

*Rec. State Court 3/10
Ordered per 5928 + 250. Gov 3/25 (p. 1085)*

FILED MAR 4 1988

SENATE FILE 2291

BY COMMITTEE ON STATE GOVERNMENT

approved (p. 643)
(formerly SSB 2251)

Passed Senate, Date 3/8/88 (p. 690) Passed House, Date 3/30/88 (p. 1179)

Vote: Ayes 37 Nays 7 Vote: Ayes 90 Nays 6

Approved April 27, 1988

A BILL FOR

- 1 An Act to provide that certain appropriations for retirement
- 2 allowances be paid from the Iowa public employees' retirement
- 3 fund rather than from the general fund of the state
- 4 retroactive to July 1, 1987.

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

SENATE FILE 2291

H-5908

1 Amend Senate File 2291, as passed by the Senate, as
2 follows:

3 1. Page 3, line 8, by striking the word
4 "section." and inserting the following: "section."

5 2. Title page, line 4, by inserting after the
6 word and figures "July 1, 1987" the following: ", and
7 providing an effective date".

By COMMITTEE ON STATE GOVERNMENT
BLANSHAN of Greene, Chairperson

H-5908 FILED MARCH 25, 1988

Adopted 3/30 (p. 1179)

- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

1 Section 1. Section 97B.43, unnumbered paragraph 2, Code
2 1987, is amended to read as follows:

3 Any person with a record of thirty years as a public
4 employee in the state of Iowa prior to July 1, 1947, and who
5 is not eligible for prior service credit under other
6 provisions of this section, is entitled to a credit for years
7 of prior service in the determination of the retirement
8 allowance payment under this chapter, provided the public
9 employee makes application to the department of personnel for
10 credit for prior public service, accompanied by such
11 verification of the person's claim as the department may
12 require. The person's allowance for prior service credits
13 shall be computed in the same manner as otherwise provided in
14 this section, but shall not exceed the sum of four hundred
15 fifty dollars nor be less than three hundred dollars per
16 annum. Any such person is entitled to receive retirement
17 allowances computed as provided by this chapter, effective
18 from the date of application to the department, provided such
19 application is approved. However, beginning July 1, 1975 the
20 amount of such person's retirement allowance payment received
21 during June, 1975, as computed under this section shall be
22 increased by two hundred percent and the allowance for prior
23 service credits shall not exceed one thousand three hundred
24 fifty dollars nor be less than nine hundred dollars per annum.
25 There Effective July 1, 1987, there is appropriated for each
26 fiscal year from the general Iowa public employees' retirement
27 fund of-the-state created in section 97B.7 to the department
28 of personnel from-funds-not-otherwise-appropriated an amount
29 sufficient to fund the provisions-of retirement allowance
30 increases paid under this paragraph. Effective July 1, 1980,
31 a person with a record of thirty years as a public employee in
32 the state of Iowa prior to July 1, 1947 receiving retirement
33 allowances under this chapter shall receive the monthly
34 increase in benefits provided in section 97B.49, subsection
35 11.

1 Sec. 2. Section 97B.49, subsection 3, Code Supplement
2 1987, is amended to read as follows:

3 3. For each member employed before January 1, 1976, who
4 has qualified for prior service credit in accordance with the
5 first paragraph of section 97B.43, there shall be determined a
6 benefit of eight-tenths of one percent per year of prior
7 service credit multiplied by the monthly rate of the member's
8 total remuneration not in excess of three thousand dollars
9 annually during the twelve consecutive months of the member's
10 prior service for which that total remuneration was the
11 highest. An additional three-tenths of one percent of the
12 remuneration not in excess of three thousand dollars annually
13 shall be payable for prior service during each year in which
14 the accrued liability for benefit payments created by the
15 abolished system is funded by appropriation from the ~~general~~
16 fund-of-the-state Iowa public employees' retirement fund.

7 Sec. 3. Section 97B.49, subsection 6, unnumbered paragraph
18 1, Code Supplement 1987, is amended to read as follows:

19 On January 1, 1976, for each member who retired before
20 January 1, 1976, the amount of regular monthly retirement
21 allowance attributable to membership service and prior service
22 that was payable to the member for December, 1975 is increased
23 by ten percent for the first calendar year or portion of a
24 calendar year the member was retired, and by an additional
25 five percent for each calendar year after the first calendar
26 year the member was retired through the calendar year
27 beginning January 1, 1975. The total increase shall not
28 exceed one hundred percent. ~~There~~ Effective July 1, 1987,
29 there is appropriated for each fiscal year from the general
30 Iowa public employees' retirement fund of-the-state created in
31 section 97B.7 to the department of personnel from funds not
32 otherwise appropriated an amount sufficient to fund the
33 provisions-of monthly retirement allowance increases paid
34 under this subsection.

