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HOUSE FILE 2543

BY COMMITTEE ON STATE GOVERNMENT

APPROPRIATIONS *Do Pass 3/7*

(SUCCESSOR TO HSB 816)

Passed House, Date 3/29/90 (p.1602) Passed Senate, Date 3/30/90 (P.1432)  
 Vote: Ayes 90 Nays 9 Vote: Ayes 42 Nays 1  
 Approved May 3, 1990

**A BILL FOR**

1 An Act relating to the administration and benefits for certain  
 2 public retirement systems, and providing for the applicability  
 3 of the Act.

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

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HF 2543

1 Section 1. Section 97A.5, subsection 8, Code 1989, is  
2 amended to read as follows:

3 8. MEDICAL BOARD. The board of trustees shall designate a  
4 medical board to be composed of three physicians who shall  
5 arrange for and pass upon the medical examinations required  
6 under the provisions of this chapter and shall report in  
7 writing to the board of trustees, its conclusions and  
8 recommendations upon all matters duly referred to it. Each  
9 report of a medical examination under section 97A.6,  
10 subsections 3 and 5, shall include the medical board's rating  
11 as to the extent of the member's disability.

12 Sec. 2. Section 97A.6, subsection 1, paragraph b, Code  
13 1989, is amended to read as follows:

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

27 Sec. 3. Section 97A.6, subsection 2, Code 1989, is amended  
28 to read as follows:

29 2. ALLOWANCE ON SERVICE RETIREMENT.

30 a. Upon retirement from service prior to July 1, 1990, a  
31 member shall receive a service retirement allowance which  
32 shall consist of a pension which ~~shall equal one-half~~ equals  
33 fifty percent of the member's average final compensation.

34 b. Upon retirement from service on or after July 1, 1990,  
35 a member shall receive a service retirement allowance which

1 shall consist of a pension which equals fifty-two percent of  
2 the member's average final compensation.

3 c. Commencing July 1, 1991, the board of trustees shall  
4 increase the percentage multiplier of the member's average  
5 final compensation by an additional two percent each July 1  
6 until reaching sixty percent of the member's average final  
7 compensation if the annual actuarial valuation of the  
8 retirement system indicates for that year that the cost of  
9 this increase in the percentage of the member's average final  
10 compensation used in computing retirement benefits can be  
11 absorbed within the employer and employee contribution rates  
12 in effect pursuant to section 97A.8.

13 Sec. 4. Section 97A.6, subsection 8, paragraph a, Code  
14 1989, is amended to read as follows:

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

28 Sec. 5. Section 97A.6, subsection 14, paragraph a,  
29 subparagraph (1), Code 1989, is amended to read as follows:

30 (1) ~~Twenty-five~~ Thirty percent for members receiving a  
31 service retirement allowance and for beneficiaries receiving a  
32 pension under subsection 9 of this section.

33 Sec. 6. Section 97A.6, Code 1989, is amended by adding the  
34 following new subsection:

35 NEW SUBSECTION. 15. REMARRIAGE OF SURVIVING SPOUSE.

1 Effective July 1, 1990, for a member who died prior to July 1,  
2 1988, if the member's surviving spouse remarried prior to July  
3 1, 1988, the remarriage does not make the spouse ineligible  
4 under subsection 8, paragraph "c", subparagraphs (1) and (2),  
5 to receive benefits under subsections 8, 9, 12, and 14.

6 Sec. 7. Section 97A.8, subsection 1, paragraphs c and f,  
7 Code 1989, are amended to read as follows:

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

18 The state shall pay one hundred percent of the costs  
19 attributable to any adjustments, under section 97A.6,  
20 subsection 14, paragraph "a", subparagraph (1), to the  
21 pensions of members who retired prior to the effective date of  
22 this Act which take effect on or after the effective date of  
23 this Act.

24 f. An amount equal to three and one-tenth percent of each  
25 member's compensation from the earnable compensation of the  
26 member shall be paid to the pension accumulation fund.  
27 However, the board of trustees shall increase this percentage  
28 as necessary to cover any increase in cost to the system  
29 resulting from statutory changes which take effect on or after  
30 the effective date of this Act, other than the costs described  
31 in the following unnumbered paragraph, if the increase cannot  
32 be absorbed within the contribution rates in effect on the  
33 effective date of this Act, but subject to a maximum employee  
34 contribution rate of thirteen and seven-hundredths percent.

35 The board of trustees shall not increase the percentage of

1 the contribution of the employees in order to cover costs  
2 attributable to any adjustments, under section 97A.6,  
3 subsection 14, paragraph "a", subparagraph (1), to the  
4 pensions of members who retired prior to the effective date of  
5 this Act which take effect on or after the effective date of  
6 this Act.

7 Sec. 8. Section 97A.15, subsection 2, paragraph g, Code  
8 1989, is amended to read as follows:

9 g. "Member who became vested" and "vested member" mean a  
10 member who has been a member of the retirement system ~~fifteen~~  
11 four or more years and is entitled to benefits under this  
12 chapter.

13 Sec. 9. NEW SECTION. 97A.16 WITHDRAWAL OF CONTRIBUTIONS.

14 Commencing July 1, 1990, if a member terminates service,  
15 other than by death or disability, the member may elect to  
16 withdraw the member's contributions under section 97A.8,  
17 subsection 1, paragraph "f", together with interest thereon at  
18 a rate determined by the board of trustees. If a member  
19 withdraws contributions as provided in this section, the  
20 member shall be deemed to have waived all claims for other  
21 benefits from the system for the period of membership service  
22 for which the contributions are withdrawn.

23 Sec. 10. Section 97B.15, Code 1989, is amended to read as  
24 follows:

25 97B.15 RULES.

26 The department may ~~make~~ adopt rules under chapter 17A and  
27 establish procedures, not inconsistent with this chapter,  
28 which are necessary or appropriate to implement this chapter  
29 and shall adopt reasonable and proper rules to regulate and  
30 provide for the nature and extent of the proofs and evidence  
31 and the method of taking and furnishing the proofs and  
32 evidence in order to establish the right to benefits under  
33 this chapter. The department may adopt rules to conform the  
34 requirements for receipt of retirement benefits under this  
35 chapter to the mandates of applicable federal statutes and

1 regulations governing-age-discrimination-or-the-taxation-of  
2 distributions.

3 Sec. 11. Section 97B.41, subsection 1, paragraph b,  
4 subparagraph (9), Code 1989, is amended by striking the  
5 subparagraph and inserting in lieu thereof the following:

6 (9) For the calendar year beginning January 1, 1989, and  
7 ending December 31, 1989, wages not in excess of twenty-six  
8 thousand dollars.

9 Sec. 12. Section 97B.41, subsection 1, paragraph b, Code  
10 1989, is amended by adding the following new subparagraphs  
11 after subparagraph (9) and renumbering the subsequent  
12 subparagraphs:

13 NEW SUBPARAGRAPH. (10) For the calendar year beginning  
14 January 1, 1990, and ending December 31, 1990, wages not in  
15 excess of twenty-eight thousand dollars.

16 NEW SUBPARAGRAPH. (11) Commencing January 1, 1991, for  
17 each calendar year, the department shall increase the covered  
18 wages limitation from the previous calendar year by three  
19 thousand dollars if the annual actuarial valuation of the  
20 assets and liabilities of the retirement system indicates that  
21 the cost of the increase in covered wages can be absorbed  
22 within the employer and employee contribution rates in effect  
23 under section 97B.11. However, covered wages shall not exceed  
24 forty thousand dollars for a calendar year.

25 Sec. 13. Section 97B.41, subsection 10, Code 1989, is  
26 amended to read as follows:

27 10. a. "Vested member" means a member who ~~terminated~~  
28 ~~employment-in-accordance-with-one-of-the-following-paragraphs~~  
29 meets one of the following requirements:

30 a- (1) Prior to July 1, 1965, ~~after-having had~~ attained  
31 the age of forty-eight and completed at least eight years of  
32 service.

33 b- (2) Between July 1, 1965 and June 30, 1973, ~~after~~  
34 ~~having had~~ completed at least eight years of service.

35 c- (3) On or after July 1, 1973, ~~after-having has~~

1 completed at least four years of service.

2 ~~d-~~ (4) After-having Has attained the age of fifty-five.

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

9 b. "Active vested member" means an active member who has  
10 attained sufficient membership service to achieve vested  
11 status.

12 c. "Inactive vested member" means an inactive member who  
13 was a vested member at the time of termination of employment.

14 Sec. 14. Section 97B.41, subsection 15, Code 1989, is  
15 amended to read as follows:

16 15. "Years of prior service" means the total of all  
17 periods of prior service of a member. ~~In the determination of~~  
18 ~~such total years of prior service any fraction of the total in~~  
19 ~~excess of an integral number of years which is at least six~~  
20 ~~months shall be deemed to be a complete year and any smaller~~  
21 ~~fraction shall be disregarded.~~ In computing credit for prior  
22 service, service of less than a full quarter shall be rounded  
23 up to a full quarter. Where a member had prior service as a  
24 teacher, a full year of service shall be granted that member  
25 if the member had three quarters of service and a contract for  
26 employment the following school year.

27 Sec. 15. Section 97B.41, subsection 21, Code 1989, is  
28 amended by striking the subsection.

29 Sec. 16. Section 97B.43, unnumbered paragraph 3, Code  
30 1989, is amended to read as follows:

31 Each individual who ~~as of~~ on or after July 1, 1978, was an  
32 active, vested, or retired member and who (1) made application  
33 for and received a refund of contributions made under the  
34 abolished system or (2) has on deposit with the retirement  
35 fund contributions made under the abolished system shall be

1 entitled to credit for years of prior service in the  
2 determination of retirement allowance payments by filing a  
3 written election with the department on or after July 1, 1978,  
4 and by redepositing any withdrawn contributions under the  
5 abolished system together with interest as stated in this  
6 paragraph. Any individual who ~~as-of~~ on or after July 1, 1978,  
7 is a retired member and who made application for and received  
8 a refund of contributions made under the abolished system,  
9 may, by filing a written election with the department on or  
10 after July 1, 1978, have the department retain fifty percent  
11 of the monthly increase in retiree benefits that will accrue  
12 to the individual because of prior service. If the monthly  
13 increase in retirement benefits is less than ten dollars, the  
14 department shall retain five dollars of the scheduled  
15 increase, and if the monthly increase is less than five  
16 dollars, the provisions of this paragraph shall not apply.  
17 The department shall continue to retain such funds until the  
18 withdrawn contributions, together with interest accrued to the  
19 month in which the written election is filed, have been  
20 repaid. Due notice of this provision shall be sent to all  
21 retired members ~~as-of~~ on or after July 1, 1978. However, this  
22 paragraph shall not apply to any person who received a refund  
23 of any membership service contributions unless the person  
24 repaid the membership service contributions pursuant to  
25 section 97B.74; ~~provided,--however,--that~~ but a refund of  
26 contributions remitted for the calendar quarter ending  
27 September 30, 1953 which was based entirely upon employment  
28 which terminated prior to July 4, 1953 shall not be considered  
29 as a refund of membership service contributions. The interest  
30 to be paid into the fund shall be compounded at the rates  
31 credited to member accounts from the date of payment of the  
32 refund of contributions under the abolished system to the date  
33 the member redeposits the refunded amount. The provisions of  
34 the first paragraph of this section relating to the  
35 consideration given to credited amounts shall apply to the



1 redeposited amounts or to amounts left on deposit. Effective  
2 July 1, 1978, the provisions of this paragraph shall apply to  
3 each individual who ~~as-of~~ on or after July 1, 1978, was an  
4 active, vested, or retired member, but who was not in service  
5 on July 4, 1953. The period for filing the written election  
6 with the department and redepositing any withdrawn  
7 contributions together with interest accrued shall commence  
8 July 1, 1978. A member who is a retired member ~~as-of~~ on or  
9 after July 1, 1978 may file written election with the  
10 department on or after July 1, 1978 to have the department  
11 retain fifty percent of the monthly increase as provided in  
12 this paragraph.

13 Sec. 17. Section 97B.48, subsection 1, Code 1989, is  
14 amended to read as follows:

15 1. Retirement allowances shall be paid monthly, except  
16 that an allowance of less than ~~one-hundred-twenty~~ two hundred  
17 forty dollars a year ~~shall~~ may, at the member's option, be  
18 paid as a lump sum in an actuarial equivalent amount. Receipt  
19 of the lump-sum payment by a member shall terminate any and  
20 all entitlement for the period of service covered of the ~~said~~  
21 member under this chapter.

22 Sec. 18. Section 97B.48, subsection 3, Code 1989, is  
23 amended to read as follows:

24 3. If, after the first day of the month in which the  
25 member attains the age of fifty-five years and until the  
26 member's sixty-fifth birthday, a member who is retired under  
27 this chapter is in regular full-time employment, the member's  
28 retirement allowance shall be suspended for as long as the  
29 member remains in employment. However, effective January 1,  
30 1989, employment is not full-time employment until the member  
31 receives remuneration in an amount in excess of six thousand  
32 ~~one-hundred-twenty~~ eight hundred forty dollars for a calendar  
33 year. Effective the first of the month in which a member  
34 attains the age of sixty-five years, a retired member may  
35 receive a retirement allowance after return to covered

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

14 Sec. 19. Section 97B.49, subsection 5, Code 1989, is  
15 amended to read as follows:

16 5. a. For each active member retiring on or after July 1,  
17 1986, and before July 1, 1990, with four or more complete  
18 years of service, a monthly benefit shall be computed which is  
19 equal to one-twelfth of an amount equal to fifty percent of  
20 the three-year average covered wage multiplied by a fraction  
21 of years of service.

22 b. For each active member retiring on or after July 1,  
23 1990, with four or more complete years of service, a monthly  
24 benefit shall be computed which is equal to one-twelfth of an  
25 amount equal to fifty-two percent of the three-year average  
26 covered wage multiplied by a fraction of years of service.

27 Commencing July 1, 1991, the department shall increase the  
28 percentage multiplier of the three-year average covered wage  
29 by an additional two percent each July 1 until reaching sixty  
30 percent of the three-year average covered wage if the annual  
31 actuarial valuation of the retirement system indicates for  
32 that year that the cost of this increase in the percentage of  
33 the three-year average covered wage used in computing  
34 retirement benefits can be absorbed within the employer and  
35 employee contribution rates in effect under section 97B.11.

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

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

8     Sec. 20. Section 97B.49, subsection 13, paragraphs a and  
9 b, Code 1989, are amended to read as follows:

10    a. A member who retired from the system between January 1,  
11 1976, and June 30, 1982, or a contingent annuitant or  
12 beneficiary of such a member, shall receive with the November  
13 ~~1988~~ 1990 and the November ~~1989~~ 1991 monthly benefit payments  
14 a retirement dividend equal to eighty one hundred forty  
15 percent of the monthly benefit payment the member received for  
16 the preceding June, or the most recently received benefit pay-  
17 ment, whichever is greater. The retirement dividend does not  
18 affect 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 ~~1988~~ 1990 and the November ~~1989~~ 1991 monthly benefit payments  
23 a retirement dividend equal to one hundred twenty eighty  
24 percent of the monthly benefit payment the member received for  
25 the preceding June, or the most recently received benefit pay-  
26 ment, whichever is greater. The retirement dividend does not  
27 affect the amount of a monthly benefit payment.

28    Sec. 21. Section 97B.49, subsection 13, paragraph c, Code  
29 1989, is amended to read as follows:

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

34    Sec. 22. Section 97B.49, subsection 13, Code 1989, is  
35 amended by adding the following new paragraph after paragraph

1 c and relettering the subsequent paragraphs:

2 NEW PARAGRAPH. d. A member who retired from the system  
3 between July 1, 1982, and June 30, 1986, or a contingent  
4 annuitant or beneficiary of such a member, shall receive with  
5 the November 1990 and the November 1991 monthly benefit  
6 payments a retirement dividend equal to twenty-four percent of  
7 the monthly benefit payment the member received for the  
8 preceding June, or the most recently received benefit payment,  
9 whichever is greater. The retirement dividend does not affect  
10 the amount of a monthly benefit payment.

11 Sec. 23. Section 97B.49, subsection 15, Code 1989, is  
12 amended to read as follows:

13 15. In lieu of the monthly benefit computed under  
14 subsections 1 and 3 as applicable, or subsection ~~5~~7:

15 a. For each active member retiring on or after July 1,  
16 1988, and before July 1, 1990, who is at least fifty-five  
17 years of age and has completed at least thirty years of  
18 membership service and prior service, and for which the sum of  
19 the number of years of membership service and prior service  
20 and the member's age in years as of the member's last birthday  
21 equals or exceeds ninety-two, a monthly benefit shall be  
22 computed which is equal to one-twelfth of fifty percent of the  
23 three-year average covered wage of the member.

24 b. For each active member retiring on or after July 1,  
25 1990, who is at least fifty-five years of age and has  
26 completed at least thirty years of membership service and  
27 prior service, and for which the sum of the number of years of  
28 membership service and prior service and the member's age in  
29 years as of the member's last birthday exceeds ninety-two, a  
30 monthly benefit shall be computed which is equal to one-  
31 twelfth of the same percentage of the three-year average  
32 covered wage of the member as is provided in subsection 5.

33 Sec. 24. Section 97B.49, subsection 16, paragraphs a, b,  
34 and c, Code 1989, are amended to read as follows:

35 16. a. Notwithstanding other provisions of this chapter,

1 a:

2 (1) A member who is or has been employed in a protection  
3 occupation who retires on or after July 1, 1988, and before  
4 July 1, 1990, and at the time of retirement is at least fifty-  
5 five years of age and has completed at least twenty-five years  
6 of membership service in a protection occupation, may elect to  
7 receive in lieu of the receipt of any benefits under  
8 subsection 5 or 15, a monthly retirement allowance equal to  
9 one-twelfth of fifty percent of the member's three-year  
10 average covered wage as a member who has been employed in a  
11 protection occupation, with benefits payable during the  
12 member's lifetime.

13 (2) A member who is or has been employed in a protection  
14 occupation who retires on or after July 1, 1990, and at the  
15 time of retirement is at least fifty-five years of age and has  
16 completed at least twenty-five years of membership service in  
17 a protection occupation, may elect to receive in lieu of the  
18 receipt of any benefits under subsection 5 or 15, a monthly  
19 retirement allowance equal to one-twelfth of fifty-two percent  
20 of the member's three-year average covered wage as a member  
21 who has been employed in a protection occupation, with  
22 benefits payable during the member's lifetime.

23 (3) Commencing July 1, 1991, the department shall increase  
24 the percentage multiplier of the three-year average covered  
25 wage by an additional two percent each July 1 until reaching  
26 sixty percent of the three-year average covered wage.

27 b. Notwithstanding other provisions of this chapter, a:

28 (1) A member who retires from employment as a county  
29 sheriff or deputy sheriff who retires on or after July 1,  
30 1988, and before July 1, 1990, and at the time of retirement  
31 is at least fifty-five years of age and has completed at least  
32 twenty-two years of membership service, may elect to receive  
33 in lieu of the receipt of any benefits under subsection 5 or  
34 15, a monthly retirement allowance equal to one-twelfth of  
35 fifty percent of the member's three-year average covered wage

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

3 (2) A member who retires from employment as a county  
4 sheriff or deputy sheriff who retires on or after July 1,  
5 1990, and at the time of retirement is at least fifty-five  
6 years of age and has completed at least twenty-two years of  
7 membership service, may elect to receive in lieu of the  
8 receipt of any benefits under subsection 5 or 15, a monthly  
9 retirement allowance equal to one-twelfth of the same  
10 percentage of the member's three-year average covered wage as  
11 is provided in paragraph "a", with benefits payable during the  
12 member's lifetime.

13 (3) The years of membership service required under this  
14 paragraph shall include membership service as a sheriff or  
15 deputy sheriff and membership service under employment in a  
16 protection occupation included in paragraph "d", subparagraph  
17 (2).

18 (4) For the purposes of this subsection, sheriff means a  
19 county sheriff as defined in section 39.17 and deputy sheriff  
20 means a deputy sheriff appointed pursuant to section 341.1  
21 prior to July 1, 1981, or section 331.903 on or after July 1,  
22 1981.

23 c. A member covered under this subsection who retires on  
24 or after July 1, 1988, and before July 1, 1990, and has not  
25 completed the twenty-five years of membership service required  
26 under paragraph "a", or twenty-two years of membership service  
27 required under paragraph "b", is eligible to receive a monthly  
28 retirement allowance equal to one-twelfth of fifty percent of  
29 the member's three-year average covered wage as a member  
30 employed in a protection occupation, or as a sheriff or deputy  
31 sheriff, multiplied by a fraction of years of service.

32 A member covered under this subsection who retires on or  
33 after July 1, 1990, and has not completed the twenty-five  
34 years of membership service required under paragraph "a", or  
35 twenty-two years of membership service required under para-

1 graph "b", is eligible to receive a monthly retirement  
2 allowance equal to one-twelfth of the same percentage of the  
3 member's three-year average covered wage as is provided in  
4 paragraph "a", multiplied by a fraction of years of service.

