 least twenty-five years of membership service as a  
7 conservation peace officer, may elect to receive, in lieu of  
8 the receipt of any benefits under subsection 5 of this  
9 section, a monthly retirement allowance equal to one-twelfth  
10 of fifty percent of the member's three-year average covered  
11 wage as a conservation peace officer, with benefits payable  
12 during the member's lifetime.

13 Sec. 35. Section 97B.49, subsection 7, paragraph b,  
14 unnumbered paragraph 1, Code Supplement 1987, is amended to  
15 read as follows:

16 A conservation peace officer who retires on or after July  
17 1, 1986, and before July 1, 1988, and has not completed  
18 twenty-five years of membership service as required under this  
19 subsection is eligible to receive a monthly retirement  
20 allowance equal to one-twelfth of fifty percent of the  
21 member's three-year average covered wage as a conservation  
22 peace officer multiplied by a fraction of years of service as  
23 a conservation peace officer. For the purpose of this  
24 subsection, "fraction of years of service" means a number, not  
25 to exceed one, equal to the sum of the years of membership  
26 service as a conservation peace officer, divided by twenty-  
27 five years. On or after July 1, 1986, if the conservation  
28 peace officer has not reached sixty years of age at  
29 retirement, the monthly retirement allowance shall be reduced  
30 by five-tenths of one percent per month for each month that  
31 the conservation peace officer's retirement precedes the date  
32 on which the conservation peace officer attains sixty years of  
33 age.

34 Sec. 36. Section 97B.49, subsection 8, paragraph a,  
35 unnumbered paragraphs 1 and 2, Code Supplement 1987, are

1 amended to read as follows:

2 Notwithstanding other provisions of this chapter, a member  
3 who is or has been employed as a peace officer and who retires  
4 on or after July 1, 1986, and before July 1, 1988, and at the  
5 time of retirement is at least sixty years of age and has  
6 completed at least twenty-five years of membership service as  
7 a peace officer, may elect to receive, in lieu of the benefits  
8 under subsection 5 of this section, a monthly retirement  
9 allowance equal to one-twelfth of fifty percent of the  
10 member's three-year average covered wage as a peace officer,  
11 with benefits payable during the member's lifetime.

12 A peace officer who retires on or after July 1, 1986, and  
13 before July 1, 1988, and has not completed twenty-five years  
14 of membership service as required under this subsection is  
15 eligible to receive a monthly retirement allowance equal to  
16 one-twelfth of fifty percent of the member's three-year  
17 average covered wage as a peace officer multiplied by the  
18 fraction of years of service as a peace officer. For the  
19 purpose of this subsection, "fraction of years of service"  
20 means a number, not to exceed one, equal to the sum of the  
21 years of membership service as a peace officer, divided by  
22 twenty-five years. On or after July 1, 1984, if the peace  
23 officer has not reached sixty years of age at retirement, the  
24 monthly retirement allowance shall be reduced by five-tenths  
25 of one percent per month for each month that the peace  
26 officer's retirement precedes the date on which the peace  
27 officer attains sixty years of age.

28 Sec. 37. Section 97B.49, subsection 10, unnumbered  
29 paragraph 1, Code Supplement 1987, is amended to read as  
30 follows:

31 Notwithstanding sections of this chapter relating to  
32 eligibility for and determination of retirement benefits, a  
33 vested member who is or has been employed as a correctional  
34 officer by the Iowa department of corrections and who retires  
35 on or after July 1, 1986, and before July 1, 1988, and at the



1 time of retirement is at least sixty years of age and has  
2 completed at least thirty years of membership service as a  
3 correctional officer, may elect to receive, in lieu of the  
4 receipt of benefits under subsection 5 of this section, a  
5 monthly retirement allowance equal to one-twelfth of fifty  
6 percent of the member's three-year average covered wage as a  
7 correctional officer, with benefits payable during the  
8 member's lifetime.

9 Sec. 38. Section 97B.49, subsection 13, paragraphs a and  
10 b, Code Supplement 1987, are amended to read as follows:

11 a. Each A member who retired from the system between  
12 January 1, 1976, and June 30, 1982, or a contingent annuitant  
13 or beneficiary of such a member, shall receive with the  
14 November ~~1986~~ 1988 and the November ~~1987~~ 1989 monthly benefit  
15 payments a retirement dividend equal to ~~fifty~~ seventy-five  
16 percent of the monthly benefit payment the member received for  
17 the preceding June. The retirement dividend does not affect  
18 the amount of a monthly benefit payment.

19 b. Each member who retired from the system between July 4,  
20 1953, and December 31, 1975, or a contingent annuitant or  
21 beneficiary of such a member, shall receive with the November  
22 ~~1986~~ 1988 and the November ~~1987~~ 1989 monthly benefit payments  
23 a retirement dividend equal to ~~seventy-five~~ one hundred  
24 percent of the monthly benefit payment the member received for  
25 the preceding June. The retirement dividend does not affect  
26 the amount of a monthly benefit payment.

27 Sec. 39. Section 97B.49, subsection 13, Code Supplement  
28 1987, is amended by adding the following new paragraph:

29 NEW PARAGRAPH. d. If the member dies on or after July 1  
30 of the dividend year but before the payment date, the full  
31 amount of the retirement dividend for that year shall be paid  
32 to the designated beneficiary.

33 Sec. 40. Section 97B.49, subsection 14, unnumbered  
34 paragraphs 1 and 2, Code Supplement 1987, are amended to read  
35 as follows:

1 Notwithstanding other provisions of this chapter, a member  
2 who is or has been employed by the office of disaster services  
3 as an airport firefighter who retires on or after July 1,  
4 1986, and before July 1, 1988, and at the time of retirement  
5 is at least sixty years of age and has completed at least  
6 twenty-five years of membership service as an airport  
7 firefighter, may elect to receive, in lieu of the receipt of  
8 any benefits under subsection 5 of this section, a monthly  
9 retirement allowance equal to one-twelfth of fifty percent of  
10 the member's three-year average covered wage as an airport  
11 firefighter, with benefits payable during the member's  
12 lifetime.

13 An airport firefighter who retires on or after July 1,  
14 1986, and before July 1, 1988, and has not completed twenty-  
15 five years of membership service as required under this  
16 subsection is eligible to receive a monthly retirement  
17 allowance equal to one-twelfth of fifty percent of the  
18 member's three-year average covered wage as an airport  
19 firefighter multiplied by a fraction of years of service as an  
20 airport firefighter. For the purpose of this subsection,  
21 "fraction of years of service" means a number, not to exceed  
22 one, equal to the sum of the years of membership service as an  
23 airport firefighter, divided by twenty-five years. On or  
24 after July 1, 1986, if the airport firefighter has not reached  
25 sixty years of age at retirement, the monthly retirement  
26 allowance shall be reduced by five-tenths of one percent per  
27 month for each month that the airport firefighter's retirement  
28 precedes the date on which the airport firefighter attains  
29 sixty years of age.

30 Sec. 41. Section 97B.49, Code Supplement 1987, is amended  
31 by adding the following new subsection:

32 NEW SUBSECTION. 15. In lieu of the monthly benefit  
33 computed under subsections 1 and 3 as applicable, or  
34 subsection 5, for each active member retiring on or after July  
35 1, 1988, who is at least fifty-five years of age and for which

1 the sum of the number of years of membership service and prior  
2 service and the member's age in years as of the member's last  
3 birthday equals or exceeds ninety-two, a monthly benefit shall  
4 be computed which is equal to fifty percent of the three-year  
5 average covered wage of the member.

6 Sec. 42. Section 97B.49, Code Supplement 1987, is amended  
7 by adding the following new subsection:

8 NEW SUBSECTION. 16. a. Notwithstanding other provisions  
9 of this chapter, a member who is or has been employed in a  
10 protection occupation who retires on or after July 1, 1988,  
11 and at the time of retirement is at least sixty years of age  
12 and has completed at least twenty-five years of membership  
13 service in a protection occupation, may elect to receive in  
14 lieu of the receipt of any benefits under subsections 5 or 15,  
15 a monthly retirement allowance equal to one-twelfth of fifty  
16 percent of the member's three year average covered wage as a  
17 member who has been employed in a protection occupation, with  
18 benefits payable during the member's lifetime.

19 b. A member covered under this subsection who retires on  
20 or after July 1, 1988, and has not completed the twenty-five  
21 years of membership service required under paragraph "a" is  
22 eligible to receive a monthly retirement allowance equal to  
23 one-twelfth of fifty percent of the member's three-year  
24 average covered wage as a member employed in a protection  
25 occupation multiplied by a fraction of years of service. For  
26 the purpose of this subsection, "fraction of years of service"  
27 means a number, not to exceed one, equal to the sum of the  
28 years of membership service in a protection occupation,  
29 divided by twenty-five years. If the member employed in a  
30 protection occupation has not reached sixty years of age at  
31 retirement, the monthly retirement allowance shall be reduced  
32 by twenty-five hundredths of one percent per month for each  
33 month that the member's retirement precedes the date on which  
34 the member attains sixty years of age.

35 c. For the purposes of this subsection, "a member employed

1 in a protection occupation" includes all of the following:

2 (1) A conservation peace officer employed under section  
3 107.13.

4 (2) A county sheriff as defined in section 39.17, if the  
5 county sheriff elects to be covered under the system.

6 (3) A deputy sheriff appointed pursuant to section 341.1,  
7 Code 1981 or section 331.903.

8 (4) A marshal or police officer in a city not covered  
9 under chapter 400.

10 (5) A correctional officer employed by the Iowa department  
11 of corrections in an applicable job classification. The  
12 department of corrections and the department of personnel  
13 shall jointly determine the applicable merit system job  
14 classifications of correctional officers.

15 (6) An airport firefighter employed by the disaster  
16 services division of the department of public defense.

17 (7) An airport safety officer employed under chapter 400  
18 by an airport commission in a city of one hundred thousand  
19 population or more.

20 (8) An arson investigator who commenced employment as an  
21 arson investigator of the department of public safety on or  
22 after July 1, 1988.

23 d. Annually, the department of personnel shall actuarially  
24 determine the cost of the additional benefits provided under  
25 this subsection as a percent of the covered wages of the  
26 employees covered by this subsection. Sixty percent of the  
27 cost shall be paid by the employers of employees covered under  
28 this subsection and forty percent of the cost shall be paid by  
29 the employees. The employer and employee contributions  
30 required under this paragraph are in addition to the  
31 contributions paid under section 97B.11.

32 e. For the fiscal year commencing July 1, 1988, and each  
33 succeeding fiscal year, there is appropriated from the state  
34 fish and game protection fund to the department of personnel  
35 the amount necessary to pay the employer share of the cost of

1 the additional benefits provided to employees covered under  
2 paragraph "c", subparagraph (1).

3 f. Annually, during each fiscal year commencing with the  
4 fiscal year beginning July 1, 1988, each county and applicable  
5 city shall pay to the department of personnel the amount  
6 necessary to pay the employer share of the cost of the  
7 additional benefits provided to employees of that county or  
8 city covered under paragraph "c", subparagraphs (2), (3), (4),  
9 and (7).

10 g. For the fiscal year commencing July 1, 1988, and each  
11 succeeding fiscal year, the department of corrections shall  
12 pay to the department of personnel from funds appropriated to  
13 the Iowa department of corrections, the amount necessary to  
14 pay the employer share of the cost of the additional benefits  
15 provided to employees covered under paragraph "c",  
16 subparagraph (5).

17 h. For the fiscal year commencing July 1, 1988, and each  
18 succeeding fiscal year, there is appropriated from the general  
19 fund of the state to the department of personnel, from funds  
20 not otherwise appropriated, an amount necessary to pay the  
21 employer share of the cost of the additional benefits provided  
22 to employees covered under paragraph "c", subparagraphs (6)  
23 and (8).

24 Sec. 43. Section 97B.50, subsection 1, Code Supplement  
25 1987, is amended by striking the subsection and inserting in  
26 lieu thereof the following:

27 1. Except as otherwise provided in this section, a member,  
28 upon retirement prior to the normal retirement date, is  
29 entitled to receive a monthly retirement allowance determined  
30 in the same manner as provided for normal retirement in  
31 subsections 1, 4, and 5 of section 97B.49 reduced as follows:

32 a. For a member who is less than sixty-two years of age,  
33 by twenty-five hundredths of one percent per month for each  
34 month that the early retirement date precedes the normal  
35 retirement date.

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

6 Sec. 44. Section 97B.50, subsection 3, Code Supplement  
7 1987, is amended to read as follows:

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

24 Sec. 45. Section 97B.50, Code Supplement 1987, is amended  
25 by adding the following new subsection:

26 NEW SUBSECTION. 4. A member eligible for a retirement  
27 allowance adjusted under this section is entitled to receipt  
28 of retroactive adjustment payments for no more than six months  
29 immediately preceding the month in which written notice of  
30 retirement was submitted to the department.

31 Sec. 46. Section 97B.68, subsection 1, Code 1987, is  
32 amended to read as follows:

33 1. ~~From and after July 4, 1959~~ Effective July 1, 1988, any  
34 a person who is a member of the federal civil service  
35 retirement program shall or the federal employee's retirement

1 system is not be eligible for membership in the Iowa public  
2 employees' retirement system, and ~~the provisions of~~ this  
3 chapter ~~shall~~ does not apply to such that employee. Any An  
4 employee whose membership in the federal civil service  
5 retirement program or the federal employee's retirement system  
6 is subsequently terminated shall immediately notify the  
7 employee's employer and the department of personnel of ~~such~~  
8 that fact, and the employee shall become subject to ~~the~~  
9 ~~provisions of~~ this chapter on the date the notification is  
10 received by the department.

11 Sec. 47. Section 97B.73, Code 1987, is amended by adding  
12 the following new unnumbered paragraph:

13 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member  
14 eligible for an increased retirement allowance because of the  
15 payment of contributions under this section is entitled to  
16 receipt of retroactive adjustment payments for no more than  
17 six months immediately preceding the month in which written  
18 notice was submitted to the department.

19 Sec. 48. Section 97B.73A, Code Supplement 1987, is amended  
20 by adding the following new unnumbered paragraph:

21 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member  
22 eligible for an increased retirement allowance because of the  
23 payment of contributions under this section is entitled to  
24 receipt of retroactive adjustment payments for no more than  
25 six months immediately preceding the month in which written  
26 notice was submitted to the department.

27 Sec. 49. Section 97B.74, Code 1987, is amended by adding  
28 the following new unnumbered paragraph:

29 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member  
30 eligible for an increased retirement allowance because of the  
31 payment of contributions under this section is entitled to  
32 receipt of retroactive adjustment payments for no more than  
33 six months immediately preceding the month in which written  
34 notice was submitted to the department.

35 Sec. 50. Section 97B.75, Code 1987, is amended by adding

1 the following new unnumbered paragraph:

2 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member  
3 eligible for an increased retirement allowance under this  
4 section is entitled to receipt of retroactive adjustment  
5 payments for no more than six months immediately preceding the  
6 month in which written notice was submitted to the department.

7 Sec. 51. Section 411.6, subsection 5, unnumbered paragraph  
8 2, Code 1987, is amended to read as follows:

9 Should a member in service or the chief of the police or  
10 fire departments become incapacitated for duty as a natural or  
11 proximate result of an injury or disease incurred in or  
12 aggravated by the actual performance of duty at some definite  
13 time or place or while acting, pursuant to order, outside the  
14 city by which the member is regularly employed, the member  
15 shall, upon being found to be temporarily incapacitated  
16 following an examination by the board of trustees, be entitled  
17 to receive the member's full pay and allowances from the  
18 city's general fund until re-examined by said the board and  
19 found to be fully recovered or permanently disabled.

20 Sec. 52. Section 411.6, subsection 8, paragraph b,  
21 unnumbered paragraph 1, Code 1987, is amended to read as  
22 follows:

23 In lieu of the payment specified in paragraph "a", a  
24 beneficiary meeting the qualifications of paragraph "c" may  
25 elect to receive a monthly pension equal to one-twelfth of  
26 forty percent of the average final compensation of the member,  
27 but not less than ~~seventy-five-dollars~~ twenty percent of the  
28 monthly earnable compensation paid to an active member holding  
29 the highest grade in the rank of firefighter, for a  
30 beneficiary of a deceased member of a fire department, or the  
31 highest grade in the rank of police patrol officer, for a  
32 beneficiary of a deceased member of a police department, if  
33 the member was in service at the time of death. For a member  
34 not in service at the time of death, the pension shall be  
35 reduced as provided in subsection 1, paragraph "b".



1 Sec. 53. Section 411.6, subsection 12, paragraph a,  
2 subparagraph (2), Code 1987, is amended to read as follows:

3 (2) Twenty percent for members with five or more years of  
4 membership service who are receiving an ordinary disability  
5 retirement allowance. However, effective July 1, 1984, for  
6 members who retired before July 1, 1979, and effective July 1,  
7 1988, for members who retire on or after July 1, 1988, twenty-  
8 five percent shall be used for members who are receiving an  
9 ordinary disability allowance.

10 Sec. 54. Section 411.9, Code 1987, is amended to read as  
11 follows:

12 411.9 MILITARY SERVICE EXCEPTIONS.

13 A member who is absent while serving in the armed services  
14 of the United States or its allies and is discharged or  
15 separated from the armed services under honorable conditions  
16 shall have the period or periods of absence while serving in  
17 the armed services, not in excess of four years unless any  
18 period in excess of four years is at the request and for the  
19 convenience of the federal government, included as part of the  
20 member's period of service in the department. The member  
21 shall not continue the contributions required of the member  
22 under section 411.8 during the period of military service, if  
23 the member, within ~~six-months~~ one year after the member has  
24 been discharged or separated under honorable conditions from  
25 military service, returns and resumes duties in the  
26 department, and if the member is declared physically capable  
27 of resuming duties upon examination by the medical board. A  
28 period of absence may exceed four years at the request and for  
29 the convenience of the federal government.

30 Sec. 55. Section 421.38, subsection 2, Code 1987, is  
31 amended to read as follows:

32 2. CONVENTION EXPENSES. ~~No-claims~~ Claims for expenses in  
33 attending conventions, meetings, conferences, or gatherings of  
34 members of any an association or society organized and  
35 existing as a quasi-public association or society outside the

1 state of Iowa shall not be allowed at public expense, unless  
2 authorized by the executive council; and claims for such these  
3 expenses outside of the state shall not be allowed unless the  
4 voucher is accompanied by ~~so-much~~ the portion of the minutes  
5 of the executive council, certified to by its secretary,  
6 showing that the expense was authorized by the council. This  
7 section does not apply to claims in favor of the governor,  
8 attorney general, utilities board members, or to trips  
9 referred to in ~~section~~ sections 97B.4 and 217.20.

10 Sec. 56. Section 97B.67, Code 1987, is repealed.

11 Sec. 57. Sections 2 and 52 of this Act apply, beginning on  
12 the effective date of this Act, to persons who are  
13 beneficiaries on that date as well as those who become  
14 beneficiaries on or after that date.

15

#### EXPLANATION

16 This bill makes numerous changes to the various public  
17 retirement systems in this state. It makes the following  
18 changes in the Iowa public employees' retirement system  
19 (IPERS):

20 1. Increases the ceiling on covered wages two thousand  
21 dollars per year up to \$40,000 commencing July 1, 1990.

22 2. Allows elective officials the choice of IPERS coverage.

23 3. Allows members of the armed services twelve months  
24 rather than ninety days to return to covered employment.

25 4. Increases the limit on earnings in a position covered  
26 by IPERS from \$2,100 per year to \$6,120 per year for a retired  
27 member to continue receiving benefits.

28 5. Combines the special classifications of conservation  
29 officer, correctional officer, sheriff, deputy sheriff, police  
30 in towns of fewer than eight thousand population, airport  
31 firefighter in Des Moines, and airport safety officer in Cedar  
32 Rapids into a single protection occupation classification with  
33 full benefits paid at age fifty-five after twenty-five years  
34 of service.

35 6. Allows the retired member of the system who is a member

1 of the investment board to receive per diem.

2 7. Allows certain IPERS records to be exempt from the open  
3 records law.

4 8. Provides an option that members for which their number  
5 of years of service and age equal ninety-two are eligible for  
6 full benefits.

7 9. Reduces the early retirement penalty from one-half  
8 percent per month to one-fourth percent per month for each  
9 month the retirement precedes the normal retirement date.

10 10. Clarifies the liability of the investment board, the  
11 department of personnel, and the treasurer of state.

12 11. Allows employees and members of the investment board  
13 to travel outside the state for investment purposes.

14 12. Clarifies fiduciary responsibility in the investment  
15 of funds.

16 13. Strikes language referring to retirement at age  
17 seventy, to comply with federal law.

18 14. Allows an inactive member who has accumulated  
19 sufficient service for vesting to be a vested member.

20 15. Provides for a November retirement dividend in 1988  
21 and 1989 of seventy-five percent of the regular benefit for  
22 members who retired between January 1, 1976, and June 30,  
23 1982.

24 16. Provides for a November retirement dividend in 1988  
25 and 1989 of one hundred percent of the regular benefit for  
26 members who retired between July 4, 1953, and December 31,  
27 1975.

28 17. Provides for retroactive adjustment payments of  
29 benefits for not more than six months in certain cases.

30 18. Provides clarifying language.

31 It makes the following changes to the peace officers'  
32 retirement system and the local police and fire retirement  
33 systems:

34 1. Allows members of the armed services twelve months  
35 rather than six months to return to covered employment.

1 2. Increases the minimum pension to a beneficiary of a  
2 deceased member who died under the ordinary death provision to  
3 a percent of the monthly earnable compensation of a senior  
4 patrol officer or member holding the highest grade in the rank  
5 of police officer or firefighter. The increase applies to  
6 members already receiving the benefit.

7 3. Increases from twenty percent to twenty-five percent  
8 the percent used in calculating increased benefits for members  
9 retired under ordinary disability to correspond to a previous  
10 increase in benefits from forty percent to fifty percent.

11 The bill also requires that the costs of temporary  
12 disability of police officers and firefighters be paid from  
13 the city's general fund.

14 SIMILAR TO HSB 580 (LSB 7646IS)

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## HOUSE FILE 2405

## FISCAL NOTE

REQUESTED BY REPRESENTATIVE BLANSHAN

In compliance with a written request received March 3, 1988, a fiscal note for HOUSE FILE 2405 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 2405 makes numerous changes to the various public retirement systems in this state. It makes the following changes in the Iowa public employee's retirement system (IPERS):

- A. Increases the ceiling of covered wages two thousand dollars per year up to \$40,000 commencing July 1, 1990.
- B. Allows elective officials the choice of IPERS coverage.
- C. Allows members of the armed services twelve months rather than ninety days to return to covered employment.
- D. Increases the limit on earnings in a position covered by IPERS from \$2100 to \$6120 per year for a retired person to continue receiving benefits.
- E. Combines the special classifications of conservation officer, correctional officer, sheriff, deputy sheriff, police in towns of fewer than eight thousand population, airport firefighter in Des Moines and airport safety officer in Cedar Rapids into a single protection occupation classification with full benefits paid at age fifty-five after twenty-five years of service.
- F. Allows the retired members of the system who is a member of the investment board to receive per diem.
- G. Allows certain IPERS records to be exempt from the open records law.
- H. Provides an option that members for which their number of years of services and age equal 92 are eligible for full benefits.
- I. Reduces the early retirement penalty from 1/2 percent to 1/4 percent per month for each month the retirement precedes the normal retirement date.
- J. Clarifies the liability of the investment board, the department of personnel and the treasurer of state.
- K. Allows employees and members of the investment board to travel outside the state for investment purposes.
- L. Clarifies fiduciary responsibility in the investment of funds.
- M. Strikes language referring to retirement age seventy, to comply with federal law.
- N. Allows an inactive member who has accumulated sufficient services for vesting to be a vested member.
- O. Provides for a November retirement dividend in 1988 and 1989 of 75 percent of the regular benefit for members who retired between January 1, 1976 and June 30, 1982.
- P. Provides for a November retirement dividend in 1988 and 1989 of 100 percent of the regular benefit for members who retired between July 4, 1953 and December 31, 1975.
- Q. Provides for retroactive adjustment payments of benefits for not more than six months in certain cases.
- R. Provides clarifying language.

FILED MAR 10 1988

The bill also makes the following changes to the peace officers' retirement system and the local police and fire retirement systems:

- A. Allows members of the armed services twelve months rather than six months to return to covered employment.
- B. Increases the minimum pension to a beneficiary of a deceased member who died under the ordinary death provision, to a percent of the monthly earnable compensation of a senior patrol officer or member holding the highest grade in the rank of police officer or firefighter. The increase applies to members already receiving the benefit.
- C. Increases from 20 percent to 25 percent, the percent used in calculating increased benefits for members retired under ordinary disability.

The bill also requires that the costs of temporary disability of police officers and firefighters be paid from a city's general fund.

**FISCAL EFFECT:** The following costs to the IPERS Fund were based on an actuarial study and reflect the estimated costs to the system for the changes presented in this bill.

- D. Increasing the covered wage limitation by \$2,000 per year up to a total of \$40,000 beginning in FY 1991, the cost would be \$3,550,000.
- E. Providing a dividend of 75% of the monthly benefit in November 1988 and November 1989 for members who retired between January 1, 1976 and June 30, 1982, the cost would be \$814,409.
- F. Providing a dividend of 100% of the monthly benefit in November 1988 and November 1989 for members who retired between July 4, 1953 and December 31, 1975, the cost would be \$548,758.
- G. Allowing a member who has worked 30 years and has a combination of years of services and age that total at least 92, the cost would be \$26,100,000.
- H. There is no actuarial data available for the other provisions of the bill that concern IPERS.
- I. Provides a minimum benefit of 20% of the monthly earnable compensation paid to an active member having the rank of senior patrol officer of the Iowa highway safety patrol if the member was in service at the time of death, for beneficiaries of those members. The costs, to the peace officers' retirement system, is actuarially estimated to be \$55,455.
- J. There is no actuarial data available for the other provisions of the bill that concern the peace officers' retirement system or changes made to Chapter 411 systems.

(Source: IPERS and Department of Public Safety)

(LSB 7646H, DPW)

FILED MARCH 10, 1988

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 2405

H-5415

1 Amend House File 2405 as follows:

2 1. Page 21, by inserting after line 30 the  
3 following:

4 "Sec. \_\_\_\_ . NEW SECTION. 97B.63 INSURANCE  
5 COVERAGE.

6 The department shall offer Medicare supplement  
7 coverage under a group policy of accident and sickness  
8 insurance to members who have retired and are  
9 receiving benefits under this chapter. The department  
10 may retain an amount not exceeding one-half of one  
11 percent of the monthly benefit of a member for the  
12 costs incurred in administering the group insurance  
13 policy."

14 2. By numbering and renumbering sections as  
15 necessary.

H-5415 FILED MARCH 9, 1988 BY PETERS of Woodbury

*not in order with Book 21, 8 2/10 (p. 205)*

## HOUSE FILE 2405

H-5418

1 Amend House File 2405 as follows:

2 1. Page 1, by inserting after line 28 the  
3 following:

4 "Sec. 2A. Section 97A.6, subsection 12, paragraph  
5 a, Code 1987, is amended to read as follows:

6 a. To the member's surviving spouse to continue so  
7 long as ~~said-party~~ the spouse remains unmarried, equal  
8 to one-half the amount received by ~~such~~ the deceased  
9 beneficiary, but in no instance less than ~~fifty~~  
10 dollars-per-month an amount equal to twenty percent of  
11 the monthly earnable compensation paid to an active  
12 member having the rank of senior patrol officer of the  
13 Iowa highway safety patrol, and in addition thereto a  
14 monthly pension equal to the monthly pension payable  
15 under subsection 9, paragraph "c," of this section for  
16 each child under eighteen years of age; or".

17 2. Page 10, line 14, by striking the word "July"  
18 and inserting the following: "January".

19 3. Page 17, line 35, by inserting after the word  
20 "age" the following: "and has completed at least  
21 thirty years of membership service and prior  
22 service,".

23 4. Page 18, line 5, by inserting after the word  
24 "member." the following: "If the member has not  
25 completed thirty years of service, the monthly benefit  
26 shall be multiplied a fraction of years of service.  
27 For the purpose of this subsection, "fraction of years  
28 of service" means a fraction equal to the number of  
29 years of membership service and prior service divided  
30 by thirty years."

31 5. Page 23, by inserting after line 35, the  
32 following:

33 "Sec. 52A. Section 411.6, subsection 11, paragraph  
34 a, Code 1987, is amended to read as follows:

35 a. To the spouse to continue so long as ~~said~~  
36 partner the spouse remains unmarried, equal to one-  
37 half the amount received by ~~such~~ the deceased  
38 beneficiary, but in no instance less than ~~seventy-five~~  
39 dollars-per-month twenty percent of the monthly  
40 earnable compensation paid to an active member holding  
41 the highest grade in the rank of firefighter, for a  
42 beneficiary of a deceased member of the fire  
43 department, or the highest grade in the rank of police  
44 patrol officer, for a beneficiary of a deceased member  
45 of a police department, and in addition thereto a  
46 monthly pension equal to the monthly pension payable  
47 under subsection 9 of this section for each child  
48 under eighteen years of age; or".

49 6. Page 25, line 11, by striking the word and  
50 figure "and 52" and inserting the following: "2A, 52,  
Page Two

1 and 52A".

2 7. By numbering and renumbering sections as  
3 necessary.

H-5418 FILED MARCH 9, 1988 BY BLANSHAN of Greene

*Imposed on 3/9/88 by Under Sec. 912 (p. 10)*



HOUSE FILE 2405

H-5498

1 Amend the amendment, H-5418, to House File 2405 as  
2 follows:

3 1. Page 1, by inserting after line 48 the  
4 following:

5 "\_\_\_\_. Page 24, by inserting after line 29 the  
6 following:

7 "Sec. \_\_\_\_ . Section 411.20, subsection 1, Code  
8 1987, is amended to read as follows:

9 1. There is appropriated from the general fund of  
10 the state to the municipal assistance fund established  
11 in chapter 405 for each fiscal year an amount  
12 necessary to be distributed to cities which have  
13 established fire and police retirement systems under  
14 the provisions of this chapter. Funds shall be used  
15 to finance the costs of benefits provided in this  
16 chapter by amendments of the Acts of the Sixty-sixth  
17 General Assembly, chapter 1089, and effective July 1,  
18 1988, shall be used to finance the costs of the  
19 benefit improvements provided in sections 52 and 52A  
20 of this Act.

21 Sec. \_\_\_\_ . Section 411.20, Code 1987, is amended by  
22 adding the following new subsection:

23 NEW SUBSECTION. 4. Commencing with the fiscal  
24 year beginning July 1, 1988, the amounts distributed  
25 to pay the state's portion of the costs of the benefit  
26 improvements provided in sections 52 and 52A of this  
27 Act shall be computed by the actuary employed by the  
28 respective board of trustees on the basis of the  
29 results of actuarial valuations performed by the  
30 actuary. The actuarial valuations shall be conducted  
31 for the fiscal years beginning July 1, 1987, and July  
32 1, 1988, in the manner provided in this section to  
33 determine the costs of benefit improvements provided  
34 by the Sixty-sixth General Assembly, chapter 1089,  
35 using the fiscal years beginning July 1, 1978, and  
36 July 1, 1979.

37 A ratio of payroll shall be determined and  
38 certified to the director of revenue and finance. For  
39 the fiscal year commencing July 1, 1988, and each  
40 fiscal year thereafter, the director of revenue and  
41 finance shall pay to each city an amount equal to the  
42 ratio of payroll computed for a retirement system  
43 times the payroll of the active members employed under  
44 that system for the fiscal year."

BY DODERER of Johnson  
CARPENTER of Polk

H-5498 FILED MARCH 10, 1988

*Handwritten notes:*  
Billed and approved 2/16 (p. 704)  
H-5498 to be printed in the Journal

HOUSE FILE 2405

H-5437

1 Amend House File 2405 as follows:

2 1. Page 16, by striking lines 9 through 26.

3 2. Page 20, by inserting after line 23 the  
4 following:

5 "Sec. \_\_\_\_ . Section 97B.49, Code Supplement 1987,  
6 is amended by adding the following new subsection:

7 NEW SUBSECTION. 17. Effective July 1, 1988, for  
8 each member who retired from the system prior to  
9 January 1, 1976, and for each member who retired from  
10 the system under subsection 1 on or after January 1,  
11 1976, the amount of regular monthly retirement  
12 allowance attributable to membership service and prior  
13 service that was payable to the member for June 1988  
14 is increased by ten percent.

15 The increase payable to a member under this section,  
16 is also payable to a beneficiary and a contingent  
17 annuitant.

18 Sec. \_\_\_\_ . Section 97B.49, Code Supplement 1987, is  
19 amended by adding the following new subsection:

20 NEW SUBSECTION. 18. Effective July 1, 1988, for  
21 each member who retired from the system under  
22 subsections 5, 7, or 8 between January 1, 1976, and  
23 June 30, 1982, the monthly benefit shall be recomputed  
24 using fifty percent of the five-year average covered  
25 wage multiplied by a fraction of years of service  
26 rather than forty-seven percent of the five-year  
27 average covered wage."

28 3. By numbering and renumbering sections as  
29 necessary.

BY FULLER of Hardin

COREY of Louisa

H-5437 FILED MARCH 10, 1988

*Book 27, Page 27, 2*

HOUSE FILE 2405

H-5501

1 Amend amendment, H-5418, to House File 2405 as  
2 follows:

3 1. Page 4, by inserting after line 30 the  
4 following:

5 "\_\_\_\_. Page 23, by inserting after line 6 the  
6 following:

7 "Sec. \_\_\_\_ . NEW SECTION. 97B.78 TRANSFER OF  
8 EMPLOYMENT.

9 A vested member of the system who was covered under  
10 the system for service with one employer and  
11 transferred employment to a different employer without  
12 an interruption of service, but who received a refund  
13 of accumulated contributions for service with the  
14 first employer may elect in writing to the department  
15 to make contributions to the system for that period of  
16 membership service for which a refund of contributions  
17 was made. The member shall submit verification of  
18 service with the first employer and verification that  
19 the service under the system was continuous. The  
20 contributions repaid by the member for such service  
21 shall be equal to the accumulated contributions, as  
22 defined in section 97B.41, subsection 12, received by  
23 the member for that period of membership service plus  
24 interest on the accumulated contributions for the  
25 period from the date of receipt by the member to the  
26 date of repayment equal to two percent plus the  
27 interest dividend rate applicable for each year  
28 compounded annually."

H-5501 FILED MARCH 10, 1988 BY RENAUD of Polk

*Richard M. Johnson* (H-5501)

HOUSE FILE 2405

H-5500

1 Amend the amendment, H-5418, to House File 2405 as  
 2 follows:  
 3 1. Page 1, by inserting after line 30 the  
 4 following:  
 5 "\_\_\_\_. Page 22, by inserting after line 26 the  
 6 following:  
 7 "Sec. \_\_\_\_ . Section 97B.74, unnumbered paragraph 1,  
 8 Code 1987, is amended to read as follows:  
 9 An ~~active, vested, or retired~~ member of the system  
 10 who has been an active member of the system during  
 11 this period of membership service for at least one  
 12 year and who at any time between after July 4, 1953  
 13 and July 1, 1973 was a member of the system, but who  
 14 ~~did not meet the requirements to be a vested member~~  
 15 ~~for that period of membership service,~~ and who  
 16 received a refund of contributions for that period of  
 17 membership service, may elect in writing to the  
 18 department to make contributions to the system for  
 19 that period of membership service for which a refund  
 20 of contributions was made. The contributions repaid  
 21 by the member for such service shall be equal to the  
 22 accumulated contributions, as defined in section  
 23 97B.41, subsection 12, received by the member for that  
 24 period of membership service plus interest on the  
 25 accumulated contributions for the period from the date  
 26 of receipt by the member to the date of repayment  
 27 equal to two percent plus the interest dividend rate  
 28 applicable for each year compounded annually.  
 29 Sec. \_\_\_\_ . Section 97B.74, unnumbered paragraph 2,  
 30 Code 1987, is amended by striking the unnumbered  
 31 paragraph."