35 Sec. 4. Section 294.15, unnumbered paragraph 4, Code 1987,

1 is amended to read as follows:

2 For the purpose of paying the teachers' retirement
3 allowance payments granted under this section, effective July
4 1, 1987, there is hereby appropriated out-of-any-funds-in-the
5 state-treasury-not-otherwise-appropriated, a sum for each
6 fiscal year from the Iowa public employees' retirement fund to
7 the department of personnel, an amount sufficient therefor to
8 make the payments granted under this section.

9 Sec. 5. The treasurer of state shall transfer from the
10 Iowa public employees' retirement fund to the general fund of
11 the state an amount equal to the total of payments made from
12 the general fund of the state under sections 97B.43, 97B.49,
13 subsections 3 and 6, and 294.15 from July 1, 1987, to the
14 effective date of this Act.

15 Sec. 6. This Act is retroactive to July 1, 1987, and is
16 applicable on and after that date.

17 Sec. 7. This Act being deemed of immediate importance
18 takes effect upon its enactment.

19 EXPLANATION

20 This bill provides that funds will be appropriated
21 retroactively from July 1, 1987, from the Iowa public
22 employees' retirement (IPERS) fund rather than the general
23 fund of the state for retirement allowance increases paid to
24 those individuals who had thirty years of service as state
25 employees prior to July 1, 1987, payments for prior service
26 credits, retirement allowance increases given beginning
27 January 1, 1976, and payment of teachers' retirement
28 allowances for teachers with at least twenty-five years of
29 service who retired prior to July 4, 1953. The IPERS fund
30 will repay the general fund of the state for payments made
31 between July 1, 1987, and the effective date of the Act.

32 SUCCESSOR TO LSB 4714XG

33 COMPANION TO LSB 4693XG

34

35

HOUSE AMENDMENT TO
SENATE FILE 2291

S-5733

1 Amend Senate File 2291, as passed by the Senate, as
2 follows:

3 1. Page 3, line 8, by striking the word
4 "section." and inserting the following: "section."

5 2. Title page, line 4, by inserting after the
6 word and figures "July 1, 1987" the following: ", and
7 providing an effective date".

S-5733

Filed April 4, 1988

Senate approved 4/5/88

RECEIVED FROM THE HOUSE

FILED MAR 8 1988

STATE OF IOWA

FISCAL NOTE

LSB No. 4714S

Staff ID. DPW

REQ. BY SENATOR DRAKE

SENATE FILE 2291

In compliance with a written request received March 2, 1988, a fiscal note for **SENATE FILE 2291** 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.

Senate File 2291 provides that funds will be appropriated retroactively from July 1, 1987, from the Iowa public employee's retirement fund rather than the general fund for retirement allowance increases paid to certain retirees. The IPERS' fund will repay the general fund of the state for payments made between July 1, 1987 and the effective date of this Act.

FISCAL EFFECT: This change would provide funding for four separate groups increased benefits from IPERS rather than the general fund. This would increase costs to IPERS and reduce general fund expenditures. The costs/savings by group are estimated as follows:

GROUP	FISRT YEAR	SECOND YEAR
Teacher's Retirement	\$163,166	\$180,000
IPERS 30 year group	5,662	5,500
IPERS PS & MS	4,423,123	3,755,000
IOASI	159,320	150,000
TOTAL COSTS	\$4,751,271	\$4,090,500

This would reduce future funds available for IPERS formula changes.

(Source: Department of Management)

(LSB 4714S, DPW)

Dennis A. Prouty
 Fiscal Director

Legislative Fiscal Bureau

Date: 3/7/88

LSB

Subcommittee
Welsh, Chair
Aystrom
Bruner

SSB 2259
STATE GOVERNMENT

Now

SENATE FILE 2291
BY (PROPOSED GOVERNOR'S BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act to provide that certain appropriations for retirement
2 allowances be paid from the Iowa public employees' retirement
3 fund rather than from the general fund of the state
4 retroactive to July 1, 1987.