5 PARAGRAPH DIVIDED. For the purpose of this subsection,  
6 "fraction of years of service" means a number, not to exceed  
7 one, equal to the sum of the years of membership service for a  
8 member retiring in a protection occupation, divided by twenty-  
9 five years, or the sum of the years of membership service for  
10 a member retiring as a sheriff or deputy sheriff divided by  
11 twenty-two years.

12 Sec. 25. Section 97B.50, subsection 2, Code 1989, is  
13 amended to read as follows:

14 2. a. A member who retires from the system due to  
15 disability and commences receiving disability benefits  
16 pursuant to the United States Social Security Act (42 U.S.C.),  
17 as amended to July 1, 1978, who is eligible for early  
18 retirement, but has not reached the normal retirement date,  
19 shall receive full benefits under section 97B.49 and shall not  
20 have benefits reduced upon retirement as required under  
21 subsection 1 regardless of whether the member has completed  
22 thirty or more years of membership service. This section  
23 takes effect July 1, 1987 for a member meeting the  
24 requirements of this ~~subsection~~ paragraph who retired from the  
25 system at any time between July 4, 1953 and June 30, 1987.

26 b. A member who retires from the system due to disability  
27 and commences receiving disability benefits pursuant to the  
28 United States Railroad Retirement Act (45 U.S.C. § 231 et  
29 seq.) who is eligible for early retirement but has not reached  
30 the normal retirement date, shall receive full benefits under  
31 section 97B.49 and shall not have benefits reduced upon  
32 retirement as required under subsection 1 regardless of  
33 whether the member has completed thirty or more years of  
34 membership service. This section takes effect July 1, 1990,  
35 for a member meeting the requirements of this paragraph who

1 retired from the system at any time since July 4, 1953.  
2 However, eligible members are entitled to receipt of  
3 retroactive adjustment payments for no more than six months  
4 immediately preceding the month after July 1, 1990, in which  
5 written notice was submitted to the department.

6 Sec. 26. Section 97B.52, subsection 3, Code 1989, is  
7 amended to read as follows:

8 3. a. Other than as provided above in subsections 1 and 2  
9 of this section, or section 97B.51, all rights to any benefits  
10 under the retirement system ~~will~~ shall cease upon the death of  
11 a member.

12 b. If a death benefit is due and payable, interest shall  
13 continue to accumulate through the month preceding the month  
14 in which payment is made to the designated beneficiary, heirs  
15 at law, or to the estate unless the payment of the death  
16 benefit is delayed because of a dispute between alleged heirs,  
17 in which case the benefit due and payable shall be placed in a  
18 noninterest bearing escrow account until the beneficiary is  
19 determined in accordance with this section.

20 Sec. 27. Section 97B.73, Code 1989, is amended to read as  
21 follows:

22 97B.73 MEMBERS FROM OTHER PUBLIC SYSTEMS.

23 A vested or retired member who was ~~a-member-of-a-public~~  
24 ~~retirement-system~~ in public employment in another state but  
25 ~~was-not-vested-or-retired-under-that-system-may~~ or in the  
26 federal government but who was not retired under that system,  
27 upon submitting verification of membership and service in the  
28 other public retirement system to the department, including  
29 proof that the member has no further claim upon a retirement  
30 benefit from that other public system, may make employer and  
31 employee contributions to the system for the period of service  
32 in the other public retirement system and receive credit for  
33 membership service in this system equivalent to the number of  
34 years of service in the other public retirement system. The  
35 ~~contributions-paid-by-the-vested-or-retired-member-for-service~~



1 in-the-other-public-retirement-system-shall-be-equal-to-the  
2 accumulated-contributions-as-defined-in-section-97B.41,  
3 subsection-12, by-the-member-for-that-period-of-service-and  
4 the-employer-contribution-for-that-period-of-service-that  
5 would-have-been-contributed-by-the-vested-or-retired-member  
6 and-the-employer-plus-interest-on-the-contributions-that-would  
7 have-accrued-if-the-member-had-been-a-member-of-this-system  
8 earning-the-same-wages-earned-under-the-other-system-for-the  
9 period-from-the-date-of-service-of-the-member-in-the-other  
10 public-retirement-system-to-the-date-of-payment-of-the  
11 contributions-by-the-member-equal-to-two-percent-plus-the  
12 interest-dividend-rate-applicable-for-each-year contribution  
13 payable shall be based upon the member's covered wages for the  
14 most recent full calendar year at the applicable rates in  
15 effect for that calendar year under sections 97B.11 and 97B.49  
16 and multiplied by the member's years of service in other  
17 public employment.

18 This section is applicable to a vested or retired member  
19 who was a member of a public retirement system established in  
20 sections 294.8, 294.9, and 294.10 but was not vested or  
21 retired under that system.

22 A member vested under another public system must waive, on  
23 a form provided by the Iowa public employees' retirement  
24 system, all rights to a retirement benefit under that other  
25 public system before receiving credit in this system for those  
26 years of service in the other public system.

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

33 Sec. 28. Section 97B.74, unnumbered paragraphs 1 and 2,  
34 Code 1989, are amended to read as follows:

35 An Effective January 1, 1991, an active, vested, or retired

1 member who ~~at any time between July 4, 1953 and July 17, 1973~~  
2 was a member of the system at any time on or after July 4,  
3 1953, but who did not meet the requirements to be a vested  
4 ~~member for that period of membership service,~~ and who received  
5 a refund of the member's contributions for that period of  
6 membership service, may elect in writing to the department to  
7 make contributions to the system for that period of membership  
8 service for which a refund of contributions was made. The  
9 contributions repaid by the member for such service shall be  
10 equal to the accumulated contributions, as defined in section  
11 97B.41, subsection 12, received by the member for that period  
12 of membership service plus interest on the accumulated  
13 contributions for the period from the date of receipt by the  
14 member to the date of repayment equal to two percent plus the  
15 interest dividend rate applicable for each year compounded  
16 annually.

17 ~~The provisions of this section are only available to a~~  
18 ~~member if that member's total years of membership and prior~~  
19 ~~service, with the addition of service for that period of~~  
20 ~~membership service for which contributions are repaid, equals~~  
21 ~~or exceeds fifteen years.~~ An active member must have at least  
22 one quarter's reportable wages on file and have membership  
23 service, including that period of membership service for which  
24 a refund of contributions was made, sufficient to give the  
25 member vested status.

\* 26 Sec. 29. NEW SECTION. 97D.1 GUIDING GOALS FOR FUTURE  
27 CHANGES IN PUBLIC RETIREMENT SYSTEMS -- SOCIAL SECURITY --  
28 PORTABILITY.

29 1. The general assembly declares that legislative  
30 proposals for changes in specific public retirement systems  
31 should be considered within the context of all public retire-  
32 ment systems within the state, with emphasis on equity and  
33 equality among the systems. The following list of guiding  
34 goals shall apply to the consideration of proposed changes:

35 a. Select those benefit enhancement options which most

1 successfully deliver the greatest good to the greatest number  
2 of employees.

3 b. Choose those options which best correct existing  
4 inequities between and among the various retirement groups in  
5 the state.

6 c. Determine those options which most ably serve the twin  
7 objectives of attracting and retaining quality employees.

8 d. Avoid enacting further incentives toward earlier  
9 retirement with full benefits.

10 e. Avoid further splintering of benefits by dispropor-  
11 tionate enhancement of benefits for one group beyond those  
12 available to another.

13 2. The public retirement systems committee established by  
14 section 97B.76 shall periodically weigh the advantages and  
15 disadvantages of establishing participation in the federal  
16 social security system for the members of public retirement  
17 systems operating under chapters 97A and 411 and the impact of  
18 such a change on total contributions and benefits.

19 3. The public retirement systems committee established by  
20 section 97B.76 shall consider proposals to achieve greater  
21 portability of pension benefits between the various public  
22 retirement systems in the state. Special attention should be  
23 given to the actuarial cost of transfers of value from one  
24 system to another.

25 Sec. 30. NEW SECTION. 97D.2 ANALYSIS OF COST OF PROPOSED  
26 CHANGES.

27 When the public retirement systems committee established by  
28 section 97B.76 or a standing committee of the senate or house  
29 of representatives receives a proposal for a change in a  
30 public retirement system within this state, the committee  
31 shall require the development of actuarial information  
32 concerning the costs of the proposed change. If the proposal  
33 affects police and fire retirement systems under chapter 411,  
34 the committee shall arrange for the services of an actuarial  
35 consultant to assist in developing the information on a

1 consolidated basis for all the systems.

2 Sec. 31. NEW SECTION. 97D.3 NEWLY HIRED PEACE OFFICERS,  
3 POLICE OFFICERS, AND FIRE FIGHTERS AFTER JULY 1, 1991.

4 Notwithstanding sections 97A.3 and 411.3, all persons newly  
5 hired as peace officers, as defined in section 97A.1, police  
6 officers, and fire fighters after July 1, 1991, shall be  
7 members of the Iowa public employees' retirement system under  
8 chapter 97B, rather than members of retirement systems under  
9 chapters 97A and 411. Such members shall have federal social  
10 security coverage in addition to coverage under the Iowa  
11 public employees' retirement system and shall have the same  
12 benefits as county sheriffs and deputy sheriffs under section  
13 97B.49, subsection 16, paragraph "b".

14 Sec. 32. Section 411.2, Code 1989, is amended to read as  
15 follows:

16 411.2 NAME AND DATE OF ESTABLISHMENT.

17 1. In Except as provided in subsections 2, 3, and 4, in  
18 any city in which the fire fighters or police officers are or  
19 shall be appointed under the civil service law of this state,  
20 there are hereby created and established two separate  
21 retirement or pension systems for the purpose of providing  
22 retirement allowances only for fire fighters or police  
23 officers of said cities who shall be so appointed after the  
24 date this chapter takes effect, or benefits to their  
25 dependents. Each such system shall be under the management  
26 of a board of trustees hereinafter described, and shall be  
27 known as the "fire retirement system of ..... (name of  
28 city)", and the "police retirement system of ..... (name  
29 of city)", and by such names all of their business shall be  
30 transacted, all funds invested, and all cash and securities  
31 and other property held. The retirement systems so created  
32 shall begin operation as of the first day of the month in  
33 which said systems are there established by this chapter.

34 2. A city whose population was under eight thousand prior  
35 to the results of the federal census conducted in 1990 is not

1 required to establish retirement systems under this chapter  
2 upon attaining a population of eight thousand or more.

3 3. A city which did not have a paid fire department on the  
4 effective date of this Act is not required to establish a  
5 retirement system for firefighters under this chapter upon  
6 establishing a paid fire department.

7 4. A city which did not have a paid police department on  
8 the effective date of this Act is not required to establish a  
9 retirement system for police officers under this chapter upon  
10 establishing a paid police department.

11 Sec. 33. Section 411.5, subsection 9, Code 1989, is  
12 amended to read as follows:

13 9. MEDICAL BOARD. The board of fire trustees and the  
14 board of police trustees jointly shall designate a medical  
15 board to be composed of three physicians who shall arrange for  
16 and pass upon all medical examinations required under the  
17 provisions of this chapter, except that for examinations  
18 required because of disability three physicians from the  
19 University of Iowa hospitals and clinics who shall pass upon  
20 the medical examinations required for disability retirements,  
21 and shall report in writing to each board of trustees,  
22 respectively, its conclusions and recommendations upon all  
23 matters duly referred to it. Each report of a medical  
24 examination under section 411.6, subsections 3 and 5, shall  
25 include the medical board's rating as to the extent of the  
26 member's disability.

27 Sec. 34. Section 411.6, subsection 1, paragraph b, Code  
28 1989, is amended to read as follows:

29 b. Any member in service who has been a member of the  
30 retirement system ~~fifteen~~ four or more years and whose  
31 employment is terminated prior to the member's retirement,  
32 other than by death or disability, shall upon attaining  
33 retirement age, receive a service retirement allowance of  
34 ~~fifteen~~ four ~~twenty~~-seconds of the retirement allowance the  
35 member would receive at retirement if the member's employment

1 had not been terminated, and an additional one twenty-second  
2 of such retirement allowance for each additional year of  
3 service not exceeding twenty-two years of service. The amount  
4 of the retirement allowance shall be calculated in the manner  
5 provided in this paragraph using the average final  
6 compensation at the time of termination of employment.

7 Sec. 35. Section 411.6, subsection 2, Code 1989, are  
8 amended to read as follows:

9 2. ALLOWANCE ON SERVICE RETIREMENT.

10 a. Upon retirement from service, prior to July 1, 1990, a  
11 member shall receive a service retirement allowance which  
12 shall consist of a pension given by the city which ~~shall equal~~  
13 one-half equals fifty percent of the member's average final  
14 compensation.

15 b. Upon retirement from service on or after July 1, 1990,  
16 a member shall receive a service retirement allowance which  
17 shall consist of a pension given by the city which equals  
18 fifty-two percent of the member's average final compensation.

19 c. Commencing July 1, 1991, each board of trustees shall  
20 increase the percentage multiplier of the member's average  
21 final compensation by an additional two percent each July 1  
22 until reaching sixty percent of the member's average final  
23 compensation if the annual actuarial valuation of the board's  
24 retirement system indicates for that year that the cost of  
25 this increase in the percentage of the member's average final  
26 compensation used in computing retirement benefits can be  
27 absorbed within the employer and employee contribution rates  
28 in effect pursuant to section 411.8.

29 Sec. 36. Section 411.6, subsection 8, paragraph a, Code  
30 1989, is amended to read as follows:

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

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

9 Sec. 37. Section 411.6, subsection 12, paragraph a,  
10 subparagraph (1), Code 1989, is amended to read as follows:

11 (1) ~~Twenty-five~~ Thirty percent for members receiving a  
12 service retirement allowance and for beneficiaries receiving a  
13 pension under subsection 9 of this section.

14 Sec. 38. Section 411.6, Code 1989, is amended by adding  
15 the following new subsection:

16 NEW SUBSECTION. 13. REMARRIAGE OF SURVIVING SPOUSE.  
17 Effective July 1, 1990, for a member who died prior to July 1,  
18 1988, if the member's surviving spouse remarried prior to July  
19 1, 1988, the remarriage does not make the spouse ineligible  
20 under subsection 8, paragraph "c", subparagraphs (1) and (2),  
21 to receive benefits under subsections 8, 9, 11, and 12.

22 Sec. 39. Section 411.8, subsection 1, paragraph f, Code  
23 1989, is amended to read as follows:

24 f. An amount equal to three and one-tenth percent of each  
25 member's compensation from the earnable compensation of the  
26 member shall be paid to the pension accumulation fund.  
27 However, each board of trustees shall increase this percentage  
28 for its members as necessary to cover any increase in cost to  
29 the system resulting from statutory changes which take effect  
30 on or after the effective date of this Act, other than the  
31 costs described in the following unnumbered paragraph, if the  
32 increase cannot be absorbed within the contribution rates in  
33 effect on the effective date of this Act, but subject to a  
34 maximum employee contribution rate of thirteen and seven-  
35 hundredths percent. After the employee contribution reaches

1 the maximum rate specified in this section, sixty percent of  
2 the additional cost of such statutory changes shall be paid by  
3 employers under paragraph "c" and forty percent of the  
4 additional cost shall be paid by employees under this  
5 paragraph.

6 The board of trustees shall not increase the percentage of  
7 the contribution of the employees in order to cover costs  
8 attributable to any adjustments, under section 411.6,  
9 subsection 12, paragraph "a", subsection (1), to the pensions  
10 of members who retired prior to the effective date of this Act  
11 which take effect on or after the effective date of this Act.

12 Sec. 40. Section 411.20, Code 1989, is amended by adding  
13 the following new subsection:

14 NEW SUBSECTION. 4. In addition to any other amounts  
15 distributed to cities as provided in this section, the state  
16 shall pay one hundred percent of the costs attributable to any  
17 adjustments, under section 411.6, subsection 12, paragraph  
18 "a", subparagraph (1), to the pensions of members who retired  
19 prior to the effective date of this Act which take effect on  
20 or after the effective date of this Act.

21 Sec. 41. Section 411.21, subsection 2, paragraph g, Code  
22 1989, is amended to read as follows:

23 g. "Member who became vested" and "vested member" mean a  
24 member who has been a member of the retirement system fifteen  
25 four or more years and is entitled to benefits under this  
26 chapter.

27 Sec. 42. NEW SECTION. 411.23 WITHDRAWAL OF  
28 CONTRIBUTIONS.

29 Commencing July 1, 1990, if a member terminates service,  
30 other than by death or disability, the member may elect to  
31 withdraw the member's contributions under section 411.8,  
32 subsection 1, paragraph "f", together with interest thereon at  
33 a rate determined by the board of trustees. If a member  
34 withdraws contributions as provided in this section, the  
35 member shall be deemed to have waived all claims for other



1 benefits from the system for the period of membership service  
2 for which the contributions are withdrawn.

3 Sec. 43. NEW SECTION. 411.31 REPORTING.

4 Each board of trustees shall submit annually to the auditor  
5 of state its most recent actuarial valuation and a pension  
6 status report, which shall be in the form prescribed by the  
7 auditor of state and shall provide statistical and financial  
8 information as required by the auditor of state, including  
9 information about benefits, contribution rates, assets, lia-  
10 bilities, and social security coverage. The auditor of state  
11 shall consult with the director of the legislative fiscal  
12 bureau for the purpose of determining the information to be  
13 included in the pension status reports.

14 Sec. 44. NEW SECTION. 411.32 EVALUATION OF FINANCIAL  
15 STATUS OF SYSTEMS.

16 The legislative fiscal bureau shall review the actuarial  
17 reports and pension status reports submitted in accordance  
18 with section 411.31 and shall periodically prepare an  
19 evaluation of the financial status of police and fire  
20 retirement systems operating under this chapter. The evalua-  
21 tion shall be submitted to the secretary of the senate and the  
22 chief clerk of the house of representatives for distribution  
23 to the members of the general assembly.

24 The legislative fiscal bureau may arrange for the services  
25 of an actuarial consultant to assist in performing the duties  
26 assigned by this section.

27 Sec. 45. NEW SECTION. 411.33 FUNDING REQUIREMENTS.

28 Each retirement system operating under this chapter shall  
29 have sufficient assets, evaluated at cost, to cover the  
30 system's currently accrued liabilities. A retirement system  
31 whose assets are not sufficient to provide this coverage on  
32 the effective date of this Act shall establish the necessary  
33 asset level on or before June 30, 1995. The system shall  
34 report to the auditor of state in the annual pension status  
35 report its plan for and progress toward achieving the required

1 coverage.

2 Sec. 46. Section 602.9107, subsection 1, Code 1989, is  
3 amended to read as follows:

4 1. The annual annuity of a judge under this system is an  
5 amount equal to three percent of the judge's average annual  
6 basic salary for the judge's last three years as a judge of  
7 one or more of the courts included in this article, multiplied  
8 by the judge's years of service as a judge of one or more of  
9 the courts for which contributions were made to the system.

10 PARAGRAPH DIVIDED. However, an annual annuity for a judge  
11 whose separation from service occurs before July 1, 1990,  
12 shall not exceed an amount equal to fifty percent of the basic  
13 annual salary which the judge is receiving at the time the  
14 judge becomes separated from service. An annual annuity for a  
15 judge whose separation from service occurs on or after July 1,  
16 1990, shall not exceed an amount equal to fifty-two percent of  
17 the basic annual salary which the judge is receiving at the  
18 time the judge becomes separated from service. Commencing  
19 July 1, 1991, the court administrator shall increase the  
20 maximum percentage multiplier of the judge's basic annual  
21 salary by an additional two percent each July 1 until reaching  
22 sixty percent of the basic annual salary if the annual  
23 actuarial valuation of the judicial retirement system  
24 indicates for that year that the cost of this increase in the  
25 percentage of the judge's basic annual salary used in  
26 computing retirement benefits can be absorbed within the  
27 employer and employee contribution rates in effect pursuant to  
28 section 602.9104.

29 PARAGRAPH DIVIDED. Forfeitures shall not be used to  
30 increase the annuities a judge or survivor would otherwise  
31 receive under the system.

32 Sec. 47. STUDY.

33 The legislative council shall employ an actuarial  
34 consultant to study possible courses of action with respect to  
35 the retirement systems for public safety peace officers,

1 police officers, and fire fighters covered under chapters 97A  
2 and 411.

3 The study of possible courses of action shall include:

4 1. Extending the Iowa public employees' retirement system  
5 and the federal social security system to peace officers,  
6 police officers, and fire fighters, with the same benefits as  
7 county sheriffs and deputy sheriffs under section 97B.49,  
8 subsection 16, paragraph "b".

9 2. Establishing a system for rating the degree of  
10 disability under the retirement systems established by  
11 chapters 97A and 411.

12 3. Providing a statewide integrated retirement system for  
13 city police officers and fire fighters.

14 4. Eliminate state oversight and mandates for police and  
15 fire retirement systems operating under chapter 411.