H-5500 FILED MARCH 10, 1988 BY DIEMER of Black Hawk

*Adopted 3/10/88*

HOUSE FILE 2405

H-5497

1 Amend amendment H-5418, to House File 2405, as  
 2 follows:  
 3 1. Page 1, lines 6 and 7 by striking the words:  
 4 "to continue so long as ~~said party~~ the spouse remains  
 5 unmarried," and inserting the following: "~~to continue~~  
 6 ~~so long as said party remains unmarried,~~".  
 7 2. Page 1, lines 35 and 36 by striking the words:  
 8 "to continue so long as ~~said partner~~ the spouse remains  
 9 unmarried," and inserting the following: "~~to continue~~  
 10 ~~so long as said partner remains unmarried,~~".

BY DODERER of Johnson  
BRAMMER of Linn  
BISIGNANO of Polk

H-5497 FILED MARCH 10, 1988

*Adopted 3/10/88*

*Article 2, Sec. 4 of the Iowa Constitution*

HOUSE FILE 2405  
BY COMMITTEE ON STATE GOVERNMENT

(As Amended and Passed by the House March 10, 1988)

Passed House, Date See Below Passed Senate, Date See Below  
Vote: Ayes 92 Nays 1 Vote: Ayes 43 Nays 4  
Approved May 13, 1988

A BILL FOR

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

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

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

Conference Committee Appointed 4/2/88

*Senators Carr (Chair), Brea, Gittinger, Rye, Strom & Vander Horst (R. 1724)  
Representatives B. Schuman (Chair), Doherty, Hammond, Carpenter, & Cunningham  
(p. 2108)*

Passed by Conference Committee Report 4/17

House: 4/17/88 (p. 2249) Senate 4/17/88 (p. 1767)  
89-0 42-0

1 Section 1. Section 97A.1, subsection 2, Code 1987, is  
2 amended to read as follows:

3 2. "Peace officer" or "peace officers" shall mean all  
4 members of the divisions of highway safety and uniformed force  
5 and criminal investigation and bureau of identification in the  
6 department of public safety, except clerical workers, who have  
7 passed a satisfactory physical and mental examination and have  
8 been duly appointed as members of the state department of  
9 public safety in accordance with ~~the provisions of~~ section  
10 80.15, and the division of drug law enforcement, and arson  
11 investigators in the department of public safety hired prior  
12 to July 1, 1988, except clerical workers, and the division of  
13 beer and liquor law enforcement of the department of public  
14 safety, except clerical workers.

15 Sec. 2. Section 97A.6, subsection 8, paragraph b,  
16 unnumbered paragraph 1, Code 1987, is amended to read as  
17 follows:

18 In lieu of the payment specified in paragraph "a," a  
19 beneficiary meeting the qualifications of paragraph "c" may  
20 elect to receive a monthly pension equal to one-twelfth of  
21 forty percent of the average final compensation of the member,  
22 but not less than fifty-dollars an amount equal to twenty  
23 percent of the monthly earnable compensation paid to an active  
24 member having the rank of senior patrol officer of the Iowa  
25 highway safety patrol if the member was in service at the time  
26 of death. For a member not in service at the time of death,  
27 the pension shall be reduced as provided in subsection 1,  
28 paragraph "b".

29 Sec. 3. Section 97A.6, subsection 12, paragraph a, Code  
30 1987, is amended to read as follows:

31 a. To the member's surviving spouse to-continue-so-long-as  
32 said-party-remains-unmarried, equal to one-half the amount  
33 received by such the deceased beneficiary, but in no instance  
34 less than fifty-dollars-per-month an amount equal to twenty  
35 percent of the monthly earnable compensation paid to an active

1 member having the rank of senior patrol officer of the Iowa  
2 highway safety patrol, and in addition thereto a monthly  
3 pension equal to the monthly pension payable under subsection  
4 9, paragraph "c," of this section for each child under  
5 eighteen years of age; or

6 Sec. 4. Section 97A.6, subsection 14, paragraph a,  
7 subparagraph (2), Code 1987, is amended to read as follows:

8 (2) Twenty percent for members with five or more years of  
9 membership service who are receiving an ordinary disability  
10 retirement allowance. However, effective July 1, 1984, for  
11 members who retired before July 1, 1979, and effective July 1,  
12 1988, for members who retire on or after July 1, 1988, twenty-  
13 five percent shall be used for members who are receiving an  
14 ordinary disability retirement allowance.

15 Sec. 5. Section 97A.9, Code 1987, is amended to read as  
16 follows:

17 97A.9 MILITARY SERVICE EXCEPTIONS.

18 Any A member who is absent from duty as a peace officer  
19 while serving in the armed services of the United States or  
20 its allies and is discharged or separated ~~therefrom~~ from  
21 service in the armed forces under honorable conditions shall  
22 have ~~any-such~~ the ~~period or-periods~~ of absence while serving  
23 in ~~such~~ the armed services on other than a voluntary basis and  
24 one ~~such~~ period of absence, not in excess of four years, while  
25 serving in ~~such~~ the armed forces on a voluntary basis,  
26 included as part of the member's period of service in the  
27 department. ~~Such~~ The member ~~shall~~ is not be required to  
28 continue the contributions required of the member under  
29 section 97A.8, during ~~such~~ the period of military service,  
30 ~~provided-that~~ if the member ~~shall~~, within ~~six-months~~ one year  
31 after the member has been discharged or separated under  
32 honorable conditions from ~~such~~ military service ~~return~~  
33 returns, and ~~resume~~ resumes the member's duties in the  
34 department, and ~~provided-further,-that-such~~ if the member  
35 ~~shall-be~~ is declared physically capable of ~~resuming-such~~ to

1 resume those duties upon examination by the medical board.

2 Sec. 6. Section 97B.2, Code 1987, is amended to read as  
3 follows:

4 97B.2 PURPOSE OF CHAPTER.

5 The purpose of this chapter is to promote economy and  
6 efficiency in the public service by providing an orderly means  
7 whereby ~~for~~ employees ~~who-become-superannuated-may~~, without  
8 hardship or prejudice, ~~be-replaced-by-more-capable-employees,~~  
9 ~~and-to-that-end-providing~~ to have a retirement system which  
10 will provide for the payment of annuities ~~to-public-employees,~~  
11 thereby enabling the employees to care for themselves in  
12 retirement, and which ~~by-its-provisions~~ will improve public  
13 employment within the state, reduce excessive personnel  
14 turnover, and offer suitable attraction to high-grade men and  
15 women to enter public service in the state.

16 Sec. 7. Section 97B.4, unnumbered paragraph 2, Code 1987,  
17 is amended to read as follows:

18 The department, members of the investment board, and the  
19 treasurer of state are not personally liable for actions or  
20 omissions, under this chapter that do not involve malicious or  
21 wanton misconduct even if those actions or omissions violate  
22 the standards established in section 97B.7.

23 Sec. 8. Section 97B.4, Code 1987, is amended by adding the  
24 following new unnumbered paragraph:

25 NEW UNNUMBERED PARAGRAPH. In the administration of the  
26 investment of moneys in the fund, employees of the department  
27 and members of the board may travel outside the state for the  
28 purpose of meeting with investment firms and consultants and  
29 attending conferences and meetings to fulfill their fiduciary  
30 responsibilities. This travel is not subject to section  
31 421.38, subsection 2.

32 Sec. 9. Section 97B.7, subsection 2, paragraph b,  
33 unnumbered paragraph 1, Code 1987, is amended to read as  
34 follows:

35 Invest, subject to chapter 12A, the portion of the



1 retirement fund which in the judgment of the department is not  
2 needed for current payment of benefits under this chapter.  
3 The department shall execute the disposition and investment of  
4 moneys in the retirement fund in accordance with the  
5 investment policy and goal statement established by the  
6 investment board. In the investment of the fund, the  
7 department and investment board shall exercise the judgment  
8 and care, under the circumstances then prevailing, which  
9 persons of prudence, discretion, and intelligence exercise in  
10 the management of their own affairs ~~as provided in section~~  
11 ~~633.123, subsection 1,~~ not for the purpose of speculation, but  
12 with regard to the permanent disposition of the funds,  
13 considering the probable income, as well as the probable  
14 safety, of their capital. Within the limitations of the  
15 standard prescribed in this section, a fiduciary may acquire  
16 and retain every kind of property and every kind of investment  
17 which persons of prudence, discretion, and intelligence  
18 acquire or retain for their own account.

19 Sec. 10. Section 97B.7, subsection 2, paragraph b,  
20 unnumbered paragraph 4, Code 1987, is amended to read as  
21 follows:

22 Consistent with this paragraph, investments made under this  
23 paragraph shall be made in a manner that will enhance the  
24 economy of this state, and in particular, will result in  
25 increased employment of the residents of this state.  
26 Investments of moneys in the fund are not subject to sections  
27 73.15 through 73.21.

28 Sec. 11. Section 97B.7, subsection 2, paragraph b,  
29 unnumbered paragraph 5, Code 1987, is amended to read as  
30 follows:

31 if Except as provided in section 97B.4, if there is loss on  
32 the redemption or sale of securities, where invested as  
33 prescribed by law, neither to the fund, the treasurer, nor the  
34 department is, and the board are not personally liable, but  
35 and the loss shall be charged against the retirement fund. and

1 ~~there~~ There is appropriated from the retirement fund ~~an~~ the  
2 amount ~~as~~ required ~~for-the~~ to cover a loss. Expenses incurred  
3 in the sale and purchase of securities belonging to the  
4 retirement fund shall be charged to the retirement fund, and  
5 there is appropriated from the retirement fund ~~an~~ the amount  
6 ~~as~~ required for the expenses incurred. Investment management  
7 expenses shall be charged to the investment income of the  
8 retirement fund, and there is appropriated from the retirement  
9 fund ~~an~~ the amount ~~as~~ required for the investment management  
10 expenses, subject to the limitations stated in this  
11 subparagraph. The amount appropriated for a fiscal year under  
12 this subparagraph shall not exceed one-half percent of the  
13 market value of the retirement fund. The department shall  
14 report the investment management expenses for a fiscal year as  
15 a percent of the market value of the retirement fund in the  
16 annual report to the governor required in section 97B.4. A  
17 person who has signed a contract with the department for  
18 investment management purposes shall meet the requirements for  
19 doing business in Iowa sufficient to be subject to tax under  
20 rules of the department of revenue and finance.

21 Sec. 12. Section 97B.8, unnumbered paragraph 3, Code 1987,  
22 is amended to read as follows:

23 The members who are executives of a domestic life insurance  
24 company, a state or national bank, and a major industrial  
25 corporation, and the member who is a retired member of the  
26 system, shall be paid their actual expenses incurred in  
27 performance of their duties and shall receive in addition ~~the~~  
28 ~~sum-of~~ forty dollars for each day of service not exceeding  
29 forty days per year. Legislative members shall receive forty  
30 dollars for each day of service and their actual expenses  
31 incurred in the performance of their duties. The per diem and  
32 expenses of the legislative members shall be paid from funds  
33 appropriated under section 2.12. The members who are active  
34 members of the system and the director of the department shall  
35 be paid their actual expenses incurred in the performance of

1 their duties as members of the board and performance of their  
2 duties as members of the board shall not affect their  
3 salaries, vacation vacations, or leaves of absence for  
4 sickness or injury. The appointive terms of the members  
5 appointed by the governor are for a period of six years  
6 beginning and ending as provided in section 69.19. If there  
7 is a vacancy in the membership of the board, the governor has  
8 the power of appointment. Appointees to this board are  
9 subject to confirmation by the senate.

10 Sec. 13. Section 97B.9, unnumbered paragraph 1, Code 1987,  
11 is amended to read as follows:

12 Contributions unpaid on the date on which they are due and  
13 payable as prescribed by the department, shall bear interest  
14 at the combined interest and dividend rate of one-half of one  
15 per-centum-per-month-from-and-after-such-date-until-payment  
16 plus-accrued-interest-is-received-by-the-department required  
17 under section 97B.70 for the applicable calendar year,  
18 provided that the department may prescribe fair and reasonable  
19 regulations pursuant to which such the interest shall not  
20 accrue with respect to contributions required. Interest  
21 collected pursuant to this section shall be paid into the Iowa  
22 public employees' retirement fund.

23 Sec. 14. Section 97B.11, Code 1987, is amended to read as  
24 follows:

25 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

26 Each employer shall deduct from the wages of each member of  
27 the system a contribution in the amount of three and six-  
28 tenths percent of the covered wages paid by the employer  
29 through June 30, 1979, and commencing July 1, 1979 in the  
30 amount of three and seven-tenths percent of the covered wages  
31 paid by the employer, until the first-of-the-month-in-which  
32 the-member-attains-the-age-of-seventy-years-or-the member's  
33 termination or retirement from employment, whichever is  
34 earlier. The contributions of the employer shall be in the  
35 amount of three and one-half percent of the covered wages of

1 the member for service through December 31, 1975, and in the  
2 amount of five and twenty-five hundredths percent of the  
3 covered wages of the member for service commencing July 1,  
4 1977, through June 30, 1979, and in the amount of five and  
5 seventy-five hundredths percent of the covered wages of the  
6 member for service commencing July 1, 1979.

7 Sec. 15. Section 97B.15, Code 1987, is amended to read as  
8 follows:

9 97B.15 RULES.

10 The department ~~shall have full power and authority to~~ may  
11 make rules under chapter 17A and to establish procedures, not  
12 inconsistent with ~~the provisions of~~ this chapter, which are  
13 necessary or appropriate to ~~carry out such provisions~~  
14 implement this chapter and shall adopt reasonable and proper  
15 rules to regulate and provide for the nature and extent of the  
16 proofs and evidence and the method of taking and furnishing  
17 the same proofs and evidence in order to establish the right  
18 to benefits ~~hereunder~~ under this chapter. The department may  
19 adopt rules to conform the requirements for receipt of  
20 retirement benefits under this chapter to the mandates of  
21 applicable federal statutes and regulations governing age  
22 discrimination or the taxation of distributions.

23 Sec. 16. Section 97B.16, Code 1987, is amended by striking  
24 the section and inserting in lieu thereof the following:

25 97B.16 PROCEDURE OF DEPARTMENT.

26 The department shall make decisions as to the rights of an  
27 individual applying for a payment under this chapter. When  
28 requested by an individual, or a person who makes a showing in  
29 writing that the individual's or person's rights may be  
30 prejudiced by a decision the department has made, a hearing  
31 shall be scheduled under the Iowa administrative procedures  
32 Act, chapter 17A. If a hearing is held, the decision shall,  
33 on the basis of evidence adduced at the hearing, be affirmed,  
34 modified, or reversed under chapter 17A.

35 Sec. 17. Section 97B.17, Code 1987, is amended to read as

1 follows:

2 97B.17 RECORDS MAINTAINED.

3 The department shall establish and maintain records of each  
4 member, including but not limited to the amount of wages of  
5 each member, the contribution of each member with interest,  
6 and interest dividends credited thereon, and such these  
7 records shall-be are the basis for the compilation of the  
8 retirement benefits provided under this chapter. Such The  
9 following records maintained under this chapter containing  
10 personal identifiable information are not public records for  
11 the purposes of chapter 22:

12 1. Records containing social security numbers.

13 2. Records listing designated beneficiaries.

14 3. Records specifying amounts accumulated in members'  
15 active accounts.

16 4. Records containing names, addresses, and amounts of  
17 monthly benefits to which members or their beneficiaries are  
18 entitled.

19 5. Records containing names, addresses, and amounts of  
20 lump sum refund payments to terminated members or their  
21 beneficiaries.

22 Summary information concerning the demographics of the  
23 members and general statistical information concerning the  
24 system is subject to chapter 22, as well as aggregate  
25 information by category.

26 However, the department's records shall-be are evidence for  
27 the purpose of proceedings before the department or any court  
28 of the amounts of such wages and the periods in which they  
29 were paid, and the absence of an entry as to an-individual's a  
30 member's wages in such the records for any period shall-be is  
31 evidence that no wages were not paid such-individual that  
32 member in such the period.

33 Sec. 18. Section 97B.37, Code 1987, is amended to read as  
34 follows:

35 97B.37 RECOGNITION OF AGENTS.

1 The department may prescribe rules governing the  
2 recognition of agents or other persons, ~~other than attorneys~~  
3 ~~as hereinafter provided~~, representing claimants before the  
4 department, and may require of such the agents or other  
5 persons, before being recognized as representatives of  
6 claimants, that they shall show that they are of good  
7 character and in good repute, possessed of the necessary  
8 qualifications to enable them to render such the claimants  
9 valuable service, and otherwise competent to advise and assist  
10 such the claimants in the presentation of their cases. An  
11 ~~attorney in good standing who is admitted to practice before~~  
12 ~~the district or supreme court of the state, shall be entitled~~  
13 ~~to represent claimants before the department upon filing with~~  
14 ~~the department a certificate of the attorney's right to so~~  
15 ~~practice from the presiding judge or clerk of any such court.~~  
16 Claimants may be represented by counsel at their own expense.

17 Sec. 19. Section 97B.41, subsection 1, paragraph a,  
18 unnumbered paragraph 1, Code Supplement 1987, is amended to  
19 read as follows:

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

1 Sec. 20. Section 97B.41, subsection 1, paragraph b,  
2 unnumbered paragraph 1, Code Supplement 1987, is amended to  
3 read as follows:

4 "Covered wages" means wages of a member during the periods  
5 of membership service, including any amount a member may use  
6 to fund a cafeteria benefit plan unless the amounts used are  
7 exempt from the federal income tax and social security, as  
8 follows:

9 Sec. 21. Section 97B.41, subsection 1, paragraph b,  
10 subparagraph (8), Code Supplement 1987, is amended to read as  
11 follows:

12 (8) For each the calendar year from January 1, 1988, and  
13 ~~thereafter, except as provided in subparagraph (9)~~ through  
14 December 31, 1988, wages not in excess of twenty-four thousand  
15 dollars.

16 Sec. 22. Section 97B.41, subsection 1, paragraph b, Code  
17 Supplement 1987, is amended by adding the following new  
18 subparagraph:

19 NEW SUBPARAGRAPH. (8A) For the calendar year beginning  
20 January 1, 1989, and thereafter, except as provided in  
21 subparagraph (9), wages not in excess of twenty-five thousand  
22 dollars.

23 Sec. 23. Section 97B.41, subsection 1, paragraph b,  
24 subparagraph (9), Code Supplement 1987, is amended to read as  
25 follows:

26 (9) Per Commencing January 1, 1990, for each calendar year  
27 thereafter, the department shall increase the covered wages  
28 limitation by ~~one~~ two thousand dollars if the annual actuarial  
29 valuation of the assets and liabilities of the retirement  
30 system indicates that the cost of the increase in covered  
31 wages can be absorbed within the employer and employee  
32 contribution rates in effect under section 97B.11. However,  
33 covered wages shall not exceed forty thousand dollars for a  
34 calendar year.

35 Sec. 24. Section 97B.41, subsection 1, paragraph b,

1 subparagraph (10), Code Supplement 1987, is amended to read as  
2 follows:

3 (10) Effective July 1, ~~1978~~ 1988, covered wages ~~shall~~ does  
4 not include wages to a member on or ~~after-the-first-of-the~~  
5 ~~month-in-which-the-member-attains-the-age-of-seventy-years,-or~~  
6 after the effective date of the member's retirement unless the  
7 member is ~~re-employed~~ reemployed, as provided under section  
8 97B.48, subsection 3.

9 Sec. 25. Section 97B.41, subsection 3, paragraph a,  
10 unnumbered paragraph 2, Code Supplement 1987, is amended to  
11 read as follows:

12 If an interstate agency is established under chapter 28E  
13 and similar enabling legislation in an adjoining state, and a  
14 ~~city~~ an employer had made contributions to the system for  
15 employees performing functions which are transferred to the  
16 interstate agency, the employees of the interstate agency who  
17 perform those functions shall be considered to be employees of  
18 the ~~city~~ employer for the sole purpose of membership in the  
19 system, although the employer contributions for those  
20 employees are made by the interstate agency.

21 Sec. 26. Section 97B.41, subsection 3, paragraph b,  
22 subparagraph (2), Code Supplement 1987, is amended to read as  
23 follows:

24 (2) ~~Members-of-the-general-assembly-of-Iowa~~ Elective  
25 officials not included in subparagraph (1) and temporary  
26 employees of the general assembly of Iowa unless ~~such-members~~  
27 the elected officials or employees ~~shall~~ make an application  
28 to the department to be covered under ~~the-provisions-of~~ this  
29 chapter. ~~A-member-of-the-general-assembly~~ An elected official  
30 not covered under subparagraph (1) or a temporary employee of  
31 the general assembly who made an application to the department  
32 to be covered under this chapter may terminate membership  
33 under this chapter by informing the department in writing of  
34 the ~~member's~~ elected official's or temporary employee's  
35 termination.



1     Sec. 27. Section 97B.41, subsection 10, Code Supplement  
2 1987, is amended by adding the following new paragraph:

3     NEW PARAGRAPH. e. On or after July 1, 1988, an inactive  
4 member who had accumulated, as of the date of the member's  
5 last termination of employment, years of membership service  
6 equal to or exceeding the years of membership service  
7 specified in this subsection for qualifying as a vested member  
8 on that date of termination.

9     Sec. 28. Section 97B.41, subsection 13, paragraph a, Code  
10 Supplement 1987, is amended to read as follows:

11     a. Service in the armed forces of the United States during  
12 a period of war or national emergency, provided if the  
13 employee was employed by the employer immediately prior to  
14 entry into ~~such~~ the armed forces, and ~~further-provided if~~ if the  
15 employee was released from ~~such~~ service and returns to  
16 employment with the employer within ~~ninety-days~~ twelve months  
17 of the date on which the employee ~~shall-have~~ has the right of  
18 release from ~~such~~ service or within ~~such a~~ longer period as  
19 ~~may-be~~ provided by the applicable laws of the United States  
20 ~~applicable-thereto~~.

21     Sec. 29. Section 97B.41, subsection 17, Code Supplement  
22 1987, is amended to read as follows:

23     17. "Membership service" means service rendered by a  
24 member after July 4, 1953, ~~and-prior-to-the-first-of-the-month~~  
25 ~~in-which-the-member-attains-the-age-of-seventy-years~~. Years  
26 of membership service shall be counted to the complete quarter  
27 calendar year.

28     Sec. 30. Section 97B.43, Code 1987, is amended by adding  
29 the following new unnumbered paragraph:

30     NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member  
31 eligible for an increased retirement allowance because of the  
32 repayment of contributions under this section is entitled to  
33 receipt of retroactive adjustment payments for no more than  
34 six months immediately preceding the month in which written  
35 notice was submitted to the department.

1 Sec. 31. Section 97B.45, Code 1987, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 4. The first of any month in which a  
4 member meets the membership service and age requirements to  
5 retire under section 97B.49, subsection 15.

6 Sec. 32. Section 97B.46, subsection 1, Code Supplement  
7 1987, is amended to read as follows:

8 1. A member who is ~~an-employee-of-the-state-and~~ not an  
9 active member of any other retirement system in the state  
10 which is maintained in whole or in part by public  
11 contributions may remain in service beyond the date the member  
12 attains the age of sixty-five. The employee shall retire on  
13 the first day of the month after the last day of service. The  
14 employer shall not consider age as a factor in determining the  
15 continuation of the member's service.

16 Sec. 33. Section 97B.46, subsection 2, Code Supplement  
17 1987, is amended by striking the subsection.

18 Sec. 34. Section 97B.48, subsection 3, Code 1987, is  
19 amended to read as follows:

20 3. If, after the first day of the month in which the  
21 member attains the age of fifty-five years and until the  
22 member's sixty-fifth birthday, a member who is retired under  
23 this chapter is in regular full-time employment, the member's  
24 retirement allowance shall be suspended for as long as the  
25 member remains in employment. However, employment ~~shall-not~~  
26 ~~be-regarded-as~~ is not full-time employment until the member  
27 receives remuneration in an amount in excess of ~~two~~ six  
28 thousand one hundred twenty dollars for a calendar year.  
29 Effective the first of the month in which a member attains the  
30 age of sixty-five years, a retired member may receive a  
31 retirement allowance after return to covered employment  
32 regardless of the amount of remuneration received. As of the  
33 first of the month in which the member attains the age of  
34 seventy years, the member may receive a retirement allowance  
35 determined under section 97B.49, regardless of the amount of

1 remuneration received. Upon a retirement after re-employment  
2 reemployment, a retired member may have the retired member's  
3 retirement allowance redetermined under this section or  
4 section 97B.49 or 97B.50, whichever is applicable, based upon  
5 the addition of credit for the years of membership service of  
6 the employee after re-employment reemployment, the covered  
7 wage during reemployment, and the age of the employee after  
8 reemployment. The retired member shall not receive a  
9 retirement allowance based upon more than a total of thirty  
10 years of service.

11 Sec. 35. Section 97B.49, subsection 7, paragraph a, Code  
12 Supplement 1987, is amended to read as follows:

13 a. Notwithstanding other provisions of this chapter, a  
14 member who is or has been employed as a conservation peace  
15 officer under section 107.13 and who retires on or after July  
16 1, 1986, and before July 1, 1988, and at the time of  
17 retirement is at least sixty years of age and has completed at  
18 least twenty-five years of membership service as a  
19 conservation peace officer, may elect to receive, in lieu of  
20 the receipt of any benefits under subsection 5 of this  
21 section, a monthly retirement allowance equal to one-twelfth  
22 of fifty percent of the member's three-year average covered  
23 wage as a conservation peace officer, with benefits payable  
24 during the member's lifetime.

25 Sec. 36. Section 97B.49, subsection 7, paragraph b,  
26 unnumbered paragraph 1, Code Supplement 1987, is amended to  
27 read as follows:

28 A conservation peace officer who retires on or after July  
29 1, 1986, and before July 1, 1988, and has not completed  
30 twenty-five years of membership service as required under this  
31 subsection is eligible to receive a monthly retirement  
32 allowance equal to one-twelfth of fifty percent of the  
33 member's three-year average covered wage as a conservation  
34 peace officer multiplied by a fraction of years of service as  
35 a conservation peace officer. For the purpose of this

1 subsection, "fraction of years of service" means a number, not  
2 to exceed one, equal to the sum of the years of membership  
3 service as a conservation peace officer, divided by twenty-  
4 five years. On or after July 1, 1986, if the conservation  
5 peace officer has not reached sixty years of age at  
6 retirement, the monthly retirement allowance shall be reduced  
7 by five-tenths of one percent per month for each month that  
8 the conservation peace officer's retirement precedes the date  
9 on which the conservation peace officer attains sixty years of  
10 age.

11 Sec. 37. Section 97B.49, subsection 8, paragraph a,  
12 unnumbered paragraphs 1 and 2, Code Supplement 1987, are  
13 amended to read as follows:

14 Notwithstanding other provisions of this chapter, a member  
15 who is or has been employed as a peace officer and who retires  
16 on or after July 1, 1986, and before July 1, 1988, and at the  
17 time of retirement is at least sixty years of age and has  
18 completed at least twenty-five years of membership service as  
19 a peace officer, may elect to receive, in lieu of the benefits  
20 under subsection 5 of this section, a monthly retirement  
21 allowance equal to one-twelfth of fifty percent of the  
22 member's three-year average covered wage as a peace officer,  
23 with benefits payable during the member's lifetime.

24 A peace officer who retires on or after July 1, 1986, and  
25 before July 1, 1988, and has not completed twenty-five years  
26 of membership service as required under this subsection is  
27 eligible to receive a monthly retirement allowance equal to  
28 one-twelfth of fifty percent of the member's three-year  
29 average covered wage as a peace officer multiplied by the  
30 fraction of years of service as a peace officer. For the  
31 purpose of this subsection, "fraction of years of service"  
32 means a number, not to exceed one, equal to the sum of the  
33 years of membership service as a peace officer, divided by  
34 twenty-five years. On or after July 1, 1984, if the peace  
35 officer has not reached sixty years of age at retirement, the

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

5 Sec. 38. Section 97B.49, subsection 10, unnumbered  
6 paragraph 1, Code Supplement 1987, is amended to read as  
7 follows:

8 Notwithstanding sections of this chapter relating to  
9 eligibility for and determination of retirement benefits, a  
10 vested member who is or has been employed as a correctional  
11 officer by the Iowa department of corrections and who retires  
12 on or after July 1, 1986, and before July 1, 1988, and at the  
13 time of retirement is at least sixty years of age and has  
14 completed at least thirty years of membership service as a  
15 correctional officer, may elect to receive, in lieu of the  
16 receipt of benefits under subsection 5 of this section, a  
17 monthly retirement allowance equal to one-twelfth of fifty  
18 percent of the member's three-year average covered wage as a  
19 correctional officer, with benefits payable during the  
20 member's lifetime.

21 Sec. 39. Section 97B.49, subsection 13, paragraphs a and  
22 b, Code Supplement 1987, are amended to read as follows:

23 a. Each A member who retired from the system between  
24 January 1, 1976, and June 30, 1982, or a contingent annuitant  
25 or beneficiary of such a member, shall receive with the  
26 November 1986 1988 and the November ~~1987~~ 1989 monthly benefit  
27 payments a retirement dividend equal to fifty seventy-five  
28 percent of the monthly benefit payment the member received for  
29 the preceding June. The retirement dividend does not affect  
30 the amount of a monthly benefit payment.

31 b. Each member who retired from the system between July 4,  
32 1953, and December 31, 1975, or a contingent annuitant or  
33 beneficiary of such a member, shall receive with the November  
34 ~~1986~~ 1988 and the November ~~1987~~ 1989 monthly benefit payments  
35 a retirement dividend equal to seventy-five one hundred

1 percent of the monthly benefit payment the member received for  
2 the preceding June. The retirement dividend does not affect  
3 the amount of a monthly benefit payment.

4 Sec. 40. Section 97B.49, subsection 13, Code Supplement  
5 1987, is amended by adding the following new paragraph:

6 NEW PARAGRAPH. d. If the member dies on or after July 1  
7 of the dividend year but before the payment date, the full  
8 amount of the retirement dividend for that year shall be paid  
9 to the designated beneficiary.

10 Sec. 41. Section 97B.49, subsection 14, unnumbered  
11 paragraphs 1 and 2, Code Supplement 1987, are amended to read  
12 as follows:

13 Notwithstanding other provisions of this chapter, a member  
14 who is or has been employed by the office of disaster services  
15 as an airport firefighter who retires on or after July 1,  
16 1986, and before July 1, 1988, and at the time of retirement  
17 is at least sixty years of age and has completed at least  
18 twenty-five years of membership service as an airport  
19 firefighter, may elect to receive, in lieu of the receipt of  
20 any benefits under subsection 5 of this section, a monthly  
21 retirement allowance equal to one-twelfth of fifty percent of  
22 the member's three-year average covered wage as an airport  
23 firefighter, with benefits payable during the member's  
24 lifetime.

25 An airport firefighter who retires on or after July 1,  
26 1986, and before July 1, 1988, and has not completed twenty-  
27 five years of membership service as required under this  
28 subsection is eligible to receive a monthly retirement  
29 allowance equal to one-twelfth of fifty percent of the  
30 member's three-year average covered wage as an airport  
31 firefighter multiplied by a fraction of years of service as an  
32 airport firefighter. For the purpose of this subsection,  
33 "fraction of years of service" means a number, not to exceed  
34 one, equal to the sum of the years of membership service as an  
35 airport firefighter, divided by twenty-five years. On or

1 after July 1, 1986, if the airport firefighter has not reached  
2 sixty years of age at retirement, the monthly retirement  
3 allowance shall be reduced by five-tenths of one percent per  
4 month for each month that the airport firefighter's retirement  
5 precedes the date on which the airport firefighter attains  
6 sixty years of age.

7 Sec. 42. Section 97B.49, Code Supplement 1987, is amended  
8 by adding the following new subsection:

9 NEW SUBSECTION. 15. In lieu of the monthly benefit  
10 computed under subsections 1 and 3 as applicable, or  
11 subsection 5, for each active member retiring on or after July  
12 1, 1988, who is at least fifty-five years of age and has  
13 completed at least thirty years of membership service and  
14 prior service, and for which the sum of the number of years of  
15 membership service and prior service and the member's age in  
16 years as of the member's last birthday equals or exceeds  
17 ninety-two, a monthly benefit shall be computed which is equal  
18 to fifty percent of the three-year average covered wage of the  
19 member. If the member has not completed thirty years of  
20 service, the monthly benefit shall be multiplied a fraction of  
21 years of service. For the purpose of this subsection,  
22 "fraction of years of service" means a fraction equal to the  
23 number of years of membership service and prior service  
24 divided by thirty years.

25 Sec. 43. Section 97B.49, Code Supplement 1987, is amended  
26 by adding the following new subsection:

27 NEW SUBSECTION. 16. a. Notwithstanding other provisions  
28 of this chapter, a member who is or has been employed in a  
29 protection occupation who retires on or after July 1, 1988,  
30 and at the time of retirement is at least sixty years of age  
31 and has completed at least twenty-five years of membership  
32 service in a protection occupation, may elect to receive in  
33 lieu of the receipt of any benefits under subsections 5 or 15,  
34 a monthly retirement allowance equal to one-twelfth of fifty  
35 percent of the member's three year average covered wage as a

1 member who has been employed in a protection occupation, with  
2 benefits payable during the member's lifetime.

3 b. A member covered under this subsection who retires on  
4 or after July 1, 1988, and has not completed the twenty-five  
5 years of membership service required under paragraph "a" is  
6 eligible to receive a monthly retirement allowance equal to  
7 one-twelfth of fifty percent of the member's three-year  
8 average covered wage as a member employed in a protection  
9 occupation multiplied by a fraction of years of service. For  
10 the purpose of this subsection, "fraction of years of service"  
11 means a number, not to exceed one, equal to the sum of the  
12 years of membership service in a protection occupation,  
13 divided by twenty-five years. If the member employed in a  
14 protection occupation has not reached sixty years of age at  
15 retirement, the monthly retirement allowance shall be reduced  
16 by twenty-five hundredths of one percent per month for each  
17 month that the member's retirement precedes the date on which  
18 the member attains sixty years of age.

19 c. For the purposes of this subsection, "a member employed  
20 in a protection occupation" includes all of the following:

21 (1) A conservation peace officer employed under section  
22 107.13.

23 (2) A county sheriff as defined in section 39.17, if the  
24 county sheriff elects to be covered under the system.

25 (3) A deputy sheriff appointed pursuant to section 341.1,  
26 Code 1981 or section 331.903.

27 (4) A marshal or police officer in a city not covered  
28 under chapter 400.

29 (5) A correctional officer employed by the Iowa department  
30 of corrections in an applicable job classification. The  
31 department of corrections and the department of personnel  
32 shall jointly determine the applicable merit system job  
33 classifications of correctional officers.

34 (6) An airport firefighter employed by the disaster  
35 services division of the department of public defense.



1 (7) An airport safety officer employed under chapter 400  
2 by an airport commission in a city of one hundred thousand  
3 population or more.

4 (8) An arson investigator who commenced employment as an  
5 arson investigator of the department of public safety on or  
6 after July 1, 1988.

7 d. Annually, the department of personnel shall actuarially  
8 determine the cost of the additional benefits provided under  
9 this subsection as a percent of the covered wages of the  
10 employees covered by this subsection. Sixty percent of the  
11 cost shall be paid by the employers of employees covered under  
12 this subsection and forty percent of the cost shall be paid by  
13 the employees. The employer and employee contributions  
14 required under this paragraph are in addition to the  
15 contributions paid under section 97B.11.