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

- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

1 Section 1. Section 97B.43, unnumbered paragraph 2, Code
2 1987, is amended to read as follows:

3 Any person with a record of thirty years as a public
4 employee in the state of Iowa prior to July 1, 1947, and who
5 is not eligible for prior service credit under other
6 provisions of this section, is entitled to a credit for years
7 of prior service in the determination of the retirement
8 allowance payment under this chapter, provided the public
9 employee makes application to the department of personnel for
10 credit for prior public service, accompanied by such
11 verification of the person's claim as the department may
12 require. The person's allowance for prior service credits
13 shall be computed in the same manner as otherwise provided in
14 this section, but shall not exceed the sum of four hundred
15 fifty dollars nor be less than three hundred dollars per
16 annum. Any such person is entitled to receive retirement
17 allowances computed as provided by this chapter, effective
18 from the date of application to the department, provided such
19 application is approved. However, beginning July 1, 1975 the
20 amount of such person's retirement allowance payment received
21 during June, 1975, as computed under this section shall be
22 increased by two hundred percent and the allowance for prior
23 service credits shall not exceed one thousand three hundred
24 fifty dollars nor be less than nine hundred dollars per annum.
25 There Effective July 1, 1987, there is appropriated for each
26 fiscal year from the general Iowa public employees' retirement
27 fund of-the-state created in section 97B.7 to the department
28 of personnel from-funds-not-otherwise-appropriated an amount
29 sufficient to fund the provisions-of retirement allowance
30 increases paid under this paragraph. Effective July 1, 1980,
31 a person with a record of thirty years as a public employee in
32 the state of Iowa prior to July 1, 1947 receiving retirement
33 allowances under this chapter shall receive the monthly
34 increase in benefits provided in section 97B.49, subsection
35 11.

1 Sec. 2. Section 97B.49, subsection 3, Code Supplement
2 1987, is amended to read as follows:

3 3. For each member employed before January 1, 1976, who
4 has qualified for prior service credit in accordance with the
5 first paragraph of section 97B.43, there shall be determined a
6 benefit of eight-tenths of one percent per year of prior
7 service credit multiplied by the monthly rate of the member's
8 total remuneration not in excess of three thousand dollars
9 annually during the twelve consecutive months of the member's
10 prior service for which that total remuneration was the
11 highest. An additional three-tenths of one percent of the
12 remuneration not in excess of three thousand dollars annually
13 shall be payable for prior service during each year in which
14 the accrued liability for benefit payments created by the
15 abolished system is funded by appropriation from the general
16 fund-of-the-state Iowa public employees' retirement fund.

17 Sec. 3. Section 97B.49, subsection 6, unnumbered paragraph
18 1, Code Supplement 1987, is amended to read as follows:

19 On January 1, 1976, for each member who retired before
20 January 1, 1976, the amount of regular monthly retirement
21 allowance attributable to membership service and prior service
22 that was payable to the member for December, 1975 is increased
23 by ten percent for the first calendar year or portion of a
24 calendar year the member was retired, and by an additional
25 five percent for each calendar year after the first calendar
26 year the member was retired through the calendar year
27 beginning January 1, 1975. The total increase shall not
28 exceed one hundred percent. There Effective July 1, 1987,
29 there is appropriated for each fiscal year from the general
30 Iowa public employees' retirement fund of-the-state created in
31 section 97B.7 to the department of personnel from funds not
32 otherwise appropriated an amount sufficient to fund the
33 provisions-of monthly retirement allowance increases paid
34 under this subsection.

35 Sec. 4. Section 294.15, unnumbered paragraph 4, Code 1987,

1 is amended to read as follows:

2 For the purpose of paying the teachers' retirement
3 allowance payments granted under this section, effective July
4 1, 1987, there is hereby appropriated out-of-any-funds-in-the
5 state-treasury-not-otherwise-appropriated, a sum for each
6 fiscal year from the Iowa public employees' retirement fund to
7 the department of personnel, an amount sufficient therefor to
8 make the payments granted under this section.

9 Sec. 5. The treasurer of state shall transfer from the
10 Iowa public employees' retirement fund to the general fund of
11 the state an amount equal to the total of payments made from
12 the general fund of the state under sections 97B.43, 97B.49,
13 subsections 3 and 6, and 294.15 from July 1, 1987, to the
14 effective date of this Act.

15 Sec. 6. This Act is retroactive to July 1, 1987, and is
16 applicable on and after that date.

17 Sec. 7. This Act being deemed of immediate importance
18 takes effect upon its enactment.

19 EXPLANATION

20 This bill provides that funds will be appropriated
21 retroactively from July 1, 1987, from the Iowa public
22 employees' retirement (IPERS) fund rather than the general
23 fund of the state for retirement allowance increases paid to
24 those individuals who had thirty years of service as state
25 employees prior to July 1, 1987, payments for prior service
26 credits, retirement allowance increases given beginning
27 January 1, 1976, and payment of teachers' retirement
28 allowances for teachers with at least twenty-five years of
29 service who retired prior to July 4, 1953. The IPERS fund
30 will repay the general fund of the state for payments made
31 between July 1, 1987, and the effective date of the Act.