16 5. Determining methods of enhancing benefits for current  
17 retirees and their survivors.

18 The study shall consider each of the possible courses of  
19 action with respect to (a) persons currently under the  
20 retirement systems established by chapters 97A and 411, and  
21 (b) persons newly hired as peace officers, police officers,  
22 and fire fighters.

23 The study shall also extend to consideration of changes in  
24 provisions governing coverage of temporary employees under the  
25 Iowa public employees' retirement system, including the issue  
26 of whether coverage under the proposed changes should be  
27 mandatory or optional for the employee.

28 The legislative service bureau shall coordinate the study,  
29 in consultation with the legislative fiscal bureau and the  
30 public employees' retirement system division of the department  
31 of personnel.

32 The study shall be completed and a report submitted to the  
33 general assembly not later than December 1, 1990.

34 Sec. 48. TRANSFER OF SECTION.

35 The Code editor shall transfer section 97B.76 to chapter

1 97D, created by this Act.

2 Sec. 49. APPLICABILITY -- EFFECTIVE DATE.

3 1. Sections 2, 4, 8, 34, 36, and 41 of this Act apply to  
4 members of the Iowa department of public safety peace  
5 officers' retirement, accident, and disability system and  
6 members of police and fire retirement systems who are in  
7 active service on or after the effective date of this Act.

8 2. Sections 5 and 37 of this Act take effect July 1, 1990,  
9 for members of the Iowa department of public safety peace  
10 officers' retirement system and members of police and fire re-  
11 tirement systems who retired before that date and members who  
12 retire on or after that date.

13 3. Section 14 of this Act is applicable to computations of  
14 years of prior service made on or after the effective date of  
15 this Act.

16 EXPLANATION

17 The bill makes the following changes in the Iowa public  
18 employees' retirement system:

19 1. Increases the covered wage by \$3,000 per year.

20 2. Increases benefits to 60 percent in 5 years, including  
21 protection occupations.

22 3. Provides unrestricted buy-backs.

23 4. Provides a 5 percent increase in the bonus for pre-1976  
24 and 1976-1982 retirees and provides a 2 percent bonus for  
25 1982-1986 retirees.

26 5. Provides several technical and substantive changes  
27 suggested by IPERS.

28 The bill also contains provisions relating to retirement  
29 systems under chapters 97A and 411, as follows:

30 1. Brings service retirement from 50 to 60 percent at 2  
31 percent per year.

32 2. Provides 4-year vesting.

33 3. Provides refund of employee contributions for persons  
34 who quit before vesting.

35 4. Increases the service retirement escalator for current

1 retirees and future retirees from 25 percent to 30 percent  
2 with the state paying the additional cost for coverage of  
3 current retirees.

4 5. Provides that newly hired peace officers, police  
5 officers, and fire fighters after July 1, 1991, must be  
6 members of IPERS with the same benefits as sheriffs and  
7 deputies. They would also be covered by social security.

8 6. Requires medical boards to report their determinations  
9 as to the extent of a member's disability.

10 7. Requires an increase in the state contribution to the  
11 peace officer retirement system from 16 percent to 18.2  
12 percent.

13 8. Provides that increased benefits are paid for by 100  
14 percent members' contributions until a maximum of 13.07  
15 percent is reached.

16 9. Provides that cities which attain 8,000 population in  
17 the 1990 census need not come under chapter 411.

18 10. Provides for a study of possible courses of action  
19 with respect to chapter 97A and 411 systems.

20 11. Makes removal of the remarriage penalty applicable to  
21 persons whose remarriage occurred prior to July 1, 1988.

22 12. Codifies the recommendations from the IPERS study of  
23 public pension systems within Iowa, January 1990.

24 The bill brings judicial pensions from 50 to 60 percent at  
25 2 percent per year.

26 The bill may contain a state mandate under chapter 25B.

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## HOUSE FILE 2543

H-5330

1 Amend House File 2543 as follows:

2 1. Page 15, by inserting after line 19 the  
3 following:

4 "Sec. \_\_\_\_ . NEW SECTION. 97B.63 GROUP INSURANCE --  
5 DEDUCTIONS.

6 1. The department shall participate in the  
7 offering of group medicare supplement insurance  
8 coverage to retired members who have attained the age  
9 of sixty-five years and are receiving benefits under  
10 this chapter. A retired member who elects coverage  
11 under the group policy or plan shall authorize the  
12 department to deduct from the member's monthly benefit  
13 payment the total amount of the monthly premium for  
14 the coverage, plus an amount not to exceed two percent  
15 of the monthly premium to cover the costs incurred in  
16 administering this subsection. The department's  
17 participation may be limited to, but shall include,  
18 deducting the authorized amounts from the members'  
19 monthly benefit payments. However, any departmental  
20 participation may be conditioned upon the following:

21 a. The department may require that all costs of  
22 development, implementation, and administration of the  
23 group policy or plan be borne by, or reimbursed  
24 through, the members electing coverage or the entity  
25 responsible for the issuance of the group policy or  
26 plan, or a combination of the members and the entity.

27 b. The department may require that the number of  
28 members who anticipate electing coverage pursuant to  
29 this subsection reach a specified minimum before the  
30 department commences the system of deductions from  
31 monthly benefit payments.

32 2. To assist in the development, implementation,  
33 and administration of the group medicare supplement  
34 policy or plan under subsection 1, an advisory  
35 committee shall be formed whose membership shall  
36 include, but is not limited to, two or more  
37 representatives of retired members who anticipate  
38 electing the coverage and one representative of the  
39 department.

40 3. The department may request technical assistance  
41 from the division of insurance of the department of  
42 commerce in providing services and oversight pursuant  
43 to this section."

44 2. By numbering and renumbering as necessary.

By PETERS of Woodbury

H-5330 FILED FEBRUARY 23, 1990

*Filed not germane 3/29 (J 1592)*

HOUSE FILE 2543

H-5322

1 Amend House File 2543 as follows:

2 1. Page 26, by inserting after line 33 the  
3 following:

4 "Sec. \_\_\_\_ . STUDY OF DEFINED CONTRIBUTION PLAN.

5 1. The Iowa public employees' retirement system  
6 shall conduct a study of the feasibility of initiating  
7 an optional, supplemental defined contribution  
8 retirement plan which would be available to all  
9 members in addition to their basic coverage under the  
10 existing system. Under the proposed plan, employees  
11 electing to participate would be eligible to  
12 contribute up to five percent of their total salary  
13 per year at their option and this would accumulate  
14 interest at the rate credited to members' accounts  
15 under basic Iowa public employees' retirement system  
16 coverage, less management expenses and administrative  
17 costs. The funds in the employee's account would be  
18 available to the employee either upon termination of  
19 public employment or at retirement.

20 2. The Iowa public employees' retirement system  
21 shall provide a preliminary report concerning the  
22 study on or after November 1, 1990, and a final report  
23 on or after November 1, 1991. The reports shall be  
24 transmitted to the chief clerk of the house of  
25 representatives and the secretary of the senate for  
26 distribution to the general assembly."

27 2. By numbering and renumbering as necessary.

By DE GROOT of Lyon

HANSON of Delaware

HARBOR of Mills

RENKEN of Grundy

MCKEAN of Jones

PETERSEN of Muscatine

ROYER of Page

EDDIE of Buena Vista

BRANSTAD of Winnebago

SHONING of Woodbury

MAULSBY of Calhoun

TYRRELL of Iowa

H-5322 FILED FEBRUARY 23, 1990

*Adopted 3/29 (p. 1544)*

HOUSE FILE 2543  
AS AMENDED BY H-5860  
FISCAL NOTE

A fiscal note for House File 2543 as amended by H-5860 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Amendment H-5860 makes numerous changes to House File 2543. The changes expected to affect the retirement fund revenues or cause costs for the Chapter 97A--Peace Officer Retirement System are:

1. Striking the requirement that an actuarial evaluation be used to determine whether the retirement allowance can be increased by 2% annually up to 60% of average final compensation.
2. Increasing the retirement allowance beyond 22 years of service for each year of service the member is less than 55 years old (maximum of 8 additional years or 12%).
3. Reducing the accidental disability retirement allowance from 66.6% to 60% of the average final compensation for those retiring after July 1, 1990.
4. Striking the escalator increase for future regularly retired members, and increasing the escalator for those retire prior to July 1, 1990. (An escalator increases a retirement allowance by a portion of the difference between the retiree's pay scale at retirement and what his or her pay scale would be if still an active member.)
5. Increasing the escalator for members receiving an ordinary disability retirement allowance with 5 years of service from 20% to 25% for future retirees and to 30% for those retired by July 1, 1990.
6. Increasing the escalator for members with less than 5 years of service and who retired before July 1, 1990 from 12.5% to 15%.
7. Requiring a financial plan for making the system actuarially sound.
8. Striking the requirement that the State pay for benefit increases for members already retired resulting from certain changes made by the bill.
9. Incrementally increasing the members' contribution to 10.9% of covered wage.
10. Setting the phase-in of the increase to the contribution rate according to the age of the member.
11. Setting a minimum for the employers' normal contribution rate at 17.5%. (The bill sets the maximum at 18.2%.)

The amendment makes three minor changes to the Chapter 97B--Iowa Public Employee's Retirement System (IPERS) section of the bill. These are:

1. Delaying the increase (\$720) in the amount a retire who returns to public employment before benefits are curtailed for the remainder of the calendar year from 1989 to 1991.
2. Permitting elected officials who are retirees of IPERS to receive pension benefits at any age regardless of the amount of remuneration.



## , FISCAL NOTE, HOUSE FILE 2543

-2-

3. Permitting members vested under other Iowa retirement systems to buy back those years of service by paying both the employee and employer contributions at the rate for the person's current position. (The bill permits vested members of the federal or other state systems to buy back years of service in this manner.)

The amendment makes numerous changes to the Chapter 411 Systems for local police and fire fighters. The changes expected to affect costs or revenues are:

1. Increasing the escalator for retired members from 50% to 60%.
2. Incrementally increasing the additional benefits a member can earn beyond 22 years of service and before age 55. In FY 1995, the benefit will reach its maximum, and a member can earn up to an additional 12% of average final compensation (for 8 additional years or a total of 72% of average final compensation).
3. Reducing the accidental disability retirement allowance from 66.6% of average final compensation to 60% effective July 1, 1990.
4. Reducing the bill's increase to the escalator from 30% to 25%. The escalator for persons retired prior to July 1, 1990, remains at 30%.
5. Increasing escalator for members on accidental disability retirement prior to July 1, 1990 to 15%.
6. Setting the cities' contribution rate at a minimum of 17.05% and beginning July 1, 1996 setting the cities' contribution rate at 60% of the liabilities or 17.05% of covered payroll whichever is greater.
7. Incrementally increasing the employees' contribution rates to 40% of liabilities or 10.9% of covered wage by July 1, 1990.
8. The payments of medicare are split 60% to the cities and 40% to employees and included in the contribution rates.
9. Setting the phase-in of the increase to the contribution rate according to the age of the member.
10. Requiring cities to levy a tax sufficient to cover the contributions to the retirement system.
11. Capping the State's appropriation to the system at the amount appropriated for FY 1991.
12. Requiring cities to transfer amounts to the system sufficient to cover their accrued liabilities when their local systems are terminated. Additional contributions beyond the assets of the current local systems may be required.
13. Combining all local retirement systems into a single system. (Accordingly, the section requiring police officers and fire fighters hired after July 1, 1991 become members of IPERS is struck.)
14. Defining the retirement system as the direct liability obligations of the participating cities.
15. Specifying the operating expenses of the system will be paid from the investment earnings.

**Assumptions:**

1. An actuarial projection of the cost for the specific combination of benefits and rates is not available for the amendment changes to the Chapters 97A and 411 systems. The total costs of the combined changes in the original bill and the amendment are not known.
2. The cost estimates are made from available information for illustrative purposes. These costs in combination with other changes may be different.
3. Costs are stated in terms of the percent of covered payroll.
4. Covered payroll is assumed to increase 5% annually. Covered payroll for Chapter 97A systems is \$15,896,486 in FY 1990, and is assumed to be \$16,691,310 in FY 1991 and \$17,525,876 in FY 1992. The Chapter 97B (IPERS) system's covered payroll for FY 1991 is \$2,283,887,280. Covered payroll for the Chapter 411 systems is assumed to be \$99,613,027 in FY 1991 and \$104,593,678.
5. The IPERS Trust Fund will have sufficient surpluses to pay for the increased costs.

**Fiscal Effect:**

No actuarial estimates are available to estimate the costs of this amendment. The following costs are identified from available information.

**Chapter 97A--Peace Officers Retirement System:**

1. Increasing the retirement allowance beyond 22 years (#2 above) is estimate to cost an additional 6.5% of covered wages (\$1,084,935 in FY 1991).
2. The reduction to the accidental disability retirement (#3 above) is estimated to reduce costs by 0.15% of covered wages (\$25,037 in FY 1991).
3. Striking the requirement that the State pay for benefit increases for retired members (#8 above) will reduce the costs to the State by less than 3.07% (\$512,423 in FY 1991). It does not eliminate the costs which must be paid by contributions or earned interest.

**Chapter 97B--IPERS:**

The amendment does not substantially alter the costs to IPERS.

**Chapter 411--Local Police and Fire Fighters:**

1. Reducing the accidental disability retirement allowance (#3 above) reduces the cost to the system by 1.37% of covered payroll (\$1,364,698 in FY 1991).
2. Reducing the Bills increase to the escalator (#4 above) would reduce the costs by 3.25% (\$3,237,423 in FY 1991).
3. There are currently 27 cities of 49 cities (as of June 30, 1989) with deficits in their retirement funds (i.e., that are under funded). The cities liabilities are estimated to be \$37,095,141 (#12 above).
4. Capping the State's appropriation at the FY 1991 level sets the State's

ME 4 , FISCAL NOTE, HOUSE FILE 2543

-4-

contribution at \$3.8 million annually.

The other provisions in this amendment may have significant cost impacts, but the information is not available to estimate those costs.

Source: Department of Public Safety  
IPERS  
League of Municipalities

(LSB 8390hv.2, MDF)

FILED MARCH 27, 1990

BY DENNIS PROUTY, FISCAL DIRECTOR

## HOUSE FILE 2543

H-5860

1 Amend House File 2543 as follows:

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

4 "Sec. 3001. Section 97A.4, unnumbered paragraph 1,  
5 Code 1989, is amended to read as follows:

6 ~~The board of trustees shall fix and determine by~~  
7 ~~proper rules how much service in any year shall be~~  
8 Service for fewer than six months of a year is not  
9 creditable as service. Service of six months or more  
10 of a year is equivalent to one year of service, but in  
11 no case shall more than one year of service be  
12 creditable for all service in one calendar year, nor  
13 shall the board of trustees allow credit as service  
14 for any period of more than one month duration during  
15 which the member was absent without pay."

16 2. Page 1, line 11, by striking the word  
17 "disability" and inserting the following: "physical  
18 impairment".

x 19 3. Page 2, by striking lines 7 through 12 and  
20 inserting the following: "compensation."

21 4. Page 2, by inserting before line 13 the  
22 following:

23 "d. Commencing July 1, 1990, if the member has  
24 completed more than twenty-two years of creditable  
25 service, the service retirement allowance shall  
26 consist of a pension which equals the amount provided  
27 in paragraphs "b" and "c", plus an additional  
28 percentage as set forth below:

29 (1) For a member who terminates service, other  
30 than by death or disability, on or after July 1, 1990,  
31 but before July 1, 1991, and who does not withdraw the  
32 member's contributions pursuant to section 97A.16,  
33 upon the member's retirement there shall be added  
34 three-tenths percent of the member's average final  
35 compensation for each year of service over twenty-two  
36 years, excluding years of service after the member's  
37 fifty-fifth birthday. However, this subparagraph does  
38 not apply to more than eight additional years of  
39 service.

40 (2) For a member who terminates service, other  
41 than by death or disability, on or after July 1, 1991,  
42 but before July 1, 1992, and who does not withdraw the  
43 member's contributions pursuant to section 97A.16,  
44 upon the member's retirement there shall be added six-  
45 tenths percent of the member's average final  
46 compensation for each year of service over twenty-two  
47 years, excluding years of service after the member's  
48 fifty-fifth birthday. However, this subparagraph does  
49 not apply to more than eight additional years of  
50 service.

H-5860

Page 2

1 (3) For a member who terminates service, other  
2 than by death or disability, on or after July 1, 1992,  
3 but before July 1, 1993, and who does not withdraw the  
4 member's contributions pursuant to section 97A.16,  
5 upon the member's retirement there shall be added  
6 nine-tenths percent of the member's average final  
7 compensation for each year of service over twenty-two  
8 years, excluding years of service after the member's  
9 fifty-fifth birthday. However, this subparagraph does  
10 not apply to more than eight additional years of  
11 service.

12 (4) For a member who terminates service, other  
13 than by death or disability, on or after July 1, 1993,  
14 but before July 1, 1994, and who does not withdraw the  
15 member's contributions pursuant to section 97A.16,  
16 upon the member's retirement there shall be added one  
17 and two-tenths percent of the member's average final  
18 compensation for each year of service over twenty-two  
19 years, excluding years of service after the member's  
20 fifty-fifth birthday. However, this subparagraph does  
21 not apply to more than eight additional years of  
22 service.

23 (5) For a member who terminates service, other  
24 than by death or disability, on or after July 1, 1994,  
25 and who does not withdraw the member's contributions  
26 pursuant to section 97A.16, upon the member's  
27 retirement there shall be added one and five-tenths  
28 percent of the member's average final compensation for  
29 each year of service over twenty-two years, excluding  
30 years of service after the member's fifty-fifth  
31 birthday. However, this subparagraph does not apply  
32 to more than eight additional years of service.

33 Sec. 2001. Section 97A.6, subsection 6, Code 1989,  
34 is amended to read as follows:

35 6. RETIREMENT AFTER ACCIDENT.

36 a. Upon retirement for accidental disability prior  
37 to July 1, 1990, a member shall receive an accidental  
38 disability retirement allowance which shall consist of  
39 a pension equal to sixty-six and two-thirds percent of  
40 the member's average final compensation.

41 b. Upon retirement for accidental disability on or  
42 after July 1, 1990, a member shall receive an  
43 accidental disability retirement allowance which shall  
44 consist of a pension equal to sixty percent of the  
45 member's average final compensation."

46 5. Page 2, by striking line 29 and inserting the  
47 following: "subparagraphs (1), (2), and (3), Code  
48 1989, are amended to read as follows:".

49 6. Page 2, line 30, by striking the words  
50 "Twenty-five Thirty" and inserting the following:

H-5860

Page 3

1 "Twenty-five".

2 7. Page 2, line 32, by inserting after the word  
3 "section." the following: "However, effective July 1,  
4 1990, for members who retired before that date, thirty  
5 percent shall be the applicable percentage for members  
6 and beneficiaries under this subparagraph."

7 8. Page 2, by inserting after line 32 the  
8 following:

9 "(2) Twenty Twenty-five percent for members with  
10 five or more years of membership service who are  
11 receiving an ordinary disability retirement allowance.  
12 However, effective July 1, 1984, for members who  
13 retired before July 1, 1979, and effective July 1,  
14 1988, for members who retire on or after July 1, 1988,  
15 twenty-five percent shall be used for members who are  
16 receiving an ordinary disability retirement allowance.  
17 However, effective July 1, 1990, for members who  
18 retired before that date, thirty percent shall be the  
19 applicable percentage for members under this  
20 subparagraph.

21 (3) Twelve and one-half percent for members with  
22 less than five years of membership service who are  
23 receiving an ordinary disability retirement allowance,  
24 and for beneficiaries receiving a pension under  
25 subsection 8 of this section. However, effective July  
26 1, 1990, for members who retired before that date,  
27 fifteen percent shall be the applicable percentage for  
28 members and beneficiaries under this subparagraph."

29 9. Page 3, line 6, by striking the words  
30 "paragraphs c" and inserting the following:  
31 "paragraphs b, c,".

32 10. Page 3, by inserting after line 7 the  
33 following:

34 "b. On the basis of the rate of interest and of  
35 ~~such~~ the mortality, interest, and other tables as  
36 ~~shall be~~ adopted by the board of trustees, the state  
37 commissioner of insurance shall make each valuation  
38 required by this chapter and shall immediately after  
39 making such valuation, determine the "normal  
40 contribution rate". The normal contribution rate shall  
41 be the rate percent of the earnable compensation of  
42 all members obtained by deducting from the total  
43 liabilities of the fund the sum of the amount of the  
44 funds in hand to the credit of the fund and dividing  
45 the remainder by one percent of the present value of  
46 the prospective future compensation of all members as  
47 computed on the basis of the rate of interest and of  
48 mortality and service tables adopted by the board of  
49 trustees, all reduced by the employee contribution  
50 made pursuant to ~~paragraph "f"~~ of this subsection.

H-5860

Page 4

1 However, the normal rate of contribution shall not be  
2 less than seventeen and five hundredths percent. The  
3 normal rate of contribution shall be determined by the  
4 state commissioner of insurance after each valuation."