16 e. For the fiscal year commencing July 1, 1988, and each  
17 succeeding fiscal year, there is appropriated from the state  
18 fish and game protection fund to the department of personnel  
19 the amount necessary to pay the employer share of the cost of  
20 the additional benefits provided to employees covered under  
21 paragraph "c", subparagraph (1).

22 f. Annually, during each fiscal year commencing with the  
23 fiscal year beginning July 1, 1988, each county and applicable  
24 city shall pay to the department of personnel the amount  
25 necessary to pay the employer share of the cost of the  
26 additional benefits provided to employees of that county or  
27 city covered under paragraph "c", subparagraphs (2), (3), (4),  
28 and (7).

29 g. For the fiscal year commencing July 1, 1988, and each  
30 succeeding fiscal year, the department of corrections shall  
31 pay to the department of personnel from funds appropriated to  
32 the Iowa department of corrections, the amount necessary to  
33 pay the employer share of the cost of the additional benefits  
34 provided to employees covered under paragraph "c",  
35 subparagraph (5).

1 h. For the fiscal year commencing July 1, 1988, and each  
2 succeeding fiscal year, there is appropriated from the general  
3 fund of the state to the department of personnel, from funds  
4 not otherwise appropriated, an amount necessary to pay the  
5 employer share of the cost of the additional benefits provided  
6 to employees covered under paragraph "c", subparagraphs (6)  
7 and (8).

8 Sec. 44. Section 97B.50, subsection 1, Code Supplement  
9 1987, is amended by striking the subsection and inserting in  
10 lieu thereof the following:

11 1. Except as otherwise provided in this section, a member,  
12 upon retirement prior to the normal retirement date, is  
13 entitled to receive a monthly retirement allowance determined  
14 in the same manner as provided for normal retirement in  
15 subsections 1, 4, and 5 of section 97B.49 reduced as follows:

16 a. For a member who is less than sixty-two years of age,  
17 by twenty-five hundredths of one percent per month for each  
18 month that the early retirement date precedes the normal  
19 retirement date.

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

25 Sec. 45. Section 97B.50, subsection 3, Code Supplement  
26 1987, is amended to read as follows:

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

1 ~~the member's retirement date precedes the member's sixty-~~  
2 ~~second birthday. For a member who is at least fifty-five~~  
3 ~~years of age and less than fifty-nine years of age who has~~  
4 ~~completed thirty years of membership service, the monthly~~  
5 ~~retirement allowance shall be reduced by five tenths percent~~  
6 ~~per month for each month that the member's retirement date~~  
7 ~~precedes the member's normal retirement date.~~

8 Sec. 46. Section 97B.50, Code Supplement 1987, is amended  
9 by adding the following new subsection:

10 NEW SUBSECTION. 4. A member eligible for a retirement  
11 allowance adjusted under this section is entitled to receipt  
12 of retroactive adjustment payments for no more than six months  
13 immediately preceding the month in which written notice of  
14 retirement was submitted to the department.

15 Sec. 47. Section 97B.68, subsection 1, Code 1987, is  
16 amended to read as follows:

17 1. ~~From and after July 4, 1959~~ Effective July 1, 1988, any  
18 a person who is a member of the federal civil service  
19 retirement program shall or the federal employee's retirement  
20 system is not be eligible for membership in the Iowa public  
21 employees' retirement system, and the provisions of this  
22 chapter shall does not apply to such that employee. Any An  
23 employee whose membership in the federal civil service  
24 retirement program or the federal employee's retirement system  
25 is subsequently terminated shall immediately notify the  
26 employee's employer and the department of personnel of such  
27 that fact, and the employee shall become subject to the  
28 provisions of this chapter on the date the notification is  
29 received by the department.

30 Sec. 48. Section 97B.73, Code 1987, is amended by adding  
31 the following new unnumbered paragraph:

32 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member  
33 eligible for an increased retirement allowance because of the  
34 payment of contributions under this section is entitled to  
35 receipt of retroactive adjustment payments for no more than

1 six months immediately preceding the month in which written  
2 notice was submitted to the department.

3 Sec. 49. Section 97B.73A, Code Supplement 1987, is amended  
4 by adding the following new unnumbered paragraph:

5 NEW UNNUMBERD PARAGRAPH. Effective July 1, 1988, a member  
6 eligible for an increased retirement allowance because of the  
7 payment of contributions under this section is entitled to  
8 receipt of retroactive adjustment payments for no more than  
9 six months immediately preceding the month in which written  
10 notice was submitted to the department.

11 <sup>54317</sup> Sec. 50. Section 97B.74, Code 1987, is amended by adding  
12 the following new unnumbered paragraph:

13 NEW UNNUMBERD PARAGRAPH. Effective July 1, 1988, a member  
14 eligible for an increased retirement allowance because of the  
15 payment of contributions under this section is entitled to  
16 receipt of retroactive adjustment payments for no more than  
17 six months immediately preceding the month in which written  
18 notice was submitted to the department.

19 Sec. 51. Section 97B.75, Code 1987, is amended by adding  
20 the following new unnumbered paragraph:

21 NEW UNNUMBERD PARAGRAPH. Effective July 1, 1988, a member  
22 eligible for an increased retirement allowance under this  
23 section is entitled to receipt of retroactive adjustment  
24 payments for no more than six months immediately preceding the  
25 month in which written notice was submitted to the department.

26 Sec. 52. Section 411.6, subsection 5, unnumbered paragraph  
27 2, Code 1987, is amended to read as follows:

28 Should a member in service or the chief of the police or  
29 fire departments become incapacitated for duty as a natural or  
30 proximate result of an injury or disease incurred in or  
31 aggravated by the actual performance of duty at some definite  
32 time or place or while acting, pursuant to order, outside the  
33 city by which the member is regularly employed, the member  
34 shall, upon being found to be temporarily incapacitated  
35 following an examination by the board of trustees, be entitled

1 to receive the member's full pay and allowances from the  
2 city's general fund until re-examined by said the board and  
3 found to be fully recovered or permanently disabled.

4 Sec. 53. Section 411.6, subsection 8, paragraph b,  
5 unnumbered paragraph 1, Code 1987, is amended to read as  
6 follows:

7 In lieu of the payment specified in paragraph "a", a  
8 beneficiary meeting the qualifications of paragraph "c" may  
9 elect to receive a monthly pension equal to one-twelfth of  
10 forty percent of the average final compensation of the member,  
11 but not less than seventy-five-dollars twenty percent of the  
12 monthly earnable compensation paid to an active member holding  
13 the highest grade in the rank of firefighter, for a  
14 beneficiary of a deceased member of a fire department, or the  
15 highest grade in the rank of police patrol officer, for a  
16 beneficiary of a deceased member of a police department, if  
17 the member was in service at the time of death. For a member  
18 not in service at the time of death, the pension shall be  
19 reduced as provided in subsection 1, paragraph "b".

20 Sec. 54. Section 411.6, subsection 11, paragraph a, Code  
21 1987, is amended to read as follows:

22 a. To the spouse ~~to continue so long as said partner~~  
23 ~~remains unmarried,~~ equal to one-half the amount received by  
24 ~~such the deceased beneficiary, but in no instance less than~~  
25 ~~seventy-five-dollars-per-month~~ twenty percent of the monthly  
26 earnable compensation paid to an active member holding the  
27 highest grade in the rank of firefighter, for a beneficiary of  
28 a deceased member of the fire department, or the highest grade  
29 in the rank of police patrol officer, for a beneficiary of a  
30 deceased member of a police department, and in addition  
31 thereto a monthly pension equal to the monthly pension payable  
32 under subsection 9 of this section for each child under  
33 eighteen years of age; or

34 Sec. 55. Section 411.6, subsection 12, paragraph a,  
35 subparagraph (2), Code 1987, is amended to read as follows:

1 (2) Twenty percent for members with five or more years of  
2 membership service who are receiving an ordinary disability  
3 retirement allowance. However, effective July 1, 1984, for  
4 members who retired before July 1, 1979, and effective July 1,  
5 1988, for members who retire on or after July 1, 1988, twenty-  
6 five percent shall be used for members who are receiving an  
7 ordinary disability allowance.

8 Sec. 56. Section 411.9, Code 1987, is amended to read as  
9 follows:

10 411.9 MILITARY SERVICE EXCEPTIONS.

11 A member who is absent while serving in the armed services  
12 of the United States or its allies and is discharged or  
13 separated from the armed services under honorable conditions  
14 shall have the period or periods of absence while serving in  
15 the armed services, not in excess of four years unless any  
16 period in excess of four years is at the request and for the  
17 convenience of the federal government, included as part of the  
18 member's period of service in the department. The member  
19 shall not continue the contributions required of the member  
20 under section 411.8 during the period of military service, if  
21 the member, within six-months one year after the member has  
22 been discharged or separated under honorable conditions from  
23 military service, returns and resumes duties in the  
24 department, and if the member is declared physically capable  
25 of resuming duties upon examination by the medical board. A  
26 period of absence may exceed four years at the request and for  
27 the convenience of the federal government.

28 Sec. 57. Section 421.38, subsection 2, Code 1987, is  
29 amended to read as follows:

30 2. CONVENTION EXPENSES. ~~No-claims~~ Claims for expenses in  
31 attending conventions, meetings, conferences, or gatherings of  
32 members of ~~any~~ an association or society organized and  
33 existing as a quasi-public association or society outside the  
34 state of Iowa shall not be allowed at public expense, unless  
35 authorized by the executive council; and claims for such these

1 expenses outside of the state shall not be allowed unless the  
2 voucher is accompanied by ~~so-much~~ the portion of the minutes  
3 of the executive council, certified to by its secretary,  
4 showing that the expense was authorized by the council. This  
5 section does not apply to claims in favor of the governor,  
6 attorney general, utilities board members, or to trips  
7 referred to in ~~section~~ sections 97B.4 and 217.20.

8 Sec. 58. Section 97B.67, Code 1987, is repealed.

9 Sec. 59. Sections 2, 3, 53, and 54 of this Act apply,  
10 beginning on the effective date of this Act, to persons who  
11 are beneficiaries on that date as well as those who become  
12 beneficiaries on or after that date.

13 SIMILAR TO HSB 580 (LSB 7646IS)

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HOUSE FILE 2405

S-6084

1 Amend House File 2405, as amended, passed, and re-  
2 printed by the House, as follows:

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

5 "Section 1. Section 12.8, unnumbered paragraph 3,  
6 Code 1987, is amended to read as follows:

7 The treasurer of state, ~~following with the approval~~  
8 ~~by of the investment board of the Iowa public~~  
9 ~~employees' retirement system, may implement-and-engage~~  
10 ~~in conduct a program of lending securities in the Iowa~~  
11 ~~public employees' retirement system portfolio,-except~~  
12 ~~the-lending-of-common-stocks-shall-not-be-allowed.~~

13 When securities are loaned as provided by this  
14 paragraph, the treasurer, ~~in-order-to-secure-the-loan~~  
15 ~~and-as-a-condition-thereof,-shall-obtain-from-the~~  
16 ~~borrower-federal-securities-of-at-least-equal-to-one~~  
17 ~~hundred-three-percent-of-market-value,-and-the~~  
18 ~~relative-value-of-the-collateral-to-the-loan-shall-be~~  
19 maintained shall act in the manner provided for  
20 investment of moneys in the Iowa public employees'  
21 retirement fund under section 97B.7. The treasurer of  
22 state shall include-in-the-reports-required-by  
23 sections 12.17 and 17.37-a-review-of-the-program  
24 including-the-fiscal-impact-of-the-program report at  
25 least annually to the investment board of the Iowa  
26 public employees' retirement system on the program and  
27 shall provide additional information on the program  
28 upon the request of the investment board or the  
29 employees of the Iowa public employees' retirement  
30 system division of the department of personnel.

31 Sec. 2. Section 97A.1, subsection 2, Code 1987, is  
32 amended to read as follows:

33 2. "Peace officer" or "peace officers" shall mean  
34 all members of the divisions of highway safety and  
35 uniformed force and criminal investigation and bureau  
36 of identification in the department of public safety,  
37 except clerical workers, who have passed a  
38 satisfactory physical and mental examination and have  
39 been duly appointed as members of the state department  
40 of public safety in accordance with the provisions of  
41 section 3.15, and the division of drug law  
42 enforcement, and arson investigators in the department  
43 of public safety hired prior to July 1, 1988, except  
44 clerical workers; and the division of beer and liquor  
45 law enforcement of the department of public safety,  
46 except clerical workers.

47 Sec. 3. Section 2.3.6, subsection 2, Code 1987, is  
48 amended to read as follows:

49 2. Allowance on service retirement. Upon  
50 Effective January 1, 1989, upon retirement from



1 service, a member shall receive a service retirement  
2 allowance which shall consist of a pension which shall  
3 equal one-half sixty percent of the member's average  
4 final compensation.

5 Sec. 4. Section 97A.6, subsection 6, Code 1987, is  
6 amended to read as follows:

7 6. Retirement after accident. Upon Effective  
8 January 1, 1989, upon retirement for accidental  
9 disability, a member shall receive an accidental  
10 disability retirement allowance which shall consist of  
11 a pension equal to ~~sixty-six-and-two-thirds~~ sixty  
12 percent of the member's average final compensation.

13 Sec. 5. Section 97A.6, subsection 8, paragraph b,  
14 unnumbered paragraph 1, Code 1987, is amended to read  
15 as follows:

16 In lieu of the payment specified in paragraph "a,"  
17 a beneficiary meeting the qualifications of paragraph  
18 "c" may elect to receive a monthly pension equal to  
19 one-twelfth of forty percent of the average final  
20 compensation of the member, but not less than fifty  
21 dollars; an amount equal to twenty percent of the  
22 monthly earnable compensation paid to an active member  
23 having the rank of senior patrol officer of the Iowa  
24 highway safety patrol if the member was in service at  
25 the time of death. For a member not in service at the  
26 time of death, the pension shall be reduced as  
27 provided in subsection 1, paragraph "b".

28 Sec. 6. Section 97A.6, subsection 8, paragraph c,  
29 subparagraphs (1) and (2), Code 1987, are amended to  
30 read as follows:

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

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

40 Sec. 7. Section 97A.6, subsection 9, paragraph a,  
41 Code 1987, is amended to read as follows:

42 a. A Effective January 1, 1989, a pension equal to  
43 one-half sixty percent of the average final  
44 compensation of such member shall be paid to the  
45 surviving spouse, children, or dependent parents as  
46 provided in paragraphs "e", "d", and "e" of subsection  
47 8 of this section.

48 Sec. 8. Section 97A.6, subsection 12, paragraph a,  
49 Code 1987, is amended to read as follows:

50 a. To the member's surviving spouse ~~to continue so~~

1 long-as-said-party-remains-unmarried, equal to one-  
2 half the amount received by such the deceased  
3 beneficiary, but in no instance less than fifty  
4 dollars-per-month an amount equal to twenty percent of  
5 the monthly earnable compensation paid to an active  
6 member having the rank of senior patrol officer of the  
7 Iowa highway safety patrol, and in addition thereto a  
8 monthly pension equal to the monthly pension payable  
9 under subsection 9, paragraph "c," of this section for  
10 each child under eighteen years of age or twenty-two  
11 years of age if applicable; or

12 Sec. 9. Section 97A.6, subsection 14, paragraph a,  
13 subparagraphs (1), (2), and (4), Code 1987, are  
14 amended to read as follows:

15 (1) Twenty-five Effective January 1, 1989, thirty  
16 percent for members receiving a service retirement  
17 allowance and for beneficiaries receiving a pension  
18 under subsection 9 of this section.

19 (2) Twenty percent for members with five or more  
20 years of membership service who are receiving an  
21 ordinary disability retirement allowance. However,  
22 effective July 1, 1984, for members who retired before  
23 July 1, 1979, and effective July 1, 1988, for members  
24 who retire on or after July 1, 1988, twenty-five  
25 percent shall be used for members who are receiving an  
26 ordinary disability retirement allowance.

27 (4) Thirty-three-and-one-third Effective January  
28 1, 1989, thirty percent for members receiving an  
29 accidental disability allowance.

30 Sec. 10. Section 97A.8, subsection 1, paragraph f,  
31 Code 1987, is amended to read as follows:

32 f. An Effective January 1, 1989, an amount equal  
33 to three four and one-tenth percent of each member's  
34 compensation from the earnable compensation of the  
35 member shall be paid to the pension accumulation fund.

36 Sec. 11. Section 97A.9, Code 1987, is amended to  
37 read as follows:

38 97A.9 MILITARY SERVICE EXCEPTIONS.

39 Any A member who is absent from duty as a peace  
40 officer while serving in the armed services of the  
41 United States or its allies and is discharged or  
42 separated therefrom from service in the armed forces  
43 under honorable conditions shall have any-such the  
44 period or-periods of absence while serving in such the  
45 armed services on other than a voluntary basis and one  
46 such period of absence, not in excess of four years,  
47 while serving in such the armed forces on a voluntary  
48 basis, included as part of the member's period of  
49 service in the department. Such The member shall is  
not be required to continue the contributions required

1 of the member under section 97A.8, during such the  
2 period of military service, ~~provided that if the~~  
3 member ~~shall~~, within ~~six months~~ one year after the  
4 member has been discharged or separated under  
5 honorable conditions from such military service ~~return~~  
6 returns, and ~~resume~~ resumes the member's duties in the  
7 department, and ~~provided further, that such if the~~  
8 member ~~shall be~~ is declared physically capable of  
9 ~~resuming such~~ to resume those duties upon examination  
10 by the medical board.

11 Sec. 12. Section 97B.2, Code 1987, is amended to  
12 read as follows:

13 97B.2 PURPOSE OF CHAPTER.

14 The purpose of this chapter is to promote economy  
15 and efficiency in the public service by providing an  
16 orderly means whereby for employees who become  
17 ~~superannuated may~~, without hardship or prejudice, be  
18 ~~replaced by more capable employees, and to that end~~  
19 providing to have a retirement system which will  
20 provide for the payment of annuities ~~to public~~  
21 employees, thereby enabling the employees to care for  
22 themselves in retirement, and which ~~by its provisions~~  
23 will improve public employment within the state,  
24 reduce excessive personnel turnover, and offer  
25 suitable attraction to high-grade men and women to  
26 enter public service in the state.

27 Sec. 13. Section 97B.4, unnumbered paragraph 2,  
28 Code 1987, is amended to read as follows:

29 The department, members of the investment board,  
30 and the treasurer of state are not personally liable  
31 for actions or omissions, under this chapter that do  
32 not involve malicious or wanton misconduct even if  
33 those actions or omissions violate the standards  
34 established in section 97B.7.

35 Sec. 14. Section 97B.4, Code 1987, is amended by  
36 adding the following new unnumbered paragraph:

37 NEW UNNUMBERED PARAGRAPH. In the administration of  
38 the investment of moneys in the fund, employees of the  
39 department and members of the board may travel outside  
40 the state for the purpose of meeting with investment  
41 firms and consultants and attending conferences and  
42 meetings to fulfill their fiduciary responsibilities.  
43 This travel is not subject to section 421.38,  
44 subsection 2.

45 Sec. 15. Section 97B.7, subsection 2, paragraph b,  
46 unnumbered paragraph 1, Code 1987, is amended to read  
47 as follows:

48 Invest, subject to chapter 12A, the portion of the  
49 retirement fund which in the judgment of the  
50 department is not needed for current payment of

1 benefits under this chapter. The department shall  
2 execute the disposition and investment of moneys in  
3 the retirement fund in accordance with the investment  
4 policy and goal statement established by the  
5 investment board. In the investment of the fund, the  
6 department and investment board shall exercise the  
7 judgment and care, under the circumstances then  
8 prevailing, which persons of prudence, discretion, and  
9 intelligence exercise in the management of their own  
10 ~~affairs as provided in section 633-1237, subsection 2,~~  
11 ~~not for the purpose of speculation, but with regard to~~  
12 ~~the permanent disposition of the funds, considering~~  
13 ~~the probable income, as well as the probable safety,~~  
14 ~~of their capital. Within the limitations of the~~  
15 ~~standard prescribed in this section, a fiduciary may~~  
16 ~~acquire and retain every kind of property and every~~  
17 ~~kind of investment which persons of prudence,~~  
18 ~~discretion, and intelligence acquire or retain for~~  
19 ~~their own account.~~

20 Sec. 16. Section 97B.7, subsection 2, paragraph b,  
21 unnumbered paragraph 4, Code 1987, is amended to read  
22 as follows:

23 Consistent with this paragraph, investments made  
24 under this paragraph shall be made in a manner that  
25 will enhance the economy of this state, and in  
26 particular, will result in increased employment of the  
27 residents of this state. Investments of moneys in the  
28 fund are not subject to sections 73.15 through 73.21.

29 Sec. 17. Section 97B.7, subsection 2, paragraph b,  
30 unnumbered paragraph 5, Code 1987, is amended to read  
31 as follows:

32 Except as provided in section 97B.4, if there is  
33 loss on the redemption or sale of securities where  
34 invested as prescribed by law, neither the fund,  
35 the treasurer, nor the department is, and the board  
36 are not personally liable, but and the loss shall be  
37 charged against the retirement fund, and there ~~There~~  
38 is appropriated from the retirement fund an the amount  
39 as required for the to cover a loss. Expenses  
40 incurred in the sale and purchase of securities  
41 belonging to the retirement fund shall be charged to  
42 the retirement fund, and there is appropriated from  
43 the retirement fund an the amount as required for the  
44 expenses incurred. Investment management expenses  
45 shall be charged to the investment income of the  
46 retirement fund, and there is appropriated from the  
47 retirement fund an the amount as required for the  
48 investment management expenses, subject to the  
limitations stated in this subparagraph. The amount  
appropriated for a fiscal year under this subparagraph

1 shall not exceed one-half percent of the market value  
2 of the retirement fund. The department shall report  
3 the investment management expenses for a fiscal year  
4 as a percent of the market value of the retirement  
5 fund in the annual report to the governor required in  
6 section 97B.4. A person who has signed a contract  
7 with the department for investment management purposes  
8 shall meet the requirements for doing business in Iowa  
9 sufficient to be subject to tax under rules of the  
10 department of revenue and finance.

11 Sec. 18. Section 97B.8, unnumbered paragraph 3,  
12 Code 1987, is amended to read as follows:

13 The members who are executives of a domestic life  
14 insurance company, a state or national bank, and a  
15 major industrial corporation, and the member who is a  
16 retired member of the system, shall be paid their  
17 actual expenses incurred in performance of their  
18 duties and shall receive in addition ~~the sum of~~ forty  
19 dollars for each day of service not exceeding forty  
20 days per year. Legislative members shall receive  
21 forty dollars for each day of service and their actual  
22 expenses incurred in the performance of their duties.  
23 The per diem and expenses of the legislative members  
24 shall be paid from funds appropriated under section  
25 2.12. The members who are active members of the  
26 system and the director of the department shall be  
27 paid their actual expenses incurred in the performance  
28 of their duties as members of the board and  
29 performance of their duties as members of the board  
30 shall not affect their salaries, ~~vacation~~ vacations,  
31 or leaves of absence for sickness or injury. The  
32 appointive terms of the members appointed by the  
33 governor are for a period of six years beginning and  
34 ending as provided in section 69.19. If there is a  
35 vacancy in the membership of the board, the governor  
36 has the power of appointment. Appointees to this  
37 board are subject to confirmation by the senate.

38 Sec. 19. Section 97B.9, unnumbered paragraph 1,  
39 Code 1987, is amended to read as follows:

40 Contributions unpaid on the date on which they are  
41 due and payable as prescribed by the department, shall  
42 bear interest at the combined interest and dividend  
43 rate of one-half of one per centum per month from and  
44 after such date until payment plus accrued interest is  
45 received by the department required under section  
46 97B.70 for the applicable calendar year, provided that  
47 the department may prescribe fair and reasonable  
48 regulations pursuant to which such the interest shall  
49 not accrue with respect to contributions required.  
50 Interest collected pursuant to this section shall be

1 paid into the Iowa public employees' retirement fund.  
2 Sec. 20. Section 97B.11, Code 1987, is amended to  
3 read as follows:

4 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

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

23 Sec. 21. Section 97B.15, Code 1987, is amended to  
24 read as follows:

25 97B.15 RULES.

26 ~~The department shall have full power and authority~~  
27 ~~to may make rules under chapter 17A and to establish~~  
28 ~~procedures, not inconsistent with the provisions of~~  
29 ~~this chapter, which are necessary or appropriate to~~  
30 ~~carry out such provisions implement this chapter and~~  
31 shall adopt reasonable and proper rules to regulate  
32 and provide for the nature and extent of the proofs  
33 and evidence and the method of taking and furnishing  
34 the same proofs and evidence in order to establish the  
35 right to benefits hereunder under this chapter. The  
36 department may adopt rules to conform the requirements  
37 for receipt of retirement benefits under this chapter  
38 to the mandates of applicable federal statutes and  
39 regulations governing age discrimination or the  
40 taxation of distributions.

41 Sec. 22. Section 97B.16, Code 1987, is amended by  
42 striking the section and inserting in lieu thereof the  
43 following:

44 97B.16 PROCEDURE OF DEPARTMENT.

45 The department shall make decisions as to the  
46 rights of an individual applying for a payment under  
47 this chapter. When requested by an individual, or a  
48 person who makes a showing in writing that the  
49 individual's or person's rights may be prejudiced by a  
50 decision the department has made, a hearing shall be

1 scheduled under the Iowa administrative procedures  
2 Act, chapter 17A. If a hearing is held, the decision  
3 shall, on the basis of evidence adduced at the  
4 hearing, be affirmed, modified, or reversed under  
5 chapter 17A.

6 Sec. 23. Section 97B.17, Code 1987, is amended to  
7 read as follows:

8 97B.17 RECORDS MAINTAINED.

9 The department shall establish and maintain records  
10 of each member, including but not limited to the  
11 amount of wages of each member, the contribution of  
12 each member with interest, and interest dividends  
13 credited thereon, and such these records shall be are  
14 the basis for the compilation of the retirement  
15 benefits provided under this chapter. Such The  
16 following records maintained under this chapter  
17 containing personal identifiable information are not  
18 public records for the purposes of chapter 22:

- 19 1. Records containing social security numbers.
- 20 2. Records listing designated beneficiaries.
- 21 3. Records specifying amounts accumulated in  
22 members' active accounts.
- 23 4. Records containing names, addresses, and  
24 amounts of monthly benefits to which members or their  
25 beneficiaries are entitled.
- 26 5. Records containing names, addresses, and  
27 amounts of lump sum refund payments to terminated  
28 members or their beneficiaries.

29 Summary information concerning the demographics of  
30 the members and general statistical information  
31 concerning the system is subject to chapter 22, as  
32 well as aggregate information by category.

33 However, the department's records shall be are  
34 evidence for the purpose of proceedings before the  
35 department or any court of the amounts of such wages  
36 and the periods in which they were paid, and the  
37 absence of an entry as to an individual's a member's  
38 wages in such the records for any period shall be is  
39 evidence that no wages were not paid such-individual  
40 that member in such the period.

41 Sec. 24. Section 97B.37, Code 1987, is amended to  
42 read as follows:

43 97B.37 RECOGNITION OF AGENTS.

44 The department may prescribe rules governing the  
45 recognition of agents or other persons, other than  
46 attorneys-as-hereinafter-provided, representing  
47 claimants before the department, and may require of  
48 such the agents or other persons, before being  
49 recognized as representatives of claimants, that they  
50 shall show that they are of good character and in good

1 repute, possessed of the necessary qualifications to  
2 enable them to render such the claimants valuable  
3 service, and otherwise competent to advise and assist  
4 such the claimants in the presentation of their cases.  
5 ~~An attorney in good standing who is admitted to  
6 practice before the district or supreme courts of the  
7 state, shall be entitled to represent claimants before  
8 the department upon filing with the department a  
9 certificate of the attorney's right to so practice  
10 from the presiding judge or clerk of any such court.~~  
11 Claimants may be represented by counsel at their own  
12 expense.

13 Sec. 25. Section 97B.41, subsection 1, paragraph  
14 a, unnumbered paragraph 1, Code Supplement 1987, is  
15 amended to read as follows:

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

35 Sec. 26. Section 97B.41, subsection 1, paragraph  
36 b, subparagraph (8), Code Supplement 1987, is amended  
37 to read as follows:

38 (8) For each the calendar year from beginning  
39 January 1, 1988, and thereafter, ~~except as provided in~~  
40 subparagraph (9) and ending December 31, 1988, wages  
41 not in excess of twenty-four thousand dollars.

42 Sec. 27. Section 97B.41, subsection 1, paragraph  
43 b, subparagraph (9), Code Supplement 1987, is amended  
44 to read as follows:

45 (9) For Commencing January 1, 1989, for each  
46 calendar year thereafter, the department shall  
47 increase the covered wages limitation from the  
48 previous calendar year by one two thousand dollars if  
49 the annual actuarial valuation of the assets and  
50 liabilities of the retirement system indicates that



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

6 Sec. 28. Section 97B.41, subsection 1, paragraph  
7 b, subparagraph (10), Code Supplement 1987, is amended  
8 to read as follows:

9 (10) Effective July 1, 1978 1988, covered wages  
10 shall ~~does~~ not include wages to a member on or after  
11 ~~the first of the month in which the member attains the~~  
12 ~~age of seventy years, or after the effective date of~~  
13 the member's retirement unless the member is re-  
14 employed reemployed, as provided under section 97B.18,  
15 subsection 3.

16 Sec. 29. Section 97B.41, subsection 3, paragraph  
17 a, unnumbered paragraph 2, Code Supplement 1987, is  
18 amended to read as follows:

19 If an interstate agency is established under  
20 chapter 28E and similar enabling legislation in an  
21 adjoining state, and ~~a city~~ an employer had made  
22 contributions to the system for employees performing  
23 functions which are transferred to the interstate  
24 agency, the employees of the interstate agency who  
25 perform those functions shall be considered to be  
26 employees of the city employer for the sole purpose of  
27 membership in the system, although the employer  
28 contributions for those employees are made by the  
29 interstate agency.

30 Sec. 30. Section 97B.41, subsection 3, paragraph  
31 b, subparagraph (1), Code Supplement 1987, is amended  
32 to read as follows:

33 (1) Elective officials in positions for which the  
34 compensation is on a fee basis, elective officials of  
35 school districts, elective officials of townships, and  
36 elective officials of other political subdivisions who  
37 are in part-time positions, graduate medical students  
38 while serving as interns or resident doctors in  
39 training at any hospital, or county medical examiners  
40 and deputy county medical examiners under chapter 331,  
41 division V, part 7 8. However, a county attorney is  
42 an employee for purposes of this chapter whether that  
43 county attorney is employed on a full-time or a part-  
44 time basis.

45 Sec. 31. Section 97B.41, subsection 3, paragraph  
46 b, Code Supplement 1987, is amended by adding the  
47 following new subparagraphs:

48 NEW SUBPARAGRAPH. (14) Employees of the Iowa  
49 peace institute, established in chapter 38, unless an  
50 employee files an application with the department to

1 be covered under this chapter.

2 NEW SUBPARAGRAPH. (15) Employees appointed by the  
3 state board of regents who, at the discretion of the  
4 state board of regents, may elect coverage in a  
5 retirement system qualified by the state board of  
6 regents that meets the criteria of section 97B.2.

7 Sec. 32. Section 97B.41, subsection 10, Code  
8 Supplement 1987, is amended by adding the following  
9 new paragraph:

10 NEW PARAGRAPH. e. On or after July 1, 1988, an  
11 inactive member who had accumulated, as of the date of  
12 the member's last termination of employment, years of  
13 membership service equal to or exceeding the years of  
14 membership service specified in this subsection for  
15 qualifying as a vested member on that date of  
16 termination.

17 Sec. 33. Section 97B.41, subsection 13, paragraph  
18 a, Code Supplement 1987, is amended to read as  
19 follows:

20 a. Service in the armed forces of the United  
21 States during a period of war or national emergency,  
22 provided if the employee was employed by the employer  
23 immediately prior to entry into such the armed forces,  
24 and further-provided if the employee was released from  
25 such service and returns to employment with the  
26 employer within ninety-days ~~twelve months~~ of the date  
27 on which the employee shall have has the right of  
28 release from such service or within such a longer  
29 period as may-be provided by the applicable laws of  
30 the United States applicable-thereto.

31 Sec. 34. Section 97B.41, subsection 17, Code  
32 Supplement 1987, is amended to read as follows:

33 17. "Membership service" means service rendered by  
34 a member after July 4, 1953, ~~and prior to the first of~~  
35 ~~the month in which the member attains the age of~~  
36 ~~seventy-years.~~ Years of membership service shall be  
37 counted to the complete quarter calendar year.

38 Sec. 35. Section 97B.43, Code 1987, is amended by  
39 adding the following new unnumbered paragraph:

40 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988,  
41 a member eligible for an increased retirement  
42 allowance because of the repayment of contributions  
43 under this section is entitled to receipt of  
44 retroactive adjustment payments for no more than six  
45 months immediately preceding the month in which  
46 written notice was submitted to the department.

47 Sec. 36. Section 97B.45, Code 1987, is amended by  
48 adding the following new subsection:

49 NEW SUBSECTION. 4. The first of any month in  
50 which a member meets the membership service and age

1 requirements to retire under section 97B.49,  
2 subsection 15.

3 Sec. 37. Section 97B.46, subsection 1, Code  
4 Supplement 1987, is amended to read as follows:

5 1. A member who is ~~an employee of the state and~~  
6 not an active member of any other retirement system in  
7 the state which is maintained in whole or in part by  
8 public contributions may remain in service beyond the  
9 date the member attains the age of sixty-five. The  
10 employee shall retire on the first day of the month  
11 after the last day of service. The employer shall not  
12 consider age as a factor in determining the  
13 continuation of the member's service.

14 Sec. 38. Section 97B.46, subsection 2, Code  
15 Supplement 1987, is amended by striking the  
16 subsection.

17 Sec. 39. Section 97B.48, subsection 3, Code 1987,  
18 is amended to read as follows:

19 3. If, after the first day of the month in which  
20 the member attains the age of fifty-five years and  
21 until the member's sixty-fifth birthday, a member who  
22 is retired under this chapter is in regular full-time  
23 employment, the member's retirement allowance shall be  
24 suspended for as long as the member remains in  
25 employment. However, effective January 1, 1989,  
26 employment shall not be regarded as is not full-time  
27 employment until the member receives remuneration in  
28 an amount in excess of two six thousand one hundred  
29 twenty dollars for a calendar year. Effective the  
30 first of the month in which a member attains the age  
31 of sixty-five years, a retired member may receive a  
32 retirement allowance after return to covered  
33 employment regardless of the amount of remuneration  
34 received. As of the first of the month in which the  
35 member attains the age of seventy years, the member  
36 may receive a retirement allowance determined under  
37 section 97B.49, regardless of the amount of  
38 remuneration received. Upon a retirement after re-  
39 employment reemployment, a retired member may have the  
40 retired member's retirement allowance redetermined  
41 under this section or section 97B.49 or 97B.50,  
42 whichever is applicable, based upon the addition of  
43 credit for the years of membership service of the  
44 employee after re-employment reemployment, the covered  
45 wage during reemployment, and the age of the employee  
46 after reemployment. The retired member shall not  
47 receive a retirement allowance based upon more than a  
48 total of thirty years of service.

49 Sec. 40. Section 97B.49, subsection 7, paragraph  
50 a, Code Supplement 1987, is amended to read as

1 follows:

2 a. Notwithstanding other provisions of this  
3 chapter, a member who is or has been employed as a  
4 conservation peace officer under section 107.13 and  
5 who retires on or after July 1, 1986, and before July  
6 1, 1988, and at the time of retirement is at least  
7 sixty years of age and has completed at least twenty-  
8 five years of membership service as a conservation  
9 peace officer, may elect to receive, in lieu of the  
10 receipt of any benefits under subsection 5 of this  
11 section, a monthly retirement allowance equal to one-  
12 twelfth of fifty percent of the member's three-year  
13 average covered wage as a conservation peace officer,  
14 with benefits payable during the member's lifetime.