32 COMPANION TO LSB 4693XG

33
34
35

Sec. 3. Section 97B.49, subsection 6, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

On January 1, 1976, for each member who retired before January 1, 1976, the amount of regular monthly retirement allowance attributable to membership service and prior service that was payable to the member for December, 1975 is increased by ten percent for the first calendar year or portion of a calendar year the member was retired, and by an additional five percent for each calendar year after the first calendar year the member was retired through the calendar year beginning January 1, 1975. The total increase shall not exceed one hundred percent. There Effective July 1, 1987, there is appropriated for each fiscal year from the general Iowa public employees' retirement fund of-the-state created in section 97B.7 to the department of personnel from funds not otherwise appropriated an amount sufficient to fund the provisions of monthly retirement allowance increases paid under this subsection.

Sec. 4. Section 294.15, unnumbered paragraph 4, Code 1987, is amended to read as follows:

For the purpose of paying the teachers' retirement allowance payments granted under this section, effective July 1, 1987, there is hereby appropriated out-of-any-funds-in-the-state-treasury-not-otherwise-appropriated, a sum for each fiscal year from the Iowa public employees' retirement fund to the department of personnel, an amount sufficient therefor to make the payments granted under this section.

Sec. 5. The treasurer of state shall transfer from the Iowa public employees' retirement fund to the general fund of the state an amount equal to the total of payments made from the general fund of the state under sections 97B.43, 97B.49, subsections J and 6, and 294.15 from July 1, 1987, to the effective date of this Act.

Sec. 6. This Act is retroactive to July 1, 1987, and is applicable on and after that date.

Sec. 7. This Act being deemed of immediate importance takes effect upon its enactment.

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2291, Seventy-second General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved April, 1988

TERRY E. BRANSTAD
Governor

SENATE FILE 2291

AN ACT

TO PROVIDE THAT CERTAIN APPROPRIATIONS FOR RETIREMENT ALLOWANCES BE PAID FROM THE IOWA PUBLIC EMPLOYEES' RETIREMENT FUND RATHER THAN FROM THE GENERAL FUND OF THE STATE RETROACTIVE TO JULY 1, 1987, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 97B.43, unnumbered paragraph 2, Code 1987, is amended to read as follows:

Any person with a record of thirty years as a public employe in the state of Iowa prior to July 1, 1947, and who is not eligible for prior service credit under other provisions of this section, is entitled to a credit for years of prior service in the determination of the retirement allowance payment under this chapter, provided the public employe makes application to the department of personnel for credit for prior public service, accompanied by such verification of the person's claim as the department may require. The person's allowance for prior service credits shall be computed in the same manner as otherwise provided in this section, but shall not exceed the sum of four hundred fifty dollars nor be less than three hundred dollars per annum. Any such person is entitled to receive retirement

allowances computed as provided by this chapter, effective from the date of application to the department, provided such application is approved. However, beginning July 1, 1975 the amount of such person's retirement allowance payment received during June, 1975, as computed under this section shall be increased by two hundred percent and the allowance for prior service credits shall not exceed one thousand three hundred fifty dollars nor be less than nine hundred dollars per annum. ~~There~~ Effective July 1, 1987, there is appropriated for each fiscal year from the general Iowa public employees' retirement fund of-the-state created in section 97B.7 to the department of personnel ~~from funds not otherwise appropriated~~ an amount sufficient to fund the provisions of retirement allowance increases paid under this paragraph. Effective July 1, 1980, a person with a record of thirty years as a public employe in the state of Iowa prior to July 1, 1947 receiving retirement allowances under this chapter shall receive the monthly increase in benefits provided in section 97B.49, subsection 11.

Sec. 2. Section 97B.49, subsection 3, Code Supplement 1987, is amended to read as follows:

3. For each member employed before January 1, 1976, who has qualified for prior service credit in accordance with the first paragraph of section 97B.43, there shall be determined a benefit of eight-tenths of one percent per year of prior service credit multiplied by the monthly rate of the member's total remuneration not in excess of three thousand dollars annually during the twelve consecutive months of the member's prior service for which that total remuneration was the highest. An additional three-tenths of one percent of the remuneration not in excess of three thousand dollars annually shall be payable for prior service during each year in which the accrued liability for benefit payments created by the abolished system is funded by appropriation from the ~~general fund-of-the-state~~ Iowa public employees' retirement fund.