5 11. Page 3, by inserting after line 17 the  
6 following:

7 "The system shall develop a financial plan for  
8 making the system actuarially sound on or before June  
9 30, 1996. The plan shall be submitted to the general  
10 assembly on or before January 1, 1991. As used in  
11 this paragraph, "actuarially sound" means that the  
12 accrued assets equal the accrued benefits."

13 12. By striking page 3, line 18 through page 4,  
14 line 6, and inserting the following:

15 "f. Except as otherwise provided in paragraph "h":

16 (1) An amount equal to three and one-tenth percent  
17 of each member's compensation from the earnable  
18 compensation of the member shall be paid to the  
19 pension accumulation fund for the fiscal year  
20 beginning July 1, 1989.

21 (2) An amount equal to four and four-tenths  
22 percent of each member's compensation from the  
23 earnable compensation of the member shall be paid to  
24 the pension accumulation fund for the fiscal year  
25 beginning July 1, 1990.

26 (3) An amount equal to five and seven-tenths  
27 percent of each member's compensation from the  
28 earnable compensation of the member shall be paid to  
29 the pension accumulation fund for the fiscal year  
30 beginning July 1, 1991.

31 (4) An amount equal to seven percent of each  
32 member's compensation from the earnable compensation  
33 of the member shall be paid to the pension  
34 accumulation fund for the fiscal year beginning July  
35 1, 1992.

36 (5) An amount equal to eight and three-tenths  
37 percent of each member's compensation from the  
38 earnable compensation of the member shall be paid to  
39 the pension accumulation fund for the fiscal year  
40 beginning July 1, 1993.

41 (6) An amount equal to nine and six-tenths percent  
42 of each member's compensation from the earnable  
43 compensation of the member shall be paid to the  
44 pension accumulation fund for the fiscal year  
45 beginning July 1, 1994.

46 (7) An amount equal to ten and nine-tenths percent  
47 of each member's compensation from the earnable  
48 compensation of the member shall be paid to the  
49 pension accumulation fund for the fiscal year  
50 beginning July 1, 1995, and each fiscal year

H-5860

Page 5

1 thereafter.

2 Sec. 1001. Section 97A.8, subsection 1, Code 1989,  
3 is amended by adding the following new paragraph:

4 NEW PARAGRAPH. h. Notwithstanding the provisions  
5 of paragraph "f", the following transition percentages  
6 apply to members' contributions as specified:

7 (1) For members who on July 1, 1990, have attained  
8 the age of forty-nine years or more, an amount equal  
9 to ten and nine-tenths percent of each member's  
10 compensation from the earnable compensation of the  
11 member shall be paid to the pension accumulation fund  
12 for the fiscal year beginning July 1, 1990, and each  
13 fiscal year thereafter.

14 (2) For members who on July 1, 1990, have attained  
15 the age of forty-eight years but have not attained the  
16 age of forty-nine years, an amount equal to nine and  
17 six-tenths percent shall be paid for the fiscal year  
18 beginning July 1, 1990, and an amount equal to ten and  
19 nine-tenths percent shall be paid for the fiscal year  
20 beginning July 1, 1991, and each fiscal year  
21 thereafter.

22 (3) For members who on July 1, 1990, have attained  
23 the age of forty-seven years but have not attained the  
24 age of forty-eight years, an amount equal to eight and  
25 three-tenths percent shall be paid for the fiscal year  
26 beginning July 1, 1990, an amount equal to nine and  
27 six-tenths percent shall be paid for the fiscal year  
28 beginning July 1, 1991, and an amount equal to ten and  
29 nine-tenths percent shall be paid for the fiscal year  
30 beginning July 1, 1992, and each fiscal year  
31 thereafter.

32 (4) For members who on July 1, 1990, have attained  
33 the age of forty-six years but have not attained the  
34 age of forty-seven years, an amount equal to seven  
35 percent shall be paid for the fiscal year beginning  
36 July 1, 1990, an amount equal to eight and three-  
37 tenths percent shall be paid for the fiscal year  
38 beginning July 1, 1991, an amount equal to nine and  
39 six-tenths percent shall be paid for the fiscal year  
40 beginning July 1, 1992, and an amount equal to ten and  
41 nine-tenths percent shall be paid for the fiscal year  
42 beginning July 1, 1993, and each fiscal year  
43 thereafter.

44 (5) For members who on July 1, 1990, have attained  
45 the age of forty-five years but have not attained the  
46 age of forty-six years, an amount equal to five and  
47 seven-tenths percent shall be paid for the fiscal year  
48 beginning July 1, 1990, an amount equal to seven  
49 percent shall be paid for the fiscal year beginning  
50 July 1, 1991, an amount equal to eight and three-



H-5860

Page 6

1 tenths percent shall be paid for the fiscal year  
2 beginning July 1, 1992, an amount equal to nine and  
3 six-tenths percent shall be paid for the fiscal year  
4 beginning July 1, 1993, and an amount equal to ten and  
5 nine-tenths percent shall be paid for the fiscal year  
6 beginning July 1, 1994, and each fiscal year  
7 thereafter."

8 13. Page 4, line 14, by striking the words "a  
9 member" and inserting the following: "an active  
10 member, in service on or after that date,".

11 14. Page 4, line 17, by striking the words "para-  
12 graph "f"" and inserting the following: "paragraphs  
13 "f" and "h"".

14 15. Page 8, line 30, by striking the figure  
15 "1989" and inserting the following: "~~1989~~ 1991".

x16 16. Page 9, line 1, by inserting after the word  
17 "received." the following: "Effective January 1,  
18 1991, a retired member of any age may receive a  
19 retirement allowance after return to covered  
20 employment, regardless of the amount of remuneration  
21 received, if the covered employment consists of  
22 holding an elective office."

23 17. Page 15, line 26, by inserting after the word  
24 "government" the following: ",or who was a member of  
25 another public retirement system in this state,".

26 18. Page 18, line 33, by striking the word  
27 "systems".

28 19. By striking page 18, line 35, through page  
29 19, line 1, and inserting the following: "consultant  
30 to assist in developing the information."

x31 20. Page 19, by striking lines 2 through 33 and  
32 inserting the following:

33 "Sec. 1002. Section 410.6, unnumbered paragraph 2,  
34 Code 1989, is amended to read as follows:

35 Upon the adoption of any increase in pension  
36 benefits effective subsequent to the date of a  
37 member's retirement, the amount payable to each member  
38 as regular pension shall be increased by an amount  
39 equal to ~~fifty~~ sixty percent of any increase in the  
40 pension benefits for the rank at which the member  
41 retired.

42 Sec. 1003. Section 411.1, subsections 1, 4, 5, 14,  
43 16, 17, and 18, Code 1989, are amended to read as  
44 follows:

45 1. "Retirement system" or "system" ~~shall mean~~  
46 either means the statewide fire or the and police  
47 retirement system established by this chapter for the  
48 fire fighters and police officers of the said cities  
49 as defined described in section 411.2, its board or  
50 trustees, and its appointed representatives.

1 4. "Member" ~~shall-mean~~ means a member of either  
2 the ~~police-or-fire~~ retirement systems system as  
3 defined by section 411.3.

4 5. "Board of fire trustees" and "~~board-of-police~~  
5 ~~trustees~~" ~~shall-mean~~ means the boards board provided  
6 ~~in-section-411-5~~ created by section 411.36 to  
7 administer direct the establishment and administration  
8 of the fire retirement system and-the-police  
9 retirement-system-respectively.

10 14. "Pensions" ~~shall-mean~~ means annual payments  
11 for life derived from appropriations provided by the  
12 said participating cities and the state and from  
13 contributions of the members which are deposited in  
14 the pension-accumulation fire and police retirement  
15 fund. All pensions shall be paid in equal monthly  
16 installments.

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

25 17. "Actuarial equivalent" ~~shall-mean~~ means a  
26 benefit of equal value, when computed upon the basis  
27 of mortality tables adopted by the boards-of-trustees  
28 system, and interest computed at rates the rate  
29 adopted established by the boards-upon-the  
30 recommendation-of-the actuary.

31 18. "City" or "cities" ~~shall-mean~~ means any city  
32 or cities ~~in-which-fire-or-police-retirement-systems~~  
33 are-established participating in the statewide fire  
34 and police retirement system as required by this  
35 chapter.

36 Sec. 1004. Section 411.2, Code 1989, is amended to  
37 read as follows:

38 411.2 ~~NAME-AND-DATE-OF-ESTABBLISHMENT~~ PARTICIPATION  
39 IN RETIREMENT SYSTEM.

40 1. In-any Except as provided in subsections 2  
41 through 5, each city in which the fire fighters or  
42 police officers are or-shall-be appointed under the  
43 civil service law of this state, there-are-hereby  
44 created-and-established-two-separate-retirement-or  
45 pension-systems shall participate in the retirement  
46 system established by this chapter for the purpose of  
47 providing retirement allowances only for fire fighters  
48 or police officers, or both, of said the cities who  
49 shall-be are so appointed after the date ~~this-chapter~~  
50 takes-effect the city comes under the retirement

H-5860

Page 8

1 system, or benefits to their dependents. Each such  
2 ~~system shall be under the management of a board of~~  
3 ~~trustees hereinafter described, and shall be known as~~  
4 ~~the "fire retirement system of ----- (name of~~  
5 ~~city)", and the "police retirement system of~~  
6 ~~----- (name of city)", and by such names all of~~  
7 ~~their business shall be transacted, all funds~~  
8 ~~invested, and all cash and securities and other~~  
9 ~~property held. The retirement systems so created shall~~  
10 ~~begin operation as of the first day of the month in~~  
11 ~~which said systems are there established by this~~  
12 ~~chapter."~~

13 21. Page 20, by striking line 1 and inserting the  
14 following: "required to come under the retirement  
15 system established by this chapter".

16 22. Page 20, by striking lines 4 and 5 and  
17 inserting the following: "effective date of this Act  
18 is not required to come under the retirement system  
19 established by this chapter upon".

20 23. Page 20, by striking lines 8 and 9 and  
21 inserting the following: "the effective date of this  
22 Act is not required to come under the retirement  
23 system established by this chapter upon".

24 24. Page 20, by inserting after line 10 the  
25 following:

26 "5. If a city's fire fighters or police officers,  
27 or both, are appointed under the civil service law of  
28 this state but the city is not operating a city fire  
29 or police retirement system, or both, under this  
30 chapter on the effective date of this Act, the city is  
31 not required to come under the statewide fire and  
32 police retirement system established by this chapter."

33 25. Page 20, by striking lines 11 through 26 and  
34 inserting the following:

35 "Sec. 1005. Section 411.3, subsection 1, Code  
36 1989, is amended to read as follows:

37 1. All persons who become police officers or fire  
38 fighters after the date the city is required to come  
39 under the retirement systems are established by this  
40 chapter system, shall become members thereof of the  
41 retirement system as a condition of their employment,  
42 except that a police chief or a fire chief who would  
43 not complete twenty-two years of service under this  
44 chapter by the time the chief attains fifty-five years  
45 of age shall, upon written request to the board of  
46 trustees system, be exempt from this chapter.  
47 Notwithstanding section 97B.41, a police chief or fire  
48 chief who is exempt from this chapter is exempt from  
49 chapter 97B. Members of the system established in  
50 this chapter shall not be required to make

H-5860

Page 9

1. contributions under any other pension or retirement  
2. system of a city, county, or the state of Iowa,  
3 anything to the contrary notwithstanding.

4 Sec. 1006. Section 411.4, Code 1989, is amended to  
5 read as follows:

6 411.4 SERVICE CREDITABLE.

7 ~~The board of trustees shall fix and determine by~~  
8 ~~proper rules and regulations how much service in any~~  
9 ~~year shall be~~ Service for fewer than six months of a  
10 ~~year is not creditable as service. Service of six~~  
11 ~~months or more of a year is equivalent to one year of~~  
12 service, but in no case shall more than one year of  
13 service be creditable for all service in one calendar  
14 year, nor shall the ~~board of trustees system~~ allow  
15 credit as service for any period of more than one  
16 month duration during which the member was absent  
17 without pay.

18 The ~~board of trustees system~~ shall credit as  
19 service for a member of the system a previous period  
20 of service for which the member had withdrawn the  
21 member's accumulated contributions, as defined in  
22 section 411.21.

23 Sec. 1007. Section 411.5, Code 1989, is amended to  
24 read as follows:

25 411.5 ADMINISTRATION.

26 1. BOARDS BOARD. The general administration and  
27 the responsibility for the establishment and proper  
28 operation of the retirement ~~systems and for making~~  
29 ~~effective the provisions of this chapter are hereby~~  
30 system is vested in a the board of fire trustees to  
31 ~~administer the system relating to fire fighters and a~~  
32 ~~board of police trustees to administer the system~~  
33 relating to police officers created by section 411.36.  
34 ~~The said boards shall be constituted as follows: The~~  
35 system shall be administered under the direction of  
36 the board.

37 a. ~~The chief officer of the fire department, the~~  
38 ~~city treasurer, two fire fighters elected by secret~~  
39 ~~ballot by the members of the department who are~~  
40 ~~entitled to participate in a fire retirement system~~  
41 ~~established by law, and three citizens who do not hold~~  
42 ~~another public office, who shall be appointed by the~~  
43 ~~mayor with the approval of the city council, shall~~  
44 ~~serve as the members of the board of trustees of the~~  
45 ~~fire retirement system.~~

46 b. ~~The chief officer of the police department, the~~  
47 ~~city treasurer, two police officers elected by secret~~  
48 ~~ballot by the members of the department who are~~  
49 ~~entitled to participate in a police retirement system~~  
50 ~~established by law, and three citizens who do not hold~~

H-5860

Page 10

1 another public office, who shall be appointed by the  
2 mayor with the approval of the city council, shall  
3 serve as the members of the board of trustees of the  
4 police retirement system.

5 c.--The three citizens appointed by the mayor shall  
6 serve on both of the boards.

7 d.--Upon the taking effect of this chapter, such  
8 members of each said department in said cities shall  
9 elect by secret ballot two active members of each such  
10 department to serve as members of said respective  
11 boards; one of whom shall serve until the first Monday  
12 in April of the second year, and one until the first  
13 Monday in April of the fourth year.--Thereafter each  
14 such department shall, every second year, on such date  
15 and in such manner as shall be prescribed by said  
16 board of trustees, elect by ballot one such member to  
17 serve for a term of four years.

18 e.--Beginning July 1, 1986, upon the taking effect  
19 of this chapter, the mayor, with the approval of the  
20 city council, shall appoint three citizens who do not  
21 hold any other public office, to serve as members of  
22 the boards of trustees; one of whom shall serve until  
23 the first Monday in April of the second year, one  
24 until the first Monday in April of the third year, and  
25 one until the first Monday in April of the fourth  
26 year.--Thereafter, appointments shall be made for  
27 four-year terms.

28 f.--If a vacancy occurs in the office of trustee,  
29 the vacancy shall be filled for the unexpired term in  
30 the same manner as the office was previously filled.

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

35 3 2. COMPENSATION. The trustees, other than the  
36 secretary, shall serve as such without compensation,  
37 but they shall be reimbursed from the expense fire and  
38 police retirement fund for all necessary expenses  
39 which they may incur through service on the board.

40 4 3. RULES. Subject to the limitations of this  
41 chapter, each the board of trustees shall, from time  
42 to time, establish adopt rules and regulations for the  
43 establishment and administration of funds the system  
44 and the fire and police retirement fund created by  
45 this chapter, and for the transaction of its business.

46 5 4. ORGANIZATION -- EMPLOYEES. Each The board of  
47 trustees shall elect from its membership a  
48 chairperson, and shall, by majority vote of its  
49 members, appoint a secretary, who may, but need not,  
50 be, one of its members. It The system shall engage

H-5860

Page 11

1 such actuarial and other services as ~~shall-be~~ are  
2 required to transact the business of the retirement  
3 system. The compensation of all persons engaged by  
4 ~~each-board-of-trustees~~ the system and all other  
5 expenses of ~~each~~ the board of trustees necessary for  
6 the operation of the retirement system, shall be paid  
7 at such rates and in such amounts as ~~each~~ the board of  
8 trustees ~~shall-approve~~ approves.

9 6 5. DATA. ~~Each-board-of-trustees~~ The system  
10 shall keep in convenient form such data as ~~shall-be~~ is  
11 necessary for actuarial valuation of the ~~various-funds~~  
12 ~~of-the-retirement-system~~ fire and police retirement  
13 fund and for checking the experience of the retirement  
14 system.

15 7 6. RECORDS -- REPORTS. ~~Each~~ The board of  
16 trustees shall keep a record of all its proceedings,  
17 which record shall be open to public inspection. It  
18 shall ~~annually-make-a~~ submit an annual report to the  
19 governor, the general assembly, and the city council  
20 ~~showing-the-fiscal-transactions-of-the-retirement~~  
21 ~~system-for-the-preceding-fiscal-year,-the-amount-of~~  
22 ~~the-accumulated-cash-and-securities-of-the-system,-and~~  
23 ~~the-last-balance-sheet-showing-the-financial-condition~~  
24 ~~of-the-system-by-means-of-an-actuarial-valuation-of~~  
25 ~~the-assets-and-liabilities~~ of each participating city  
26 concerning the financial condition of the retirement  
27 system, its current and future liabilities, and the  
28 actuarial valuation of the system.

29 8 7. LEGAL ADVISER ADVISOR. The city-attorney-or  
30 ~~solicitor-of-a-city-shall-serve-as-the-legal-adviser~~  
31 ~~of-the-board-of-trustees-at-the-request-of-the-board~~  
32 ~~or-the-board-of-trustees~~ system may employ or retain  
33 an attorney on-a-per-diem-basis to serve as the  
34 system's legal advisor and to represent the board-of  
35 ~~trustees-when,-in-the-opinion-of-the-board-of~~  
36 ~~trustees,-there-is-a-conflict-of-interest-between-the~~  
37 ~~board-of-trustees-and-the-city-council~~ system. The  
38 costs of an attorney employed or retained by the board  
39 of trustees system shall be paid from the expense fire  
40 and police retirement fund created in section 411.8.

41 9 8. MEDICAL BOARD. The board-of-fire-trustees  
42 ~~and-the-board-of-police-trustees-jointly~~ system shall  
43 designate a medical board to be composed of three  
44 physicians who shall arrange for and pass upon all  
45 medical examinations required under the-provisions-of  
46 this chapter, ~~except-that-for-examinations-required~~  
47 ~~because-of-disability-three-physicians-from-the~~  
48 ~~University-of-Iowa-hospitals-and-clinics-who-shall~~  
49 ~~pass-upon-the-medical-examinations-required-for~~  
50 disability-retirements, and shall report to the system

H-5860

Page 12

1 in writing to ~~each board of trustees, respectively,~~  
2 its conclusions and recommendations upon all matters  
3 ~~duty~~ referred to it. Each report of a medical  
4 examination under section 411.6, subsections 3 and 5,  
5 shall include the medical board's rating as to the  
6 extent of the member's physical impairment.

7 ~~10~~ 9. DUTIES OF ACTUARY. The actuary shall be the  
8 technical ~~adviser~~ advisor of the ~~board of trustees~~  
9 ~~system~~ on matters regarding the operation of the funds  
10 ~~created by the provisions of this chapter~~ fire and  
11 ~~police retirement fund~~ and shall perform such other  
12 duties as are required in connection therewith with  
13 the operation of the system.

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

28 ~~12~~ 10. ACTUARIAL INVESTIGATION -- TABLES -- RATES.  
29 ~~In the year 1938, and at~~ At least once in each five-  
30 year period thereafter, the actuary shall make an  
31 actuarial investigation into the mortality, service,  
32 and compensation experience of the members and  
33 beneficiaries of the retirement system, and the  
34 interest and other earnings on the moneys and other  
35 assets of the retirement system, and shall make a  
36 valuation of the assets and liabilities of the funds  
37 ~~of the system~~ fire and police retirement fund, and  
38 ~~taking into account~~ on the basis of the results of  
39 ~~such~~ the investigation and valuation, the board of  
40 ~~trustees~~ system shall do all of the following:

41 a. Adopt for the retirement system such interest  
42 rate, mortality and other tables as ~~shall be~~ are  
43 deemed necessary.

44 b. Certify the rates of contribution payable by  
45 the ~~said~~ cities in accordance with section 411.8 of  
46 ~~this chapter.~~

47 c. Certify the rates of contributions payable by  
48 the members in accordance with section 411.8.

49 ~~13~~ 11. VALUATION. On the basis of ~~such~~ the rate  
50 of interest and ~~such~~ tables as ~~the boards of trustees~~

H-5860

Page 13

1 ~~shall adopt~~ adopted, the actuary shall make an annual  
 2 valuation of the assets and liabilities of ~~the funds~~  
 3 of the fire and police retirement systems fund created  
 4 by this chapter.