15 Sec. 41. Section 97B.49, subsection 7, paragraph  
16 b, unnumbered paragraph 1, Code Supplement 1987, is  
17 amended to read as follows:

18 A conservation peace officer who retires on or  
19 after July 1, 1986, and before July 1, 1988, and has  
20 not completed twenty-five years of membership service  
21 as required under this subsection is eligible to  
22 receive a monthly retirement allowance equal to one-  
23 twelfth of fifty percent of the member's three-year  
24 average covered wage as a conservation peace officer  
25 multiplied by a fraction of years of service as a  
26 conservation peace officer. For the purpose of this  
27 subsection, "fraction of years of service" means a  
28 number, not to exceed one, equal to the sum of the  
29 years of membership service as a conservation peace  
30 officer, divided by twenty-five years. On or after  
31 July 1, 1986, if the conservation peace officer has  
32 not reached sixty years of age at retirement, the  
33 monthly retirement allowance shall be reduced by five-  
34 tenths of one percent per month for each month that  
35 the conservation peace officer's retirement precedes  
36 the date on which the conservation peace officer  
37 attains sixty years of age.

38 Sec. 42. Section 97B.49, subsection 8, paragraph  
39 a, unnumbered paragraphs 1 and 2, Code Supplement  
40 1987, are amended to read as follows:

41 Notwithstanding other provisions of this chapter, a  
42 member who is or has been employed as a peace officer  
43 and who retires on or after July 1, 1986, and before  
44 July 1, 1988, and at the time of retirement is at  
45 least sixty years of age and has completed at least  
46 twenty-five years of membership service as a peace  
47 officer, may elect to receive, in lieu of the benefits  
48 under subsection 5 of this section, a monthly  
49 retirement allowance equal to one-twelfth of fifty  
50 percent of the member's three-year average covered

1 wage as a peace officer, with benefits payable during  
2 the member's lifetime.

3 A peace officer who retires on or after July 1,  
4 1986, and before July 1, 1988, and has not completed  
5 twenty-five years of membership service as required  
6 under this subsection is eligible to receive a monthly  
7 retirement allowance equal to one-twelfth of fifty  
8 percent of the member's three-year average covered  
9 wage as a peace officer multiplied by the fraction of  
10 years of service as a peace officer. For the purpose  
11 of this subsection, "fraction of years of service"  
12 means a number, not to exceed one, equal to the sum of  
13 the years of membership service as a peace officer,  
14 divided by twenty-five years. On or after July 1,  
15 1984, if the peace officer has not reached sixty years  
16 of age at retirement, the monthly retirement allowance  
17 shall be reduced by five-tenths of one percent per  
18 month for each month that the peace officer's  
19 retirement precedes the date on which the peace  
20 officer attains sixty years of age.

21 Sec. 43. Section 97B.49, subsection 10, unnumbered  
22 paragraph 1, Code Supplement 1987, is amended to read  
23 as follows:

24 Notwithstanding sections of this chapter relating  
25 to eligibility for and determination of retirement  
26 benefits, a vested member who is or has been employed  
27 as a correctional officer by the Iowa department of  
28 corrections and who retires on or after July 1, 1986,  
29 and before July 1, 1988, and at the time of retirement  
30 is at least sixty years of age and has completed at  
31 least thirty years of membership service as a  
32 correctional officer, may elect to receive, in lieu of  
33 the receipt of benefits under subsection 5 of this  
34 section, a monthly retirement allowance equal to one-  
35 twelfth of fifty percent of the member's three-year  
36 average covered wage as a correctional officer, with  
37 benefits payable during the member's lifetime.

38 Sec. 44. Section 97B.49, subsection 14, unnumbered  
39 paragraphs 1 and 2, Code Supplement 1987, are amended  
40 to read as follows:

41 Notwithstanding other provisions of this chapter, a  
42 member who is or has been employed by the office of  
43 disaster services as an airport firefighter who  
44 retires on or after July 1, 1986, and before July 1,  
45 1988, and at the time of retirement is at least sixty  
46 years of age and has completed at least twenty-five  
47 years of membership service as an airport firefighter,  
48 may elect to receive, in lieu of the receipt of any  
49 benefits under subsection 5 or this section, a monthly  
50 retirement allowance equal to one-twelfth of fifty

1 percent of the member's three-year average covered wage as an airport firefighter, with benefits payable during the member's lifetime.

4 An airport firefighter who retires on or after July 5 1, 1986, and before July 1, 1988, and has not 6 completed twenty-five years of membership service as 7 required under this subsection is eligible to receive 8 a monthly retirement allowance equal to one-twelfth of 9 fifty percent of the member's three-year average 10 covered wage as an airport firefighter multiplied by a 11 fraction of years of service as an airport 12 firefighter. For the purpose of this subsection, 13 "fraction of years of service" means a number, not to 14 exceed one, equal to the sum of the years of 15 membership service as an airport firefighter, divided 16 by twenty-five years. On or after July 1, 1986, if 17 the airport firefighter has not reached sixty years of 18 age at retirement, the monthly retirement allowance 19 shall be reduced by five-tenths of one percent per 20 month for each month that the airport firefighter's 21 retirement precedes the date on which the airport 22 firefighter attains sixty years of age.

23 Sec. 45. Section 97B.49, Code Supplement 1987, is 24 amended by adding the following new subsection:

25 NEW SUBSECTION. 15. In lieu of the monthly 26 benefit computed under subsections 1 and 3 as 27 applicable, or subsection 5, for each active member 28 retiring on or after July 1, 1988, who is at least 29 fifty-five years of age and has completed at least 30 thirty years of membership service and prior service, 31 and for which the sum of the number of years of 32 membership service and prior service and the member's 33 age in years as of the member's last birthday equals 34 or exceeds ninety-two, a monthly benefit shall be 35 computed which is equal to fifty percent of the three- 36 year average covered wage of the member.

37 Sec. 46. Section 97B.49, Code Supplement 1987, is 38 amended by adding the following new subsection:

39 NEW SUBSECTION. 16. a. Notwithstanding other 40 provisions of this chapter, a member who is or has 41 been employed in a protection occupation who retires 42 on or after July 1, 1988, and at the time of 43 retirement is at least fifty-five years of age and has 44 completed at least twenty-two years of membership 45 service in a protection occupation, may elect to 46 receive in lieu of the receipt of any benefits under 47 subsections 5 or 15, a monthly retirement allowance 48 equal to one-twelfth of fifty percent of the member's 49 three year average covered wage as a member who has 50 been employed in a protection occupation, with

1 benefits payable during the member's lifetime.

2 b. A member covered under this subsection who  
3 retires on or after July 1, 1988, and has not  
4 completed the twenty-two years of membership service  
5 required under paragraph "a", is eligible to receive a  
6 monthly retirement allowance equal to one-twelfth of  
7 fifty percent of the member's three-year average  
8 covered wage as a member employed in a protection  
9 occupation, multiplied by a fraction of years of  
10 service. For the purpose of this subsection,  
11 "fraction of years of service" means a number, not to  
12 exceed one, equal to the sum of the years of  
13 membership service in a protection occupation, divided  
14 by twenty-two years.

15 c. For the purposes of this subsection, "a member  
16 employed in a protection occupation" includes all of  
17 the following:

18 (1) A conservation peace officer employed under  
19 section 107.13.

20 (2) A county sheriff as defined in section 39.17  
21 or as a deputy sheriff appointed pursuant to section  
22 341.1 prior to July 1, 1981, or section 331.903 on or  
23 after July 1, 1981.

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

26 (4) A correctional officer employed by the Iowa  
27 department of corrections in an applicable job  
28 classification. The department of corrections and the  
29 department of personnel shall jointly determine the  
30 applicable merit system job classifications of  
31 correctional officers.

32 (5) An airport firefighter employed by the  
33 disaster services division of the department of public  
34 defense.

35 (6) An airport safety officer employed under  
36 chapter 400 by an airport commission in a city of one  
37 hundred thousand population or more.

38 (7) An arson investigator who commenced employment  
39 as an arson investigator of the department of public  
40 safety on or after July 1, 1988.

41 d. Effective July 1, 1988, and annually  
42 thereafter, the department of personnel shall  
43 actuarially determine for that year the cost of the  
44 additional benefits provided under paragraphs "a" and  
45 "b" as a percent of the covered wages of the employees  
46 covered by this subsection. Effective July 1, 1988,  
47 sixty percent of the cost shall be paid by the  
48 employers of employees covered under this subsection  
49 and forty percent of the cost shall be paid by the  
50 employees. The employer and employee contributions

1 required under this paragraph are in addition to the  
2 contributions paid under section 97B.11.

3 e. For the fiscal year commencing July 1, 1988,  
4 and each succeeding fiscal year, there is appropriated  
5 from the state fish and game protection fund to the  
6 department of personnel the amount necessary to pay  
7 the employer share of the cost of the additional  
8 benefits provided to employees covered under paragraph  
9 "c", subparagraph (1).

10 f. Annually, during each fiscal year commencing  
11 with the fiscal year beginning July 1, 1988, each  
12 applicable city shall pay to the department of  
13 personnel the amount necessary to pay the employer  
14 share of the cost of the additional benefits provided  
15 to employees of that city covered under paragraph "c",  
16 subparagraphs (3) and (6).

17 g. Annually, during each fiscal year commencing  
18 with the fiscal year beginning July 1, 1988, each  
19 county shall pay to the department of personnel the  
20 amount necessary to pay the employer share of the cost  
21 of the additional benefits provided to employees  
22 covered under paragraph "c", subparagraph (2).

23 h. For the fiscal year commencing July 1, 1988,  
24 and each succeeding fiscal year, the department of  
25 corrections shall pay to the department of personnel  
26 from funds appropriated to the Iowa department of  
27 corrections, the amount necessary to pay the employer  
28 share of the cost of the additional benefits provided  
29 to employees covered under paragraph "c", subparagraph  
30 (4).

31 i. For the fiscal year commencing July 1, 1988,  
32 and each succeeding fiscal year, there is appropriated  
33 from the general fund of the state to the department  
34 of personnel, from funds not otherwise appropriated,  
35 an amount necessary to pay the employer share of the  
36 cost of the additional benefits provided to employees  
37 covered under paragraph "c", subparagraphs (5) and  
38 (7).

39 Sec. 47. Section 97B.49, Code 1987, is amended by  
40 adding the following new subsection:

41 NEW SUBSECTION. 17. a. Notwithstanding sections  
42 of this chapter relating to eligibility for and  
43 determination of retirement benefits, a member retires  
44 as a department of transportation enforcement officer  
45 on or after July 1, 1988, and at the time of  
46 retirement is at least sixty years of age, and has  
47 completed at least twenty-five years of service as a  
48 department of transportation enforcement officer or  
49 member of a protection occupation under subsection 16,  
50 may elect to receive, in lieu of the receipt of any



1 benefits under subsection 5 or 15, a monthly retire-  
2 ment allowance equal to one-twelfth of fifty percent  
3 of the member's three-year average covered wage as an  
4 enforcement officer of the department of  
5 transportation, with benefits payable during the  
6 member's lifetime.

7 For the purpose of this subsection, "service as an  
8 enforcement officer" includes an individual employed  
9 under section 321.477 and service prior to the  
10 creation of the department of transportation as a  
11 traffic weight officer employed by the highway  
12 commission, vehicle regulation investigator employed  
13 by the department of public safety, and peace officer  
14 employed by the Iowa state commerce commission.

15 b. A department of transportation enforcement  
16 officer who retires on or after July 1, 1988, and has  
17 not completed twenty-five years of membership service  
18 as required under this subsection is eligible to  
19 receive a monthly retirement allowance equal to one-  
20 twelfth of fifty percent of the member's three-year  
21 average covered wage multiplied by a fraction of years  
22 of service. For the purpose of this subsection,  
23 "fraction of years of service" means a number, not to  
24 exceed one, equal to the sum of the years of  
25 membership service under this subsection, divided by  
26 twenty-five years. On or after July 1, 1988, if the  
27 enforcement officer of the department of  
28 transportation has not reached sixty years of age at  
29 retirement, the monthly retirement allowance shall be  
30 reduced by twenty-five hundredths of one percent per  
31 month for each month that the officer's retirement  
32 precedes the date on which the officer attains sixty  
33 years of age.

34 c. Effective July 1, 1988, and annually  
35 thereafter, the department of personnel shall  
36 actuarially determine for that year the cost of the  
37 additional benefits provided under this subsection as  
38 a percent of the covered wages of the enforcement  
39 officers. Sixty percent of the cost shall be paid by  
40 the employer and forty percent of the cost shall be  
41 paid by the employee. The employer and employee  
42 contributions required under this subsection are in  
43 addition to the contributions paid under section  
44 973.11.

45 For the fiscal year commencing July 1, 1988, and  
46 each succeeding fiscal year, there is appropriated  
47 from the general fund of the state to the department  
48 of personnel, from funds not otherwise appropriated,  
49 an amount necessary to pay the employer share of the  
50 cost of the additional benefits provided under this

1 subsection.

2 Sec. 48. Section 97B.49, Code Supplement 1987, is  
3 amended by adding the following new subsection:

4 NEW SUBSECTION. 18. Effective July 1, 1988, for  
5 each member who retired from the system prior to  
6 January 1, 1976, and for each member who retired from  
7 the system under subsection 1 on or after January 1,  
8 1976, the amount of regular monthly retirement  
9 allowance attributable to membership service and prior  
10 service that was payable to the member for June 1988  
11 is increased by ten percent.

12 The increase payable to a member under this section  
13 is also payable to a beneficiary and a contingent  
14 annuitant.

15 Sec. 49. Section 97B.49, Code Supplement 1987, is  
16 amended by adding the following new subsection:

17 NEW SUBSECTION. 19. Effective July 1, 1988, for  
18 each member who retired from the system on or after  
19 January 1, 1976, and before July 1, 1982, the amount  
20 of the regular monthly retirement allowance of the  
21 member is increased from forty-seven percent to fifty  
22 percent of the member's average final compensation.

23 Sec. 50. Section 97B.50, subsection 1, Code  
24 Supplement 1987, is amended by striking the subsection  
25 and inserting in lieu thereof the following:

26 1. Except as otherwise provided in this section, a  
27 member, upon retirement prior to the normal retirement  
28 date, is entitled to receive a monthly retirement  
29 allowance determined in the same manner as provided  
30 for normal retirement in subsections 1, 4, and 5 of  
31 section 97B.49 reduced as follows:

32 a. For a member who is less than sixty-two years  
33 of age, by twenty-five hundredths of one percent per  
34 month for each month that the early retirement date  
35 precedes the normal retirement date.

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

42 Sec. 51. Section 97B.50, subsection 3, Code  
43 Supplement 1987, is amended to read as follows:

44 3. A member who is at least sixty-two years of age  
45 and less than sixty-five years of age, and who has  
46 completed thirty or more years of membership service  
47 and prior service, shall receive full benefits under  
48 section 97B.49 determined as if the member had  
49 attained sixty-five years of age. ~~For a member who is~~  
50 ~~at least fifty-nine but less than sixty-two years of~~

1 age who has completed at least thirty years of  
2 service, the monthly retirement allowance shall be  
3 reduced by twenty-five hundredths percent per month  
4 for each month that the member's retirement date  
5 precedes the member's sixty-second birthday. For a  
6 member who is at least fifty-five years of age and  
7 less than sixty-nine years of age who has completed  
8 thirty years of membership service, the monthly  
9 retirement allowance shall be reduced by five tenths  
10 percent per month for each month that the member's  
11 retirement date precedes the member's normal  
12 retirement date.

13 Sec. 52. Section 97B.50, Code Supplement 1987, is  
14 amended by adding the following new subsection:

15 NEW SUBSECTION. 4. A member eligible for a  
16 retirement allowance adjusted under this section is  
17 entitled to receipt of retroactive adjustment payments  
18 for no more than six months immediately preceding the  
19 month in which written notice of retirement was  
20 submitted to the department.

21 Sec. 53. Section 97B.68, subsection 1, Code 1987,  
22 is amended to read as follows:

23 1. ~~From and after July 4, 1959~~ Effective July 1,  
24 1988, any a person who is a member of the Federal  
25 civil service retirement program shall or the federal  
26 employee's retirement system is not be eligible for  
27 membership in the Iowa public employees' retirement  
28 system, and the provisions of this chapter shall does  
29 not apply to such that employee. Any An employee  
30 whose membership in the federal civil service  
31 retirement program or the federal employee's  
32 retirement system is subsequently terminated shall  
33 immediately notify the employee's employer and the  
34 department of personnel of such that fact, and the  
35 employee shall become subject to the provisions of  
36 this chapter on the date the notification is received  
37 by the department.

38 Sec. 54. Section 97B.72A, Code 1987, is amended to  
39 read as follows:

40 97B.72A FORMER LEGISLATIVE MEMBERS AND EMPLOYEES.

41 1. A vested member of the system who was a member  
42 or temporary employee of the general assembly prior to  
43 July 1, 1986 but was not eligible under this chapter  
44 to elect coverage under the system for all or a  
45 portion of the period of service as a member of the  
46 general assembly, or period of employment as a  
47 temporary employee of the general assembly, at any  
48 time on or after July 4, 1953, may make contributions  
49 to the system for all or a portion of that period of  
50 service or employment.

1       2. A member or former member of the general  
2 assembly who has six or more years of service as a  
3 member of the general assembly or who has a total of  
4 six or more years of service as a member of the  
5 general assembly and as an employee under this chapter  
6 may make contributions to the system for all or a  
7 portion of the period of service as a member of the  
8 general assembly.

9       3. The contributions made under subsection 1 or 2  
10 shall be equal to the accumulated contributions as  
11 defined in section 97B.41, subsection 12, which would  
12 have been made if the member, former member, or  
13 employee of the general assembly had been a member of  
14 the system during the period of service elected. The  
15 member, of-the-system former member, or employee shall  
16 submit proof to the department of membership or  
17 employment in the general assembly. The department  
18 shall credit the member, of-the-system former member,  
19 or employee with the period of membership service for  
20 which contributions are made.

21       4. There is appropriated from the general fund of  
22 the state to the department an amount sufficient to  
23 pay the contributions of the employer based on the  
24 period of service of members or former members of the  
25 general assembly or employment of employees of the  
26 general assembly for which the member, former member,  
27 or employee paid accumulated contributions under this  
28 section. The amount appropriated is equal to the  
29 employer contributions which would have been made if  
30 the members-of-the-system individuals who made  
31 employee contributions under subsection 3 had been  
32 members of the system during the period for which they  
33 made employee contributions under this section plus  
34 two percent interest plus the interest dividend rate  
35 applicable for each year compounded annually.

36       Sec. 55. Section 97B.73, Code 1987, is amended by  
37 adding the following new unnumbered paragraph:

38       NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988,  
39 a member eligible for an increased retirement  
40 allowance because of the payment of contributions  
41 under this section is entitled to receipt of  
42 retroactive adjustment payments for no more than six  
43 months immediately preceding the month in which  
44 written notice was submitted to the department.

45       Sec. 56. Section 97B.73A, Code Supplement 1987, is  
46 amended by adding the following new unnumbered  
47 paragraph:

48       NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a  
49 member eligible for an increased retirement allowance  
50 because of the payment of contributions under this

1 section is entitled to receipt of retroactive  
2 adjustment payments for no more than six months  
3 immediately preceding the month in which written  
4 notice was submitted to the department.

5 Sec. 57. Section 97B.74, unnumbered paragraph 1,  
6 Code 1987, 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 previous  
15 period of membership service, may elect in writing to  
16 the 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. 58. Section 97B.74, unnumbered paragraph 2,  
28 Code 1987, is amended by striking the unnumbered  
29 paragraph and inserting in lieu thereof the following:

30 This section takes effect on July 1, 1989, if the  
31 preceding annual actuarial valuation of the assets and  
32 liabilities of the retirement system indicates that  
33 the cost of implementing this section can be absorbed  
34 within the employer and employee contribution rates in  
35 effect under section 97B.11 as determined by the  
36 department. If this section does not take effect on  
37 July 1, 1989, it takes effect on July 1 of the year  
38 following that determination by the department.

39 Sec. 59. Section 97B.74, Code 1987, is amended by  
40 adding the following new unnumbered paragraph:

41 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a  
42 member eligible for an increased retirement allowance  
43 because of the payment of contributions under this  
44 section is entitled to receipt of retroactive  
45 adjustment payments for no more than six months  
46 immediately preceding the month in which written  
47 notice was submitted to the department.

48 Sec. 60. Section 97B.75, Code 1987, is amended by  
49 adding the following new unnumbered paragraph:

50 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a

1 member eligible for an increased retirement allowance  
2 under this section is entitled to receipt of  
3 retroactive adjustment payments for no more than six  
4 months immediately preceding the month in which  
5 written notice was submitted to the department.

6 Sec. 61. NEW SECTION. 97B.80 VETERAN'S CREDIT.

7 An active member in service on July 1, 1988, who at  
8 any time served on active duty in the armed forces of  
9 the United States, upon submitting verification of the  
10 dates of the active duty service in the armed forces  
11 to the department, may make employer and employee  
12 contributions to the system based upon the member's  
13 covered wages for the calendar year beginning January  
14 1, 1987, at the rates in effect under section 97B.11  
15 on January 1, 1987, for the period of time of the  
16 active duty service, not to exceed four years, and  
17 receive credit for membership service and prior  
18 service for the period of time for which the  
19 contributions are made. Verification of active duty  
20 service and payment of contributions shall be made to  
21 the department. However, a member is not eligible to  
22 make contributions under this section if the member is  
23 receiving or is eligible to receive retirement pay  
24 from the United States government for active duty in  
25 the armed forces.

26 Sec. 62. Section 411.6, subsection 2, Code 1987,  
27 is amended to read as follows:

28 2. Allowance on service retirement. Upon  
29 Effective January 1, 1989, upon retirement from  
30 service, a member shall receive a service retirement  
31 allowance which shall consist of a pension given by  
32 the city which shall equal one-half sixty percent of  
33 the member's average final compensation.

34 Sec. 63. Section 411.5, subsection 5, unnumbered  
35 paragraph 2, Code 1987, is amended to read as follows:

36 Should a member in service or the chief of the  
37 police or fire departments become incapacitated for  
38 duty as a natural or proximate result of an injury or  
39 disease incurred in or aggravated by the actual  
40 performance of duty at some definite time or place or  
41 while acting, pursuant to order, outside the city by  
42 which the member is regularly employed, the member  
43 shall, upon being found to be temporarily  
44 incapacitated following an examination by the board of  
45 trustees, be entitled to receive the member's full pay  
46 and allowances from the city's general fund until re-  
47 examined by said the board and found to be fully  
48 recovered or permanently disabled.

49 Sec. 64. Section 411.6, subsection 6, Code 1987,  
50 is amended to read as follows:

1 6. Retirement after accident. Upon Effective  
2 January 1, 1989, upon retirement for accidental  
3 disability a member shall receive an accidental  
4 disability retirement allowance which shall consist of  
5 a pension equal to  $66\frac{2}{3}$  sixty percent of the  
6 member's average final compensation.

7 Sec. 65. Section 411.6, subsection 8, paragraph b,  
8 unnumbered paragraph 1, Code 1987, is amended to read  
9 as follows:

10 In lieu of the payment specified in paragraph "a",  
11 a beneficiary meeting the qualifications of paragraph  
12 "c" may elect to receive a monthly pension equal to  
13 one-twelfth of forty percent of the average final  
14 compensation of the member, but not less than seventy-  
15 five-dollars twenty percent of the monthly earnable  
16 compensation paid to an active member holding the  
17 highest grade in the rank of firefighter, for a  
18 beneficiary of a deceased member of a fire department,  
19 or the highest grade in the rank of police patrol  
20 officer, for a beneficiary of a deceased member of a  
21 police department, if the member was in service at the  
22 time of death. For a member not in service at the  
23 time of death, the pension shall be reduced as  
24 provided in subsection 1, paragraph "b".

25 Sec. 66. Section 411.6, subsection 8, paragraph c,  
26 subparagraphs (1) and (2), Code 1987, are amended to  
27 read as follows:

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

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

37 Sec. 67. Section 411.6, subsection 9, paragraph a,  
38 Code 1987, is amended to read as follows:

39 a. A Effective January 1, 1989, a pension equal to  
40 one-half sixty percent of the average final  
41 compensation of the member shall be paid to the  
42 member's spouse, children, or dependent parents as  
43 provided in paragraphs "e", "d", and "e" of subsection  
44 8 of this section. There shall also be paid for each  
45 child of a member a monthly pension equal to six  
46 percent of the monthly earnable compensation paid to  
47 an active member holding the highest grade in the rank  
48 of fire fighter, for a child of a deceased member of a  
49 fire department, or holding the highest grade in the  
50 rank of police patrol officer, for a child of a

1 deceased member of a police department.

2 Sec. 68. Section 411.6, subsection 11, paragraph  
3 a, Code 1987, is amended to read as follows:

4 a. ~~To the spouse to-continue-so-long-as-said~~  
5 ~~partner-remains-unmarried~~, equal to one-half the  
6 amount received by ~~such~~ the deceased beneficiary, but  
7 in no instance less than ~~seventy-five-dollars-per~~  
8 ~~month~~ twenty percent of the monthly earnable  
9 compensation paid to an active member holding the  
10 highest grade in the rank of firefighter, for a  
11 beneficiary of a deceased member of the fire  
12 department, or the highest grade in the rank of police  
13 patrol officer, for a beneficiary of a deceased member  
14 of a police department, and in addition thereto a  
15 monthly pension equal to the monthly pension payable  
16 under subsection 9 of this section for each child  
17 under eighteen years of age or twenty-two years of age  
18 if applicable; or

19 Sec. 69. Section 411.6, subsection 12; paragraph  
20 a, subparagraphs (1), (2), and (4), Code 1987, are  
21 amended to read as follows:

22 (1) Twenty-five Effective January 1, 1989, thirty  
23 percent for members receiving a service retirement  
24 allowance and for beneficiaries receiving a pension  
25 under subsection 9 of this section.

26 (2) Twenty percent for members with five or more  
27 years of membership service who are receiving an  
28 ordinary disability retirement allowance. However,  
29 effective July 1, 1984, for members who retired before  
30 July 1, 1979, and effective July 1, 1988, for members  
31 who retire on or after July 1, 1988, twenty-five  
32 percent shall be used for members who are receiving an  
33 ordinary disability allowance.

34 (4) Thirty-three-and-one-third Effective January  
35 1, 1989, thirty percent for members receiving an  
36 accidental disability allowance.

37 Sec. 70. Section 411.8, subsection 1, paragraph 5,  
38 Code 1987, is amended to read as follows:

39 f. An Effective January 1, 1989, an amount equal  
40 to three four and one-tenth percent of each member's  
41 compensation from the earnable compensation of the  
42 member shall be paid to the pension accumulation fund.

43 Sec. 71. Section 411.9, Code 1987, is amended to  
44 read as follows:

45 411.9 MILITARY SERVICE EXCEPTIONS.

46 A member who is absent while serving in the armed  
47 services of the United States or its allies and is  
48 discharged or separated from the armed services under  
49 honorable conditions shall have the period or periods  
50 of absence while serving in the armed services, not in



1 excess of four years unless any period in excess of  
2 four years is at the request and for the convenience  
3 of the federal government, included as part of the  
4 member's period of service in the department. The  
5 member shall not continue the contributions required  
6 of the member under section 411.8 during the period of  
7 military service, if the member, within ~~six-months~~ one  
8 year after the member has been discharged or separated  
9 under honorable conditions from military service,  
10 returns and resumes duties in the department, and if  
11 the member is declared physically capable of resuming  
12 duties upon examination by the medical board. A  
13 period of absence may exceed four years at the request  
14 and for the convenience of the federal government.

15 Sec. 72. Section 421.38, subsection 2, Code 1987,  
16 is amended to read as follows:

17 2. CONVENTION EXPENSES. ~~No-claims~~ Claims for  
18 expenses in attending conventions, meetings,  
19 conferences, or gatherings of members of any an  
20 association or society organized and existing as a  
21 quasi-public association or society outside the state  
22 of Iowa shall not be allowed at public expense, unless  
23 authorized by the executive council; and claims for  
24 such these expenses outside of the state shall not be  
25 allowed unless the voucher is accompanied by ~~at least~~  
26 the portion of the minutes of the executive council,  
27 certified to by its secretary, showing that the  
28 expense was authorized by the council. This section  
29 does not apply to claims in favor of the governor,  
30 attorney general, utilities board members, or to trips  
31 referred to in ~~section~~ sections 97B.4 and 217.20.

32 Sec. 73. The department of personnel shall  
33 identify job classifications within state government  
34 for which the current level of compensation is  
35 inadequate to recruit and retain qualified persons and  
36 leads or could lead to contracting for the services  
37 rather than providing those services directly. The  
38 department shall adjust compensation ranges in those  
39 areas of employment where the department determined  
40 that providing the adjustment would enable the state  
41 to limit contracting for services and provide for a  
42 less costly means to deliver services. The department  
43 of personnel shall review the compensation structure  
44 for employees within the Iowa public employees  
45 retirement division who are involved in managing the  
46 investments. After seeking the input from the Iowa  
47 public employees' retirement system investment board,  
48 the department shall adjust compensation ranges for  
49 those positions where it is determined necessary in  
50 order to recruit and retain personnel with the

S-6084 Page 27

1 requisite skills to maintain the fiduciary  
2 responsibilities of the fund.

3 Sec. 74. Section 97B.67, Code 1987, is repealed.

4 Sec. 75. Sections 5, 8, 65, and 68 of this Act  
5 apply, beginning on the effective date of those  
6 sections, to persons who are beneficiaries on that  
7 date as well as those who become beneficiaries on or  
8 after that date.

9 The portions of sections 8 and 68 of this Act that  
10 relate to the definition of child are retroactive to  
11 January 1, 1987.

12 Sec. 76. Section 31 of this Act, being deemed of  
13 immediate importance, takes effect upon its enactment.

14 Sec. 77. Employees of the Iowa peace institute  
15 covered under chapter 97B on the effective date of  
16 section 31 of this Act who do not file an application  
17 with the department of personnel to be covered under  
18 chapter 97B shall receive a refund of the accumulated  
19 contributions of the employee made under chapter 97B  
20 for service as an employee of the Iowa peace  
21 institute."

S-6084

Filed April 16, 1988 ADOPTED BY ROBERT CARR  
JOHN NYSTROM

*Amended by 2085, 2087, 4/16 (p. 1700)*

HOUSE FILE 2405

S-6087

1 Amend the amendment S-6084 House file 2405, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 17, line 39, by inserting after the word  
5 "Code" the following: "Supplement".

6 2. Page 17, line 43, by inserting after the word  
7 "member" the following: "who".

8 3. Page 21, line 48, by striking the word  
9 "UNNUMBERD" and inserting the following:  
10 "UNNUMBERED".

11 4. Page 22, line 41, by striking the word  
12 "UNNUMBERD" and inserting the following:  
13 "UNNUMBERED".

14 5. Page 22, line 50, by striking the word  
15 "UNNUMBERD" and inserting the following:  
16 "UNNUMBERED".

S-6087

Filed April 16, 1988 ADOPTED BY ROBERT CARR

*(p. 1755)*

HOUSE FILE 2405

S 5431

1 Amend House File 2405, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 23, by inserting after line 10 the  
4 following:  
5 "Sec. \_\_\_\_ . Section 97B.74, unnumbered paragraph 1,  
6 Code 1987, 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 1, 1983  
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 previous  
15 period of membership service, may elect in writing to  
16 the 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 each 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 1987, is amended by striking the unnumbered  
29 paragraph."

S-5431

Filed March 17, 1988

BY EDGAR H. HOLDEN

*Classified by 110 (1705)*

HOUSE FILE 2405

S-5585

1 Amend House File 2405, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 10, line 28, by striking the word "two"  
4 and inserting the following: "three".

S-5585

Filed March 28, 1988

BY WALLY HORN

*Classified by 110 (1705)*

HOUSE FILE 2405

-6092

1 Amend the amendment, S-6084, to House File 2405, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 26, by inserting after line 31 the  
5 following:

6 "Sec. 100. Section 422.5, subsection 6, Code  
7 Supplement 1987, is amended to read as follows:

8 6. A person who is disabled, is sixty-two years of  
9 age or older or is the surviving spouse of an  
10 individual or survivor having an insurable interest in  
11 an individual who would have qualified for the  
12 exemption under this paragraph for this tax year and  
13 receives one or more annuities from the United States  
14 civil service retirement and disability trust fund or  
15 from the United States central intelligence agency  
16 retirement and disability fund, and whose net income,  
17 as defined in section 422.7, is sufficient to require  
18 that the tax be imposed upon it under this section,  
19 may determine final taxable income for purposes of  
20 imposition of the tax by excluding the amount of  
21 annuities received from the United States civil  
22 service retirement and disability trust fund and from  
23 the United States central intelligence agency  
24 retirement and disability fund, which are not already  
25 excluded in determining net income, as defined in  
26 section 422.7, up to a combined maximum for each tax  
27 year of five thousand five hundred dollars for a  
28 person who files a separate state income tax return  
29 and eight thousand dollars total for a husband and  
30 wife who file a joint state income tax return.

31 However, a surviving spouse who is not disabled or  
32 sixty-two years of age or older can only exclude the  
33 amount of annuities received as a result of the death  
34 of the other spouse. The amount of the exemption  
35 shall be reduced by the amount of any social security  
36 benefits received. For the purpose of this section,  
37 the amount of annuities received from the United  
38 States civil service retirement and disability trust  
39 fund and from the United States central intelligence  
40 agency retirement and disability fund taxable under  
41 the Internal Revenue Code of 1954 shall be included in  
42 net income for purposes of determining eligibility  
43 under the five thousand dollar or less exclusion.

44 This section is retroactive to January 1, 1988, for  
45 tax years beginning on or after that date."

46 2. Page 27, by inserting after line 13 the  
47 following:

48 "Sec. \_\_\_\_\_. Section 100 of this Act, being deemed  
49 of immediate importance, is effective upon enactment."

50 3. By renumbering as necessary.

S-6092

Filed April 16, 1988 WITHDRAWN

(p. 1705)

BY JAMES RIORDAN

LEONARD BOSWELL

HOUSE FILE 2405

S-6089

1 Amend the amendment, S-6084 to House File 2405, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 23, by inserting after line 5, the  
5 following:

6 "Sec. \_\_\_\_ . NEW SECTION. 97B.77 REFUND OF  
7 CONTRIBUTIONS TO ABOLISHED SYSTEM.

8 An active or vested member of the system who has  
9 completed at least thirty years of membership service  
10 under the system who made contributions to the  
11 abolished system, and who has not applied for and  
12 qualified for benefit payments under the abolished  
13 system, may make application to the department and  
14 receive a refund of contributions made under the  
15 abolished system together with interest compounded at  
16 the rates credited to member accounts from the date of  
17 payment of the contributions to the abolished system  
18 to the date of the refund. There is appropriated from  
19 the retirement fund to the department of personnel an  
20 amount sufficient to make the refund payments provided  
21 under this section."

22 2. By numbering and renumbering sections as  
23 necessary.

S-6089

Filed April 16, 1988

LOST (p. 1703) BY WILMER RENSINK

HOUSE FILE 2405

S-6090

1 Amend the amendment, S-6084, to House File 2405, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. By striking page 1, line 47 through page 2,  
5 line 12.

6 2. Page 2, by striking lines 40 through 47.

7 3. Page 3, by striking lines 13 through 18 and  
8 inserting the following: "subparagraph (2), Code  
9 1987, is amended to read as follows:".

10 4. Page 3, by striking lines 27 through 35.

11 5. Page 23, by striking lines 26 through 33.

12 6. By striking page 23, line 49 through page 24,  
13 line 6.