5 ~~14.---COMMISSIONER-OF-INSURANCE---Within-five-days~~  
 6 ~~following-its-submission-to-the-city-council,-each~~  
 7 ~~board-of-trustees-shall-transmit-to-the-commissioner~~  
 8 ~~of-insurance-a-copy-of-the-report-submitted-to-the~~  
 9 ~~city-council-and-the-amount-of-contributions-deposited~~  
 10 ~~in-the-pension-accumulation-fund-by-the-city.-The~~  
 11 ~~commissioner-of-insurance-shall-review-the-report-and~~  
 12 ~~the-adequacy-of-the-contribution-of-the-city.-The~~  
 13 ~~commissioner-of-insurance-shall-inform-the-city~~  
 14 ~~council-of-each-city-in-which-the-contribution-of-a~~  
 15 ~~city-is-deemed-to-be-inadequate.~~

16 Sec. 1008. Section 411.6, subsection 1, unnumbered  
 17 paragraph 1 and paragraph a, Code 1989, are amended to  
 18 read as follows:

19 SERVICE RETIREMENT BENEFIT. Retirement of a member  
 20 on a service retirement allowance shall be made by  
 21 ~~each-board-of-trustees~~ the system as follows:

22 a. Any member in service may retire upon written  
 23 application to the ~~board-of-police-or-fire-trustees-as~~  
 24 ~~the-case-may-be~~ system, setting forth at what time,  
 25 not less than thirty nor more than ninety days  
 26 subsequent to the execution and filing of the  
 27 application, the member desires to be retired.  
 28 However, the member at the time specified for  
 29 retirement shall have attained the age of fifty-five  
 30 and shall have served twenty-two years or more, and  
 31 notwithstanding that, during the period of  
 32 notification, the member may have separated from the  
 33 service."

34 26. Page 21, line 17, by striking the words  
 35 "given by the city".

36 27. Page 21, line 19, by striking the words "each  
 37 board of trustees" and inserting the following: "the  
 38 system".

x 39 28. Page 21, by striking lines 23 through 28 and  
 40 inserting the following: "compensation."

41 29. Page 21, by inserting before line 29 the  
 42 following:

43 "d. Commencing July 1, 1990, if the member has  
 44 completed more than twenty-two years of creditable  
 45 service, the service retirement allowance shall  
 46 consist of a pension which equals the amount provided  
 47 in paragraphs "b" and "c", plus an additional  
 48 percentage as set forth below:

49 (1) For a member who terminates service, other  
 50 than by death or disability, on or after July 1, 1990,



H-5860

Page 14

1 but before July 1, 1991, and who does not withdraw the  
2 member's contributions pursuant to section 411.23,  
3 upon the member's retirement there shall be added  
4 three-tenths percent of the member's average final  
5 compensation for each year of service over twenty-two  
6 years, excluding years of service after the member's  
7 fifty-fifth birthday. However, this subparagraph does  
8 not apply to more than eight additional years of  
9 service.

10 (2) For a member who terminates service, other  
11 than by death or disability, on or after July 1, 1991,  
12 but before July 1, 1992, and who does not withdraw the  
13 member's contributions pursuant to section 411.23,  
14 upon the member's retirement there shall be added six-  
15 tenths percent of the member's average final  
16 compensation for each year of service over twenty-two  
17 years, excluding years of service after the member's  
18 fifty-fifth birthday. However, this subparagraph does  
19 not apply to more than eight additional years of  
20 service.

21 (3) For a member who terminates service, other  
22 than by death or disability, on or after after July 1,  
23 1992, but before July 1, 1993, and who does not  
24 withdraw the member's contributions pursuant to  
25 section 411.23, upon the member's retirement there  
26 shall be added nine-tenths percent of the member's  
27 average final compensation for each year of service  
28 over twenty-two years, excluding years of service  
29 after the member's fifty-fifth birthday. However,  
30 this subparagraph does not apply to more than eight  
31 additional years of service.

32 (4) For a member who terminates service, other  
33 than by death or disability, on or after July 1, 1993,  
34 but before July 1, 1994, and who does not withdraw the  
35 member's contributions pursuant to section 411.23,  
36 upon the member's retirement there shall be added one  
37 and two-tenths percent of the member's average final  
38 compensation for each year of service over twenty-two  
39 years, excluding years of service after the member's  
40 fifty-fifth birthday. However, this subparagraph does  
41 not apply to more than eight additional years of  
42 service.

43 (5) For a member who terminates service, other  
44 than by death or disability, on or after July 1, 1994,  
45 and who does not withdraw the member's contributions  
46 pursuant to section 411.23, upon the member's  
47 retirement there shall be added one and five-tenths  
48 percent of the member's average final compensation for  
49 each year of service over twenty-two years, excluding  
50 years of service after the member's fifty-fifth

H-5860

Page 15

1 birthday. However, this subparagraph does not apply  
2 to more than eight additional years of service.

3 Sec. 1009. Section 411.6, subsection 3, Code 1989,  
4 is amended to read as follows:

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

19 Sec. 1010. Section 411.6, subsection 5, unnumbered  
20 paragraphs 1 and 2, Code 1989, are amended to read as  
21 follows:

22 ACCIDENTAL DISABILITY BENEFIT. Upon application,  
23 to the system, of a member in service or of the chief  
24 of the police or fire departments, respectively, any  
25 member who has become totally and permanently  
26 incapacitated for duty as the natural and proximate  
27 result of an injury or disease incurred in or  
28 aggravated by the actual performance of duty at some  
29 definite time and place, or while acting pursuant to  
30 order, outside of the city by which the member is  
31 regularly employed, shall be retired by the ~~respective~~  
32 ~~board-of-trustees~~ system, provided, that if the  
33 ~~medical board shall-certify~~ certifies that ~~such the~~  
34 member is mentally or physically incapacitated for  
35 further performance of duty, that ~~such the~~ incapacity  
36 is likely to be permanent, and that ~~such the~~ member  
37 should be retired.

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

H-5860

Page 16

1 system and found to be fully recovered or permanently  
2 disabled.

3 Sec. 2002. Section 411.6, subsection 6, Code 1989,  
4 is amended to read as follows:

5 6. RETIREMENT AFTER ACCIDENT.

6 a. Upon retirement for accidental disability prior  
7 to July 1, 1990, a member shall receive an accidental  
8 disability retirement allowance which shall consist of  
9 a pension equal to sixty-six and two-thirds percent of  
10 the member's average final compensation.

11 b. Upon retirement for accidental disability on or  
12 after July 1, 1990, a member shall receive an  
13 accidental disability retirement allowance which shall  
14 consist of a pension equal to sixty percent of the  
15 member's average final compensation.

16 Sec. 1011. Section 411.6, subsection 7, unnumbered  
17 paragraph 1, Code 1989, is amended to read as follows:

18 RE-EXAMINATION OF BENEFICIARIES RETIRED ON ACCOUNT  
19 OF DISABILITY. Once each year during the first five  
20 years following the retirement of a member on a  
21 disability retirement allowance, and once in every  
22 three-year period thereafter, the ~~respective-board-of~~  
23 ~~trustees system~~ may, and upon the member's application  
24 shall, require any disability beneficiary who has not  
25 yet attained age fifty-five to undergo a medical  
26 examination at a place designated by the medical  
27 board. ~~Such~~ The examination shall be made by the  
28 medical board or in special cases, by an additional  
29 physician or physicians designated by such board.  
30 ~~Should~~ If any disability beneficiary who has not  
31 attained the age of fifty-five ~~refuse~~ refuses to  
32 submit to ~~such~~ the medical examination, the member's  
33 allowance may be discontinued until withdrawal of such  
34 refusal, and ~~should~~ if the refusal ~~continue~~ continues  
35 for one year all rights in and to the member's pension  
36 may be revoked by the ~~respective-board-of-trustees~~  
37 system.

38 Sec. 1012. Section 411.6, subsection 7, paragraph  
39 a, unnumbered paragraph 2, Code 1989, is amended to  
40 read as follows:

41 A beneficiary retired under this paragraph, in  
42 order to be eligible for continued receipt of  
43 retirement benefits, shall no later than May 15 of  
44 each year submit to the ~~board-of-trustees system~~ a  
45 copy of the beneficiary's federal individual income  
46 tax return for the preceding year."

47 30. Page 21, line 35, by striking the words  
48 "board of trustees" and inserting the following:  
49 "~~board-of-trustees system~~".

50 31. Page 22, by inserting after line 8 the

H-5860

Page 17

1 following:

2 "Sec. 1013. Section 411.6, subsection 8, paragraph  
3 c, Code 1989, is amended to read as follows:

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

6 (1) The spouse.

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

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

18 Sec. 1014. Section 411.6, subsection 9, unnumbered  
19 paragraph 1, Code 1989, is amended to read as follows:

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

39 32. Page 22, by striking line 10 and inserting  
40 the following: "subparagraphs (1), (2), and (3), Code  
41 1989, are amended to read as follows:".

42 33. Page 22, line 11, by striking the words  
43 "Twenty-five Thirty" and inserting the following:  
44 "Twenty-five".

45 34. Page 22, line 13, by inserting after the word  
46 "section." the following: "However, effective July 1,  
47 1990, for members who retired before that date, thirty  
48 percent shall be the applicable percentage for members  
49 and beneficiaries under this subparagraph."

50 35. Page 22, by inserting after line 13 the

H-5860

Page 18

1 following:

2 "(2) ~~Twenty Twenty-five percent~~ for members with  
3 five or more years of membership service who are  
4 receiving an ordinary disability retirement allowance.  
5 ~~However, effective July 1, 1984, for members who~~  
6 ~~retired before July 1, 1979, and effective July 1,~~  
7 ~~1988, for members who retire on or after July 1, 1988,~~  
8 ~~twenty-five percent shall be used for members who are~~  
9 ~~receiving an ordinary disability retirement allowance.~~  
10 However, effective July 1, 1990, for members who  
11 retired before that date, thirty percent shall be the  
12 applicable percentage for members under this  
13 subparagraph.

14 (3) Twelve and one-half percent for members with  
15 less than five years of membership service who are  
16 receiving an ordinary disability retirement allowance,  
17 and for beneficiaries receiving a pension under  
18 subsection 8 of this section. However, effective July  
19 1, 1990, for members who retired before that date,  
20 fifteen percent shall be the applicable percentage for  
21 members and beneficiaries under this subparagraph."

22 36. Page 22, by inserting after line 21, the  
23 following:

24 "Sec. 1015. Section 411.7, Code 1989, is amended  
25 to read as follows:

26 411.7 MANAGEMENT OF FUNDS.

27 1. ~~The respective-boards board~~ of trustees shall  
28 ~~be is the trustees trustee~~ of the ~~several-funds fire~~  
29 ~~and police retirement fund~~ created by this chapter as  
30 ~~provided~~ in section 411.8 and shall have full power to  
31 ~~invest and reinvest such-funds~~ annually establish an  
32 ~~investment policy~~ to govern the investment and  
33 ~~reinvestment of the moneys in the fund,~~ subject to the  
34 terms, conditions, limitations and restrictions  
35 imposed by subsection 2 ~~of this section, and subject.~~  
36 Subject to like terms, conditions, limitations, and  
37 ~~restrictions said-trustees shall have~~ the system has  
38 full power to hold, purchase, sell, assign, transfer,  
39 or dispose of any of the securities and investments in  
40 ~~which any-of the funds-created-herein shall have fund~~  
41 ~~has been invested,~~ as well as of the proceeds of ~~said~~  
42 ~~the investments~~ and any moneys belonging to ~~said-funds~~  
43 ~~the fund.~~

44 2. ~~The city-treasurer-may~~ secretary of the board  
45 of trustees shall invest, ~~at the direction of~~ in  
46 ~~accordance with the investment policy~~ established by  
47 ~~the respective-boards board~~ of trustees, ~~a~~ the portion  
48 of the funds fund established in section 411.8 which  
49 in the judgment of the ~~respective-boards-are~~ board is  
50 not needed for current payment of benefits under this

H-5860

Page 19

1 chapter in investments authorized in section 97B.7,  
2 subsection 2, paragraph "b", for moneys in the Iowa  
3 public employees' retirement fund.

4 ~~The board of trustees may negotiate a joint  
5 agreement under chapter 28E with another board of  
6 trustees, a utility board, a city council, or all of  
7 these, that provides for the joint investment of  
8 moneys under the control of the boards of trustees,  
9 the utility board, and the city council. The  
10 investment of the moneys is subject to this section  
11 and section 452.10 and to the limitations stated in  
12 the joint agreement.~~

13 3. ~~The treasurer of the said cities shall be~~  
14 secretary of the board of trustees is the custodian of  
15 the several funds fire and police retirement fund.  
16 All payments from said funds the fund shall be made by  
17 the treasurer secretary only upon vouchers signed by  
18 two persons designated by the respective board of  
19 trustees. ~~A duly attested copy of the resolution of  
20 the respective board of trustees designating such  
21 persons and bearing on its face specimen signatures of  
22 such persons shall be filed with the treasurer as the  
23 treasurer's authority for making payments upon such  
24 vouchers. No voucher shall be drawn unless it shall  
25 previously have been allowed by resolution of the  
26 respective board of trustees. The system may select  
27 master custodian banks to provide custody of the  
28 assets of the retirement system.~~

29 ~~4. For the purpose of meeting disbursements for  
30 pensions, annuities, and other payments, there may be  
31 kept available cash not exceeding ten percent of the  
32 total amount in the several funds of the retirement  
33 system on deposit in one or more banks or trust  
34 companies in said cities, organized under the laws of  
35 the state of Iowa, or of the United States, provided,  
36 that the amount on deposit in any one bank or trust  
37 company shall not exceed twenty-five percent of the  
38 paid-up capital and surplus of such bank or trust  
39 company.~~

40 5 4. ~~No trustee and no~~ A member or employee of  
41 either the board of trustees shall not have any direct  
42 interest in the gains or profits of any investment  
43 made by the respective boards board of trustees. No A  
44 trustee shall not receive any pay or emolument for the  
45 trustee's services except as secretary. No trustee A  
46 member or employee of either the board of trustees  
47 shall not directly or indirectly for the trustee or  
48 employee or as an agent in any manner use the assets  
49 of the retirement system except to make such current  
50 and necessary payments as are authorized by the board

H-5860

Page 20

1 of trustees, nor shall any trustee or employee of the  
2 ~~boards system~~ become an endorser or surety or become  
3 in any manner an obligor for moneys loaned by or  
4 borrowed from the ~~respective-board-of-trustees system~~.

5 Sec. 1016. Section 411.8, unnumbered paragraph 1,  
6 Code 1989, is amended to read as follows:

7 All the assets of ~~each the~~ retirement system  
8 created and established by this chapter shall be  
9 credited ~~according-to-the-purpose-for-which-they-are~~  
10 ~~held-to-one-of-three-funds,-namely,-the-pension~~  
11 ~~accumulation-fund,-the-pension-reserve-fund,-and-the~~  
12 ~~expense-fund~~ to the fire and police retirement fund,  
13 which is hereby created. As used in this section,  
14 "fund" means the fire and police retirement fund.

15 Sec. 1017. Section 411.8, subsection 1, unnumbered  
16 paragraph 1 and paragraph a, Code 1989, are amended to  
17 read as follows:

18 ~~PENSION-ACCUMULATION-FUND:--The-pension~~  
19 ~~accumulation-fund-shall-be-the-fund-in-which-shall-be~~  
20 ~~accumulated-all~~ All moneys for the payment of all  
21 pensions and other benefits payable from contributions  
22 made by the ~~said participating cities, the state, and~~  
23 the members ~~and-from-which-shall-be-paid-the-lump-sum~~  
24 ~~death~~ shall be accumulated in the fund. The refunds  
25 and benefits for all members ~~payable-from-the-said~~  
26 ~~contributions~~ and beneficiaries shall be payable from  
27 the fund. Contributions to and payments from the  
28 ~~pension-accumulation~~ fund shall be as follows:

29 a. On account of each member there shall be paid  
30 annually into the ~~pension-accumulation~~ fund by the  
31 ~~said participating cities~~ an amount equal to a certain  
32 percentage of the earnable compensation of the member  
33 to be known as the "normal contribution". The rate  
34 percent of such contribution shall be fixed on the  
35 basis of the liabilities of the retirement system as  
36 shown by annual actuarial valuations.

37 Sec. 1018. Section 411.8, subsection 1, paragraph  
38 b, Code 1989, is amended to read as follows:

39 b. On the basis of the rate of interest and of  
40 ~~such~~ the mortality, interest and other tables ~~as-shall~~  
41 ~~be adopted~~ by the ~~boards-of-trustees system~~, the  
42 actuary engaged by the ~~said-boards~~ the system to make  
43 each valuation required by this chapter, shall  
44 immediately after making such valuation, determine the  
45 "normal contribution rate". ~~The~~ Except as otherwise  
46 provided in this lettered paragraph, the normal  
47 contribution rate shall be the rate percent of the  
48 earnable compensation of all members obtained by  
49 deducting from the total liabilities of the fund the  
50 amount of the funds in hand to the credit of the fund

H-5860

Page 21

1 and dividing the remainder by one percent of the  
2 present value of the prospective future compensation  
3 of all members as computed on the basis of the rate of  
4 interest and of mortality and service tables adopted  
5 ~~by the boards of trustees~~, all reduced by the employee  
6 contribution made pursuant to paragraph "f" of this  
7 subsection. However, the normal rate of contribution  
8 shall not be less than seventeen and five hundredths  
9 percent.

10 Beginning July 1, 1996, and each fiscal year  
11 thereafter, the normal contribution rate shall be the  
12 rate percent of the earnable compensation of all  
13 members obtained by deducting from the total  
14 liabilities of the fund the amount of the funds in  
15 hand to the credit of the fund and dividing the  
16 remainder by one percent of the present value of the  
17 prospective future compensation of all members as  
18 computed on the basis of the rate of interest and of  
19 mortality and service tables adopted, multiplied by  
20 six-tenths, or seventeen and five hundredths percent,  
21 whichever is greater.

22 Beginning July 1, 1996, and each fiscal year there-  
23 after, for the purpose of computing the employer  
24 contribution under this chapter, the percentage  
25 contribution rate for medicare payments shall be  
26 calculated by dividing the total annual medicare  
27 contribution by one hundredth of the total annual  
28 earnable compensation and multiplying by six-tenths.  
29 This percentage shall be added to the normal  
30 contribution rate and used to determine the total  
31 amount which the employer contributes.

32 PARAGRAPH DIVIDED. The normal rate of contribution  
33 total amount to be contributed by the employer shall  
34 be determined by the actuary after each valuation.

35 Sec. 1019. Section 411.8, subsection 1, paragraphs  
36 c, d, and e, Code 1989, are amended to read as  
37 follows:

38 c. The total amount payable in each year to the  
39 pension-accumulation fund shall be not less than the  
40 rate percent known as the normal contribution rate of  
41 the total compensation earnable by all members during  
42 the year, provided, however, that but the aggregate  
43 payment by the said participating cities shall must be  
44 sufficient when combined with the amount in the fund  
45 to provide the pensions and other benefits payable out  
46 of the fund during the then current year.

47 d. All lump-sum death benefits on account of death  
48 in active service payable from contributions of the  
49 said cities shall be paid from the pension  
50 accumulation fund.



H-5860

Page 22

~~1 e---Upon the retirement or death of a member an  
2 amount equal to the pension reserve on any pension  
3 payable to the member or on account of the member's  
4 death shall be transferred from the pension  
5 accumulation fund to the pension reserve fund."~~

6 37. By striking page 22, line 24 through page 23,  
7 line 20 and inserting the following:

8 "f. Except as otherwise provided in paragraph "h":

9 (1) An amount equal to three and one-tenth percent  
10 of each member's compensation from the earnable  
11 compensation of the member shall be paid to the  
12 pension accumulation fund for the fiscal year  
13 beginning July 1, 1989.

14 (2) An amount equal to four and four-tenths  
15 percent of each member's compensation from the  
16 earnable compensation of the member shall be paid to  
17 the fund for the fiscal year beginning July 1, 1990.

18 (3) An amount equal to five and seven-tenths  
19 percent of each member's compensation from the  
20 earnable compensation of the member shall be paid to  
21 the fund for the fiscal year beginning July 1, 1991.

22 (4) An amount equal to seven percent of each  
23 member's compensation from the earnable compensation  
24 of the member shall be paid to the fund for the fiscal  
25 year beginning July 1, 1992.

26 (5) An amount equal to eight and three-tenths  
27 percent of each member's compensation from the  
28 earnable compensation of the member shall be paid to  
29 the fund for the fiscal year beginning July 1, 1993.

30 (6) An amount equal to nine and six-tenths percent  
31 of each member's compensation from the earnable  
32 compensation of the member shall be paid to the fund  
33 for the fiscal year beginning July 1, 1994.

34 (7) An amount equal to ten and nine-tenths percent  
35 of each member's compensation from the earnable  
36 compensation of the member shall be paid to the fund  
37 for the fiscal year beginning July 1, 1995.

38 (8) Beginning July 1, 1996, and each fiscal year  
39 thereafter, the member's contribution rate shall be  
40 the rate percent of the earnable compensation of all  
41 members obtained by deducting from the total  
42 liabilities of the fund the amount of the funds in  
43 hand to the credit of the fund and dividing the  
44 remainder by one percent of the present value of the  
45 prospective future compensation of all members as  
46 computed on the basis of the rate of interest and of  
47 mortality and service tables adopted, multiplied by  
48 four-tenths, or ten and nine-tenths percent, whichever  
49 is greater.

50 Beginning July 1, 1996, and each fiscal year

H-5860

Page 23

1 thereafter, an amount equal to the member's  
2 contribution rate times each member's compensation  
3 shall be paid to the fund from the earnable  
4 compensation of the member. Beginning July 1, 1996,  
5 and each fiscal year thereafter, for the purpose of  
6 computing the employee contribution under this  
7 chapter, the percentage contribution rate for medicare  
8 payments shall be calculated by dividing the total  
9 annual medicare contribution by one hundredth of the  
10 total annual earnable compensation and multiplying by  
11 four-tenths. This percentage shall be added to the  
12 member's contribution rate and used to determine the  
13 total amount which the member contributes.

14 The total amount to be contributed by the member  
15 shall be determined by the actuary after each  
16 valuation.

17 Sec. 1020. Section 411.8, subsection 1, paragraph  
18 g, Code 1989, is amended to read as follows:

19 g. Each-board-of-trustees The system shall certify  
20 to the superintendent of public safety as defined in  
21 this chapter and the superintendent of public safety  
22 as defined in this chapter shall cause to be deducted  
23 from the earnable compensation of each member the  
24 contribution required under paragraph-"f"-of this  
25 subsection and shall forward the contributions to the  
26 board-of-trustees system for recording and for deposit  
27 in the pension-accumulation fund.

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

33 Sec. 1021. Section 411.8, subsection 1, Code 1989,  
34 is amended by adding the following new paragraph:

35 NEW PARAGRAPH. h. Notwithstanding the provisions  
36 of paragraph "f", the following transition percentages  
37 apply to members' contributions as specified:

38 (1) For members who on July 1, 1990, have attained  
39 the age of forty-nine years or more, an amount equal  
40 to ten and nine-tenths percent of each member's  
41 compensation from the earnable compensation of the  
42 member shall be paid to the fund for the fiscal year  
43 beginning July 1, 1990, and each subsequent fiscal  
44 year until the fiscal year beginning July 1, 1996,  
45 when paragraph "f", subparagraph (8), applies.

46 (2) For members who on July 1, 1990, have attained  
47 the age of forty-eight years but have not attained the  
48 age of forty-nine years, an amount equal to nine and  
49 six-tenths percent shall be paid for the fiscal year  
50 beginning July 1, 1990, and an amount equal to ten and

H-5860

Page 24

1 nine-tenths percent shall be paid for the fiscal year  
2 beginning July 1, 1991, and each subsequent fiscal  
3 year thereafter until the fiscal year beginning July  
4 1, 1996, when paragraph "f", subparagraph (8),  
5 applies.

6 (3) For members who on July 1, 1990, have attained  
7 the age of forty-seven years but have not attained the  
8 age of forty-eight years, an amount equal to eight and  
9 three-tenths percent shall be paid for the fiscal year  
10 beginning July 1, 1990, an amount equal to nine and  
11 six-tenths percent shall be paid for the fiscal year  
12 beginning July 1, 1991, and an amount equal to ten and  
13 nine-tenths percent shall be paid for the fiscal year  
14 beginning July 1, 1992, and each subsequent fiscal  
15 year until the fiscal year beginning July 1, 1996,  
16 when paragraph "f", subparagraph (8), applies.

17 (4) For members who on July 1, 1990, have attained  
18 the age of forty-six years but have not attained the  
19 age of forty-seven years, an amount equal to seven  
20 percent shall be paid for the fiscal year beginning  
21 July 1, 1990, an amount equal to eight and three-  
22 tenths percent shall be paid for the fiscal year  
23 beginning July 1, 1991, an amount equal to nine and  
24 six-tenths percent shall be paid for the fiscal year  
25 beginning July 1, 1992, and an amount equal to ten and  
26 nine-tenths percent shall be paid for the fiscal year  
27 beginning July 1, 1993, and each subsequent fiscal  
28 year until the fiscal year beginning July 1, 1996,  
29 when paragraph "f", subparagraph (8), applies.

30 (5) For members who on July 1, 1990, have attained  
31 the age of forty-five years but have not attained the  
32 age of forty-six years, an amount equal to five and  
33 seven-tenths percent shall be paid for the fiscal year  
34 beginning July 1, 1990, an amount equal to seven  
35 percent shall be paid for the fiscal year beginning  
36 July 1, 1991, an amount equal to eight and three-  
37 tenths percent shall be paid for the fiscal year  
38 beginning July 1, 1992, an amount equal to nine and  
39 six-tenths percent shall be paid for the fiscal year  
40 beginning July 1, 1993, and an amount equal to ten and  
41 nine-tenths percent shall be paid for the fiscal years  
42 beginning July 1, 1994, and July 1, 1995. Beginning  
43 July 1, 1996, paragraph "f", subparagraph (8),  
44 applies.

45 Sec. 1022. Section 411.8, subsection 2, Code 1989,  
46 is amended by striking the subsection."

47 38. Page 23, by inserting before line 21 the  
48 following:

49 "Sec. 1023. Section 411.8, subsection 3, Code  
50 1989, is amended to read as follows:

H-5860

Page 25

1 3. ~~EXPENSE-FUND--The expense fund shall be the~~  
2 ~~fund to which shall be credited all money provided by~~  
3 ~~the said cities to pay the administration expenses of~~  
4 ~~the retirement system and from which shall be paid all~~  
5 ~~the expenses necessary in connection with the~~  
6 ~~administration and operation of the system. Annually~~  
7 ~~the boards board of trustees shall estimate budget the~~  
8 ~~amount of money necessary to be paid into the expense~~  
9 ~~fund during the ensuing year to provide for the~~  
10 ~~expense of operation of the retirement system. The~~  
11 ~~operating expenses shall be financed from the income~~  
12 ~~derived from the system's investments. Investment~~  
13 ~~management expenses shall be charged directly to the~~  
14 ~~investment income of the system.~~

15 Sec. 1024. Section 411.11, Code 1989, is amended  
16 to read as follows:

17 411.11 CONTRIBUTIONS BY THE CITY.

18 On or before January 1 of each year the respective  
19 boards of trustees system shall certify to the  
20 superintendent of public safety of each participating  
21 city the amounts which will become due and payable  
22 during the year next following to the pension  
23 accumulation fire and police retirement fund and the  
24 expense fund. The amounts so certified shall be  
25 included by the superintendent of public safety in the  
26 annual budget estimate. The amounts so certified  
27 shall be appropriated by the respective cities and  
28 transferred to the retirement system for the ensuing  
29 year. The cities shall annually levy a tax sufficient  
30 in amount to cover the appropriations.

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

36 Sec. 1025. Section 411.12, Code 1989, is amended  
37 to read as follows:

38 411.12 GUARANTY.

39 The creation and maintenance of moneys in the  
40 pension-accumulation fire and police retirement fund  
41 and the maintenance of pension reserves as provided  
42 for the payment of all pensions and other benefits  
43 granted under the provisions of this chapter and all  
44 expenses in connection with the administration and  
45 operation of the retirement systems system are hereby  
46 made direct liability obligations of the said cities  
47 participating in the retirement system.

48 Sec. 1026. Section 411.13, Code Supplement 1989,  
49 is amended to read as follows:

50 411.13 EXEMPTION FROM EXECUTION.

H-5860

Page 26

1 The right of any person to a pension, annuity, or  
2 retirement allowance, to the return of contributions,  
3 the pension, annuity, or retirement allowance itself,  
4 any optional benefit or death benefit, any other right  
5 accrued or accruing to any person under this chapter,  
6 and the moneys in the ~~various-funds fire and police~~  
7 retirement fund created under this chapter, are not  
8 subject to execution, garnishment, attachment, or any  
9 other process whatsoever, and are unassignable except  
10 as in this chapter specifically provided.

11 Sec. 1027. Section 411.14, Code 1989, is amended  
12 to read as follows:

13 411.14 PROTECTION AGAINST FRAUD.

14 Any A person who ~~shall~~ knowingly ~~make-any~~ makes a  
15 false statement, or ~~shall-falsify~~ falsifies or permit  
16 permits to be falsified any record or records of such  
17 the retirement system in any an attempt to defraud  
18 such the system as a result of such act, ~~shall-be is~~  
19 guilty of a fraudulent practice. Should If any change  
20 or ~~errors error~~ in records ~~result results~~ in any a  
21 member or beneficiary receiving from the retirement  
22 system more or less than the member or beneficiary  
23 would have been entitled to receive had the records  
24 been correct, the ~~respective-board-of-trustees~~ system  
25 shall correct such the error, and, as far as  
26 practicable, shall adjust the payments in such a  
27 manner that the actuarial equivalent of the benefit to  
28 which such the member or beneficiary was correctly  
29 entitled, shall be paid.

30 Sec. 1028. Section 411.20, Code 1989, is amended  
31 by striking the section and inserting in lieu thereof  
32 the following:

33 411.20 STATE APPROPRIATION.

x 34 There is appropriated from the general fund of the  
35 state for each fiscal year an amount necessary to be  
36 distributed to the statewide fire and police  
37 retirement system, or to the cities participating in  
38 the system, to finance the cost of benefits provided  
39 in this chapter by amendments of the Acts of the  
40 Sixty-sixth General Assembly, chapter 1089. The  
41 method of distribution shall be determined by the  
42 board of trustees based on information provided by the  
43 actuary of the statewide retirement system. The total  
44 annual appropriation under this section shall not  
45 exceed the amount appropriated for the fiscal year  
46 beginning July 1, 1990.

47 Moneys appropriated by the state shall not be used  
48 to reduce the normal rate of contribution of any city  
49 below seventeen and five hundredths percent."

50 39. Page 23, line 29, by striking the words "a

H-5860

Page 27

1 member" and inserting the following: "an active  
2 member, in service on or after that date,".

3 40. Page 23, line 32, by striking the words  
4 "paragraph "f"" and inserting the following:  
5 "paragraphs "f" and "h"".

6 41. By striking page 24, line 3 through page 25,  
7 line 31, and inserting the following:

8 "Sec. 1029. NEW SECTION. 411.35 STATEWIDE SYSTEM  
9 ESTABLISHED -- CITY SYSTEMS TERMINATED.

10 1. Effective July 1, 1991, a single statewide fire  
11 and police retirement system is established to replace  
12 the individual city fire retirement systems and police  
13 retirement systems operating under this chapter prior  
14 to that date. Each city fire retirement system and  
15 police retirement system operating under this chapter  
16 prior to July 1, 1991, shall participate in the  
17 statewide system.

18 2. Effective July 1, 1991, each city fire  
19 retirement system and police retirement system  
20 operating under this chapter prior to that date is  
21 terminated, and all membership, benefit rights, and  
22 financial obligations under the terminating systems  
23 shall be assumed by the statewide fire and police  
24 retirement system.

25 Sec. 1030. NEW SECTION. 411.36 BOARD OF TRUSTEES  
26 FOR STATEWIDE SYSTEM.

27 1. A board of trustees for the statewide fire and  
28 police retirement system is created. The board shall  
29 consist of seven members as follows:

30 a. A fire fighter from a participating city who is  
31 a member of the retirement system. The fire fighter  
32 shall be appointed by the governing body of the Iowa  
33 association of professional fire fighters.

34 b. A police officer from a participating city who  
35 is a member of the retirement system. The police  
36 officer shall be appointed by the governing body of  
37 the Iowa state police association.

38 c. The city treasurers of two participating  
39 cities. The city treasurers shall be appointed by the  
40 governing body of the league of Iowa municipalities.

41 d. Three citizens who do not hold another public  
42 office. The citizens shall be appointed by the other  
43 members of the board.

44 2. Except as otherwise provided for the initial  
45 appointments, the members shall be appointed for four-  
46 year terms beginning on May 1 in the year of  
47 appointment and expiring on April 30 in the year of  
48 expiration.

49 3. Vacancies shall be filled in the same manner as  
50 original appointments. A vacancy shall be filled for

H-5860

Page 28

1 the unexpired term.

2 Sec. 1031. NEW SECTION. 411.37 BOARD RESPONSIBLE  
3 FOR TRANSITION.

4 1. The board of trustees for the statewide system  
5 is responsible for effecting the transition from the  
6 city fire and police retirement systems to the  
7 statewide fire and police retirement system. The  
8 board shall adopt a transition plan and other  
9 appropriate transition documents it deems necessary to  
10 accomplish the transition in accordance with the  
11 requirements of this chapter. The city fire and  
12 police retirement systems shall comply with orders of  
13 the board issued pursuant to the transition plan or  
14 other transition documents.

15 2. The board shall include in the transition plan  
16 or other transition documents provisions to facilitate  
17 continuity under sections 411.20, 411.21, and 411.30  
18 and a recommendation for an equitable process for  
19 determining earnable compensation changes when  
20 calculating adjustments to pensions under section  
21 411.6, subsection 12, to be submitted to the general  
22 assembly meeting in 1991.

23 3. For the fiscal year beginning July 1, 1990, ten  
24 percent of the amount appropriated for distribution to  
25 cities as provided in section 411.20 shall be made  
26 available to the board of trustees for the statewide  
27 system to cover the administrative costs of the  
28 transition. The amount distributed to each city shall  
29 be reduced accordingly. The moneys remaining  
30 unexpended at the end of the fiscal year shall be  
31 credited to the cities in the same proportion as the  
32 reduction.

33 Sec. 1032. NEW SECTION. 411.38 OBLIGATIONS OF  
34 PARTICIPATING CITIES.

35 Upon the establishment of the statewide system,  
36 each city participating in the statewide fire and  
37 police retirement system shall do all of the  
38 following:

39 1. Pay to the statewide system the normal  
40 contribution rate provided pursuant to section 411.8.

41 2. Transfer from each terminated city fire or  
42 police retirement system to the statewide system  
43 amounts sufficient to cover the accrued liabilities of  
44 that terminated system as determined by the actuary of  
45 the statewide system.

46 3. Contribute additional amounts necessary to  
47 ensure sufficient financial support for the statewide  
48 fire and police retirement system, as determined by  
49 the board of trustees based on information provided by  
50 the actuary of the statewide system."

H-5860

Page 29

1. 42. Page 25, by inserting before line 32 the following:

3 "Sec. 1033. INITIAL STATEWIDE BOARD FOR STATEWIDE SYSTEM.

5 1. All members of the initial board of trustees for the statewide fire and police retirement system shall be appointed from the boards of trustees of the participating fire and police retirement systems.

9 2. The terms of the initial appointees shall be as follows:

11 a. The fire fighter and police officer shall be appointed for terms of four years.

13 b. One city treasurer shall be appointed for a term of three years and one for a term of two years.

15 c. One citizen member shall be appointed for a term of three years, one for a term of two years, and one for a term of one year.

18 3. Notwithstanding section 411.35, subsection 2, the term of each original appointee commences on the date of appointment and expires on April 30 in the year of expiration.

22 4. As soon as possible after the effective date of this section, the director of the legislative service bureau shall call a preliminary meeting of the four board members appointed as provided in section 411.36, subsection 1, paragraphs "a", "b", and "c" for the purpose of appointing the remaining board members and setting a date for the first meeting of the full board. The preliminary meeting shall be held before July 1, 1990. The director of the legislative service bureau shall preside at the preliminary meeting and also at the first meeting of the full board until the board elects a chairperson from among its own members.

34 5. The initial board members are entitled to expenses incurred in the performance of their duties during the transition period.

37 6. The initial board may engage actuarial and other services as necessary for transition purposes.

39 Sec. 1034. DISABILITY DETERMINATIONS -- TEMPORARY PROVISIONS.

41 Notwithstanding section 411.5, subsection 9, Code 1989, all medical examinations required for disability determinations on or after July 1, 1990, and before July 1, 1991, shall be conducted by the medical boards designated by the local boards of fire trustees and police trustees.

47 Sec. 1035. REPEALS.

48 Sections 411.18 and 411.19, Code 1989, are repealed."

\*50 43. Page 26, by striking lines 12 through 15.



**H-5860**

Page 30

1 44. Page 27, by striking lines 8 through 12.

2 45. Page 27, by inserting after line 15 the  
3 following:

4 " Sections 1003 through 1020, 1022 through  
5 1028, 1035, and 3001 of this Act take effect July 1,  
6 1991.

7 Sec. 1036. IMMEDIATE EFFECTIVENESS.

8 Sections 1029 through 1034 and this section, being  
9 deemed of immediate importance, take effect upon  
10 enactment."

11 46. Title page, line 2, by inserting after the  
12 word "the" the following: "effective dates and".

13 47. By numbering and renumbering as necessary.

By BLANSHAN of Greene  
CONNORS of Polk  
RENAUD of Polk

**H-5860 FILED MARCH 23, 1990**

*Adopted as amended by 5863 5867, 5865 5883 5889, 5887, 5888, 5890, 5891, 5895, 5899, 3/29 (p. 1590)*

HOUSE FILE 2543

H-5865

- 1 Amend the amendment H-5860 to House File 2543 as  
2 follows:  
3 1. Page 11, by striking lines 45 through 50 and  
4 inserting the following: "medical examinations  
5 required under the provisions of this chapter, except  
6 that for examinations required because of disability  
7 three physicians from the University of Iowa hospitals  
8 and clinics who shall pass upon the medical  
9 examinations required for disability retirements, and  
10 shall report to the system".  
11 2. Page 29, by striking lines 39 through 46.  
12 3. Page 30, line 8, by striking the figure "1034"  
13 and inserting the following: "1033".

By BLANSHAN of Greene

H-5865 FILED MARCH 26, 1990

*Adopted 3/27 (p. 1482)*

HOUSE FILE 2543

H-5867

- 1 Amend amendment, H-5860, to House File 2543, as  
2 follows:  
3 1. Page 27, line 29, by striking the words "seven  
4 members" and inserting the following: "nine members,  
5 including seven voting members and two nonvoting  
6 members. The voting members shall be".  
7 2. Page 27, by inserting after line 43, the  
8 following:  
9 "The nonvoting members of the board shall be one  
10 state representative appointed by the speaker of the  
11 house of representatives and one state senator  
12 appointed by the majority leader of the senate."  
13 3. Page 29, by inserting after line 17, the  
14 following:  
15 "\_\_\_\_\_. The state representative and the state  
16 senator shall each be appointed for a term of two  
17 years."

By GRONINGA of Cerro Gordo

H-5867 FILED MARCH 26, 1990

*Adopted 3/27 (p. 1482)*

HOUSE FILE 2543

H-5863

- 1 Amend the amendment H-5860 to House File 2543 as  
2 follows:  
3 1. Page 7, line 43, by striking the word "state,"  
4 and inserting the following: "state,".  
5 2. Page 14, line 22, by striking the words "after  
6 after" and inserting the following: "after".  
7 3. Page 18, line 9, by striking the word  
8 "retirement".  
9 4. Page 19, line 43, by inserting after the word  
10 "trustees" the following: ", other than as a member  
11 of the system".  
12 5. Page 20, line 42, by striking the word "the".  
13 6. Page 28, by inserting after line 1 the  
14 following:  
15 "\_\_\_\_. The board shall elect a chairperson from  
16 among its own members."  
17 7. Page 28, line 16, by striking the word  
18 "documents" and inserting the following:  
19 "documents,".  
20 8. Page 28, line 17, by striking the figure  
21 "411,21" and inserting the following: "411.21".  
22 9. Page 29, line 18, by striking the figure  
23 "411.35" and inserting the following: "411.36".  
24 10. Page 30, line 12, by striking the words "word  
25 "the"" and inserting the following: "word  
26 "providing"".

By BLANSHAN of Greene

H-5863 FILED MARCH 26, 1990

*Adopted 3/27 (p 1481)*

## HOUSE FILE 2543

5879

Amend the amendment, H-5860, to House File 2543 as follows:

1. Page 4, by inserting after line 6 the following:

"The state shall pay one hundred percent of the costs attributable to additional benefits provided by section 97A.6, subsection 2, paragraph "d"."

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

"The employee contribution shall not include the costs attributable to additional benefits provided by section 97A.6, subsection 2, paragraph "d"."

3. Page 21, by inserting after line 34 the following:

"The employer contribution shall not include the costs attributable to additional benefits provided by section 411.6, subsection 2, paragraph "d"."

4. Page 23, by inserting after line 16 the following:

"The employee contribution shall not include the costs attributable to additional benefits provided by section 411.6, subsection 2, paragraph "d"."

5. Page 26, by inserting after line 49 the following:

"Sec. \_\_\_\_ . NEW SECTION. 411.20A ADDITIONAL STATE APPROPRIATION.

There is appropriated from the general fund of the state for each fiscal year an amount necessary to finance one hundred percent of the costs of additional benefits provided by section 411.6, subsection 2, paragraph "d".