14 7. By striking page 24, line 37 through page 25,  
15 line 1.

16 8. Page 25, by striking lines 20 through 25 and  
17 inserting the following: "a, subparagraph (2), Code  
18 1987, is".

19 9. Page 25, by striking lines 34 through 42.

S-6090

Filed April 16, 1988

LOST (p. 1703)

BY GEORGE R. KINLEY

HOUSE FILE 2405

S-6095

1 Amend the amendment, S-6084, to House File 2405, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 26, by inserting after line 14 the  
5 following:

6 "Sec. \_\_\_\_ . Section 411.20, subsection 1, Code  
7 1987, is amended to read as follows:

8 1. There is appropriated from the general fund of  
9 the state to the municipal assistance fund established  
10 in chapter 405 for each fiscal year an amount  
11 necessary to be distributed to cities which have  
12 established fire and police retirement systems under  
13 the provisions of this chapter. Funds shall be used  
14 to finance the costs of benefits provided in this  
15 chapter by amendments of the Acts of the Sixty-sixth  
16 General Assembly, chapter 1089, and effective July 1,  
17 1988, shall be used to finance the costs of the  
18 benefit improvements provided in sections 62 through  
19 70 of this Act.

20 Sec. \_\_\_\_ . Section 411.20, Code 1987, is amended by  
21 adding the following new subsection:

22 NEW SUBSECTION. 4. Commencing with the fiscal  
23 year beginning July 1, 1988, the amounts distributed  
24 to pay the state's portion of the costs of the benefit  
25 improvements provided in sections 62 and 70 of this  
26 Act shall be computed by the actuary employed by the  
27 respective board of trustees on the basis of the  
28 results of actuarial valuations performed by the  
29 actuary. The actuarial valuations shall be conducted  
30 for the fiscal years beginning July 1, 1987, and July  
31 1, 1988, in the manner provided in this section to  
32 determine the costs of benefit improvements provided  
33 by the Sixty-sixth General Assembly, chapter 1089,  
34 using the fiscal years beginning July 1, 1978, and  
35 July 1, 1979.

36 A ratio of payroll shall be determined and  
37 certified to the director of revenue and finance. For  
38 the fiscal year commencing July 1, 1988, and each  
39 fiscal year thereafter, the director of revenue and  
40 finance shall pay to each city an amount equal to the  
41 ratio of payroll computed for a retirement system  
42 times the payroll of the active members employed under  
43 that system for the fiscal year."

S-6095

Filed April 16, 1988

WITHDRAWN

BY JULIA GENTLEMAN

(1707)

HOUSE FILE 2405

S-6091

1 Amend the amendment, S-6048, to House File 2405, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 9, line 48, by striking the word "two"  
5 and inserting the following: "three".

S-6091

Filed April 16, 1988

LOST

(p. 1705)

BY WALLY E. HORN

HOUSE FILE 2405

S-6094

1 Amend the Senate amendment, S-6084, to House File  
2 2405, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. Page 23, by inserting after line 25, the  
5 following:

6 "Sec. \_\_\_\_ . NEW SECTION. 97B.81 PROTECTION OF THE  
7 FUND.

8 It is the intent of the general assembly to protect  
9 and defend the integrity of the public pension system  
10 against despoilation, deflagration, and degradation.  
11 In order to assure achievement of this lofty  
12 aspiration, any person who lives in Boone county in  
13 the state of Iowa, whose social security number begins  
14 with the numeral four and ends with the numeral four  
15 shall not be permitted to drive, ride, or otherwise  
16 sit on, any form of transportation, including  
17 airplanes, automobiles, mopeds, bicycles, motorcycles,  
18 motor trucks, light delivery or panel delivery trucks,  
19 farm or road tractors, trailers or semitrailers, hang  
20 gliders, unicycles, buses, rickshaws, or other  
21 vehicies whether or not they are self-propelled, but  
22 not excluding trackless trolleys, with, or in the  
23 company of, any other person who lives in Dubuque  
24 whose social security number begins with the numeral  
25 four and ends with the numeral eight."

S-6094

Filed April 16, 1988

OUT OF ORDER

(p. 1707)

BY TOM MANN, Jr.

LARRY MURPHY

JAMES RIORDAN

HOUSE FILE 2405

S-6099

1 Amend the amendment, S-6084, to House File 2405, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 23, line 29, by striking the figure  
5 "1989" and inserting the following: "1990".

6 2. Page 23, line 32, by striking the word "sixty"  
7 and inserting the following: "fifty-five".

8 3. Page 23, line 33, by inserting after the word  
9 "compensation." the following: "The percent specified  
10 in this section shall be increased to sixty percent  
11 effective January 1, 1991."

12 4. Page 23, by inserting after line 48 the  
13 following:

14 "Sec. \_\_\_\_ . Section 411.6, subsection 5, unnumbered  
15 paragraph 3, Code 1987, is amended to read as follows:

16 Disease under this section shall mean ~~heart-disease~~  
17 ~~or~~ any disease of the lungs or respiratory tract and  
18 shall be presumed to have been contracted while on  
19 active duty as a result of ~~strain-or~~ the inhalation of  
20 noxious fumes, poison or gases."

21 5. Page 24, line 2, by striking the figure "1989"  
22 and inserting the following: "1990".

23 6. Page 24, line 5, by striking the word "sixty"  
24 and inserting the following: "sixty-three and one-  
25 half".

26 7. Page 24, line 6, by inserting after the word  
27 "compensation." the following: "Effective January 1,  
28 1991, the percent shall be decreased to sixty  
29 percent."

30 8. Page 24, line 39, by striking the figure  
31 "1989" and inserting the following: "1990".

32 9. Page 24, line 40, by striking the word "sixty"  
33 and inserting the following: "fifty-five".

34 10. Page 24; line 44, by inserting after the word  
35 "section." the following: "Effective January 1, 1991,  
36 the percent shall be increased to sixty."

37 11. Page 25, line 22, by striking the figure and  
38 word "1989, thirty" and inserting the following:  
39 "1990, twenty-seven and one-half".

40 12. Page 25, line 25, by inserting after the word  
41 "section." the following: "Effective January 1, 1991,  
42 the percent specified in this subparagraph is  
43 increased to thirty."

44 13. Page 25, line 35, by inserting after the  
45 figure and word "1989, thirty" the following: "1990,  
46 thirty-two".

47 14. Page 25, line 36, by inserting after the word  
48 "allowance." the following: "Effective January 1,  
49 1991, the percent specified in this subparagraph is  
50 decreased to thirty."



S-6099 Page 2

1 15. Page 25, line 40, by striking the words  
2 "three four" and inserting the following: "three".  
3 16. Page 25, by inserting after line 42 the  
4 following:  
5 "In addition to the contribution rate specified in  
6 this paragraph, an additional percent shall be  
7 calculated by the actuary engaged by the board to pay  
8 one-half the costs of the benefit change that  
9 increases the service retirement allowance to sixty  
10 percent of final average compensation and reduces the  
11 accidental disability retirement allowance to sixty  
12 percent of average final compensation. The additional  
13 percent shall be paid by the employee."

S-6099

Filed April 16, 1988

LOST

(*4/17/88*)

BY RICHARD VANDE HOEF

HOUSE FILE 2405

S-6096

1 Amend the amendment, S-6084, to House File 2405, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 26, by inserting after line 14 the  
5 following:

6 "Sec. \_\_\_\_ NEW SECTION. 411.23 STATE  
7 APPROPRIATION.

8 Annually, beginning July 1, 1988, there is  
9 appropriated from the general fund of the state to the  
10 department of revenue and finance from moneys not  
11 otherwise appropriated an amount sufficient to pay the  
12 cities that have retirement systems established under  
13 this chapter the costs of providing the benefit  
14 increases provided in sections 62 through 70 of this  
15 Act. Each city shall submit an actuarial report from  
16 the actuary employed by the city to the department of  
17 revenue and finance that specifies the additional cost  
18 of the benefits."

S-6096

Filed April 16, 1988

LOST (*4/17/88*)

BY JULIA GENTLEMAN

## SENATE AMENDMENT TO HOUSE FILE 2405

H-6544

1 Amend House File 2405, as amended, passed, and re-  
2 printed by the House, as follows:

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

5 "Section 1. Section 12.8, unnumbered paragraph 3,  
6 Code 1987, is amended to read as follows:

7 The treasurer of state, ~~following with the approval~~  
8 ~~by of the investment board of the Iowa public~~  
9 ~~employees' retirement system, may implement-and-engage~~  
10 ~~in conduct a program of lending securities in the Iowa~~  
11 ~~public employees' retirement system portfolio,-except~~  
12 ~~the-lending-of-common-stocks-shall-not-be-allowed.~~

13 When securities are loaned as provided by this  
14 paragraph, the treasurer, ~~in-order-to-secure-the-loan~~  
15 ~~and-as-a-condition-thereof,-shall-obtain-from-the~~  
16 ~~borrower-federal-securities-of-at-least-equal-to-one~~  
17 ~~hundred-three-percent-of-market-value,-and-the~~  
18 ~~relative-value-of-the-collateral-to-the-loan-shall-be~~  
19 ~~maintained shall act in the manner provided for~~  
20 ~~investment of moneys in the Iowa public employees'~~  
21 ~~retirement fund under section 97B.7. The treasurer of~~  
22 ~~state shall include-in-the-reports-required-by~~  
23 ~~sections-12-17-and-17-3,-a-review-of-the-program~~  
24 ~~including-the-fiscal-impact-of-the-program report at~~  
25 ~~least annually to the investment board of the Iowa~~  
26 ~~public employees' retirement system on the program and~~  
27 ~~shall provide additional information on the program~~  
28 ~~upon the request of the investment board or the~~  
29 ~~employees of the Iowa public employees' retirement~~  
30 ~~system division of the department of personnel.~~

31 Sec. 2. Section 97A.1, subsection 2, Code 1987, is  
32 amended to read as follows:

33 2. "Peace officer" or "peace officers" shall mean  
34 all members of the divisions of highway safety and  
35 uniformed force and criminal investigation and bureau  
36 of identification in the department of public safety,  
37 except clerical workers, who have passed a  
38 satisfactory physical and mental examination and have  
39 been duly appointed as members of the state department  
40 of public safety in accordance with ~~the-provisions-of~~  
41 ~~section 80.15, and the division of drug law~~  
42 ~~enforcement, and arson investigators in the department~~  
43 ~~of public safety hired prior to July 1, 1988, except~~  
44 ~~clerical workers, and the division of beer and liquor~~  
45 ~~law enforcement of the department of public safety,~~  
46 ~~except clerical workers.~~

47 Sec. 3. Section 97A.6, subsection 2, Code 1987, is  
48 amended to read as follows:

49 2. Allowance on service retirement. Upon  
50 Effective January 1, 1989, upon retirement from

H-6544

Page 2

1 service, a member shall receive a service retirement  
2 allowance which shall consist of a pension which shall  
3 equal one-half sixty percent of the member's average  
4 final compensation.

5 Sec. 4. Section 97A.6, subsection 6, Code 1987, is  
6 amended to read as follows:

7 6. Retirement after accident. Upon Effective  
8 January 1, 1989, upon retirement for accidental  
9 disability, a member shall receive an accidental  
10 disability retirement allowance which shall consist of  
11 a pension equal to ~~sixty-six-and-two-thirds~~ sixty  
12 percent of the member's average final compensation.

13 Sec. 5. Section 97A.6, subsection 8, paragraph b,  
14 unnumbered paragraph 1, Code 1987, is amended to read  
15 as follows:

16 In lieu of the payment specified in paragraph "a,"  
17 a beneficiary meeting the qualifications of paragraph  
18 "c" may elect to receive a monthly pension equal to  
19 one-twelfth of forty percent of the average final  
20 compensation of the member, but not less than fifty  
21 dollars an amount equal to twenty percent of the  
22 monthly earnable compensation paid to an active member  
23 having the rank of senior patrol officer of the Iowa  
24 highway safety patrol if the member was in service at  
25 the time of death. For a member not in service at the  
26 time of death, the pension shall be reduced as  
27 provided in subsection 1, paragraph "b".

28 Sec. 6. Section 97A.6, subsection 8, paragraph c,  
29 subparagraphs (1) and (2), Code 1987, are amended to  
30 read as follows:

31 (1) ~~The spouse~~~~to continue so long as the spouse~~  
32 ~~remains unmarried.~~

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

40 Sec. 7. Section 97A.6, subsection 9, paragraph a,  
41 Code 1987, is amended to read as follows:

42 a. Effective January 1, 1989, a pension equal to  
43 one-half sixty percent of the average final  
44 compensation of such member shall be paid to the  
45 surviving spouse, children, or dependent parents as  
46 provided in paragraphs "e", "d", and "e" of subsection  
47 9 of this section.

48 Sec. 8. Section 97A.6, subsection 12, paragraph a,  
49 Code 1987, is amended to read as follows:

50 a. To the member's surviving spouse ~~to continue so~~

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1 long-as-said-party-remains-unmarried, equal to one-  
2 half the amount received by such the deceased  
3 beneficiary, but in no instance less than fifty  
4 dollars-per-month an amount equal to twenty percent of  
5 the monthly earnable compensation paid to an active  
6 member having the rank of senior patrol officer of the  
7 Iowa highway safety patrol, and in addition thereto a  
8 monthly pension equal to the monthly pension payable  
9 under subsection 9, paragraph "c," of this section for  
10 each child under eighteen years of age or twenty-two  
11 years of age if applicable; or

12 Sec. 9. Section 97A.6, subsection 14, paragraph a,  
13 subparagraphs (1), (2), and (4), Code 1987, are  
14 amended to read as follows:

15 (1) Twenty-five Effective January 1, 1989, thirty  
16 percent for members receiving a service retirement  
17 allowance and for beneficiaries receiving a pension  
18 under subsection 9 of this section.

19 (2) Twenty percent for members with five or more  
20 years of membership service who are receiving an  
21 ordinary disability retirement allowance. However,  
22 effective July 1, 1984, for members who retired before  
23 July 1, 1979, and effective July 1, 1988, for members  
24 who retire on or after July 1, 1988, twenty-five  
25 percent shall be used for members who are receiving an  
26 ordinary disability retirement allowance.

(4) Thirty-three-and-one-third Effective January  
27 1, 1989, thirty percent for members receiving an  
28 accidental disability allowance.

30 Sec. 10. Section 97A.8, subsection 1, paragraph f,  
31 Code 1987, is amended to read as follows:

32 E. An Effective January 1, 1989, an amount equal  
33 to three four and one-tenth percent of each member's  
34 compensation from the earnable compensation of the  
35 member shall be paid to the pension accumulation fund.

36 Sec. 11. Section 97A.9, Code 1987, is amended to  
37 read as follows:

38 97A.9 MILITARY SERVICE EXCEPTIONS.

39 Any A member who is absent from duty as a peace  
40 officer while serving in the armed services of the  
41 United States or its allies and is discharged or  
42 separated therefrom from service in the armed forces  
43 under honorable conditions shall have any-such the  
44 period or-periods of absence while serving in such the  
45 armed services on other than a voluntary basis and one  
46 such period of absence, not in excess of four years,  
47 while serving in such the armed forces on a voluntary  
48 basis, included as part of the member's period of  
49 service in the department. Such the member shall is  
50 not be required to continue the contributions required

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1 of the member under section 97A.8, during such the  
2 period of military service, ~~provided that~~ if the  
3 member shall, within six months one year after the  
4 member has been discharged or separated under  
5 honorable conditions from such military service ~~returns~~  
6 returns, and ~~resumes~~ resumes the member's duties in the  
7 department, and ~~provided further that such~~ if the  
8 member shall ~~be~~ is declared physically capable of  
9 ~~resuming such~~ to resume those duties upon examination  
10 by the medical board.

11 Sec. 12. Section 97B.2, Code 1987, is amended to  
12 read as follows:

13 97B.2 PURPOSE OF CHAPTER.

14 The purpose of this chapter is to promote economy  
15 and efficiency in the public service by providing an  
16 orderly means whereby for employees ~~who become~~  
17 ~~separated may~~, without hardship or prejudice, be  
18 ~~replaced by more capable employees, and to that end~~  
19 providing to have a retirement system which will  
20 provide for the payment of annuities ~~to public~~  
21 ~~employees, thereby enabling the employees to care for~~  
22 ~~themselves in retirement, and which by its provisions~~  
23 will improve public employment within the state,  
24 reduce excessive personnel turnover, and offer  
25 suitable attraction to high-grade men and women to  
26 enter public service in the state.

27 Sec. 13. Section 97B.4, unnumbered paragraph 2,  
28 Code 1987, is amended to read as follows:

29 The department, members of the investment board,  
30 and the treasurer of state are not personally liable  
31 for actions or omissions, under this chapter that do  
32 not involve malicious or wanton misconduct even if  
33 those actions or omissions violate the standards  
34 established in section 97B.7.

35 Sec. 14. Section 97B.4, Code 1987, is amended by  
36 adding the following new unnumbered paragraph:

37 NEW UNNUMBERED PARAGRAPH. In the administration of  
38 the investment of moneys in the fund, employees of the  
39 department and members of the board may travel outside  
40 the state for the purpose of meeting with investment  
41 firms and consultants and attending conferences and  
42 meetings to fulfill their fiduciary responsibilities.  
43 This travel is not subject to section 421.38,  
44 subsection 2.

45 Sec. 15. Section 97B.7, subsection 2, paragraph b,  
46 unnumbered paragraph 1, Code 1987, is amended to read  
47 as follows:

48 Invested, subject to chapter 97A, the portion of the  
49 retirement fund which in the judgment of the  
50 department is not needed for current payment of

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benefits under this chapter. The department shall execute the disposition and investment of moneys in the retirement fund in accordance with the investment policy and goal statement established by the investment board. In the investment of the fund, the department and investment board shall exercise the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs ~~as provided in section 633-123, subsection 1, for the purpose of speculation, but with regard to the permanent disposition of the funds, considering the probable income, as well as the probable safety of their capital.~~ Within the limitations of the standard prescribed in this section, a fiduciary may acquire and retain every kind of property and every kind of investment which persons of prudence, discretion, and intelligence acquire or retain for their own account.

Sec. 16. Section 97B.7, subsection 2, paragraph b, unnumbered paragraph 4, Code 1987, is amended to read as follows:

Consistent with this paragraph, investments made under this paragraph shall be made in a manner that will enhance the economy of this state, and in particular, will result in increased employment of the residents of this state. Investments of moneys in the fund are not subject to sections 73.15 through 73.21.

Sec. 17. Section 97B.7, subsection 2, paragraph b, unnumbered paragraph 5, Code 1987, is amended to read as follows:

~~Except as provided in section 97B.4, if there is loss on the redemption or sale of securities, where invested as prescribed by law, neither to the fund, the treasurer, nor the department is, and the board are not personally liable, but and the loss shall be charged against the retirement fund, and there~~ There is appropriated from the retirement fund an the amount as required ~~for the~~ to cover a loss. Expenses incurred in the sale and purchase of securities belonging to the retirement fund shall be charged to the retirement fund, and there is appropriated from the retirement fund an the amount as required for the expenses incurred. Investment management expenses shall be charged to the investment income of the retirement fund, and there is appropriated from the retirement fund an the amount as required for the investment management expenses, subject to the limitations stated in this subparagraph. The amount appropriated for a fiscal year under this subparagraph.

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1 shall not exceed one-half percent of the market value  
2 of the retirement fund. The department shall report  
3 the investment management expenses for a fiscal year  
4 as a percent of the market value of the retirement  
5 fund in the annual report to the governor required in  
6 section 97B.4. A person who has signed a contract  
7 with the department for investment management purposes  
8 shall meet the requirements for doing business in Iowa  
9 sufficient to be subject to tax under rules of the  
10 department of revenue and finance.

11 Sec. 18. Section 97B.8, unnumbered paragraph 3,  
12 Code 1987, is amended to read as follows:

13 The members who are executives of a domestic life  
14 insurance company, a state or national bank, and a  
15 major industrial corporation, and the member who is a  
16 retired member of the system, shall be paid their  
17 actual expenses incurred in performance of their  
18 duties and shall receive in addition ~~the sum of~~ forty  
19 dollars for each day of service not exceeding forty  
20 days per year. Legislative members shall receive  
21 forty dollars for each day of service and their actual  
22 expenses incurred in the performance of their duties.  
23 The per diem and expenses of the legislative members  
24 shall be paid from funds appropriated under section  
25 2.12. The members who are active members of the  
26 system and the director of the department shall be  
27 paid their actual expenses incurred in the performance  
28 of their duties as members of the board and  
29 performance of their duties as members of the board  
30 shall not affect their salaries, vacation vacations,  
31 or leaves of absence for sickness or injury. The  
32 appointive terms of the members appointed by the  
33 governor are for a period of six years beginning and  
34 ending as provided in section 69.19. If there is a  
35 vacancy in the membership of the board, the governor  
36 has the power of appointment. Appointees to this  
37 board are subject to confirmation by the senate.

38 Sec. 19. Section 97B.9, unnumbered paragraph 1,  
39 Code 1987, is amended to read as follows:

40 Contributions unpaid on the date on which they are  
41 due and payable as prescribed by the department, shall  
42 bear interest at the combined interest and dividend  
43 rate of one-half of one per centus per month from and  
44 after such date until payment plus accrued interest is  
45 received by the department required under section  
46 97B.70 for the applicable calendar year, provided that  
47 the department may prescribe fair and reasonable  
48 regulations pursuant to which such the interest shall  
49 not accrue with respect to contributions required.  
50 Interest collected pursuant to this section shall be

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1 paid into the Iowa public employees' retirement fund.  
2 Sec. 20. Section 97B.11, Code 1987, is amended to  
3 read as follows:

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

23 Sec. 21. Section 97B.15, Code 1987, is amended to  
24 read as follows:

25 97B.15 RULES.

26 ~~The department shall have full power and authority~~  
27 ~~to may make rules under chapter 17A and to establish~~  
28 ~~procedures, not inconsistent with the provisions of~~  
29 ~~this chapter, which are necessary or appropriate to~~  
30 ~~carry-out-such-provisions implement this chapter and~~  
31 shall adopt reasonable and proper rules to regulate  
32 and provide for the nature and extent of the proofs  
33 and evidence and the method of taking and furnishing  
34 ~~the same proofs and evidence~~ in order to establish the  
35 right to benefits hereunder under this chapter. The  
36 department may adopt rules to conform the requirements  
37 for receipt of retirement benefits under this chapter  
38 to the mandates of applicable federal statutes and  
39 regulations governing age discrimination or the  
40 taxation of distributions.

41 Sec. 22. Section 97B.16, Code 1987, is amended by  
42 striking the section and inserting in lieu thereof the  
43 following:

44 97B.16 PROCEDURE OF DEPARTMENT.

45 The department shall make decisions as to the  
46 rights of an individual applying for a payment under  
47 this chapter. When requested by an individual, or a  
48 person who makes a showing in writing that the  
49 individual's or person's rights may be prejudiced by a  
50 decision the department has made, a hearing shall be



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1 scheduled under the Iowa administrative procedures  
2 act, chapter 17A. If a hearing is held, the decision  
3 shall, on the basis of evidence adduced at the  
4 hearing, be affirmed, modified, or reversed under  
5 chapter 17A.

6 Sec. 25. Section 97B.17, Code 1987, is amended to  
7 read as follows:

8 97B.17 RECORDS MAINTAINED.

9 The department shall establish and maintain records  
10 of each member, including but not limited to the  
11 amount of wages of each member, the contribution of  
12 each member with interest, and interest dividends  
13 credited thereon, and such these records shall-be are  
14 the basis for the compilation of the retirement  
15 benefits provided under this chapter. Such The  
16 following records maintained under this chapter  
17 containing personal identifiable information are not  
18 public records for the purposes of chapter 22:

19 1. Records containing social security numbers.

20 2. Records listing designated beneficiaries.

21 3. Records specifying amounts accumulated in  
22 members' active accounts.

23 4. Records containing names, addresses, and  
24 amounts of monthly benefits to which members or their  
25 beneficiaries are entitled.

26 5. Records containing names, addresses, and  
27 amounts of lump sum refund payments to terminated  
28 members or their beneficiaries.

29 Summary information concerning the demographics of  
30 the members and general statistical information  
31 concerning the system is subject to chapter 22, as  
32 well as aggregate information by category.

33 However, the department's records shall-be are  
34 evidence for the purpose of proceedings before the  
35 department or any court of the amounts of such wages  
36 and the periods in which they were paid, and the  
37 absence of an entry as to an-individual's a member's  
38 wages in such the records for any period shall-be is  
39 evidence that no wages were not paid such-individual  
40 that member in such the period.

41 Sec. 24. Section 97B.37, Code 1987, is amended to  
42 read as follows:

43 97B.37 RECOGNITION OF AGENTS.

44 The department may prescribe rules governing the  
45 recognition of agents or other persons, ~~other than~~  
46 ~~attorneys-as-hereinafter-provided,~~ representing  
47 claimants before the department, and may require of  
48 such the agents or other persons, before being  
49 recognized as representatives of claimants, that they  
50 shall show that they are of good character and in good

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1 repute, possessed of the necessary qualifications to  
2 enable them to render such the claimants valuable  
3 service, and otherwise competent to advise and assist  
4 such the claimants in the presentation of their cases.  
5 ~~An attorney-in-good-standing-who-is-admitted-to~~  
6 ~~practice-before-the-district-or-supreme-court-of-the~~  
7 ~~statey-shall-be-entitled-to-represent-claimants-before~~  
8 ~~the-department-upon-filing-with-the-department-a~~  
9 ~~certificate-of-the-attorney's-right-to-so-practice~~  
10 ~~from-the-presiding-judge-or-clerk-of-any-such-court-~~  
11 Claimants may be represented by counsel at their own  
12 expense.

13 Sec. 25. Section 97B.41, subsection 1, paragraph  
14 a, unnumbered paragraph 1, Code Supplement 1987, is  
15 amended to read as follows:

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

35 Sec. 26. Section 97B.41, subsection 1, paragraph  
36 b, subparagraph (8), Code Supplement 1987, is amended  
37 to read as follows:

38 (8) For each the calendar year from beginning  
39 January 1, 1988, and thereafter, except as provided in  
40 subparagraph (9) and ending December 31, 1988, wages  
41 not in excess of twenty-four thousand dollars.

42 Sec. 27. Section 97B.41, subsection 1, paragraph  
43 b, subparagraph (9), Code Supplement 1987, is amended  
44 to read as follows:

45 (9) For Commencing January 1, 1989, for each  
46 calendar year thereafter, the department shall  
47 increase the covered wages limitation from the  
48 previous calendar year by one two thousand dollars if  
49 the annual actuarial valuation of the assets and  
50 liabilities of the retirement system indicates that

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the cost of the increase in covered wages can be  
 absorbed within the employer and employee contribution  
 rates in effect under section 97B.21. However,  
 covered wages shall not exceed forty thousand dollars  
 for a calendar year.

Sec. 28. Section 97B.41, subsection 1, paragraph  
 a, subparagraph (10), Code Supplement 1987, is amended  
 to read as follows:

(10) Effective July 1, 1978 1988, covered wages  
 shall ~~not~~ include wages to a member on or after  
~~the first of the month in which the member attains the~~  
 age of seventy, or after the effective date of  
 the member's retirement unless the member is re-  
 employed reemployed, as provided under section 97B.48,  
 subsection 3.

Sec. 29. Section 97B.41, subsection 3, paragraph  
 a, unnumbered paragraph 2, Code Supplement 1987, is  
 amended to read as follows:

If an interstate agency is established under  
 chapter 28E and similar enabling legislation in an  
 adjoining state, and ~~a city~~ an employer had made  
 contributions to the system for employees performing  
 functions which are transferred to the interstate  
 agency, the employees of the interstate agency who  
 perform those functions shall be considered to be  
 employees of the city employer for the sole purpose of  
 membership in the system, although the employer  
 contributions for those employees are made by the  
 interstate agency.

Sec. 30. Section 97B.41, subsection 3, paragraph  
 a, subparagraph (1), Code Supplement 1987, is amended  
 to read as follows:

(1) Elective officials in positions for which the  
 compensation is on a fee basis, elective officials of  
 school districts, elective officials of townships, and  
 elective officials of other political subdivisions who  
 are in part-time positions, graduate medical students  
 while serving as interns or resident doctors in  
 training at any hospital, or county medical examiners  
 and deputy county medical examiners under chapter 331,  
 division V, part 7 8. However, a county attorney is  
 an employee for purposes of this chapter whether that  
 county attorney is employed on a full-time or a part-  
 time basis.

Sec. 31. Section 97B.41, subsection 3, paragraph  
 b, Code Supplement 1987, is amended by adding the  
 following new subparagraphs:

NEW SUBPARAGRAPH. (14) Employees of the Iowa  
 peace institute, established in chapter 38, unless an  
 employee files an application with the department to

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1 be covered under this chapter.

2 NEW SUBPARAGRAPH. (15) Employees appointed by the  
3 state board of regents who, at the discretion of the  
4 state board of regents, may elect coverage in a  
5 retirement system qualified by the state board of  
6 regents that meets the criteria of section 97B.2.

7 Sec. 32. Section 97B.41, subsection 10, Code  
8 supplement 1987, is amended by adding the following  
9 new paragraph:

10 NEW PARAGRAPH. e. On or after July 1, 1988, an  
11 inactive member who had accumulated, as of the date of  
12 the member's last termination of employment, years of  
13 membership service equal to or exceeding the years of  
14 membership service specified in this subsection for  
15 qualifying as a vested member on that date of  
16 termination.

17 Sec. 33. Section 97B.41, subsection 13, paragraph  
18 a, Code Supplement 1987, is amended to read as  
19 follows:

20 a. Service in the armed forces of the United  
21 States during a period of war or national emergency,  
22 provided if the employee was employed by the employer  
23 immediately prior to entry into such the armed forces,  
24 and further-provided if the employee was released from  
25 such service and returns to employment with the  
26 employer within ninety-days twelve months of the date  
27 on which the employee ~~shall have~~ has the right of  
28 release from such service or within such a longer  
29 period as ~~may be~~ provided by the applicable laws of  
30 the United States ~~applicable thereto~~.

31 Sec. 34. Section 97B.41, subsection 17, Code  
32 Supplement 1987, is amended to read as follows:

33 17. "Membership service" means service rendered by  
34 a member after July 4, 1953, ~~and prior to the first of~~  
35 ~~the month in which the member attains the age of~~  
36 ~~seventy years.~~ Years of membership service shall be  
37 counted to the complete quarter calendar year.

38 Sec. 35. Section 97B.43, Code 1987, is amended by  
39 adding the following new unnumbered paragraph:

40 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988,  
41 a member eligible for an increased retirement  
42 allowance because of the repayment of contributions  
43 under this section is entitled to receipt of  
44 retroactive adjustment payments for no more than six  
45 months immediately preceding the month in which  
46 written notice was submitted to the department.

47 Sec. 36. Section 97B.45, Code 1987, is amended by  
48 adding the following new subsection:

49 NEW SUBSECTION. 4. The first of any month in  
50 which a member meets the membership service and at

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1 requirements to retire under section 97B.49,  
2 subsection 15.

3 Sec. 37. Section 97B.46, subsection 1, Code  
4 Supplement 1987, is amended to read as follows:

5 1. A member who is ~~an employee of the state and~~  
6 not an active member of any other retirement system in  
7 the state which is maintained in whole or in part by  
8 public contributions may remain in service beyond the  
9 date the member attains the age of sixty-five. The  
10 employee shall retire on the first day of the month  
11 after the last day of service. The employer shall not  
12 consider age as a factor in determining the  
13 continuation of the member's service.

14 Sec. 38. Section 97B.46, subsection 2, Code  
15 Supplement 1987, is amended by striking the  
16 subsection.

17 Sec. 39. Section 97B.48, subsection 3, Code 1987,  
18 is amended to read as follows:

19 3. If, after the first day of the month in which  
20 the member attains the age of fifty-five years and  
21 until the member's sixty-fifth birthday, a member who  
22 is retired under this chapter is in regular full-time  
23 employment, the member's retirement allowance shall be  
24 suspended for as long as the member remains in  
25 employment. However, effective January 1, 1989,  
26 ~~employment shall not be regarded as is not~~ full-time  
27 employment until the member receives remuneration in  
28 an amount in excess of two six thousand one hundred  
29 twenty dollars for a calendar year. Effective the  
30 first of the month in which a member attains the age  
31 of sixty-five years, a retired member may receive a  
32 retirement allowance after return to covered  
33 employment regardless of the amount of remuneration  
34 received. As of the first of the month in which the  
35 member attains the age of seventy years, the member  
36 may receive a retirement allowance determined under  
37 section 97B.49, regardless of the amount of  
38 remuneration received. Upon a retirement after ~~re-~~  
39 employment reemployment, a retired member may have the  
40 retired member's retirement allowance redetermined  
41 under this section or section 97B.49 or 97B.50,  
42 whichever is applicable, based upon the addition of  
43 credit for the years of membership service of the  
44 employee after re-employment reemployment, the covered  
45 wage during reemployment, and the age of the employee  
46 after reemployment. The retired member shall not  
47 receive a retirement allowance based upon more than a  
48 total of thirty years of service.

49 Sec. 40. Section 97B.49, subsection 7, paragraph  
50 a, Code Supplement 1987, is amended to read as

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1 follows:

2 a. Notwithstanding other provisions of this  
3 chapter, a member who is or has been employed as a  
4 conservation peace officer under section 107.13 and  
5 who retires on or after July 1, 1986, and before July  
6 1, 1988, and at the time of retirement is at least  
7 sixty years of age and has completed at least twenty-  
8 five years of membership service as a conservation  
9 peace officer, may elect to receive, in lieu of the  
10 receipt of any benefits under subsection 5 of this  
11 section, a monthly retirement allowance equal to one-  
12 twelfth of fifty percent of the member's three-year  
13 average covered wage as a conservation peace officer,  
14 with benefits payable during the member's lifetime.

15 Sec. 41. Section 97B.49, subsection 7, paragraph  
16 b, unnumbered paragraph 1, Code Supplement 1987, is  
17 amended to read as follows:

18 A conservation peace officer who retires on or  
19 after July 1, 1986, and before July 1, 1988, and has  
20 not completed twenty-five years of membership service  
21 as required under this subsection is eligible to  
22 receive a monthly retirement allowance equal to one-  
23 twelfth of fifty percent of the member's three-year  
24 average covered wage as a conservation peace officer  
25 multiplied by a fraction of years of service as a  
26 conservation peace officer. For the purpose of this  
27 subsection, "fraction of years of service" means a  
28 number, not to exceed one, equal to the sum of the  
29 years of membership service as a conservation peace  
30 officer, divided by twenty-five years. On or after  
31 July 1, 1986, if the conservation peace officer has  
32 not reached sixty years of age at retirement, the  
33 monthly retirement allowance shall be reduced by five-  
34 tenths of one percent per month for each month that  
35 the conservation peace officer's retirement precedes  
36 the date on which the conservation peace officer  
37 attains sixty years of age.

38 Sec. 42. Section 97B.49, subsection 8, paragraph  
39 a, unnumbered paragraphs 1 and 2, Code Supplement  
40 1987, are amended to read as follows:

41 Notwithstanding other provisions of this chapter, a  
42 member who is or has been employed as a peace officer  
43 and who retires on or after July 1, 1986, and before  
44 July 1, 1988, and at the time of retirement is at  
45 least sixty years of age and has completed at least  
46 twenty-five years of membership service as a peace  
47 officer, may elect to receive, in lieu of the benefits  
48 under subsection 5 of this section, a monthly  
49 retirement allowance equal to one-twelfth of fifty  
50 percent of the member's three-year average covered

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1 wage as a peace officer, with benefits payable during  
2 the member's lifetime.

3 A peace officer who retires on or after July 1,  
4 1986, and before July 1, 1988, and has not completed  
5 twenty-five years of membership service as required  
6 under this subsection is eligible to receive a monthly  
7 retirement allowance equal to one-twelfth of fifty  
8 percent of the member's three-year average covered  
9 wage as a peace officer multiplied by the fraction of  
10 years of service as a peace officer. For the purpose  
11 of this subsection, "fraction of years of service"  
12 means a number, not to exceed one, equal to the sum of  
13 the years of membership service as a peace officer,  
14 divided by twenty-five years. On or after July 1,  
15 1984, if the peace officer has not reached sixty years  
16 of age at retirement, the monthly retirement allowance  
17 shall be reduced by five-tenths of one percent per  
18 month for each month that the peace officer's  
19 retirement precedes the date on which the peace  
20 officer attains sixty years of age.

21 Sec. 43. Section 97B.49, subsection 10, unnumbered  
22 paragraph 1, Code Supplement 1987, is amended to read  
23 as follows:

24 Notwithstanding sections of this chapter relating  
25 to eligibility for and determination of retirement  
26 benefits, a vested member who is or has been employed  
27 as a correctional officer by the Iowa department of  
28 corrections and who retires on or after July 1, 1986,  
29 and before July 1, 1988, and at the time of retirement  
30 is at least sixty years of age and has completed at  
31 least thirty years of membership service as a  
32 correctional officer, may elect to receive, in lieu of  
33 the receipt of benefits under subsection 5 of this  
34 section, a monthly retirement allowance equal to one-  
35 twelfth of fifty percent of the member's three-year  
36 average covered wage as a correctional officer, with  
37 benefits payable during the member's lifetime.

38 Sec. 44. Section 97B.49, subsection 14, unnumbered  
39 paragraphs 1 and 2, Code Supplement 1987, are amended  
40 to read as follows:

41 Notwithstanding other provisions of this chapter, a  
42 member who is or has been employed by the office of  
43 disaster services as an airport firefighter who  
44 retires on or after July 1, 1986, and before July 1,  
45 1988, and at the time of retirement is at least sixty  
46 years of age and has completed at least twenty-five  
47 years of membership service as an airport firefighter,  
48 may elect to receive, in lieu of the receipt of any  
49 benefits under subsection 5 of this section, a monthly  
50 retirement allowance equal to one-twelfth of fifty

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1 percent of the member's three-year average covered wage as an airport firefighter, with benefits payable during the member's lifetime.

4 An airport firefighter who retires on or after July 5 1, 1986, and before July 1, 1988, and has not 6 completed twenty-five years of membership service as 7 required under this subsection is eligible to receive 8 a monthly retirement allowance equal to one-twelfth of 9 fifty percent of the member's three-year average 10 covered wage as an airport firefighter multiplied by a 11 fraction of years of service as an airport 12 firefighter. For the purpose of this subsection, 13 "fraction of years of service" means a number, not to 14 exceed one, equal to the sum of the years of 15 membership service as an airport firefighter, divided 16 by twenty-five years. On or after July 1, 1986, if 17 the airport firefighter has not reached sixty years of 18 age at retirement, the monthly retirement allowance 19 shall be reduced by five-tenths of one percent per 20 month for each month that the airport firefighter's 21 retirement precedes the date on which the airport 22 firefighter attains sixty years of age.

23 Sec. 45. Section 97B.49, Code Supplement 1987, is 24 amended by adding the following new subsection:

25 NEW SUBSECTION. 15. In lieu of the monthly 26 benefit computed under subsections 1 and 3 as 27 applicable, or subsection 5, for each active member 28 retiring on or after July 1, 1988, who is at least 29 fifty-five years of age and has completed at least 30 thirty years of membership service and prior service, 31 and for which the sum of the number of years of 32 membership service and prior service and the member's 33 age in years as of the member's last birthday equals 34 or exceeds ninety-two, a monthly benefit shall be 35 computed which is equal to fifty percent of the three- 36 year average covered wage of the member.

37 Sec. 46. Section 97B.49, Code Supplement 1987, is 38 amended by adding the following new subsection:

39 NEW SUBSECTION. 16. a. Notwithstanding other 40 provisions of this chapter, a member who is or has 41 been employed in a protection occupation who retires 42 on or after July 1, 1988, and at the time of 43 retirement is at least fifty-five years of age and has 44 completed at least twenty-two years of membership 45 service in a protection occupation, may elect to 46 receive in lieu of the receipt of any benefits under 47 subsections 5 or 15, a monthly retirement allowance 48 equal to one-twelfth of fifty percent of the member's 49 three year average covered wage as a member who has 50 been employed in a protection occupation, with



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1 benefits payable during the member's lifetime.  
2 b. A member covered under this subsection who  
3 retires on or after July 1, 1988, and has not  
4 completed the twenty-two years of membership service  
5 required under paragraph "a", is eligible to receive a  
6 monthly retirement allowance equal to one-twelfth of  
7 sixty percent of the member's three-year average  
8 covered wage as a member employed in a protection  
9 occupation, multiplied by a fraction of years of  
10 service. For the purpose of this subsection,  
11 "fraction of years of service" means a number, not to  
12 exceed one, equal to the sum of the years of  
13 membership service in a protection occupation, divided  
14 by twenty-two years.

15 c. For the purposes of this subsection, "a member  
16 employed in a protection occupation" includes all of  
17 the following:

18 (1) A conservation peace officer employed under  
19 section 107.13.

20 (2) A county sheriff as defined in section 39.17  
21 or as a deputy sheriff appointed pursuant to section  
22 341.1 prior to July 1, 1981, or section 331.903 on or  
23 after July 1, 1981.

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

26 (4) A correctional officer employed by the Iowa  
27 department of corrections in an applicable job  
28 classification. The department of corrections and the  
29 department of personnel shall jointly determine the  
30 applicable merit system job classifications of  
31 correctional officers.

32 (5) An airport firefighter employed by the  
33 disaster services division of the department of public  
34 defense.

35 (6) An airport safety officer employed under  
36 chapter 400 by an airport commission in a city of one  
37 hundred thousand population or more.

38 (7) An arson investigator who commenced employment  
39 as an arson investigator of the department of public  
40 safety on or after July 1, 1988.

41 d. Effective July 1, 1988, and annually  
42 thereafter, the department of personnel shall  
43 actuarially determine for that year the cost of the  
44 additional benefits provided under paragraphs "a" and  
45 "b" as a percent of the covered wages of the employees  
46 covered by this subsection. Effective July 1, 1988,  
47 sixty percent of the cost shall be paid by the  
48 employers of employees covered under this subsection  
49 and forty percent of the cost shall be paid by the  
50 employees. The employer and employee contributions

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1 required under this paragraph are in addition to the  
2 contributions paid under section 97B.11.

3 e. For the fiscal year commencing July 1, 1988,  
4 and each succeeding fiscal year, there is appropriated  
5 from the state fish and game protection fund to the  
6 department of personnel the amount necessary to pay  
7 the employer share of the cost of the additional  
8 benefits provided to employees covered under paragraph  
9 "c", subparagraph (1).

10 f. Annually, during each fiscal year commencing  
11 with the fiscal year beginning July 1, 1988, each  
12 applicable city shall pay to the department of  
13 personnel the amount necessary to pay the employer  
14 share of the cost of the additional benefits provided  
15 to employees of that city covered under paragraph "c",  
16 subparagraphs (3) and (6).

17 g. Annually, during each fiscal year commencing  
18 with the fiscal year beginning July 1, 1988, each  
19 county shall pay to the department of personnel the  
20 amount necessary to pay the employer share of the cost  
21 of the additional benefits provided to employees  
22 covered under paragraph "c", subparagraph (2).

23 h. For the fiscal year commencing July 1, 1988,  
24 and each succeeding fiscal year, the department of  
25 corrections shall pay to the department of personnel  
26 from funds appropriated to the Iowa department of  
27 corrections, the amount necessary to pay the employer  
28 share of the cost of the additional benefits provided  
29 to employees covered under paragraph "c", subparagraph  
30 (4).

31 i. For the fiscal year commencing July 1, 1988,  
32 and each succeeding fiscal year, there is appropriated  
33 from the general fund of the state to the department  
34 of personnel, from funds not otherwise appropriated,  
35 an amount necessary to pay the employer share of the  
36 cost of the additional benefits provided to employees  
37 covered under paragraph "c", subparagraphs (5) and  
38 (7).

39 Sec. 47. Section 97B.49, Code Supplement 1987, is  
40 amended by adding the following new subsection:

41 NEW SUBSECTION. 17. a. Notwithstanding sections  
42 of this chapter relating to eligibility for and  
43 determination of retirement benefits, a member who  
44 retires as a department of transportation enforcement  
45 officer on or after July 1, 1988, and at the time of  
46 retirement is at least sixty years of age, and has  
47 completed at least twenty-five years of service as a  
48 department of transportation enforcement officer or  
49 member of a protection occupation under subsection 16,  
50 may elect to receive, in lieu of the receipt of any

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1 benefits under subsection b or 15, a monthly retire-  
2 ment allowance equal to one-twelfth of fifty percent  
3 of the member's three-year average covered wage as an  
4 enforcement officer of the department of  
5 transportation, with benefits payable during the  
6 member's lifetime.

7 For the purpose of this subsection, "service as an  
8 enforcement officer" includes an individual employed  
9 under section 321.477 and service prior to the  
10 creation of the department of transportation as a  
11 traffic weight officer employed by the highway  
12 commission, vehicle regulation investigator employed  
13 by the department of public safety, and peace officer  
14 employed by the Iowa state commerce commission.

15 b. A department of transportation enforcement  
16 officer who retires on or after July 1, 1988, and has  
17 not completed twenty-five years of membership service  
18 as required under this subsection is eligible to  
19 receive a monthly retirement allowance equal to one-  
20 twelfth of fifty percent of the member's three-year  
21 average covered wage multiplied by a fraction of years  
22 of service. For the purpose of this subsection,  
23 "fraction of years of service" means a number, not to  
24 exceed one, equal to the sum of the years of  
25 membership service under this subsection, divided by  
26 twenty-five years. On or after July 1, 1988, if the  
27 enforcement officer of the department of  
28 transportation has not reached sixty years of age at  
29 retirement, the monthly retirement allowance shall be  
30 reduced by twenty-five hundredths of one percent per  
31 month for each month that the officer's retirement  
32 precedes the date on which the officer attains sixty  
33 years of age.

34 c. Effective July 1, 1988, and annually  
35 thereafter, the department of personnel shall  
36 actuarially determine for that year the cost of the  
37 additional benefits provided under this subsection as  
38 a percent of the covered wages of the enforcement  
39 officers. Sixty percent of the cost shall be paid by  
40 the employer and forty percent of the cost shall be  
41 paid by the employee. The employer and employee  
42 contributions required under this subsection are in  
43 addition to the contributions paid under section  
44 97B.11.

45 For the fiscal year commencing July 1, 1988, and  
46 each succeeding fiscal year, there is appropriated  
47 from the general fund of the state to the department  
48 of personnel, from funds not otherwise appropriated,  
49 an amount necessary to pay the employer share of the  
50 cost of the additional benefits provided under this

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1 subsection.

2 Sec. 48. Section 97B.49, Code Supplement 1987, is  
3 amended by adding the following new subsection:

4 NEW SUBSECTION. 18. Effective July 1, 1988, for  
5 each member who retired from the system prior to  
6 January 1, 1976, and for each member who retired from  
7 the system under subsection 1 on or after January 1,  
8 1976, the amount of regular monthly retirement  
9 allowance attributable to membership service and prior  
10 service that was payable to the member for June 1988  
11 is increased by ten percent.

12 The increase payable to a member under this section  
13 is also payable to a beneficiary and a contingent  
14 annuitant.

15 Sec. 49. Section 97B.49, Code Supplement 1987, is  
16 amended by adding the following new subsection:

17 NEW SUBSECTION. 19. Effective July 1, 1988, for  
18 each member who retired from the system on or after  
19 January 1, 1976, and before July 1, 1982, the amount  
20 of the regular monthly retirement allowance of the  
21 member is increased from forty-seven percent to fifty  
22 percent of the member's average final compensation.

23 Sec. 50. Section 97B.50, subsection 1, Code  
24 Supplement 1987, is amended by striking the subsection  
25 and inserting in lieu thereof the following:

26 1. Except as otherwise provided in this section, a  
27 member, upon retirement prior to the normal retirement  
28 date, is entitled to receive a monthly retirement  
29 allowance determined in the same manner as provided  
30 for normal retirement in subsections 1, 4, and 5 of  
31 section 97B.49 reduced as follows:

32 a. For a member who is less than sixty-two years  
33 of age, by twenty-five hundredths of one percent per  
34 month for each month that the early retirement date  
35 precedes the normal retirement date.

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

42 Sec. 51. Section 97B.50, subsection 3, Code  
43 Supplement 1987, is amended to read as follows:

44 3. A member who is at least sixty-two years of age  
45 and less than sixty-five years of age, and who has  
46 completed thirty or more years of membership service  
47 and prior service, shall receive full benefits under  
48 section 97B.49 determined as if the member had  
49 attained sixty-five years of age. ~~For a member who is~~  
50 ~~at least fifty-nine but less than sixty-two years~~

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1 age who has completed at least thirty years of  
2 service, the monthly retirement allowance shall be  
3 reduced by twenty-five hundredths percent per month  
4 for each month that the member's retirement date  
5 precedes the member's sixty-second birthday. For a  
6 member who is at least fifty-five years of age and  
7 less than fifty-nine years of age who has completed  
8 thirty years of membership service, the monthly  
9 retirement allowance shall be reduced by five tenths  
10 percent per month for each month that the member's  
11 retirement date precedes the member's normal  
12 retirement date.

13 Sec. 52. Section 97B.50, Code Supplement 1987, is  
14 amended by adding the following new subsection:

15 NEW SUBSECTION. 4. A member eligible for a  
16 retirement allowance adjusted under this section is  
17 entitled to receipt of retroactive adjustment payments  
18 for no more than six months immediately preceding the  
19 month in which written notice of retirement was  
20 submitted to the department.

21 Sec. 53. Section 97B.68, subsection 1, Code 1987,  
22 is amended to read as follows:

23 1. From and after July 4, 1959 Effective July 1,  
24 1988, any a person who is a member of the federal  
25 civil service retirement program shall or the federal  
26 employee's retirement system is not be eligible for  
27 membership in the Iowa public employees' retirement  
28 system, and the provisions of this chapter shall does  
29 not apply to such that employee. Any An employee  
30 whose membership in the federal civil service  
31 retirement program or the federal employee's  
32 retirement system is subsequently terminated shall  
33 immediately notify the employee's employer and the  
34 department of personnel of such that fact, and the  
35 employee shall become subject to the provisions of  
36 this chapter on the date the notification is received  
37 by the department.

38 Sec. 54. Section 97B.72A, Code 1987, is amended to  
39 read as follows:

40 97B.72A FORMER LEGISLATIVE MEMBERS AND EMPLOYEES.

41 1. A vested member of the system who was a member  
42 or temporary employee of the general assembly prior to  
43 July 1, 1986 but was not eligible under this chapter  
44 to elect coverage under the system for all or a  
45 portion of the period of service as a member of the  
46 general assembly, or period of employment as a  
47 temporary employee of the general assembly, at any  
48 time on or after July 4, 1953, may make contributions  
49 to the system for all or a portion of that period of  
50 service or employment.

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2. A member or former member of the general assembly who has six or more years of service as a member of the general assembly or who has a total of six or more years of service as a member of the general assembly and as an employee under this chapter may make contributions to the system for all or a portion of the period of service as a member of the general assembly.

3. The contributions made under subsection 1 or 2 shall be equal to the accumulated contributions as defined in section 97B.41, subsection 12, which would have been made if the member, former 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 former member, or employee shall submit proof to the department of membership or employment in the general assembly. The department shall credit the member, of-the-system former member, or employee with the period of membership service for which contributions are made.

4. 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 or former members of the general assembly or employment of employees of the general assembly for which the member, former member, or employee 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 individuals who made employee contributions under subsection 3 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. 55. Section 97B.73, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member eligible for an increased retirement allowance because of the payment of contributions under this section is entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month in which written notice was submitted to the department.

Sec. 56. Section 97B.73A, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member eligible for an increased retirement allowance because of the payment of contributions

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Under this section is entitled to receipt of  
 2 retroactive adjustment payments for no more than six  
 3 months immediately preceding the month in which  
 4 written notice was submitted to the department.

5 Sec. 57. Section 97B.74, unnumbered paragraph 1,  
 6 Code 1987, 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 8-31-1978 was a member of the system, but who  
 12 did not meet the requirements to be a vested member  
 13 at that period of membership service, and who  
 14 received a refund of contributions for that previous  
 15 period of membership service, may elect in writing to  
 16 the 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. 58. Section 97B.74, unnumbered paragraph 2,  
 28 Code 1987, is amended by striking the unnumbered  
 29 paragraph and inserting in lieu thereof the following:

30 This section takes effect on July 1, 1989, if the  
 31 preceding annual actuarial valuation of the assets and  
 32 liabilities of the retirement system indicates that  
 33 the cost of implementing this section can be absorbed  
 34 within the employer and employee contribution rates in  
 35 effect under section 97B.11 as determined by the  
 36 department. If this section does not take effect on  
 37 July 1, 1989, it takes effect on July 1 of the year  
 38 following that determination by the department.

39 Sec. 59. Section 97B.74, Code 1987, is amended by  
 40 adding the following new unnumbered paragraph:

41 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988,  
 42 a member eligible for an increased retirement  
 43 allowance because of the payment of contributions  
 44 under this section is entitled to receipt of  
 45 retroactive adjustment payments for no more than six  
 46 months immediately preceding the month in which  
 47 written notice was submitted to the department.

48 Sec. 60. Section 97B.75, Code 1987, is amended by  
 49 adding the following new unnumbered paragraph:

50 NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988,

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1 a member eligible for an increased retirement  
2 allowance under this section is entitled to receipt of  
3 retroactive adjustment payments for no more than six  
4 months immediately preceding the month in which  
5 written notice was submitted to the department.

6 Sec. 61. NEW SECTION. 97B.80 VETERAN'S CREDIT.

7 An active member in service on July 1, 1988, who at  
8 any time served on active duty in the armed forces of  
9 the United States, upon submitting verification of the  
10 dates of the active duty service in the armed forces  
11 to the department, may make employer and employee  
12 contributions to the system based upon the member's  
13 covered wages for the calendar year beginning January  
14 1, 1987, at the rates in effect under section 97B.11  
15 on January 1, 1987, for the period of time of the  
16 active duty service, not to exceed four years, and  
17 receive credit for membership service and prior  
18 service for the period of time for which the  
19 contributions are made. Verification of active duty  
20 service and payment of contributions shall be made to  
21 the department. However, a member is not eligible to  
22 make contributions under this section if the member is  
23 receiving or is eligible to receive retirement pay  
24 from the United States government for active duty in  
25 the armed forces.

26 Sec. 62. Section 411.6, subsection 2, Code 1987,  
27 is amended to read as follows:

28 2. Allowance on service retirement. Upon  
29 Effective January 1, 1989, upon retirement from  
30 service, a member shall receive a service retirement  
31 allowance which shall consist of a pension given by  
32 the city which shall equal one-half sixty percent of  
33 the member's average final compensation.

34 Sec. 63. Section 411.6, subsection 5, unnumbered  
35 paragraph 2, Code 1987, is amended to read as follows:

36 Should a member in service or the chief of the  
37 police or fire departments become incapacitated for  
38 duty as a natural or proximate result of an injury or  
39 disease incurred in or aggravated by the actual  
40 performance of duty at some definite time or place or  
41 while acting, pursuant to order, outside the city by  
42 which the member is regularly employed, the member  
43 shall, upon being found to be temporarily  
44 incapacitated following an examination by the board of  
45 trustees, be entitled to receive the member's full pay  
46 and allowances from the city's general fund until re-  
47 examined by said the board and found to be fully  
48 recovered or permanently disabled.

49 Sec. 64. Section 411.6, subsection 6, Code 1987,  
50 is amended to read as follows:



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1 6. Retirement after accident. When Effective  
2 January 1, 1989, upon retirement for accidental  
3 disability a member shall receive an accidental  
4 disability retirement allowance which shall consist of  
5 a pension equal to 66-2/3 sixty percent of the  
6 member's average final compensation.

7 Sec. 65. Section 411.6, subsection 8, paragraph b,  
8 unnumbered paragraph 1, Code 1987, is amended to read  
9 as follows:

10 In lieu of the payment specified in paragraph "a",  
11 a beneficiary meeting the qualifications of paragraph  
12 "c" may elect to receive a monthly pension equal to  
13 one-twelfth of forty percent of the average final  
14 compensation of the member, but not less than seventy-  
15 five-dollars twenty percent of the monthly earnable  
16 compensation paid to an active member holding the  
17 highest grade in the rank of firefighter, for a  
18 beneficiary of a deceased member of a fire department,  
19 or the highest grade in the rank of police patrol  
20 officer, for a beneficiary of a deceased member of a  
21 police department, if the member was in service at the  
22 time of death. For a member not in service at the  
23 time of death, the pension shall be reduced as  
24 provided in subsection 1, paragraph "b".

25 Sec. 66. Section 411.6, subsection 8, paragraph c,  
26 subparagraphs (1) and (2), Code 1987, are amended to  
27 read as follows:

28 (1) ~~The spouse-to-continue-so-long-as-the-spouse~~  
29 ~~remains-unmarried.~~

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

37 Sec. 67. Section 411.6, subsection 9, paragraph a,  
38 Code 1987, is amended to read as follows:

39 a. A Effective January 1, 1989, a pension equal to  
40 one-half sixty percent of the average final  
41 compensation of the member shall be paid to the  
42 member's spouse, children, or dependent parents as  
43 provided in paragraphs "c" and "e" of subsection  
44 8 of this section. There shall also be paid for each  
45 child of a member a monthly pension equal to six  
46 percent of the monthly earnable compensation paid to  
47 an active member holding the highest grade in the rank  
48 of firefighter, for a child of a deceased member of a  
49 fire department, or holding the highest grade in the  
50 rank of police patrol officer, for a child of a

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1 deceased member of a police department.

2 Sec. 68. Section 411.6, subsection 11, paragraph  
3 a, Code 1987, is amended to read as follows:

4 a. ~~To the spouse to-continue-so-long-as-said~~  
5 ~~partner-remains-unmarried~~, equal to one-half the  
6 amount received by such the deceased beneficiary, but  
7 in no instance less than seventy-five dollars per  
8 month twenty percent of the monthly earnable  
9 compensation paid to an active member holding the  
10 highest grade in the rank of firefighter, for a  
11 beneficiary of a deceased member of the fire  
12 department, or the highest grade in the rank of police  
13 patrol officer, for a beneficiary of a deceased member  
14 of a police department, and in addition thereto a  
15 monthly pension equal to the monthly pension payable  
16 under subsection 9 of this section for each child  
17 under eighteen years of age or twenty-two years of age  
18 if applicable; or

19 Sec. 69. Section 411.6, subsection 12, paragraph  
20 a, subparagraphs (1), (2), and (4), Code 1987, are  
21 amended to read as follows:

22 (1) Twenty-five Effective January 1, 1989, thirty  
23 percent for members receiving a service retirement  
24 allowance and for beneficiaries receiving a pension  
25 under subsection 9 of this section.

26 (2) Twenty percent for members with five or more  
27 years of membership service who are receiving an  
28 ordinary disability retirement allowance. However,  
29 effective July 1, 1984, for members who retired before  
30 July 1, 1979, and effective July 1, 1988, for members  
31 who retire on or after July 1, 1988, twenty-five  
32 percent shall be used for members who are receiving an  
33 ordinary disability allowance.

34 (4) Thirty-three-and-one-third Effective January  
35 1, 1989, thirty percent for members receiving an  
36 accidental disability allowance.

37 Sec. 70. Section 411.8, subsection 1, paragraph f,  
38 Code 1987, is amended to read as follows:

39 f. An Effective January 1, 1989, an amount equal  
40 to three four and one-tenth percent of each member's  
41 compensation from the earnable compensation of the  
42 member shall be paid to the pension accumulation fund.

43 Sec. 71. Section 411.9, Code 1987, is amended to  
44 read as follows:

45 411.9 MILITARY SERVICE EXCEPTIONS.

46 A member who is absent while serving in the armed  
47 services of the United States or its allies and is  
48 discharged or separated from the armed services under  
49 honorable conditions shall have the period or periods  
50 of absence while serving in the armed services, not in

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1 excess of four years unless any period in excess of  
2 four years is at the request and for the convenience  
3 of the federal government, included as part of the  
4 member's period of service in the department. The  
5 member shall not continue the contributions required  
6 of the member under section 411.8 during the period of  
7 military service, if the member, within six months one  
8 year after the member has been discharged or separated  
9 under honorable conditions from military service,  
10 returns and resumes duties in the department, and if  
11 the member is declared physically capable of resuming  
12 duties upon examination by the medical board. A  
13 period of absence may exceed four years at the request  
14 and for the convenience of the federal government.  
15 Sec. 72. Section 421.38, subsection 2, Code 1987,  
16 is amended to read as follows:

17 2. CONVENTION EXPENSES. ~~No-claims~~ Claims for  
18 expenses in attending conventions, meetings,  
19 conferences, or gatherings of members of any an  
20 association or society organized and existing as a  
21 quasi-public association or society outside the state  
22 of Iowa shall not be allowed at public expense, unless  
23 authorized by the executive council; and claims for  
24 ~~such~~ these expenses outside of the state shall not be  
25 allowed unless the voucher is accompanied by ~~so-much~~  
26 the portion of the minutes of the executive council,  
27 certified to by its secretary, showing that the  
28 expense was authorized by the council. This section  
29 does not apply to claims in favor of the governor,  
30 attorney general, utilities board members, or to trips  
31 referred to in section sections 97B.4 and 217.20.

32 Sec. 73. The department of personnel shall  
33 identify job classifications within state government  
34 for which the current level of compensation is  
35 inadequate to recruit and retain qualified persons and  
36 leads or could lead to contracting for the services  
37 rather than providing those services directly. The  
38 department shall adjust compensation ranges in those  
39 areas of employment where the department determined  
40 that providing the adjustment would enable the state  
41 to limit contracting for services and provide for a  
42 less costly means to deliver services. The department  
43 of personnel shall review the compensation structure  
44 for employees within the Iowa public employees  
45 retirement division who are involved in managing the  
46 investments. After seeking the input from the Iowa  
47 public employees' retirement system investment board,  
48 the department shall adjust compensation ranges for  
49 those positions where it is determined necessary to  
50 order to recruit and retain personnel with the

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1 requisite skills to maintain the fiduciary  
2 responsibilities of the fund.

3 Sec. 74. Section 97B.67, Code 1987, is repealed.

4 Sec. 75. Sections 5, 8, 65, and 68 of this Act  
5 apply, beginning on the effective date of those  
6 sections, to persons who are beneficiaries on that  
7 date as well as those who become beneficiaries on or  
8 after that date.

9 The portions of sections 3 and 68 of this Act that  
10 relate to the definition of child are retroactive to  
11 January 1, 1987.

12 Sec. 76. Section 31 of this Act, being deemed of  
13 immediate importance, takes effect upon its enactment.

14 Sec. 77. Sections 20, 21, 28, 34, and 39 of this  
15 Act, being deemed of immediate importance, take effect  
16 upon enactment.

17 Sec. 78. Sections 20, 21, 28, 34, and 39 of this  
18 Act are retroactive to January 1, 1988."

19 Sec. 79. Employees of the Iowa peace institute  
20 covered under chapter 97B on the effective date of  
21 section 31 of this Act who do not file an application  
22 with the department of personnel to be covered under  
23 chapter 97B shall receive a refund of the accumulated  
24 contributions of the employee made under chapter 97B  
25 for service as an employee of the Iowa peace  
26 institute."

RECEIVED FROM THE SENATE

-6544 FILED APRIL 16, 1988

REFUSED TO CONCUR (p. 243)

*Senate presented 4/16 (p. 1733)*

REPORT OF THE CONFERENCE COMMITTEE  
ON HOUSE FILE 2405

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

We, the undersigned members of the conference committee appointed to resolve the differences between the House of Representatives and the Senate on House File 2405, a bill for An Act relating to the administration and benefits for certain public retirement systems, respectfully make the following report:

1. That the Senate recedes from its amendment, H-6544.

2. That House File 2405, as amended, passed, and reprinted by the House, is amended as follows:

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

"Section 1. Section 12.8, unnumbered paragraph 3, Code 1987, is amended to read as follows:

The treasurer of state, following with the approval by of the investment board of the Iowa public employees' retirement system, may ~~implement-and-engage-in~~ conduct a program of lending securities in the Iowa public employees' retirement system portfolio ~~except-the-lending-of-common-stocks-shall not-be-allowed~~. When securities are loaned as provided by this paragraph, the treasurer ~~in-order-to-secure-the-loan-and as-a-condition-thereof, shall-obtain-from-the-borrower-federal securities-of-at-least-equal-to-one-hundred-three-percent-of market-value, and-the-relative-value-of-the-collateral-to-the loan-shall-be-maintained~~ shall act in the manner provided for investment of moneys in the Iowa public employees' retirement

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and under section 97B.7. The treasurer of state shall include in the reports required by sections 12.17 and 19.3, a review of the program including the fiscal impact of the program report at least annually to the investment board of the Iowa public employees' retirement system on the program and shall provide additional information on the program upon the request of the investment board or the employees of the Iowa public employees' retirement system division of the department of personnel.

Sec. 2. Section 97A.1, subsection 2, Code 1987, is amended to read as follows:

2. "Peace officer" or "peace officers" shall mean all members of the divisions of highway safety and uniformed force and criminal investigation and bureau of identification in the department of public safety, except clerical workers, who have passed a satisfactory physical and mental examination and have been duly appointed as members of the state department of public safety in accordance with ~~the provisions of~~ section 80.15, and the division of drug law enforcement, and arson investigators in the department of public safety hired prior to July 1, 1988, except clerical workers, and the division of beer and liquor law enforcement of the department of public safety, except clerical workers.

Sec. 3. Section 97A.6, subsection 8, paragraph b, unnumbered paragraph 1, Code 1987, is amended to read as follows:

In lieu of the payment specified in paragraph "a," a beneficiary meeting the qualifications of paragraph "c" may elect to receive a monthly pension equal to one-twelfth of forty percent of the average final compensation of the member,

but not less than fifty-dollars an amount equal to twenty percent of the monthly earnable compensation paid to an active member having the rank of senior patrol officer of the Iowa highway safety patrol 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".

Sec. 4. Section 97A.6, subsection 8, paragraph c, subparagraphs (1) and (2), Code 1987, are amended to read as follows:

(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.

Sec. 5. Section 97A.6, subsection 12, paragraph a, Code 1987, is amended to read as follows:

a. To the member's surviving spouse ~~to continue so long as said party remains unmarried~~, equal to one-half the amount received by ~~such~~ the deceased beneficiary, but in no instance less than ~~fifty-dollars-per-month~~ an amount equal to twenty percent of the monthly earnable compensation paid to an active member having the rank of senior patrol officer of the Iowa highway safety patrol, and in addition ~~thereto~~ a monthly pension equal to the monthly pension payable under subsection 9, paragraph "c," of this section for each child under eighteen years of age or twenty-two years of age if

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applicable; or

Sec. 6. Section 97A.6, subsection 14, paragraph a, subparagraph (2), Code 1987, is amended to read as follows:

(2) Twenty percent for members with five or more years of membership service who are receiving an ordinary disability retirement allowance. However, effective July 1, 1984, for members who retired before July 1, 1979, and effective July 1, 1988, for members who retire on or after July 1, 1988, twenty-five percent shall be used for members who are receiving an ordinary disability retirement allowance.

Sec. 7. Section 97A.9, Code 1987, is amended to read as follows:

97A.9 MILITARY SERVICE EXCEPTIONS.

Any A member who is absent from duty as a peace officer while serving in the armed services of the United States or its allies and is discharged or separated ~~therefrom~~ from service in the armed forces 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, while serving in ~~such~~ the armed forces on a voluntary basis, included as part of the member's period of service in the department. ~~Such~~ The member ~~shall~~ is not be required to continue the contributions required of the member under section 97A.8, during ~~such~~ the period of military service, ~~provided-that~~ if the member ~~shall~~, within ~~six-months~~ one year after the member has been discharged or separated under honorable conditions from ~~such~~ military service ~~such~~ returns, and ~~resume~~ resumes the member's duties in the department, and ~~provided-further-that-such~~ if the member



~~shall be~~ is declared physically capable ~~of resuming such to~~  
~~resume those~~ duties upon examination by the medical board.

Sec. 8. Section 97B.2, Code 1987, is amended to read as follows:

97B.2 PURPOSE OF CHAPTER.

The purpose of this chapter is to promote economy and efficiency in the public service by providing an orderly means whereby for employees ~~who become superannuated may~~, without hardship or prejudice, ~~be replaced by more capable employees,~~ and to that end providing to have a retirement system which will provide for the payment of annuities ~~to public employees,~~ thereby enabling the employees to care for themselves in retirement, and which ~~by its provisions~~ will improve public employment within the state, reduce excessive personnel turnover, and offer suitable attraction to high-grade men and women to enter public service in the state.

Sec. 9. Section 97B.4, unnumbered paragraph 2, Code 1987, is amended to read as follows:

The department, members of the investment board, and the treasurer of state are not personally liable for actions or omissions, under this chapter that do not involve malicious or wanton misconduct even if those actions or omissions violate the standards established in section 97B.7.

Sec. 10. Section 97B.4, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. In the administration of the investment of moneys in the fund, employees of the department and members of the board may travel outside the state for the purpose of meeting with investment firms and consultants and attending conferences and meetings to fulfill their fiduciary

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responsibilities. This travel is not subject to section 421.38, subsection 2.

Sec. 11. Section 97B.7, subsection 2, paragraph b, unnumbered paragraph 1, Code 1987, is amended to read as follows:

Invest, subject to chapter 12A, the portion of the retirement fund which in the judgment of the department is not needed for current payment of benefits under this chapter. The department shall execute the disposition and investment of moneys in the retirement fund in accordance with the investment policy and goal statement established by the investment board. In the investment of the fund, the department and investment board shall exercise the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs ~~as provided in section 65B.23, subsection 4~~, not for the purpose of speculation, but with regard to the permanent disposition of the funds, considering the probable income, as well as the probable safety, of their capital. Within the limitations of the standard prescribed in this section, a fiduciary may acquire and retain every kind of property and every kind of investment which persons of prudence, discretion, and intelligence acquire or retain for their own account.

Sec. 12. Section 97B.7, subsection 2, paragraph b, unnumbered paragraph 4, Code 1987, is amended to read as follows:

Consistent with this paragraph, investments made under this paragraph shall be made in a manner that will enhance the economy of this state, and in particular, will result in

increased employment of the residents of this state.  
Investments of moneys in the fund are not subject to sections 73.15 through 73.21.

Sec. 13. Section 97B.7, subsection 2, paragraph b, unnumbered paragraph 5, Code 1987, is amended to read as follows:

~~If Except as provided in section 97B.4, if there is loss on the redemption or sale of securities, where invested as prescribed by law, neither to the fund, the treasurer, nor the department is, and the board are not personally liable, but and the loss shall be charged against the retirement fund, and there~~ There is appropriated from the retirement fund an the amount as required ~~for the~~ to cover a loss. Expenses incurred in the sale and purchase of securities belonging to the retirement fund shall be charged to the retirement fund, and there is appropriated from the retirement fund ~~an the~~ amount as required for the expenses incurred. Investment management expenses shall be charged to the investment income of the retirement fund, and there is appropriated from the retirement fund ~~an the~~ amount as required for the investment management expenses, subject to the limitations stated in this subparagraph. The amount appropriated for a fiscal year under this subparagraph shall not exceed one-half percent of the market value of the retirement fund. The department shall report the investment management expenses for a fiscal year as a percent of the market value of the retirement fund in the annual report to the governor required in section 97B.4. A person who has signed a contract with the department for investment management purposes shall meet the requirements for doing business in Iowa sufficient to be subject to tax under

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rules of the department of revenue and finance.