6. Page 29, by inserting before line 47 the following:

"Sec. \_\_\_\_ . COST OF ADDITIONAL BENEFITS -- TEMPORARY PROVISIONS.

For the fiscal year beginning July 1, 1990, and ending June 30, 1991, the boards of trustees of the police and fire retirement systems shall not include in the employer contribution under section 411.8 the costs attributable to additional benefits provided by section 411.6, subsection 2, paragraph "d".

7. By numbering and renumbering as necessary.

By NEUHAUSER of Johnson

H-5879 FILED MARCH 27, 1990

LOST (p. 1479) Motion to reconsider (p. 1500) w/o 3/29

## HOUSE FILE 2543

H-5883

1 Amend the amendment, H-5860, to House File 2543 as  
2 follows:

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

5 "\_\_\_\_\_. Page 3, by inserting after line 5 the  
6 following:

7 "Sec. \_\_\_\_\_. Section 97A.6, Code 1989, is amended by  
8 adding the following new subsection:

9 NEW SUBSECTION. 16. Notwithstanding any other  
10 provision of this chapter, a member's average final  
11 compensation shall be computed using only the covered  
12 portion of the member's earnable compensation for each  
13 applicable year as shown in the following paragraphs.  
14 However, the average final compensation of a member in  
15 active service on June 30, 1990, shall not be lower  
16 than it would have been if the computation had been  
17 made as of June 30, 1990, on the basis of the member's  
18 earnable compensation for years ending on or before  
19 that date.

20 a. For each calendar year beginning prior to  
21 January 1, 1990, the covered portion of the member's  
22 earnable compensation is the entire amount of the  
23 member's earnable compensation.

24 b. For the calendar year beginning January 1,  
25 1990, the covered portion of the member's earnable  
26 compensation is the entire amount of the member's  
27 earnable compensation or twenty-eight thousand  
28 dollars, whichever is less.

29 c. For the calendar year beginning January 1,  
30 1991, the covered portion of the member's earnable  
31 compensation is the entire amount of the member's  
32 earnable compensation or thirty-one thousand dollars,  
33 whichever is less.

34 d. For the calendar year beginning January 1,  
35 1992, the covered portion of the member's earnable  
36 compensation is the entire amount of the member's  
37 earnable compensation or thirty-four thousand dollars,  
38 whichever is less.

39 e. For the calendar year beginning January 1,  
40 1993, the covered portion of the member's earnable  
41 compensation is the entire amount of the member's  
42 earnable compensation or thirty-seven thousand  
43 dollars, whichever is less.

44 f. For the calendar year beginning January 1,  
45 1994, and each calendar year thereafter, the covered  
46 portion of the member's earnable compensation is the  
47 entire amount of the member's earnable compensation or  
48 forty thousand dollars, whichever is less. "

49 2. Page 6, by inserting after line 7 the  
50 following:

H-5883

Page 2

1 " . Page 4, by inserting before line 7 the  
2 following:

3 "Sec. . Section 97A.8, subsection 1, Code 1989,  
4 is amended by adding the following new paragraph:

5 NEW PARAGRAPH. i. Notwithstanding any other  
6 provision of this chapter, employer and employee  
7 contributions shall be computed on only the covered  
8 portion of the member's earnable compensation for the  
9 applicable year as shown in the following  
10 subparagraphs:

11 (1) For the calendar year beginning January 1,  
12 1990, the covered portion of the member's earnable  
13 compensation is twenty-eight thousand dollars.

14 (2) For the calendar year beginning January 1,  
15 1991, the covered portion of the member's earnable  
16 compensation is thirty-one thousand dollars.

17 (3) For the calendar year beginning January 1,  
18 1992, the covered portion of the member's earnable  
19 compensation is thirty-four thousand dollars.

20 (4) For the calendar year beginning January 1,  
21 1993, the covered portion of the member's earnable  
22 compensation is thirty-seven thousand dollars.

23 (5) For the calendar year beginning January 1,  
24 1994, and each calendar year thereafter, the covered  
25 portion of the member's earnable compensation is forty  
26 thousand dollars."

27 3. Page 22, by inserting after line 5 the  
28 following:

29 " . Page 22, by inserting after line 21 the  
30 following:

31 "Sec. . Section 411.6, Code 1989, is amended by  
32 adding the following new subsection:

33 NEW SUBSECTION. 14. Notwithstanding any other  
34 provision of this chapter, a member's average final  
35 compensation shall be computed using only the covered  
36 portion of the member's earnable compensation for each  
37 applicable year as shown in the following paragraphs.  
38 However, the average final compensation of a member in  
39 active service on June 30, 1990, shall not be lower  
40 than it would have been if the computation had been  
41 made as of June 30, 1990, on the basis of the member's  
42 earnable compensation for years ending on or before  
43 that date.

44 a. For each calendar year beginning prior to  
45 January 1, 1990, the covered portion of the member's  
46 earnable compensation is the entire amount of the  
47 member's earnable compensation.

48 b. For the calendar year beginning January 1,  
49 1990, the covered portion of the member's earnable  
50 compensation is the entire amount of the member's

1 earnable compensation or twenty-eight thousand  
2 dollars, whichever is less.

3 c. For the calendar year beginning January 1,  
4 1991, the covered portion of the member's earnable  
5 compensation is the entire amount of the member's  
6 earnable compensation or thirty-one thousand dollars,  
7 whichever is less.

8 d. For the calendar year beginning January 1,  
9 1992, the covered portion of the member's earnable  
10 compensation is the entire amount of the member's  
11 earnable compensation or thirty-four thousand dollars,  
12 whichever is less.

13 e. For the calendar year beginning January 1,  
14 1993, the covered portion of the member's earnable  
15 compensation is the entire amount of the member's  
16 earnable compensation or thirty-seven thousand  
17 dollars, whichever is less.

18 f. For the calendar year beginning January 1,  
19 1994, and each calendar year thereafter, the covered  
20 portion of the member's earnable compensation is the  
21 entire amount of the member's earnable compensation or  
22 forty thousand dollars, whichever is less."

A 23 4. Page 24, by inserting after line 44 the  
24 following:

25 "Sec. \_\_\_\_ . Section 411.8, subsection 1, Code 1989,  
26 is amended by adding the following new paragraph:

27 NEW PARAGRAPH. i. Notwithstanding any other  
28 provision of this chapter, employer and employee  
29 contributions shall be computed on only the covered  
30 portion of the member's earnable compensation for the  
31 applicable year as shown in the following  
32 subparagraphs:

33 (1) For the calendar year beginning January 1,  
34 1990, the covered portion of the member's earnable  
35 compensation is twenty-eight thousand dollars.

36 (2) For the calendar year beginning January 1,  
37 1991, the covered portion of the member's earnable  
38 compensation is thirty-one thousand dollars.

39 (3) For the calendar year beginning January 1,  
40 1992, the covered portion of the member's earnable  
41 compensation is thirty-four thousand dollars.

42 (4) For the calendar year beginning January 1,  
43 1993, the covered portion of the member's earnable  
44 compensation is thirty-seven thousand dollars.

45 (5) For the calendar year beginning January 1,  
46 1994, and each calendar year thereafter, the covered  
47 portion of the member's earnable compensation is forty  
48 thousand dollars."

B 49 5. Page 29, by inserting after line 50 the  
50 following:

H-5883

Page 4

- 1 "\_\_\_\_. Page 26, by inserting after line 17 the  
2 following:  
3 "\_\_\_\_. Revising the system of benefits for members,  
4 spouses, and other beneficiaries so that members would  
5 choose from among five benefit options similar to  
6 those available under the Iowa public employees'  
7 retirement system.""  
8 6. Page 30, by inserting before line 1 the  
9 following:  
10 "\_\_\_\_. Page 26, by inserting after line 27 the  
11 following:  
12 "The study shall be conducted in accordance with  
13 the guiding goals and principles set forth in section  
14 97D.1.""  
15 7. By numbering and renumbering as necessary.

By HAMMOND of Story  
HANSON of Delaware  
CARPENTER of Polk

H-5883 FILED MARCH 27, 1990

DIVISION A - ADOPTED, DIVISION B - ADOPTED

(p.1477)

(p.1482)



## HOUSE FILE 2543

H-5887

1 Amend amendment, H-5860, to House File 2543, as  
 2 follows:  
 3 1. Page 6, line 31, by striking the word and  
 4 figure "2 through" and inserting the following: "14  
 5 through".

By DODERER of Johnson  
 DVORSKY of Johnson  
 HARBOR of Mills

HAMMOND of Story  
 HANSON of Delaware

H-5887 FILED MARCH 27, 1990  
 ADOPTED (p. 1450)

## HOUSE FILE 2543

H-5888

1 Amend the amendment, H-5860, to House File 2543, as  
 2 follows:  
 3 1. Page 4, by inserting after line 12 the  
 4 following:

5 "Notwithstanding any other provision of this  
 6 chapter, beginning July 1, 1996, and each fiscal year  
 7 thereafter, the normal contribution rate shall be  
 8 equivalent to the employer contribution rate provided  
 9 under section 411.8, subsection 1, paragraph "b", for  
 10 the statewide fire and police retirement system for  
 11 the applicable fiscal year."

12 2. By striking page 4, line 50, through page 5,  
 13 line 1, and inserting the following: "beginning July  
 14 1, 1995.

15 (8) Notwithstanding any other provision of this  
 16 chapter, beginning July 1, 1996, and each fiscal year  
 17 thereafter, the member's contribution rate shall be  
 18 equivalent to the member's contribution rate provided  
 19 under section 411.8, subsection 1, paragraph "f", for  
 20 the statewide fire and police retirement system for  
 21 the applicable fiscal year."

By BLANSHAN of Greene

H-5888 FILED MARCH 27, 1990  
 ADOPTED (p. 1479)

## HOUSE FILE 2543

H-5889

1 Amend amendment, H-5860, to House File 2543, as  
 2 follows:  
 3 1. Page 26, by striking lines 43 through 46, and  
 4 inserting the following: "actuary of the statewide  
 5 retirement system."

By DODERER of Johnson  
 JOHNSON of Winneshiek  
 CARPENTER of Polk  
 ROSENBERG of Story

HANSON of Delaware  
 HANSEN of Woodbury  
 SHONING of Woodbury  
 PETERSON of Carroll

H-5889 FILED MARCH 27, 1990  
 ADOPTED (p. 1482)

## HOUSE FILE 2543

H-5885

1 Amend House File 2543, as follows:

2 1. Page 14, by inserting after line 25 the  
3 following:

4 "Effective July 1, 1990, for members terminating on  
5 or after July 4, 1953, a member who terminates covered  
6 employment due to disability and commences receiving  
7 disability benefits pursuant to the United States  
8 Social Security Act (42 U.S.C.), who has not attained  
9 the age of fifty-five years, is eligible to receive  
10 benefits under section 97B.49, reduced by twenty-five  
11 hundredths of one percent for each month that the  
12 retirement date precedes the first day of the month in  
13 which the member attains the age of fifty-five.  
14 However, the benefits shall be suspended during any  
15 period in which the member returns to covered  
16 employment. Eligible members are entitled to receipt  
17 of retroactive adjustment payments for no more than  
18 six months immediately preceding the month after July  
19 1, 1990, in which written notice was submitted to the  
20 department."

21 2. Page 15, by inserting after line 5 the  
22 following:

23 "Effective July 1, 1990, for members terminating on  
24 or after July 4, 1953, a member who terminates covered  
25 employment due to disability and commences receiving  
26 disability benefits pursuant to the United States  
27 Railroad Retirement Act (45 U.S.C. § 231 et seq.), who  
28 has not attained the age of fifty-five years, is  
29 eligible to receive benefits under section 97B.49,  
30 reduced by twenty-five hundredths of one percent for  
31 each month that the retirement date precedes the first  
32 day of the month in which the member attains the age  
33 of fifty-five. However, the benefits shall be  
34 suspended during any period in which the member  
35 returns to covered employment. Eligible members are  
36 entitled to receipt of retroactive adjustment payments  
37 for no more than six months immediately preceding the  
38 month after July 1, 1990, in which written notice was  
39 submitted to the department."

40 3. By numbering and renumbering as necessary.

By BROWN of Lucas

H-5885 FILED MARCH 27, 1990

*Adopted 3/29 (p 1540)*

## HOUSE FILE 2543

H-5892

1 Amend House File 2543 as follows:

2 1. Page 15, by inserting after line 19 the  
3 following:4 "Sec. \_\_\_\_ . NEW SECTION. 97B.53A DUTY OF  
5 DEPARTMENT.6 Upon a member's termination of covered employment  
7 prior to the member's retirement, the department shall  
8 send the member by certified mail, to the member's  
9 last known mailing address, a notice setting forth the  
10 balance and status of the member's account and an  
11 explanation of the courses of action available to the  
12 member under this chapter."

By CORBETT of Linn

H-5892 FILED MARCH 27, 1990

*w/15 3/29 (p. 1592)*

## HOUSE FILE 2543

H-5893

1 Amend House File 2543 as follows:

2 1. Page 1, line 15, by striking the word "four"  
3 and inserting the following: "ten".4 2. Page 1, line 19, by striking the word "four"  
5 and inserting the following: "ten".6 3. Page 2, line 17, by striking the word "four"  
7 and inserting the following: "ten".8 4. Page 4, line 11, by striking the word "four"  
9 and inserting the following: "ten".10 5. Page 20, line 30, by striking the word "four"  
11 and inserting the following: "ten".12 6. Page 20, line 34, by striking the word "four"  
13 and inserting the following: "ten".14 7. Page 21, line 33, by striking the word "four"  
15 and inserting the following: "ten".16 8. Page 23, line 25, by striking the word "four"  
17 and inserting the following: "ten".

By CARPENTER of Polk

H-5893 FILED MARCH 27, 1990

*Done 3/29 (p. 1590)*

## HOUSE FILE 2543

H-5894

1 Amend the amendment, H-5860, to House File 2543, as  
2 follows:3 1. By striking page 1, line 21 through page 2,  
4 line 32.5 2. By striking page 13, line 41 through page 15,  
6 line 2.

7 3. By numbering and renumbering as necessary.

By CARPENTER of Polk  
HANSEN of Woodbury  
DODERER of Johnson

H-5894 FILED MARCH 27, 1990

WITHDRAWN (p. 1434)

## HOUSE FILE 2543

H-5890

1 Amend the amendment, H-5860, to House File 2543, as  
 2 follows:  
 3 1. Page 29, by striking line 50 and inserting the  
 4 following:  
 5 "\_\_\_\_. Page 26, by striking lines 12 through 17  
 6 and inserting the following:  
 7 "\_\_\_\_. Determining methods of enhancing benefits  
 8 for current retirees and their survivors and deter-  
 9 mining equity among state and local systems, both as  
 10 to contribution rates and benefit formulas.""  
 By DODERER of Johnson HANSEN of Woodbury  
 BROWN of Lucas CARPENTER of Polk  
 JESSE of Jasper SHONING of Woodbury  
 BISIGNANO of Polk PETERSON of Carroll  
 H-5890 FILED MARCH 27, 1990  
 ADOPTED (p. 1483)

## HOUSE FILE 2543

H-5891

1 Amend amendment, H-5860, to House File 2543, as  
 2 follows:  
 3 1. Page 6, by inserting after line 13, the  
 4 following:  
 5 "\_\_\_\_. Page 5, by inserting after line 24, the  
 6 following:  
 7 "Sec. \_\_\_\_\_. Section 97B.41, subsection 3, paragraph  
 8 b, subparagraph (1), Code 1989, is amended by striking  
 9 the subparagraph and inserting in lieu thereof the  
 10 following:  
 11 (1) Elective officials in positions for which the  
 12 compensation is on a fee basis, elective officials of  
 13 school districts, elective officials of townships, and  
 14 elective officials of other political subdivisions who  
 15 are in part-time positions, unless the elective  
 16 official makes an application to the department to be  
 17 covered under this chapter. An elective official who  
 18 made an application to the department to be covered  
 19 under this chapter may terminate membership under this  
 20 chapter by informing the department in writing of the  
 21 member's termination. A county attorney is an  
 22 employee for purposes of this chapter whether that  
 23 county attorney is employed on a full-time or part-  
 24 time basis.  
 25 Graduate medical students while serving as interns  
 26 or resident doctors in training at any hospital, or  
 27 county medical examiners and deputy county medical  
 28 examiners under chapter 331, division V, part 8."  
 29 2. Page 6, by striking lines 16 through 22.  
 30 3. By numbering and renumbering as necessary.  
 By BLANSHAN of Green  
 CARPENTER of Polk

H-5891 FILED MARCH 27, 1990  
 ADOPTED (p. 1486)

## HOUSE FILE 2543

H-5899

1 Amend the amendment, H-5860, to House File 2543, as  
2 follows:

3 1. Page 1, by striking line 27 and inserting the  
4 following: "in paragraphs "b" and "c", and the member  
5 shall also be eligible for a social security  
6 replacement benefit upon attaining the age of sixty-  
7 five years, which shall consist of an additional".

8 2. Page 1, line 33, by striking the word "retire-  
9 ment" and inserting the following: "attaining the age  
10 of sixty-five years".

11 3. Page 1, line 44, by striking the word "retire-  
12 ment" and inserting the following: "attaining the age  
13 of sixty-five years".

14 4. Page 2, line 5, by striking the word "retire-  
15 ment" and inserting the following: "attaining the age  
16 of sixty-five years".

17 5. Page 2, line 16, by striking the word "retire-  
18 ment" and inserting the following: "attaining the age  
19 of sixty-five years".

20 6. Page 2, line 27, by striking the word "retire-  
21 ment" and inserting the following: "attaining the age  
22 of sixty-five years".

23 7. Page 13, by striking line 47 and inserting the  
24 following: "in paragraphs "b" and "c", and the member  
25 shall also be eligible for a social security  
26 replacement benefit upon attaining the age of sixty-  
27 five years, which shall consist of an additional".

28 8. Page 14, line 3, by striking the word "retire-  
29 ment" and inserting the following: "attaining the age  
30 of sixty-five years".

31 9. Page 14, line 14, by striking the word  
32 "retirement" and inserting the following: "attaining  
33 the age of sixty-five years".

34 10. Page 14, line 25, by striking the word  
35 "retirement" and inserting the following: "attaining  
36 the age of sixty-five years".

37 11. Page 14, line 36, by striking the word  
38 "retirement" and inserting the following: "attaining  
39 the age of sixty-five years".

40 12. Page 14, line 47, by striking the word  
41 "retirement" and inserting the following: "attaining  
42 the age of sixty-five years".

By HANSEN of Woodbury

HAMMOND of Story

DODERER of Johnson

CARPENTER of Polk

HANSON of Delaware

HARBOR of Mills

H-5899 FILED MARCH 27, 1990

ADOPTED (p. 1454)

## HOUSE FILE 2543

H-5895

1 Amend the amendment, H-5860, to House File 2543, as  
2 follows:

3 1. Page 1, by striking lines 19 and 20 and  
4 inserting the following:

5 "\_\_\_ . Page 2, by striking lines 5 through 12 and  
6 inserting the following: "final compensation by an  
7 additional percentage each July 1, which is equivalent  
8 to the additional percentage, if any, provided by the  
9 Iowa public employees' retirement system under section  
10 97B.49, subsection 5, paragraph "b", for the  
11 succeeding fiscal year, until reaching sixty percent  
12 of the member's average final compensation."

13 2. Page 13, by striking lines 39 and 40 and  
14 inserting the following:

15 "\_\_\_ . Page 21, by striking lines 21 through 28  
16 and inserting the following: "final compensation by  
17 an additional percentage each July 1, which is  
18 equivalent to the additional percentage, if any,  
19 provided by the Iowa public employees' retirement  
20 system under section 97B.49, subsection 5, paragraph  
21 "b", for the succeeding fiscal year, until reaching  
22 sixty percent of the member's average final  
23 compensation."

By BLANSHAN of Greene  
CARPENTER of Polk  
HANSON of Delaware

H-5895 FILED MARCH 27, 1990  
ADOPTED (p. 14 13)

## HOUSE FILE 2543

H-5967

1 Amend the amendment, H-5860, to House File 2543, as  
2 follows:

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

5 "\_\_\_\_\_. Page 3, by inserting before line 6 the  
6 following:

7 "Sec. \_\_\_\_\_. Section 97A.6, Code 1989, is amended by  
8 adding the following new subsection:

9 NEW SUBSECTION. 17. Notwithstanding subsection  
10 16, paragraph "F", commencing January 1, 1995, for  
11 each calendar year, the limitation on the covered  
12 portion of the member's earnable compensation shall be  
13 increased from the previous calendar year by three  
14 thousand dollars if the annual actuarial valuation of  
15 the assets and liabilities of the system indicates  
16 that the cost of the increase can be absorbed within  
17 the employer and employee contribution rates provided  
18 in section 97A.8."