Sec. 14. Section 97B.8, unnumbered paragraph 3, Code 1987, is amended to read as follows:

The members who are executives of a domestic life insurance company, a state or national bank, and a major industrial corporation, and the member who is a retired member of the system, shall be paid their actual expenses incurred in performance of their duties and shall receive in addition the sum of forty dollars for each day of service not exceeding forty days per year. Legislative members shall receive forty dollars for each day of service and their actual expenses incurred in the performance of their duties. The per diem and expenses of the legislative members shall be paid from funds appropriated under section 2.12. The members who are active members of the system and the director of the department shall be paid their actual expenses incurred in the performance of their duties as members of the board and performance of their duties as members of the board shall not affect their salaries, ~~vacation~~ vacations, or leaves of absence for sickness or injury. The appointive terms of the members appointed by the governor are for a period of six years beginning and ending as provided in section 69.19. If there is a vacancy in the membership of the board, the governor has the power of appointment. Appointees to this board are subject to confirmation by the senate.

Sec. 15. Section 97B.9, unnumbered paragraph 1, Code 1987, is amended to read as follows:

Contributions unpaid on the date on which they are due and payable as prescribed by the department, shall bear interest at the combined interest and dividend rate of ~~one-half per cent~~

~~per-centum-per-month-from-and-after-such-date-until-payment plus-accrued-interest-is-received-by-the-department~~ required under section 97B.70 for the applicable calendar year, provided that the department may prescribe fair and reasonable regulations pursuant to which such the interest shall not accrue with respect to contributions required. Interest collected pursuant to this section shall be paid into the Iowa public employees' retirement fund.

Sec. 16. Section 97B.11, Code 1987, is amended to read as follows:

97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

Each employer shall deduct from the wages of each member of the system a contribution in the amount of three and six-tenths percent of the covered wages paid by the employer through June 30, 1979, and commencing July 1, 1979 in the amount of three and seven-tenths percent of the covered wages paid by the employer, until the ~~first-of-the-month-in-which the-member-attains-the-age-of-seventy-years-or-the~~ member's termination or retirement from employment, whichever is earlier. The contributions of the employer shall be in the amount of three and one-half percent of the covered wages of the member for service through December 31, 1975, and in the amount of five and twenty-five hundredths percent of the covered wages of the member for service commencing July 1, 1977, through June 30, 1979, and in the amount of five and seventy-five hundredths percent of the covered wages of the member for service commencing July 1, 1979.

Sec. 17. Section 97B.15, Code 1987, is amended to read as follows:

97B.15 RULES.

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The department ~~shall have full power and authority to~~ may make rules under chapter 17A and ~~to~~ establish procedures, not inconsistent with ~~the provisions of~~ this chapter, which are necessary or appropriate to ~~carry out such provisions~~ implement this chapter and shall adopt reasonable and proper rules to regulate and provide for the nature and extent of the proofs and evidence and the method of taking and furnishing the same proofs and evidence in order to establish the right to benefits hereunder under this chapter. The department may adopt rules to conform the requirements for receipt of retirement benefits under this chapter to the mandates of applicable federal statutes and regulations governing age discrimination or the taxation of distributions.

Sec. 18. Section 97B.16, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

97B.16 PROCEDURE OF DEPARTMENT.

The department shall make decisions as to the rights of an individual applying for a payment under this chapter. When requested by an individual, or a person who makes a showing in writing that the individual's or person's rights may be prejudiced by a decision the department has made, a hearing shall be scheduled under the Iowa administrative procedures Act, chapter 17A. If a hearing is held, the decision shall, on the basis of evidence adduced at the hearing, be affirmed, modified, or reversed under chapter 17A.

Sec. 19. Section 97B.17, Code 1987, is amended to read as follows:

97B.17 RECORDS MAINTAINED.

The department shall establish and maintain records of each member, including but not limited to the amount of wages of

each member, the contribution of each member with interest, and interest dividends credited thereon, and such these records ~~shall be~~ are the basis for the compilation of the retirement benefits provided under this chapter. Such The following records maintained under this chapter containing personal identifiable information are not public records for the purposes of chapter 22:

1. Records containing social security numbers.

2. Records listing designated beneficiaries.

3. Records specifying amounts accumulated in members' active accounts.

4. Records containing names, addresses, and amounts of monthly benefits to which members or their beneficiaries are entitled.

5. Records containing names, addresses, and amounts of lump sum refund payments to terminated members or their beneficiaries.

Summary information concerning the demographics of the members and general statistical information concerning the system is subject to chapter 22, as well as aggregate information by category.

However, the department's records shall be are evidence for the purpose of proceedings before the department or any court of the amounts of ~~such~~ wages and the periods in which they were paid, and the absence of an entry as to ~~an individual's~~ a member's wages in ~~such~~ the records for any period ~~shall be~~ is evidence that no wages were not paid ~~such individual~~ that member in ~~such~~ the period.

Sec. 20. Section 97B.37, Code 1987, is amended to read as follows:

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97B.37 RECOGNITION OF AGENTS.

The department may prescribe rules governing the recognition of agents or other persons, ~~other than attorneys as hereinafter provided,~~ representing claimants before the department, and may require of such the agents or other persons, before being recognized as representatives of claimants, that they ~~shall~~ show that they are of good character and in good repute, possessed of the necessary qualifications to enable them to render such the claimants valuable service, and otherwise competent to advise and assist such the claimants in the presentation of their cases. An ~~attorney-in-good-standing-who-is-admitted-to-practice-before-the-district-or-supreme-court-of-the-state, shall-be-entitled-to-represent-claimants-before-the-department-upon-filing-with-the-department-a-certificate-of-the-attorney's-right-to-so-practice-from-the-presiding-judge-or-clerk-of-any-such-court.~~ Claimants may be represented by counsel at their own expense.

Sec. 21. Section 97B.41, subsection 1, paragraph a, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

"Wages" means all remuneration for employment, including the cash value of remuneration paid in a medium other than cash, but not including the cash value of remuneration paid in a medium other than cash necessitated by the convenience of the employer. The amount agreed upon by the employer and employee for remuneration paid in a medium other than cash shall be reported to the department by the employer and is conclusive of the value of the remuneration. However, remuneration which does not equal or exceed the sum of three hundred dollars in a calendar quarter shall be excluded.



"Wages" does not include special lump sum payments made as payment for accrued sick leave or accrued vacation or payments made as an incentive for early retirement or as payments made upon dismissal, severance, or a special bonus payment. Wages for an elected official means the salary received by an elected official, exclusive of expense and travel allowances.

Sec. 22. Section 97B.41, subsection 1, paragraph b, subparagraph (8), Code Supplement 1987, is amended to read as follows:

(8) For each the calendar year from beginning January 1, 1988, ~~and thereafter, except as provided in subparagraph (9) and ending~~ December 31, 1988, wages not in excess of twenty-four thousand dollars.

Sec. 23. Section 97B.41, subsection 1, paragraph b, subparagraph (9), Code Supplement 1987, is amended to read as follows:

(9) ~~For~~ Commencing January 1, 1989, for each calendar year thereafter, the department shall increase the covered wages limitation from the previous calendar year by one two 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. 24. Section 97B.41, subsection 1, paragraph b, subparagraph (10), Code Supplement 1987, is amended to read as follows:

(10) Effective July 1, ~~1978~~ 1988, covered wages ~~shall~~ does not include wages to a member on or ~~after the first of the~~

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~~reach-in-which-the-member-attains-the-age-of-seventy-years~~ or after the effective date of the member's retirement unless the member is re-employed reemployed, as provided under section 97B.48, subsection 3.

Sec. 25. Section 97B.41, subsection 3, paragraph a, unnumbered paragraph 2, Code Supplement 1987, is amended to read as follows:

If an interstate agency is established under chapter 28E and similar enabling legislation in an adjoining state, and a city employer had made contributions to the system for employees performing functions which are transferred to the interstate agency, the employees of the interstate agency who perform those functions shall be considered to be employees of the city employer for the sole purpose of membership in the system, although the employer contributions for those employees are made by the interstate agency.

Sec. 26. Section 97B.41, subsection 3, paragraph b, subparagraph (1), Code Supplement 1987, is amended to read as follows:

(1) Elective officials in positions for which the compensation is on a fee basis, elective officials of school districts, elective officials of townships, and elective officials of other political subdivisions who are in part-time positions, graduate medical students while serving as interns or resident doctors in training at any hospital, or county medical examiners and deputy county medical examiners under chapter 331, division V, part 7 §. However, a county attorney is an employee for purposes of this chapter whether that county attorney is employed on a full-time or a part time basis.

Sec. 27. Section 97B.41, subsection 3, paragraph b, Code Supplement 1987, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (14) Employees of the Iowa peace institute, established in chapter 38, unless an employee files an application with the department to be covered under this chapter.

Sec. 28. Section 97B.41, subsection 10, Code Supplement 1987, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. On or after July 1, 1988, an inactive member who had accumulated, as of the date of the member's last termination of employment, years of membership service equal to or exceeding the years of membership service specified in this subsection for qualifying as a vested member on that date of termination.

Sec. 29. Section 97B.41, subsection 13, paragraph a, Code Supplement 1987, is amended to read as follows:

a. Service in the armed forces of the United States during a period of war or national emergency, provided if the employee was employed by the employer immediately prior to entry into such the armed forces, and ~~further-provided~~ if the employee was released from such service and returns to employment with the employer within ~~ninety-days~~ twelve months of the date on which the employee ~~shall-have~~ has the right of release from such service or within a longer period as ~~may-be~~ provided by the applicable laws of the United States ~~applicable-thereto~~.

Sec. 30. Section 97B.41, subsection 17, Code Supplement 1987, is amended to read as follows:

17. "Membership service" means service rendered by a

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~~member after July 4, 1987--and-prior-to-the-first-of-the-month~~  
~~in-which-the-member-attains-the-age-of-seventy-years.~~ Years  
of membership service shall be counted to the complete quarter  
calendar year.

Sec. 31. Section 97B.43, Code 1987, is amended by adding  
the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member  
eligible for an increased retirement allowance because of the  
repayment of contributions under this section is entitled to  
receipt of retroactive adjustment payments for no more than  
six months immediately preceding the month in which written  
notice was submitted to the department.

Sec. 32. Section 97B.45, Code 1987, is amended by adding  
the following new subsection:

NEW SUBSECTION. 4. The first of any month in which a  
member meets the membership service and age requirements to  
retire under section 97B.49, subsection 15.

Sec. 33. Section 97B.46, subsection 1, Code Supplement  
1987, is amended to read as follows:

1. A member who is ~~an-employee-of-the-state-and~~ not an  
active member of any other retirement system in the state  
which is maintained in whole or in part by public  
contributions may remain in service beyond the date the member  
attains the age of sixty-five. The employee shall retire on  
the first day of the month after the last day of service. The  
employer shall not consider age as a factor in determining the  
continuation of the member's service.

Sec. 34. Section 97B.46, subsection 2, Code Supplement  
1987, is amended by striking the subsection.

Sec. 35. Section 97B.48, subsection 3, Code 1987, is

amended to read as follows:

3. If, after the first day of the month in which the member attains the age of fifty-five years and until the member's sixty-fifth birthday, a member who is retired under this chapter is in regular full-time employment, the member's retirement allowance shall be suspended for as long as the member remains in employment. However, effective January 1, 1989, employment shall not be regarded as is not full-time employment until the member receives remuneration in an amount in excess of two six thousand one hundred twenty dollars for a calendar year. Effective the first of the month in which a member attains the age of sixty-five years, a retired member may receive a retirement allowance after return to covered employment regardless of the amount of remuneration received. As of the first of the month in which the member attains the age of seventy years, the member may receive a retirement allowance determined under section 97B.49, regardless of the amount of remuneration received. Upon a retirement after re-employment reemployment, a retired member may have the retired member's retirement allowance redetermined under this section or section 97B.49 or 97B.50, whichever is applicable, based upon the addition of credit for the years of membership service of the employee after re-employment reemployment, the covered wage during reemployment, and the age of the employee after reemployment. The retired member shall not receive a retirement allowance based upon more than a total of thirty years of service.

Sec. 36. Section 97B.49, subsection 7, paragraph a, Code Supplement 1987, is amended to read as follows:

a. Notwithstanding other provisions of this chapter, a

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member who is or has been employed as a conservation peace officer under section 107.13 and who retires on or after July 1, 1986, and before July 1, 1988, 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 fifty percent of the member's three-year average covered wage as a conservation peace officer, with benefits payable during the member's lifetime.

Sec. 37. Section 97B.49, subsection 7, paragraph b, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

A conservation peace officer who retires on or after July 1, 1986, and before July 1, 1988, 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.

Sec. 38. Section 97B.49, subsection 8, paragraph a, unnumbered paragraphs 1 and 2, Code Supplement 1987, are amended to read as follows:

Notwithstanding other provisions of this chapter, a member who is or has been employed as a peace officer and who retires on or after July 1, 1986, and before July 1, 1988, 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 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 fifty percent of the member's three-year average covered wage as a peace officer, with benefits payable during the member's lifetime.

A peace officer who retires on or after July 1, 1986, and before July 1, 1988, 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 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

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officer attains sixty years of age.

Sec. 39. Section 97B.49, subsection 10, unnumbered paragraph 1, Code Supplement 1987, 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, 1986, and before July 1, 1988, 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 three-year average covered wage as a correctional officer, with benefits payable during the member's lifetime.

Sec. 40. Section 97B.49, subsection 13, paragraphs a and c, Code Supplement 1987, are amended to read as follows:

a. Each A 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 1986 1988 and the November 1987 1989 monthly benefit payments a retirement dividend equal to fifty eighty 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



~~1986~~ 1988 and the November ~~1987~~ 1989 monthly benefit payments a retirement dividend equal to ~~seventy-five~~ one hundred twenty 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.

Sec. 41. Section 97B.49, subsection 13, Code Supplement 1987, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. If the member dies on or after July 1 of the dividend year but before the payment date, the full amount of the retirement dividend for that year shall be paid to the designated beneficiary.

Sec. 42. Section 97B.49, subsection 14, unnumbered paragraphs 1 and 2, Code Supplement 1987, are amended to read as follows:

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 before July 1, 1988, 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 before July 1, 1988, and has not completed twenty-five years of membership service as required under this subsection is eligible to receive a monthly retirement

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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.

Sec. 43. Section 97B.49, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 15. In lieu of the monthly benefit computed under subsections 1 and 3 as applicable, or subsection 5, for each active member retiring on or after July 1, 1988, who is at least fifty-five years of age and has completed at least thirty years of membership service and prior service, and for which the sum of the number of years of membership service and prior service and the member's age in years as of the member's last birthday equals or exceeds ninety-two, a monthly benefit shall be computed which is equal to fifty percent of the three-year average covered wage of the member.

Sec. 44. Section 97B.49, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 16. a. Notwithstanding other provisions of this chapter, a member who is or has been employed in a

protection occupation who retires on or after July 1, 1988, and at the time of retirement is at least fifty-five years of age and has completed at least twenty-five years of membership service in a protection occupation, may elect to receive in lieu of the receipt of any benefits under subsections 5 or 15, a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as a member who has been employed in a protection occupation, with benefits payable during the member's lifetime.

b. Notwithstanding other provisions of this chapter, a member who retires from employment as a county sheriff or deputy sheriff who retires on or after July 1, 1988, and at the time of retirement is at least fifty-five years of age and has completed at least twenty-two years of membership service, may elect to receive in lieu of the receipt of any benefits under subsection 5 or 15, a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as a member with benefits payable during the member's lifetime. The years of membership service required under this paragraph shall include membership service as a sheriff or deputy sheriff and membership service under employment in a protection occupation included in paragraph "d", subparagraph (2).

For the purposes of this subsection, sheriff means a county sheriff as defined in section 39.17 and deputy sheriff means a deputy sheriff appointed pursuant to section 341.1 prior to July 1, 1981, or section 331.903 on or after July 1, 1981.

c. A member covered under this subsection who retires on or after July 1, 1988, and has not completed the twenty-five years of membership service required under paragraph "a", or

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twenty-two years of membership service required under paragraph "b", 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 member employed in a protection occupation, or as a sheriff or deputy sheriff, multiplied by a fraction of years of service. 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 for a member retiring in a protection occupation, divided by twenty-five years, or the sum of the years of membership service for a member retiring as a sheriff or deputy sheriff divided by twenty-two years.

d. For the purposes of this subsection, "a member employed in a protection occupation" includes all of the following:

(1) A conservation peace officer employed under section 107.13.

(2) A marshal or police officer in a city not covered under chapter 400.

(3) A correctional officer employed by the Iowa department of corrections in an applicable job classification. The department of corrections and the department of personnel shall jointly determine the applicable merit system job classifications of correctional officers.

(4) An airport firefighter employed by the disaster services division of the department of public defense.

(5) An airport safety officer employed under chapter 400 by an airport commission in a city of one hundred thousand population or more.

(6) An arson investigator who commenced employment as an arson investigator of the department of public safety on or

after July 1, 1988.

e. Annually, the department of personnel shall actuarially determine the cost of the additional benefits provided for members covered under paragraph "a" and the cost of the additional benefits provided for members covered under paragraph "b" as percents of the covered wages of the employees covered by this subsection. Sixty percent of the cost shall be paid by the employers of employees covered under this subsection and forty percent of the cost shall be paid by the employees. The employer and employee contributions required under this paragraph are in addition to the contributions paid under section 97B.11.

f. For the fiscal year commencing July 1, 1988, and each succeeding fiscal year, there is appropriated from the state fish and game protection fund to the department of personnel the amount necessary to pay the employer share of the cost of the additional benefits provided to employees covered under paragraph "d", subparagraph (1).

g. Annually, during each fiscal year commencing with the fiscal year beginning July 1, 1988, each applicable city shall pay to the department of personnel the amount necessary to pay the employer share of the cost of the additional benefits provided to employees of that city covered under paragraph "d", subparagraphs (2) and (5).

h. Annually, during each fiscal year commencing with the fiscal year beginning July 1, 1988, each county shall pay to the department of personnel the amount necessary to pay the employer share of the cost of the additional benefits provided to sheriffs and deputy sheriffs.

i. For the fiscal year commencing July 1, 1988, and each

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succeeding fiscal year, the department of corrections shall pay to the department of personnel from funds appropriated to the Iowa department of corrections, the amount necessary to pay the employer share of the cost of the additional benefits provided to employees covered under paragraph "d", subparagraph (3).

3. For the fiscal year commencing July 1, 1988, and each succeeding fiscal year, there is appropriated from the general fund of the state to the department of personnel, from funds not otherwise appropriated, an amount necessary to pay the employer share of the cost of the additional benefits provided to employees covered under paragraph "d", subparagraphs (4) and (6).

Sec. 45. Section 97B.50, subsection 1, Code Supplement 1987, is amended by striking the subsection and inserting in lieu thereof the following:

1. Except as otherwise provided in this section, a member, upon retirement prior to the normal retirement date, is entitled to receive a monthly retirement allowance determined in the same manner as provided for normal retirement in subsections 1, 4, and 5 of section 97B.49 reduced as follows:

a. For a member who is less than sixty-two years of age, by twenty-five hundredths of one percent per month for each month that the early retirement date precedes the normal retirement date.

a. For a member who is at least sixty-two years of age and who has not completed 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. 46. Section 97B.50, subsection 3, Code Supplement 1987, is amended to read as follows:

3. A member who is at least sixty-two years of age and less than sixty-five years of age, and who has completed 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. 47. Section 97B.50, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 4. A member eligible for a retirement allowance adjusted under this section is entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month in which written notice of retirement was submitted to the department.

Sec. 48. Section 97B.68, subsection 1, Code 1987, is amended to read as follows:

1. ~~From and after July 4, 1959~~ Effective July 1, 1988, any a person who is a member of the federal civil service retirement program shall or the federal employee's retirement

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system is not be eligible for membership in the Iowa public employees' retirement system, and ~~the provisions of~~ this chapter ~~shall~~ does not apply to such that employee. Any An employee whose membership in the federal civil service retirement program or the federal employee's retirement system is subsequently terminated shall immediately notify the employee's employer and the department of personnel of such that fact, and the employee shall become subject to the ~~provisions of~~ this chapter on the date the notification is received by the department.

Sec. 49. Section 97B.72A, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

97B.72A LEGISLATIVE MEMBERS.

1. An active or vested member of the system who was a member of the general assembly prior to July 1, 1988, may make contributions to the system for all or a portion of the period of service in the general assembly. The contributions made by the member shall be equal to the accumulated contributions as defined in section 97B.42, subsection 12, which would have been made if the member of the general assembly had been a member of the system during the period of service in the general assembly. The member of the system shall submit proof to the department of membership in the general assembly. The department shall credit the member 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 to the employer based on the period of service of members 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 plus two percent interest plus the interest dividend rate applicable for each year compounded annually.

2. A former member of the general assembly who has six or more years of service as a member of the general assembly or who has a total of six or more years of service as a member of the general assembly and as an employee under this chapter may make contributions to the system for all or a portion of the period of service as a member of the general assembly. The contributions made by the former member shall be equal to the accumulated contributions plus the employer contributions that would have been made if the former member had been a member of the system during the period of service elected. The employer contributions shall be equal to the contributions that would have been made by the employer if the former member had been a member of the system during the period of service elected plus the interest on the contributions equal to two percent plus the interest dividend rate applicable for each year compounded annually. The former member shall submit proof to the department of membership in the general assembly. The department shall credit the former member with the period of membership service for which contributions are made.

Sec. 50. Section 97B.73, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member eligible for an increased retirement allowance because of the

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payment of contributions under this section is entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month in which written notice was submitted to the department.

Sec. 51. Section 97B.73A, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member eligible for an increased retirement allowance because of the payment of contributions under this section is entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month in which written notice was submitted to the department.

Sec. 52. Section 97B.74, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member eligible for an increased retirement allowance because of the payment of contributions under this section is entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month in which written notice was submitted to the department.

Sec. 53. Section 97B.75, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member eligible for an increased retirement allowance under this section is entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month in which written notice was submitted to the department.

Sec. 54. NEW SECTION. 97B.80 VETERAN'S CREDIT.

An active member in service on July 1, 1988, who at any time served on active duty in the armed forces of the United

States, upon submitting verification of the dates of the active duty service in the armed forces to the department, may make employer and employee contributions to the system based upon the member's covered wages for the calendar year beginning January 1, 1987, at the rates in effect under section 97B.11 on January 1, 1987, for the period of time of the active duty service, not to exceed four years, and receive credit for membership service and prior service for the period of time for which the contributions are made. Verification of active duty service and payment of contributions shall be made to the department. However, a member is not eligible to make contributions under this section if the member is receiving or is eligible to receive retirement pay from the United States government for active duty in the armed forces.

Sec. 55. Section 411.6, subsection 5, unnumbered paragraph 2, Code 1987, is amended to read as follows:

Should a member in service or the chief of the police or fire departments become incapacitated for duty as a natural or proximate result of an injury or disease incurred in or aggravated by the actual performance of duty at some definite time or place or while acting, pursuant to order, outside the city by which the member is regularly employed, the member shall, upon being found to be temporarily incapacitated following an examination by the board of trustees, be entitled to receive the member's full pay and allowances from the city's general fund until re-examined by ~~said~~ the board and found to be fully recovered or permanently disabled.

Sec. 56. Section 411.6, subsection 8, paragraph b, unnumbered paragraph 1, Code 1987, is amended to read as follows:

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In lieu of the payment specified in paragraph "a", a beneficiary meeting the qualifications of paragraph "c" may elect to receive a monthly pension equal to one-twelfth of forty percent of the average final compensation of the member, but not less than seventy-five-dollars twenty percent of the monthly earnable compensation paid to an active member holding the highest grade in the rank of firefighter, for a beneficiary of a deceased member of a fire department, or the highest grade in the rank of police patrol officer, for a beneficiary of a deceased member of a police department, 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".

Sec. 57. Section 411.6, subsection 8, paragraph c, subparagraphs (1) and (2), Code 1987, are amended to read as follows:

(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.

Sec. 58. Section 411.6, subsection 11, paragraph a, Code 1987, is amended to read as follows:

a. ~~To the spouse to continue so long as said partner remains unmarried, equal to one-half the amount received by~~ the deceased beneficiary, but in no instance less than ~~seventy-five-dollars-per-month~~ twenty percent of the monthly

earnable compensation paid to an active member holding the highest grade in the rank of firefighter, for a beneficiary of a deceased member of the fire department, or the highest grade in the rank of police patrol officer, for a beneficiary of a deceased member of a police department, and in addition thereto a monthly pension equal to the monthly pension payable under subsection 9 of this section for each child under eighteen years of age or twenty-two years of age if applicable; or

Sec. 59. Section 411.6, subsection 12, paragraph a, subparagraph (2), Code 1987, is amended to read as follows:

(2) Twenty percent for members with five or more years of membership service who are receiving an ordinary disability retirement allowance. However, effective July 1, 1984, for members who retired before July 1, 1979, and effective July 1, 1988, for members who retire on or after July 1, 1988, twenty-five percent shall be used for members who are receiving an ordinary disability allowance.

Sec. 60. Section 411.9, Code 1987, is amended to read as follows:

411.9 MILITARY SERVICE EXCEPTIONS.

A member who is absent while serving in the armed services of the United States or its allies and is discharged or separated from the armed services under honorable conditions shall have the period or periods of absence while serving in the armed services, 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, included as part of the member's period of service in the department. The member shall not continue the contributions required of the member

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under section 421.8 during the period of military service, at the member, within ~~six-months~~ one year after the member has been discharged or separated under honorable conditions from military service, returns and resumes duties in the department, and if the member is declared physically capable of resuming 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. 61. Section 421.38, subsection 2, Code 1987, is amended to read as follows:

2. CONVENTION EXPENSES. ~~No-claims~~ Claims for expenses in attending conventions, meetings, conferences, or gatherings of members of any an association or society organized and existing as a quasi-public association or society outside the state of Iowa shall not be allowed at public expense, unless authorized by the executive council; and ~~claims for such these~~ expenses outside of the state shall not be allowed unless the voucher is accompanied by ~~so-much~~ the portion of the minutes of the executive council, certified to by its secretary, showing that the expense was authorized by the council. This section does not apply to claims in favor of the governor, attorney general, utilities board members, or to trips referred to in ~~section~~ sections 97B.4 and 217.20.

Sec. 62. The department of personnel shall identify job classifications within state government for which the current level of compensation is inadequate to recruit and retain qualified persons and leads or could lead to contracting for the services rather than providing those services directly. The department shall adjust compensation ranges in those areas of employment where the department determined that providing

the adjustment would enable the state to limit contracting for services and provide for a less costly means to deliver services. The department of personnel shall review the compensation structure for employees within the Iowa public employees retirement division who are involved in managing the investments. After seeking the input from the Iowa public employees' retirement system investment board, the department shall adjust compensation ranges for those positions where it is determined necessary in order to recruit and retain personnel with the requisite skills to maintain the fiduciary responsibilities of the fund.

Sec. 63. Section 97B.67, Code 1987, is repealed.

Sec. 64. Sections 3, 5, 56, and 58 of this Act apply, beginning on the effective date of those sections, to persons who are beneficiaries on that date as well as those who become beneficiaries on or after that date.

The portions of sections 5 and 58 of this Act that relate to the definition of child are retroactive to January 1, 1987.

Sec. 65. Section 27 of this Act, being deemed of immediate importance, takes effect upon its enactment.

Sec. 66. Sections 16, 17, 24, 30, and 35 of this Act, being deemed of immediate importance, take effect upon enactment.

Sec. 67. Sections 16, 17, 24, 30, and 35 of this Act are retroactive to January 1, 1988."

Sec. 68. Employees of the Iowa peace institute covered under chapter 97B on the effective date of section 27 of this Act who do not file an application with the department of personnel to be covered under chapter 97B shall receive a refund of the accumulated contributions of the employee made

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under chapter 97B for service as an employee of the Iowa peace institute."

2. Title page, line 2, by inserting after the word "systems" the following: ", making appropriations, providing an effective date, and providing retroactive applicability".

ON THE PART OF THE HOUSE:      ON THE PART OF THE SENATE:

GENE BOANSHAN, CHAIR  
DOROTHY F. CARPENTER  
MINNETTE F. DODERER

ROBERT CARR, CHAIR  
DONALD GETTINGS  
WALLY HORN  
JACK NYSTROM  
RICHARD VANDE HOEF

FILED APRIL 17, 1988  
ADOPTED

*Adopted 4/17/88*



HSB 580

House Study Bill 580

State Government: Blanshan, Chair: Carpenter, Connors, Hammond and Hanson of Delaware.

VERNMENT

*read 2/4/05*

HOUSE FILE \_\_\_\_\_

BY (PROPOSED PUBLIC RETIREMENT SYSTEMS COMMITTEE BILL)

Passed House, Date \_\_\_\_\_

Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

A BILL FOR

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

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

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1 Section 1. Section 97B.49, subsection 5, unnumbered  
2 paragraph 1, Code Supplement 1987, is amended to read as  
3 follows:

4 For Effective July 1, 1988, for each active member retiring  
5 on or after ~~July 1, 1986~~ January 1, 1976, with four or more  
6 complete years of service, a monthly benefit shall be computed  
7 which is equal to one-twelfth of an amount equal to fifty  
8 percent of the three-year average covered wage multiplied by a  
9 fraction of years of service. For the purposes 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 and the number of years of prior service divided by  
13 thirty years.

14 Sec. 2. Section 97B.49, subsection 7, paragraph a, Code  
15 Supplement 1987, is amended to read as follows:

16 a. Notwithstanding other provisions of this chapter,  
17 effective July 1, 1988, a member who is or has been employed  
18 as a conservation peace officer under section 107.13 and who  
19 retires on or after ~~July 1, 1986~~ January 1, 1976, and at the  
20 time of retirement is at least sixty years of age and has  
21 completed at least twenty-five years of membership service as  
22 a conservation peace officer, may elect to receive, in lieu of  
23 the receipt of any benefits under subsection 5 of this  
24 section, a monthly retirement allowance equal to one-twelfth  
25 of fifty percent of the member's three-year average covered  
26 wage as a conservation peace officer, with benefits payable  
27 during the member's lifetime.

28 Sec. 3. Section 97B.49, subsection 8, paragraph a,  
29 unnumbered paragraphs 1 and 2, Code Supplement 1987, are  
30 amended to read as follows:

31 Notwithstanding Effective July 1, 1988, notwithstanding  
32 other provisions of this chapter, a member who is or has been  
33 employed as a peace officer and who retires on or after July  
34 1, 1986 1983, or as a county sheriff or deputy sheriff under  
35 subparagraph 1 or 2 between January 1, 1976, and June 30,

1 1983, and at the time of retirement is at least sixty years of  
2 age and has completed at least twenty-five years of membership  
3 service as a peace officer, may elect to receive, in lieu of  
4 the benefits under subsection 5 of this section, a monthly  
5 retirement allowance equal to one-twelfth of fifty percent of  
6 the member's three-year average covered wage as a peace  
7 officer, with benefits payable during the member's lifetime.

8 A peace officer who retires on or after July 1, 1986, and  
9 has not completed twenty-five years of membership service as  
10 required under this subsection is eligible to receive a  
11 monthly retirement allowance equal to one-twelfth of fifty  
12 percent of the member's three-year average covered wage as a  
13 peace officer multiplied by the fraction of years of service  
14 as a peace officer. For the purpose of this subsection,  
15 "fraction of years of service" means a number, not to exceed  
16 one, equal to the sum of the years of membership service as a  
17 peace officer, divided by twenty-five years. On or after July  
18 1, ~~1984~~ 1988, if the peace officer has not reached sixty years  
19 of age at retirement, the monthly retirement allowance shall  
20 be reduced by ~~five-tenths~~ twenty-five hundredths of one  
21 percent per month for each month that the peace officer's  
22 retirement precedes the date on which the peace officer  
23 attains sixty years of age.

24 Sec. 4. Section 97B.49, subsection 14, unnumbered  
25 paragraph 2, Code Supplement 1987, is amended to read as  
26 follows:

27 An airport firefighter who retires on or after July 1,  
28 1986, and has not completed twenty-five years of membership  
29 service as required under this subsection is eligible to  
30 receive a monthly retirement allowance equal to one-twelfth of  
31 fifty percent of the member's three-year average covered wage  
32 as an airport firefighter multiplied by a fraction of years of  
33 service as an airport firefighter. For the purpose of this  
34 subsection, "fraction of years of service" means a number, not  
35 to exceed one, equal to the sum of the years of membership

1 service as an airport firefighter, divided by twenty-five  
2 years. On or after July 1, ~~1986~~ 1988, if the airport  
3 firefighter has not reached sixty years of age at retirement,  
4 the monthly retirement allowance shall be reduced by ~~five-~~  
5 ~~tenths~~ twenty-five hundredths of one percent per month for  
6 each month that the airport firefighter's retirement precedes  
7 the date on which the airport firefighter attains sixty years  
8 of age.

9 Sec. 5. Section 97B.49, Code Supplement 1987, is amended  
10 by adding the following new subsection:

11 NEW SUBSECTION. 15. Effective July 1, 1988, for each  
12 member who retired from the system prior to January 1, 1976,  
13 and for each member who retired from the system under  
14 subsection 1 on or after January 1, 1976, the amount of  
15 regular monthly retirement allowance attributable to  
16 membership service and prior service that was payable to the  
17 member for June 1988 is increased by ten percent.

18 The increase payable to a member under this section is also  
19 payable to a beneficiary and a contingent annuitant.

20 Sec. 6. Section 97B.50, subsection 1, Code Supplement  
21 1987, is amended by striking the subsection and inserting in  
22 lieu thereof the following:

23 1. Except as otherwise provided in this section, a member,  
24 upon retirement prior to the normal retirement date, is  
25 entitled to receive a monthly retirement allowance determined  
26 in the same manner as provided for normal retirement in  
27 subsections 1, 4, and 5 of section 97B.49 reduced as follows:

28 a. For a member who is less than sixty-two years of age,  
29 by twenty-five hundredths of one percent per month for each  
30 month that the early retirement date precedes the normal  
31 retirement date.

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

1 the normal retirement date.

2 Sec. 7. Section 97B.50, subsection 3, Code Supplement  
3 1987, is amended to read as follows:

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

20 Sec. 8. NEW SECTION. 97B.80 VETERAN'S CREDIT.

21 An active member in service on July 1, 1988, who at any  
22 time on or after July 1, 1950, served on active duty in the  
23 armed forces of the United States, upon submitting  
24 verification of the dates of the active duty service in the  
25 armed forces to the department, may make employer and employee  
26 contributions to the system based upon the member's covered  
27 wages for the calendar year beginning January 1, 1987, at the  
28 rates in effect under section 97B.11 on January 1, 1987, for  
29 the period of time of the active duty service, not to exceed  
30 four years, and receive credit for membership service and  
31 prior service for the period of time for which the  
32 contributions are made. Verification of active duty service  
33 and payment of contributions shall be made to the department  
34 not later than June 30, 1989. However, a member is not  
35 eligible to make contributions under this section if the

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

4 Sec. 9. Section 602.9116, Code 1987, is amended to read as  
5 follows:

6 602.9116 ACTUARIAL VALUATION.

7 The court administrator shall cause an actuarial valuation  
8 to be made of the assets and liabilities of the judicial  
9 retirement fund at least once every ~~four~~ two years commencing  
10 with the fiscal year beginning July 1, ~~1987~~ 1989. The court  
11 administrator shall adopt mortality tables and other necessary  
12 factors for use in the actuarial calculations required for the  
13 valuation upon the recommendation of the actuary. Following  
14 the actuarial valuation, the court administrator shall  
15 determine the condition of the system and shall report its  
16 findings and recommendations to the general assembly.

17 The cost of the actuarial valuation shall be paid from the  
18 judicial retirement fund.

19 EXPLANATION

20 This bill increases benefits for Iowa public employees'  
21 retirement system (IPERS) members retiring between January 1,  
22 1976, and June 30, 1972, from 47% of final average  
23 compensation to 50% of final average compensation. It  
24 increases benefits by ten percent for IPERS members retiring  
25 prior to January 1, 1976, and for those members retiring on or  
26 after January 1, 1976, under the previous benefit formula. It  
27 reduces the penalty for early retirement of IPERS members from  
28 five-tenths percent per month to twenty-five hundredths  
29 percent per month for each month the retirement precedes the  
30 member's normal retirement date.

31 The bill provides that former members of the armed forces  
32 may purchase service under IPERS for their years of military  
33 service up to four years. They are required to pay both the  
34 employer and employee contributions based upon their current  
35 salaries.

1 The bill also provides for a biennial actuarial valuation  
2 of the judicial retirement system rather than a quadrennial  
3 valuation, commencing July 1, 1989.

4 COMPANION TO LSB 7645IS 72  
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HOUSE FILE 2405

AN ACT

RELATING TO THE ADMINISTRATION AND BENEFITS FOR CERTAIN PUBLIC RETIREMENT SYSTEMS, MAKING APPROPRIATIONS, PROVIDING AN EFFECTIVE DATE, AND PROVIDING RETROACTIVE APPLICABILITY.

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

Section 1. Section 12.8, unnumbered paragraph 3, Code 1987, is amended to read as follows:

The treasurer of state, following with the approval by of the investment board of the Iowa public employees' retirement system, may implement and engage in conduct a program of lending securities in the Iowa public employees' retirement system portfolio ~~except the lending of common stocks shall not be allowed~~. When securities are loaned as provided by this paragraph, the treasury ~~in order to secure the loan and as a condition thereof shall obtain from the borrower federal securities of at least equal to one hundred three percent of market value and the relative value of the collateral to the loan shall be maintained~~ shall act in the manner provided for investment of moneys in the Iowa public employees' retirement fund under section 97B.7. The treasurer of state shall ~~include in the reports required by sections 12.17 and 17.37 a review of the program including the fiscal impact of the program~~ report at least annually to the investment board of

the Iowa public employees' retirement system on the program and shall provide additional information on the program upon the request of the investment board or the employees of the Iowa public employees' retirement system division of the department of personnel.

Sec. 2. Section 97A.1, subsection 2, Code 1987, is amended to read as follows:

2. "Peace officer" or "peace officers" shall mean all members of the divisions of highway safety and uniformed force and criminal investigation and bureau of identification in the department of public safety, except clerical workers, who have passed a satisfactory physical and mental examination and have been duly appointed as members of the state department of public safety in accordance with the ~~provisions of~~ section 80.15, and the division of drug law enforcement, and arson investigators in the department of public safety hired prior to July 1, 1988, except clerical workers, and the division of beer and liquor law enforcement of the department of public safety, except clerical workers.

Sec. 3. Section 97A.6, subsection 8, paragraph b, unnumbered paragraph 1, Code 1987, is amended to read as follows:

In lieu of the payment specified in paragraph "a," a beneficiary meeting the qualifications of paragraph "c" may elect to receive a monthly pension equal to one-twelfth of forty percent of the average final compensation of the member, but not less than fifty dollars an amount equal to twenty percent of the monthly earnable compensation paid to an active member having the rank of senior patrol officer of the Iowa highway safety patrol 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".

Sec. 4. Section 97A.6, subsection 8, paragraph c, subparagraphs (1) and (2), Code 1987, are amended to read as follows:



(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.

Sec. 5. Section 97A.6, subsection 12, paragraph a, Code 1987, is amended to read as follows:

a. To the member's surviving spouse ~~to continue so long as said party remains unmarried~~, equal to one-half the amount received by ~~such the~~ deceased beneficiary, but in no instance less than fifty dollars per month an amount equal to twenty percent of the monthly earnable compensation paid to an active member having the rank of senior patrol officer of the Iowa highway safety patrol, and in addition thereto a monthly pension equal to the monthly pension payable under subsection 9, paragraph "c," of this section for each child under eighteen years of age or twenty-two years of age if applicable; or

Sec. 6. Section 97A.6, subsection 14, paragraph a, subparagraph (2), Code 1987, is amended to read as follows:

(2) Twenty percent for members with five or more years of membership service who are receiving an ordinary disability retirement allowance. However, effective July 1, 1984, for members who retired before July 1, 1979, and effective July 1, 1988, for members who retire on or after July 1, 1988, twenty-five percent shall be used for members who are receiving an ordinary disability retirement allowance.

Sec. 7. Section 97A.9, Code 1987, is amended to read as follows:

97A.9 MILITARY SERVICE EXCEPTIONS.

Any a member who is absent from duty as a peace officer while serving in the armed services of the United States or

its allies and is discharged or separated therefrom from service in the armed forces 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, while serving in ~~such the~~ armed forces on a voluntary basis, included as part of the member's period of service in the department. ~~Such The~~ member ~~shall is~~ not be required to continue the contributions required of the member under section 97A.8, during ~~such the~~ period of military service, ~~provided that if~~ the member ~~shall~~, within six months one year after the member has been discharged or separated under honorable conditions from such military service return, and resume ~~resumes~~ the member's duties in the department, and ~~provided further, that such if the~~ member ~~shall be is~~ declared physically capable of resuming such to resume those duties upon examination by the medical board.

Sec. 8. Section 97B.2, Code 1987, is amended to read as follows:

97B.2 PURPOSE OF CHAPTER.

The purpose of this chapter is to promote economy and efficiency in the public service by providing an orderly means whereby for employees who ~~become superannuated may~~, without hardship or prejudice, ~~be replaced by more capable employees~~, and to that end providing to have a retirement system which will provide for the payment of annuities ~~to public employees~~, thereby enabling the employees to care for themselves in retirement, and which ~~by its provisions~~ will improve public employment within the state, reduce excessive personnel turnover, and offer suitable attraction to high-grade men and women to enter public service in the state.

Sec. 9. Section 97B.4, unnumbered paragraph 2, Code 1987, is amended to read as follows:

The department, members of the investment board, and the treasurer of state are not personally liable for actions or

omissions, under this chapter that do not involve malicious or wanton misconduct even if those actions or omissions violate the standards established in section 97B.7.

Sec. 10. Section 97B.4, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. In the administration of the investment of moneys in the fund, employees of the department and members of the board may travel outside the state for the purpose of meeting with investment firms and consultants and attending conferences and meetings to fulfill their fiduciary responsibilities. This travel is not subject to section 421.38, subsection 2.

Sec. 11. Section 97B.7, subsection 2, paragraph b, unnumbered paragraph 1, Code 1987, is amended to read as follows:

Invest, subject to chapter 12A, the portion of the retirement fund which in the judgment of the department is not needed for current payment of benefits under this chapter. The department shall execute the disposition and investment of moneys in the retirement fund in accordance with the investment policy and goal statement established by the investment board. In the investment of the fund, the department and investment board shall exercise the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs ~~as provided in section 633.123, subsection 1,~~ not for the purpose of speculation, but with regard to the permanent disposition of the funds, considering the probable income, as well as the probable safety, of their capital. Within the limitations of the standard prescribed in this section, a fiduciary may acquire and retain every kind of property and every kind of investment which persons of prudence, discretion, and intelligence acquire or retain for their own account.

Sec. 12. Section 97B.7, subsection 2, paragraph b, unnumbered paragraph 4, Code 1987, is amended to read as follows:

Consistent with this paragraph, investments made under this paragraph shall be made in a manner that will enhance the economy of this state, and in particular, will result in increased employment of the residents of this state. Investments of moneys in the fund are not subject to sections 73.15 through 73.21.

Sec. 13. Section 97B.7, subsection 2, paragraph b, unnumbered paragraph 5, Code 1987, is amended to read as follows:

~~If Except as provided in section 97B.4, if there is loss on the redemption or sale of securities, where invested as prescribed by law, neither to the fund, the treasurer, nor the department is, and the board are not personally liable, but and the loss shall be charged against the retirement fund, and there There is appropriated from the retirement fund an the amount as required for the to cover a loss. Expenses incurred in the sale and purchase of securities belonging to the retirement fund shall be charged to the retirement fund, and there is appropriated from the retirement fund an the amount as required for the expenses incurred. Investment management expenses shall be charged to the investment income of the retirement fund, and there is appropriated from the retirement fund an the amount as required for the investment management expenses, subject to the limitations stated in this subparagraph. The amount appropriated for a fiscal year under this subparagraph shall not exceed one-half percent of the market value of the retirement fund. The department shall report the investment management expenses for a fiscal year as a percent of the market value of the retirement fund in the annual report to the governor required in section 97B.4. A person who has signed a contract with the department for investment management purposes shall meet the requirements for~~

doing business in Iowa sufficient to be subject to tax under rules of the department of revenue and finance.

Sec. 14. Section 97B.8, unnumbered paragraph 3, Code 1987, is amended to read as follows:

The members who are executives of a domestic life insurance company, a state or national bank, and a major industrial corporation, and the member who is a retired member of the system, shall be paid their actual expenses incurred in performance of their duties and shall receive in addition the sum of forty dollars for each day of service not exceeding forty days per year. Legislative members shall receive forty dollars for each day of service and their actual expenses incurred in the performance of their duties. The per diem and expenses of the legislative members shall be paid from funds appropriated under section 2.12. The members who are active members of the system and the director of the department shall be paid their actual expenses incurred in the performance of their duties as members of the board and performance of their duties as members of the board shall not affect their salaries, vacation vacations, or leaves of absence for sickness or injury. The appointive terms of the members appointed by the governor are for a period of six years beginning and ending as provided in section 69.19. If there is a vacancy in the membership of the board, the governor has the power of appointment. Appointees to this board are subject to confirmation by the senate.

Sec. 15. Section 97B.9, unnumbered paragraph 1, Code 1987, is amended to read as follows:

Contributions unpaid on the date on which they are due and payable as prescribed by the department, shall bear interest at the combined interest and dividend rate of one-half of one per centum per month from and after such date until payment plus accrued interest is received by the department required under section 97B.70 for the applicable calendar year, provided that the department may prescribe fair and reasonable

regulations pursuant to which such the interest shall not accrue with respect to contributions required. Interest collected pursuant to this section shall be paid into the Iowa public employees' retirement fund.

Sec. 16. Section 97B.11, Code 1987, is amended to read as follows:

97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

Each employer shall deduct from the wages of each member of the system a contribution in the amount of three and six-tenths percent of the covered wages paid by the employer through June 30, 1979, and commencing July 1, 1979 in the amount of three and seven-tenths percent of the covered wages paid by the employer, until the ~~first-of-the-month-in-which the member attains the age of seventy years or the member's~~ termination or retirement from employment, whichever is earlier. The contributions of the employer shall be in the amount of three and one-half percent of the covered wages of the member for service through December 31, 1975, and in the amount of five and twenty-five hundredths percent of the covered wages of the member for service commencing July 1, 1977, through June 30, 1979, and in the amount of five and seventy-five hundredths percent of the covered wages of the member for service commencing July 1, 1979.

Sec. 17. Section 97B.15, Code 1987, is amended to read as follows:

97B.15 RULES.

The department ~~shall have full power and authority to~~ may make rules under chapter 17A and to establish procedures, not inconsistent with the ~~provisions of this chapter~~, which are necessary or appropriate to ~~carry out such provisions~~ implement this chapter and shall adopt reasonable and proper rules to regulate and provide for the nature and extent of the proofs and evidence and the method of taking and furnishing the same proofs and evidence in order to establish the right to benefits hereunder under this chapter. The department may

adopt rules to conform the requirements for receipt of retirement benefits under this chapter to the mandates of applicable federal statutes and regulations governing age discrimination or the taxation of distributions.

Sec. 18. Section 97B.16, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

97B.16 PROCEDURE OF DEPARTMENT.

The department shall make decisions as to the rights of an individual applying for a payment under this chapter. When requested by an individual, or a person who makes a showing in writing that the individual's or person's rights may be prejudiced by a decision the department has made, a hearing shall be scheduled under the Iowa administrative procedures Act, chapter 17A. If a hearing is held, the decision shall, on the basis of evidence adduced at the hearing, be affirmed, modified, or reversed under chapter 17A.

Sec. 19. Section 97B.17, Code 1987, is amended to read as follows:

97B.17 RECORDS MAINTAINED.

The department shall establish and maintain records of each member, including but not limited to the amount of wages of each member, the contribution of each member with interest, and interest dividends credited thereon, and such these records shall be are the basis for the compilation of the retirement benefits provided under this chapter. Such The following records maintained under this chapter containing personal identifiable information are not public records for the purposes of chapter 22:

1. Records containing social security numbers.
2. Records listing designated beneficiaries.
3. Records specifying amounts accumulated in members' active accounts.
4. Records containing names, addresses, and amounts of monthly benefits to which members or their beneficiaries are entitled.

5. Records containing names, addresses, and amounts of lump sum refund payments to terminated members or their beneficiaries.

Summary information concerning the demographics of the members and general statistical information concerning the system is subject to chapter 22, as well as aggregate information by category.

However, the department's records shall be are evidence for the purpose of proceedings before the department or any court of the amounts of such wages and the periods in which they were paid, and the absence of an entry as to an individual's a member's wages in such the records for any period shall be is evidence that no wages were not paid such-individual that member in such the period.

Sec. 20. Section 97B.37, Code 1987, is amended to read as follows:

97B.37 RECOGNITION OF AGENTS.

The department may prescribe rules governing the recognition of agents or other persons, ~~other than attorneys as hereinafter provided,~~ representing claimants before the department, and may require of such the agents or other persons, before being recognized as representatives of claimants, that they shall show that they are of good character and in good repute, possessed of the necessary qualifications to enable them to render such the claimants valuable service, and otherwise competent to advise and assist such the claimants in the presentation of their cases. An attorney-in-good-standing-who-is-admitted-to-practice-before-the-district-or-supreme-court-of-the-state, shall-be-entitled-to-represent-claimants-before-the-department-upon-filing-with-the-department-a-certificate-of-the-attorney's-right-to-so-practice-from-the-presiding-judge-or-clerk-of-any-such-court. Claimants may be represented by counsel at their own expense.

Sec. 21. Section 97B.41, subsection 1, paragraph a, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

"Wages" means all remuneration for employment, including the cash value of remuneration paid in a medium other than cash, but not including the cash value of remuneration paid in a medium other than cash necessitated by the convenience of the employer. The amount agreed upon by the employer and employee for remuneration paid in a medium other than cash shall be reported to the department by the employer and is conclusive of the value of the remuneration. However, remuneration which does not equal or exceed the sum of three hundred dollars in a calendar quarter shall be excluded.

"Wages" does not include special lump sum payments made as payment for accrued sick leave or accrued vacation or payments made as an incentive for early retirement or as payments made upon dismissal, severance, or a special bonus payment. Wages for an elected official means the salary received by an elected official, exclusive of expense and travel allowances.

Sec. 22. Section 97B.41, subsection 1, paragraph b, subparagraph (8), Code Supplement 1987, is amended to read as follows:

(8) For each the calendar year from beginning January 1, 1988, and thereafter, except as provided in subparagraph (9) and ending December 31, 1988, wages not in excess of twenty-four thousand dollars.

Sec. 23. Section 97B.41, subsection 1, paragraph b, subparagraph (9), Code Supplement 1987, is amended to read as follows:

(9) For Commencing January 1, 1989, for each calendar year thereafter, the department shall increase the covered wages limitation from the previous calendar year by one two 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. 24. Section 97B.41, subsection 1, paragraph b, subparagraph (10), Code Supplement 1987, is amended to read as follows:

(10) Effective July 1, 1978 1988, covered wages shall does not include wages to a member on or after the first of the month in which the member attains the age of seventy years, or after the effective date of the member's retirement unless the member is re-employed reemployed, as provided under section 97B.48, subsection 3.

Sec. 25. Section 97B.41, subsection 3, paragraph a, unnumbered paragraph 2, Code Supplement 1987, is amended to read as follows:

If an interstate agency is established under chapter 28E and similar enabling legislation in an adjoining state, and a city an employer had made contributions to the system for employees performing functions which are transferred to the interstate agency, the employees of the interstate agency who perform those functions shall be considered to be employees of the city employer for the sole purpose of membership in the system, although the employer contributions for those employees are made by the interstate agency.

Sec. 26. Section 97B.41, subsection 3, paragraph b, subparagraph (1), Code Supplement 1987, is amended to read as follows:

(1) Elective officials in positions for which the compensation is on a fee basis, elective officials of school districts, elective officials of townships, and elective officials of other political subdivisions who are in part-time positions, graduate medical students while serving as interns or resident doctors in training at any hospital, or county medical examiners and deputy county medical examiners under chapter 331, division V, part 9 B. However, a county attorney is an employee for purposes of this chapter whether that county attorney is employed on a full-time or a part-time basis.

Sec. 27. Section 97B.41, subsection 3, paragraph b, Code Supplement 1987, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (14) Employees of the Iowa peace institute, established in chapter 38, unless an employee files an application with the department to be covered under this chapter.

Sec. 28. Section 97B.41, subsection 10, Code Supplement 1987, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. On or after July 1, 1988, an inactive member who had accumulated, as of the date of the member's last termination of employment, years of membership service equal to or exceeding the years of membership service specified in this subsection for qualifying as a vested member on that date of termination.

Sec. 29. Section 97B.41, subsection 13, paragraph a, Code Supplement 1987, is amended to read as follows:

a. Service in the armed forces of the United States during a period of war or national emergency, provided if the employee was employed by the employer immediately prior to entry into such the armed forces, and further provided if the employee was released from such service and returns to employment with the employer within ninety-days twelve months of the date on which the employee ~~shall have~~ has the right of release from such service or within such a longer period as ~~may be~~ provided by the applicable laws of the United States ~~applicable thereto~~.

Sec. 30. Section 97B.41, subsection 17, Code Supplement 1987, is amended to read as follows:

17. "Membership service" means service rendered by a member after July 4, 1953, ~~and prior to the first of the month in which the member attains the age of seventy years.~~ Years of membership service shall be counted to the complete quarter calendar year.

Sec. 31. Section 97B.43, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member eligible for an increased retirement allowance because of the repayment of contributions under this section is entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month in which written notice was submitted to the department.

Sec. 32. Section 97B.45, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 4. The first of any month in which a member meets the membership service and age requirements to retire under section 97B.49, subsection 15.

Sec. 33. Section 97B.46, subsection 1, Code Supplement 1987, is amended to read as follows:

1. A member who is ~~an employee of the state and~~ not an active member of any other retirement system in the state which is maintained in whole or in part by public contributions may remain in service beyond the date the member attains the age of sixty-five. The employee shall retire on the first day of the month after the last day of service. The employer shall not consider age as a factor in determining the continuation of the member's service.

Sec. 34. Section 97B.46, subsection 2, Code Supplement 1987, is amended by striking the subsection.

Sec. 35. Section 97B.48, subsection 3, Code 1987, is amended to read as follows:

3. If, after the first day of the month in which the member attains the age of fifty-five years and until the member's sixty-fifth birthday, a member who is retired under this chapter is in regular full-time employment, the member's retirement allowance shall be suspended for as long as the member remains in employment. However, effective January 1, 1989, employment ~~shall not be regarded as~~ is not full-time employment until the member receives remuneration in an amount

in excess of two six thousand one hundred twenty dollars for a calendar year. Effective the first of the month in which a member attains the age of sixty-five years, a retired member may receive a retirement allowance after return to covered employment regardless of the amount of remuneration received. As of the first of the month in which the member attains the age of seventy years, the member may receive a retirement allowance determined under section 97B.49, regardless of the amount of remuneration received. Upon a retirement after re-employment reemployment, a retired member may have the retired member's retirement allowance redetermined under this section or section 97B.49 or 97B.50, whichever is applicable, based upon the addition of credit for the years of membership service of the employee after re-employment reemployment, the covered wage during reemployment, and the age of the employee after reemployment. The retired member shall not receive a retirement allowance based upon more than a total of thirty years of service.

Sec. 36. Section 97B.49, subsection 7, paragraph a, Code Supplement 1987, is amended to read as follows:

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 on or after July 1, 1986, and before July 1, 1988, 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 fifty percent of the member's three-year average covered wage as a conservation peace officer, with benefits payable during the member's lifetime.

Sec. 37. Section 97B.49, subsection 7, paragraph b, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

A conservation peace officer who retires on or after July 1, 1986, and before July 1, 1988, 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.

Sec. 38. Section 97B.49, subsection 8, paragraph a, unnumbered paragraphs 1 and 2, Code Supplement 1987, are amended to read as follows:

Notwithstanding other provisions of this chapter, a member who is or has been employed as a peace officer and who retires on or after July 1, 1986, and before July 1, 1988, 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 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 fifty percent of the member's three-year average covered wage as a peace officer, with benefits payable during the member's lifetime.

A peace officer who retires on or after July 1, 1986, and before July 1, 1988, 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 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. 39. Section 97B.49, subsection 10, unnumbered paragraph 1, Code Supplement 1987, 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, 1986, and before July 1, 1988, 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 three-year average covered wage as a correctional officer, with benefits payable during the member's lifetime.

Sec. 40. Section 97B.49, subsection 13, paragraphs a and b, Code Supplement 1987, are amended to read as follows:

a. Each A 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 1986 1988 and the November 1987 1989 monthly benefit payments a retirement dividend equal to ~~forty~~ eighty 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 1986 1988 and the November 1987 1989 monthly benefit payments a retirement dividend equal to ~~seventy-five~~ one hundred twenty 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.

Sec. 41. Section 97B.49, subsection 13, Code Supplement 1987, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. If the member dies on or after July 1 of the dividend year but before the payment date, the full amount of the retirement dividend for that year shall be paid to the designated beneficiary.

Sec. 42. Section 97B.49, subsection 14, unnumbered paragraphs 1 and 2, Code Supplement 1987, are amended to read as follows:

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 before July 1, 1988, 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 before July 1, 1988, 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.

Sec. 43. Section 97B.49, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 15. In lieu of the monthly benefit computed under subsections 1 and 3 as applicable, or subsection 5, for each active member retiring on or after July 1, 1988, who is at least fifty-five years of age and has completed at least thirty years of membership service and prior service, and for which the sum of the number of years of membership service and prior service and the member's age in years as of the member's last birthday equals or exceeds ninety-two, a monthly benefit shall be computed which is equal to fifty percent of the three-year average covered wage of the member.

Sec. 44. Section 97B.49, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 16. a. Notwithstanding other provisions of this chapter, a member who is or has been employed in a protection occupation who retires on or after July 1, 1988, and at the time of retirement is at least fifty-five years of age and has completed at least twenty-five years of membership service in a protection occupation, may elect to receive in

lieu of the receipt of any benefits under subsection 5 or 15, a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as a member who has been employed in a protection occupation, with benefits payable during the member's lifetime.

b. Notwithstanding other provisions of this chapter, a member who retires from employment as a county sheriff or deputy sheriff who retires on or after July 1, 1988, and at the time of retirement is at least fifty-five years of age and has completed at least twenty-two years of membership service, may elect to receive in lieu of the receipt of any benefits under subsection 5 or 15, a monthly retirement allowance equal to one-twelfth of fifty percent of the member's three-year average covered wage as a member with benefits payable during the member's lifetime. The years of membership service required under this paragraph shall include membership service as a sheriff or deputy sheriff and membership service under employment in a protection occupation included in paragraph "d", subparagraph (2).

For the purposes of this subsection, sheriff means a county sheriff as defined in section 39.17 and deputy sheriff means a deputy sheriff appointed pursuant to section 341.1 prior to July 1, 1981, or section 331.903 on or after July 1, 1981.

c. A member covered under this subsection who retires on or after July 1, 1988, and has not completed the twenty-five years of membership service required under paragraph "a", or twenty-two years of membership service required under paragraph "b", 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 member employed in a protection occupation, or as a sheriff or deputy sheriff, multiplied by a fraction of years of service. 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 for a member retiring in a protection

occupation, divided by twenty-five years, or the sum of the years of membership service for a member retiring as a sheriff or deputy sheriff divided by twenty-two years.

d. For the purposes of this subsection, "a member employed in a protection occupation" includes all of the following:

- (1) A conservation peace officer employed under section 107.13.
- (2) A marshal or police officer in a city not covered under chapter 400.
- (3) A correctional officer employed by the Iowa department of corrections in an applicable job classification. The department of corrections and the department of personnel shall jointly determine the applicable merit system job classifications of correctional officers.
- (4) An airport firefighter employed by the disaster services division of the department of public defense.
- (5) An airport safety officer employed under chapter 400 by an airport commission in a city of one hundred thousand population or more.
- (6) An arson investigator who commenced employment as an arson investigator of the department of public safety on or after July 1, 1988.

e. Annually, the department of personnel shall actuarially determine the cost of the additional benefits provided for members covered under paragraph "a" and the cost of the additional benefits provided for members covered under paragraph "b" as percents of the covered wages of the employees covered by this subsection. Sixty percent of the cost shall be paid by the employers of employees covered under this subsection and forty percent of the cost shall be paid by the employees. The employer and employee contributions required under this paragraph are in addition to the contributions paid under section 97B.11.

f. For the fiscal year commencing July 1, 1988, and each succeeding fiscal year, there is appropriated from the state

fish and game protection fund to the department of personnel the amount necessary to pay the employer share of the cost of the additional benefits provided to employees covered under paragraph "d", subparagraph (1).

g. Annually, during each fiscal year commencing with the fiscal year beginning July 1, 1988, each applicable city shall pay to the department of personnel the amount necessary to pay the employer share of the cost of the additional benefits provided to employees of that city covered under paragraph "d", subparagraphs (2) and (5).

h. Annually, during each fiscal year commencing with the fiscal year beginning July 1, 1988, each county shall pay to the department of personnel the amount necessary to pay the employer share of the cost of the additional benefits provided to sheriffs and deputy sheriffs.

i. For the fiscal year commencing July 1, 1988, and each succeeding fiscal year, the department of corrections shall pay to the department of personnel from funds appropriated to the Iowa department of corrections, the amount necessary to pay the employer share of the cost of the additional benefits provided to employees covered under paragraph "d", subparagraph (3).

j. For the fiscal year commencing July 1, 1988, and each succeeding fiscal year, there is appropriated from the general fund of the state to the department of personnel, from funds not otherwise appropriated, an amount necessary to pay the employer share of the cost of the additional benefits provided to employees covered under paragraph "d", subparagraphs (4) and (6).

Sec. 45. Section 97B.50, subsection 1, Code Supplement 1987, is amended by striking the subsection and inserting in lieu thereof the following:

1. Except as otherwise provided in this section, a member, upon retirement prior to the normal retirement date, is entitled to receive a monthly retirement allowance determined

in the same manner as provided for normal retirement in subsections 1, 4, and 5 of section 97B.49 reduced as follows:

a. For a member who is less than sixty-two years of age, by twenty-five hundredths of one percent per month for each month that the early retirement date precedes the normal retirement date.

b. For a member who is at least sixty-two years of age and who has not completed 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. 46. Section 97B.50, subsection 3, Code Supplement 1987, is amended to read as follows:

3. A member who is at least sixty-two years of age and less than sixty-five years of age, and who has completed 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. 47. Section 97B.50, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 4. A member eligible for a retirement allowance adjusted under this section is entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month in which written notice of retirement was submitted to the department.

Sec. 48. Section 97B.68, subsection 1, Code 1987, is amended to read as follows:

1. ~~From and after July 1, 1959~~ Effective July 1, 1988, any a person who is a member of the federal civil service retirement program ~~shall or the federal employee's retirement system is not be eligible for membership in the Iowa public employees' retirement system, and the provisions of this chapter shall~~ does not apply to such that employee. Any An employee whose membership in the federal civil service retirement program or the federal employee's retirement system is subsequently terminated shall immediately notify the employee's employer and the department of personnel of such that fact, and the employee shall become subject to the provisions of this chapter on the date the notification is received by the department.

Sec. 49. Section 97B.72A, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

97B.72A LEGISLATIVE MEMBERS.

1. An active or vested member of the system who was a member of the general assembly prior to July 1, 1988, may make contributions to the system for all or a portion of the period of service in the general assembly. The contributions made by the member shall be equal to the accumulated contributions as defined in section 97B.42, subsection 12, which would have been made if the member of the general assembly had been a member of the system during the period of service in the general assembly. The member of the system shall submit proof to the department of membership in the general assembly. The department shall credit the member 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 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 plus two percent interest plus the interest dividend rate applicable for each year compounded annually.

2. A former member of the general assembly who has six or more years of service as a member of the general assembly or who has a total of six or more years of service as a member of the general assembly and as an employee under this chapter may make contributions to the system for all or a portion of the period of service as a member of the general assembly. The contributions made by the former member shall be equal to the accumulated contributions plus the employer contributions that would have been made if the former member had been a member of the system during the period of service elected. The employer contributions shall be equal to the contributions that would have been made by the employer if the former member had been a member of the system during the period of service elected plus the interest on the contributions equal to two percent plus the interest dividend rate applicable for each year compounded annually. The former member shall submit proof to the department of membership in the general assembly. The department shall credit the former member with the period of membership service for which contributions are made.

Sec. 50. Section 97B.73, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member eligible for an increased retirement allowance because of the payment of contributions under this section is entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month in which written notice was submitted to the department.

Sec. 51. Section 97B.73A, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member eligible for an increased retirement allowance because of the payment of contributions under this section is entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month in which written notice was submitted to the department.

Sec. 52. Section 97B.74, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member eligible for an increased retirement allowance because of the payment of contributions under this section is entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month in which written notice was submitted to the department.

Sec. 53. Section 97B.75, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, a member eligible for an increased retirement allowance under this section is entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month in which written notice was submitted to the department.

Sec. 54. NEW SECTION. 97B.80 VETERAN'S CREDIT.

An active member in service on July 1, 1988, who at any time served on active duty in the armed forces of the United States, upon submitting verification of the dates of the active duty service in the armed forces to the department, may make employer and employee contributions to the system based upon the member's covered wages for the calendar year beginning January 1, 1987, at the rates in effect under section 97B.11 on January 1, 1987, for the period of time of the active duty service, not to exceed four years, and receive credit for membership service and prior service for the period of time for which the contributions are made. Verification of

active duty service and payment of contributions shall be made to the department. However, a member is not eligible to make contributions under this section if the member is receiving or is eligible to receive retirement pay from the United States government for active duty in the armed forces.

Sec. 55. Section 411.6, subsection 5, unnumbered paragraph 2, Code 1987, is amended to read as follows:

Should a member in service or the chief of the police or fire departments become incapacitated for duty as a natural or proximate result of an injury or disease incurred in or aggravated by the actual performance of duty at some definite time or place or while acting, pursuant to order, outside the city by which the member is regularly employed, the member shall, upon being found to be temporarily incapacitated following an examination by the board of trustees, be entitled to receive the member's full pay and allowances from the city's general fund until re-examined by said the board and found to be fully recovered or permanently disabled.

Sec. 56. Section 411.6, subsection 8, paragraph b, unnumbered paragraph 1, Code 1987, is amended to read as follows:

In lieu of the payment specified in paragraph "a", a beneficiary meeting the qualifications of paragraph "c" may elect to receive a monthly pension equal to one-twelfth of forty percent of the average final compensation of the member, but not less than seventy-five dollars twenty percent of the monthly earnable compensation paid to an active member holding the highest grade in the rank of firefighter, for a beneficiary of a deceased member of a fire department, or the highest grade in the rank of police patrol officer, for a beneficiary of a deceased member of a police department, 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".

Sec. 57. Section 411.6, subsection 8, paragraph c, subparagraphs (1) and (2), Code 1987, are amended to read as follows:

(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.

Sec. 58. Section 411.6, subsection 11, paragraph a, Code 1987, is amended to read as follows:

a. ~~To the spouse to continue so long as said partner remains unmarried, equal to one-half the amount received by such the deceased beneficiary, but in no instance less than seventy-five dollars per month twenty percent of the monthly earnable compensation paid to an active member holding the highest grade in the rank of firefighter, for a beneficiary of a deceased member of the fire department, or the highest grade in the rank of police patrol officer, for a beneficiary of a deceased member of a police department, and in addition thereto a monthly pension equal to the monthly pension payable under subsection 9 of this section for each child under eighteen years of age or twenty-two years of age if applicable; or~~

Sec. 59. Section 411.6, subsection 12, paragraph a, subparagraph (2), Code 1987, is amended to read as follows:

(2) Twenty percent for members with five or more years of membership service who are receiving an ordinary disability retirement allowance. However, effective July 1, 1984, for members who retired before July 1, 1979, and effective July 1, 1988, for members who retire on or after July 1, 1988, twenty-five percent shall be used for members who are receiving an ordinary disability allowance.

Sec. 60. Section 411.9, Code 1987, is amended to read as follows:

411.9 MILITARY SERVICE EXCEPTIONS.

A member who is absent while serving in the armed services of the United States or its allies and is discharged or separated from the armed services under honorable conditions shall have the period or periods of absence while serving in the armed services, 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, included as part of the member's period of service in the department. The member shall not continue the contributions required of the member under section 411.8 during the period of military service, if the member, within ~~six-months~~ one year after the member has been discharged or separated under honorable conditions from military service, returns and resumes duties in the department, and if the member is declared physically capable of resuming 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. 61. Section 421.38, subsection 2, Code 1987, is amended to read as follows:

2. CONVENTION EXPENSES. ~~No-claims~~ Claims for expenses in attending conventions, meetings, conferences, or gatherings of members of ~~any an~~ an association or society organized and existing as a quasi-public association or society outside the state of Iowa shall not be allowed at public expense, unless authorized by the executive council; and claims for ~~such these~~ these expenses outside of the state shall not be allowed unless the voucher is accompanied by ~~so-much~~ the portion of the minutes of the executive council, certified to by its secretary, showing that the expense was authorized by the council. This section does not apply to claims in favor of the governor, attorney general, utilities board members, or to trips referred to in section sections 97B.4 and 217.20.

Sec. 62. The department of personnel shall identify job classifications within state government for which the current level of compensation is inadequate to recruit and retain qualified persons and leads or could lead to contracting for the services rather than providing those services directly. The department shall adjust compensation ranges in those areas of employment where the department determined that providing the adjustment would enable the state to limit contracting for services and provide for a less costly means to deliver services. The department of personnel shall review the compensation structure for employees within the Iowa public employees retirement division who are involved in managing the investments. After seeking the input from the Iowa public employees' retirement system investment board, the department shall adjust compensation ranges for those positions where it is determined necessary in order to recruit and retain personnel with the requisite skills to maintain the fiduciary responsibilities of the fund.

Sec. 63. Section 97B.67, Code 1987, is repealed.

Sec. 64. Sections 3, 5, 56, and 58 of this Act apply, beginning on the effective date of those sections, to persons who are beneficiaries on that date as well as those who become beneficiaries on or after that date.

The portions of sections 5 and 58 of this Act that relate to the definition of child are retroactive to January 1, 1987.

Sec. 65. Section 27 of this Act, being deemed of immediate importance, takes effect upon its enactment.

Sec. 66. Sections 16, 17, 24, 30, and 35 of this Act, being deemed of immediate importance, take effect upon enactment.

Sec. 67. Sections 16, 17, 24, 30, and 35 of this Act are retroactive to January 1, 1988.

Sec. 68. Employees of the Iowa peace institute covered under chapter 97B on the effective date of section 27 of this Act who do not file an application with the department of

personnel to be covered under chapter 97B shall receive a refund of the accumulated contributions of the employee made under chapter 97B for service as an employee of the Iowa peace institute.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2405, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved

*May 13*

, 1988

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TERRY E. BRANSTAD  
Governor