19 2. Page 6, by inserting before line 8 the  
20 following:

21 "\_\_\_\_\_. Page 4, by inserting before line 7 the  
22 following:

23 "Sec. \_\_\_\_\_. Section 97A.8, subsection 1, Code 1989,  
24 is amended by adding the following new paragraph:

25 NEW PARAGRAPH. j. Notwithstanding paragraph "i",  
26 subparagraph (5), commencing January 1, 1995, for each  
27 calendar year, the limitation on the covered portion  
28 of the member's earnable compensation shall be  
29 increased from the previous calendar year by three  
30 thousand dollars if the annual actuarial valuation of  
31 the assets and liabilities of the system indicates  
32 that the cost of the increase can be absorbed within  
33 the employer and employee contribution rates provided  
34 in section 97A.8."

35 3. Page 6, by inserting after line 13 the  
36 following:

37 "\_\_\_\_\_. Page 5, by striking lines 23 and 24 and  
38 inserting the following: "under section 97B.11."

39 4. Page 22, by inserting before line 6 the  
40 following:

41 "\_\_\_\_\_. Page 22, by inserting before line 22 the  
42 following:

43 "Sec. \_\_\_\_\_. Section 411.6, Code 1989, is amended by  
44 adding the following new subsection:

45 NEW SUBSECTION. 15. Notwithstanding subsection  
46 14, paragraph "f", commencing January 1, 1995, for  
47 each calendar year, the limitation on the covered  
48 portion of the member's earnable compensation shall be  
49 increased from the previous calendar year by three  
50 thousand dollars if the annual actuarial valuation of

H-5907

Page 2

1 the assets and liabilities of the system indicates  
2 that the cost of the increase can be absorbed within  
3 the employer and employee contribution rates provided  
4 in section 411.8.""

5 5. Page 24, by inserting before line 45 the  
6 following:

7 "Sec. \_\_\_\_ . Section 411.8, subsection 1, Code 1989,  
8 is amended by adding the following new paragraph:

9 NEW PARAGRAPH. j. Notwithstanding paragraph "i",  
10 subparagraph (5), commencing January 1, 1995, for each  
11 calendar year, the limitation on the covered portion  
12 of the member's earnable compensation shall be  
13 increased from the previous calendar year by three  
14 thousand dollars if the annual actuarial valuation of  
15 the assets and liabilities of the system indicates  
16 that the cost of the increase can be absorbed within  
17 the employer and employee contribution rates provided  
18 in section 411.8."

By HAMMOND of Story  
BLANSHAN of Greene

H-5907 FILED MARCH 27, 1990

w/10 3/29 (p. 1589)



## HOUSE FILE 2543

H-5946

1 Amend the amendment, H-5860, to House File 2543, as  
2 follows:

3 1. Page 20, line 29, by striking the word "On"  
4 and inserting the following:

5 "(1) On Except as otherwise provided in  
6 subparagraph (2), on".

7 2. Page 20, by inserting after line 36 the  
8 following:

9 "(2) The amount of the "normal contribution" and  
10 other employer contributions to be paid by each  
11 participating city, determined pursuant to  
12 subparagraph (1) and paragraphs "b" and "c", shall be  
13 reduced by the amount distributed to that city for the  
14 applicable fiscal year from the state appropriation  
15 provided pursuant to section 411.20."

16 3. Page 21, by striking lines 20 and 21 and  
17 inserting the following: "six-tenths."

18 4. Page 26, by striking lines 36 and 37 and  
19 inserting the following: "distributed to the cities  
20 participating in".

21 5. Page 26, by striking lines 47 through 49.

By HANSON of Delaware

CARPENTER of Polk

HAMMOND of Story

DODERER of Johnson

NEUHAUSER of Johnson

H-5946 FILED MARCH 29, 1990

LOST (p. 1589)

HOUSE FILE 2543

H-5917

1 Amend House File 2543 as follows:  
2 1. Page 15, by inserting after line 19 the  
3 following:  
4 "Sec. \_\_\_\_ . NEW SECTION. 97B.53A DUTY OF  
5 DEPARTMENT.  
6 Effective July 1, 1991, upon a member's termination  
7 of covered employment prior to the member's  
8 retirement, the department shall send the member by  
9 certified mail, to the member's last known mailing  
10 address, a notice setting forth the balance and status  
11 of the member's account and an explanation of the  
12 courses of action available to the member under this  
13 chapter."

By CORBETT of Linn

H-5917 FILED MARCH 28, 1990

*Adopted as amended by 5967 3/29 (p. 1593)*

HOUSE FILE 2543

H-5918

1 Amend House File 2543 as follows:  
2 1. By striking page 17, line 26 through page 27,  
3 line 15, and inserting the following:  
4 "Sec. \_\_\_\_ . Section 20.9, unnumbered paragraph 3,  
5 Code 1989, is amended to read as follows:  
6 All retirement systems, other than retirement  
7 systems under chapter 411, shall be excluded from the  
8 scope of negotiations. Fire and police retirement  
9 systems under chapter 411 are included among the  
10 mandatory subjects of bargaining.  
11 Sec. \_\_\_\_ . NEW SECTION. 411.40 LOCAL CONTROL --  
12 COLLECTIVE BARGAINING.  
13 Effective July 1, 1990, all revisions in the  
14 organization, benefits, and contributions under fire  
15 and police retirement systems subject to chapter 411  
16 shall be effected exclusively at the local level  
17 through the process of collective bargaining. The  
18 provisions of chapter 411, Code 1989, shall govern the  
19 operation of the systems pending changes pursuant to  
20 collective bargaining procedures."

By BISIGNANO of Polk

H-5918 FILED MARCH 28, 1990

*w/d 3/29 (p. 1593)*

## HOUSE FILE 2543

H-5865

1 Amend the amendment, H-5860, to House File 2543, as  
2 follows:

3 1. Page 2, line 47, by striking the words "and  
4 (3)" and inserting the following: "(3), and (4)".

5 2. By striking page 2, line 49 through page 3,  
6 line 1.

7 3. Page 3, line 4, by striking the word "thirty"  
8 and inserting the following: "thirty-five".

9 4. Page 3, line 9, by striking the word "Twenty-  
10 five" and inserting the following: "Thirty".

11 5. Page 3, line 18, by striking the word "thirty"  
12 and inserting the following: "thirty-five".

13 6. Page 3, line 21, by striking the words "Twelve  
14 and one-half" and inserting the following: "Twelve  
15 and one-half Fifteen".

16 7. Page 3, line 27, by striking the word  
17 "fifteen" and inserting the following: "seventeen and  
18 one-half".

19 8. Page 3, by inserting after line 28 the  
20 following:

21 "(4) Thirty-three and one-third percent for  
22 members receiving an accidental disability allowance.  
23 However, effective July 1, 1990, for members who  
24 retired before that date, thirty-five percent shall be  
25 the applicable percentage for members under this  
26 subparagraph."

27 9. Page 6, line 39, by striking the word "sixty"  
28 and inserting the following: "seventy".

29 10. Page 17, line 40, by striking the word and  
30 figure "and (3)" and inserting the following: "(3),  
31 and (4)".

32 11. Page 17, by striking lines 42 through 44.

33 12. Page 17, line 47, by striking the word  
34 "thirty" and inserting the following: "thirty-five".

35 13. Page 18, line 2, by striking the word  
36 "Twenty-five" and inserting the following: "Thirty".

37 14. Page 18, line 11, by striking the word  
38 "thirty" and inserting the following: "thirty-five".

39 15. Page 18, line 14, by striking the words  
40 "Twelve and one-half" and inserting the following:  
41 "Twelve and one-half Fifteen".

42 16. Page 18, line 20, by striking the word  
43 "fifteen" and inserting the following: "seventeen and  
44 one-half".

45 17. Page 18, by inserting after line 21 the  
46 following:

47 "(4) Thirty-three and one-third percent for  
48 members receiving an accidental disability allowance.  
49 However, effective July 1, 1990, for members who  
50 retired before that date, thirty-five percent shall be

H-5965

Page 2

1 the applicable percentage for members under this  
2 subparagraph."

3 18. Page 21, by inserting after line 31, the  
4 following:

5 "Beginning July 1, 1996, and each fiscal year  
6 thereafter, for the purpose of determining the  
7 employer and employee contributions, one hundred  
8 percent of the costs attributable to any adjustments,  
9 under section 411.6, subsection 12, paragraph "a", to  
10 the pensions of members and beneficiaries of members  
11 who retired prior to the effective date of this Act  
12 which take effect on or after the effective date of  
13 this Act, shall be charged to the employer  
14 contribution."

15 19. Page 23, by inserting after line 13, the  
16 following:

17 "Beginning July 1, 1996, and each fiscal year  
18 thereafter, for the purpose of determining the  
19 employer and employee contributions, one hundred  
20 percent of the costs attributable to any adjustments,  
21 under section 411.6, subsection 12, paragraph "a", to  
22 the pensions of members and beneficiaries of members  
23 who retired prior to the effective date of this Act  
24 which take effect on or after the effective date of  
25 this Act, shall be charged to the employer  
26 contribution."

By HANSON of Delaware

H-5965 FILED MARCH 29, 1990  
WITHDRAWN (p. 1589)

## HOUSE FILE 2543

H-5967

1 Amend amendment H-5917 to House File 2543 as  
2 follows:

3 1. Page 1, line 9, by striking the word  
4 "certified" and inserting the words "first class".

By CORBETT of Linn

H-5967 FILED MARCH 29, 1990  
ADOPTED BY UNANIMOUS CONSENT (p. 1593)

## HOUSE FILE 2543

H-5968

1 Amend House File 2543 as follows:

2 1. Page 3, by inserting after line 5, the  
3 following:

4 "Sec. . . . NEW SECTION. 97A.6A OPTIONAL  
5 RETIREMENT BENEFITS.

6 In lieu of the retirement benefits and refund of  
7 contributions provided for members of the system and  
8 the members' beneficiaries under sections 97A.6 and  
9 97A.16, members may elect to receive an optional  
10 retirement benefit during the member's lifetime and  
11 have the optional retirement benefit, or a designated  
12 fraction of the optional retirement benefit, continued  
13 and paid to the members beneficiary after the member's  
14 death and during the lifetime of the beneficiary. The  
15 optional retirement benefit shall be determined at the  
16 time of the member's retirement based upon whether the  
17 member retires under service retirement, accidental  
18 disability, or ordinary disability.

19 The member shall make the election request in  
20 writing to the board of trustees prior to retirement.  
21 The election is subject to the approval of the board  
22 of trustees. If the member is married, the election  
23 of an option under this section requires the written  
24 acknowledgement of the member's spouse. The member  
25 may revoke the election prior to retirement by written  
26 request to the board of trustees, but cannot revoke  
27 the election after retirement. The election request  
28 applies to retirement under service retirement,  
29 accidental disability and ordinary disability,  
30 whichever is applicable at the time of the member's  
31 retirement.

32 Optional retirement benefits shall be the actuarial  
33 equivalent of the amounts of the retirement benefits  
34 payable to members and beneficiaries under section  
35 97A.6. The actuarial equivalent shall be based on the  
36 mortality and interest assumptions set out in section  
37 97A.5.

38 If the member dies without a beneficiary prior to  
39 retirement or prior to receipt in benefits of an  
40 amount equal to the total amount remaining to the  
41 member's credit at the time of separation from  
42 service, the election is null and void.

43 If the member dies with a beneficiary prior to  
44 retirement, the election remains valid and the  
45 beneficiary is entitled to receive the retirement  
46 benefit beginning at the death of the member.

47 If the member dies with a beneficiary and the  
48 beneficiary subsequently dies prior to receipt in  
49 retirement benefits by both the member and the  
50 beneficiary of an amount equal to the total amount

1 remaining to the member's credit at the time of  
2 separation from service, the election remains valid.

3 For the purpose of this section, "beneficiary"  
4 means a spouse, child, or a dependent parent."

5 2. Page 22, by inserting after line 21, the  
6 following:

7 "Sec. . NEW SECTION. 411.6A OPTIONAL  
8 RETIREMENT BENEFITS.

9 In lieu of the retirement benefits and refund of  
10 contributions provided for members of the system and  
11 the members' beneficiaries under sections 411.6 and  
12 411.23, members may elect to receive an optional  
13 retirement benefit during the member's lifetime and  
14 have the optional retirement benefit, or a designated  
15 fraction of the optional retirement benefit, continued  
16 and paid to the member's beneficiary after the  
17 member's death and during the lifetime of the  
18 beneficiary. The optional retirement benefit shall be  
19 determined at the time of the member's retirement  
20 based upon whether the member retires under service  
21 retirement, accidental disability, or ordinary  
22 disability.

23 The member shall make the election request in  
24 writing to the board of trustees prior to retirement.  
25 The election is subject to the approval of the board  
26 of trustees. If the member is married, the election  
27 of an option under this section requires the written  
28 acknowledgement of the member's spouse. The member  
29 may revoke the election prior to retirement by written  
30 request to the board of trustees, but cannot revoke  
31 the election after retirement. The election request  
32 applies to retirement under service retirement,  
33 accidental disability and ordinary disability,  
34 whichever is applicable at the time of the member's  
35 retirement.

36 Optional retirement benefits shall be the actuarial  
37 equivalent of the amounts of the retirement benefits  
38 payable to members and beneficiaries under section  
39 411.6. The actuarial equivalent shall be based on the  
40 mortality and interest assumptions set out in section  
41 411.5.

42 If the member dies without a beneficiary prior to  
43 retirement or prior to receipt in benefits of an  
44 amount equal to the total amount remaining to the  
45 member's credit at the time of separation from  
46 service, the election is null and void.

47 If the member dies with a beneficiary prior to  
48 retirement, the election remains valid and the  
49 beneficiary is entitled to receive the retirement  
50 benefit beginning at the death of the member.

1 If the member dies with a beneficiary and the  
2 beneficiary subsequently dies prior to receipt in  
3 retirement benefits by both the member and the  
4 beneficiary of an amount equal to the total amount  
5 remaining to the member's credit at the time of  
6 separation from service, the election remains valid.

7 For the purpose of this section, "beneficiary"  
8 means a spouse, child, or a dependent parent."

By DODERER of Johnson  
CARPENTER of Polk

HOUSE FILE 2543  
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 816)

(As Amended and Passed by the House March 29, 1990)

*Substituted for S.F. 2338*

Passed House, Date See Below Passed Senate, Date 3/30/90 (p. 1432)  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes 42 Nays 1  
Approved May 3, 1990

A BILL FOR

1 An Act relating to the administration and benefits for certain  
2 public retirement systems, and providing effective dates and  
3 for the applicability of the Act.

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

5  
6 House Amendments \_\_\_\_\_

7  
8 Conference Committee Appointed

9 *Senators Kelbis (Chair), Hutchins, How, Nyström, & Rife (p. 1466)*  
10 *Repr. Blanchard (Chair), Hanson, Connors, Hansen, & Carpenter 4/3 (p. 1764)*

11  
12 Passed per Conference Committee Report

13 *House 4/6/90 (p. 2169)*  
14 *80-18*

15 *Senate 4/6/90 (p. 1637)*  
16 *41-3*

1 Section 1. Section 97A.4, unnumbered paragraph 1, Code  
2 1989, is amended to read as follows:

3 ~~The board of trustees shall fix and determine by proper~~  
4 ~~rules how much service in any year shall be~~ Service for fewer  
5 than six months of a year is not creditable as service.  
6 Service of six months or more of a year is equivalent to one  
7 year of service, but in no case shall more than one year of  
8 service be creditable for all service in one calendar year,  
9 nor shall the board of trustees allow credit as service for  
10 any period of more than one month duration during which the  
11 member was absent without pay.

12 Sec. 2. Section 97A.5, subsection 8, Code 1989, is amended  
13 to read as follows:

14 8. MEDICAL BOARD. The board of trustees shall designate a  
15 medical board to be composed of three physicians who shall  
16 arrange for and pass upon the medical examinations required  
17 under the provisions of this chapter and shall report in  
18 writing to the board of trustees, its conclusions and  
19 recommendations upon all matters duly referred to it. Each  
20 report of a medical examination under section 97A.6,  
21 subsections 3 and 5, shall include the medical board's rating  
22 as to the extent of the member's physical impairment.

23 Sec. 3. Section 97A.6, subsection 1, paragraph b, Code  
24 1989, is amended to read as follows:

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



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

3 Sec. 4. Section 97A.6, subsection 2, Code 1989, is amended  
4 to read as follows:

5 2. ALLOWANCE ON SERVICE RETIREMENT.

6 a. Upon retirement from service prior to July 1, 1990, a  
7 member shall receive a service retirement allowance which  
8 shall consist of a pension which ~~shall equal one-half~~ equals  
9 fifty percent of the member's average final compensation.

10 b. Upon retirement from service on or after July 1, 1990,  
11 a member shall receive a service retirement allowance which  
12 shall consist of a pension which equals fifty-two percent of  
13 the member's average final compensation.

14 c. Commencing July 1, 1991, the board of trustees shall  
15 increase the percentage multiplier of the member's average  
16 final compensation by an additional percentage each July 1,  
17 which is equivalent to the additional percentage, if any,  
18 provided by the Iowa public employees' retirement system under  
19 section 97B.49, subsection 5, paragraph "b", for the  
20 succeeding fiscal year, until reaching sixty percent of the  
21 member's average final compensation.

22 d. Commencing July 1, 1990, if the member has completed  
23 more than twenty-two years of creditable service, the service  
24 retirement allowance shall consist of a pension which equals  
25 the amount provided in paragraphs "b" and "c", and the member  
26 shall also be eligible for a social security replacement  
27 benefit upon attaining the age of sixty-five years, which  
28 shall consist of an additional percentage as set forth below:

29 (1) For a member who terminates service, other than by  
30 death or disability, on or after July 1, 1990, but before July  
31 1, 1991, and who does not withdraw the member's contributions  
32 pursuant to section 97A.15, upon the member's attaining the  
33 age of sixty-five years there shall be added three-tenths  
34 percent of the member's average final compensation for each  
35 year of service over twenty-two years, excluding years of

1 service after the member's fifty-fifth birthday. However,  
2 this subparagraph does not apply to more than eight additional  
3 years of service.

4 (2) For a member who terminates service, other than by  
5 death or disability, on or after July 1, 1991, but before July  
6 1, 1992, and who does not withdraw the member's contributions  
7 pursuant to section 97A.16, upon the member's attaining the  
8 age of sixty-five years there shall be added six-tenths  
9 percent of the member's average final compensation for each  
10 year of service over twenty-two years, excluding years of  
11 service after the member's fifty-fifth birthday. However,  
12 this subparagraph does not apply to more than eight additional  
13 years of service.

14 (3) For a member who terminates service, other than by  
15 death or disability, on or after July 1, 1992, but before July  
16 1, 1993, and who does not withdraw the member's contributions  
17 pursuant to section 97A.16, upon the member's attaining the  
18 age of sixty-five years there shall be added nine-tenths  
19 percent of the member's average final compensation for each  
20 year of service over twenty-two years, excluding years of  
21 service after the member's fifty-fifth birthday. However,  
22 this subparagraph does not apply to more than eight additional  
23 years of service.

24 (4) For a member who terminates service, other than by  
25 death or disability, on or after July 1, 1993, but before July  
26 1, 1994, and who does not withdraw the member's contributions  
27 pursuant to section 97A.16, upon the member's attaining the  
28 age of sixty-five years there shall be added one and two-  
29 tenths percent of the member's average final compensation for  
30 each year of service over twenty-two years, excluding years of  
31 service after the member's fifty-fifth birthday. However,  
32 this subparagraph does not apply to more than eight additional  
33 years of service.

34 (5) For a member who terminates service, other than by  
35 death or disability, on or after July 1, 1994, and who does

1 not withdraw the member's contributions pursuant to section  
2 97A.16, upon the member's attaining the age of sixty-five  
3 years there shall be added one and five-tenths percent of the  
4 member's average final compensation for each year of service  
5 over twenty-two years, excluding years of service after the  
6 member's fifty-fifth birthday. However, this subparagraph  
7 does not apply to more than eight additional years of service.

8 Sec. 5. Section 97A.6, subsection 6, Code 1989, is amended  
9 to read as follows:

10 6. RETIREMENT AFTER ACCIDENT.

11 a. Upon retirement for accidental disability prior to July  
12 1, 1990, a member shall receive an accidental disability  
13 retirement allowance which shall consist of a pension equal to  
14 sixty-six and two-thirds percent of the member's average final  
15 compensation.

16 b. Upon retirement for accidental disability on or after  
17 July 1, 1990, a member shall receive an accidental disability  
18 retirement allowance which shall consist of a pension equal to  
19 sixty percent of the member's average final compensation.

20 Sec. 6. Section 97A.6, subsection 8, paragraph a, Code  
21 1989, is amended to read as follows:

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

35 Sec. 7. Section 97A.6, subsection 14, paragraph a,

1 subparagraphs (1), (2), and (3), Code 1989, are amended to  
2 read as follows:

3 (1) Twenty-five percent for members receiving a service  
4 retirement allowance and for beneficiaries receiving a pension  
5 under subsection 9 of this section. However, effective July  
6 1, 1990, for members who retired before that date, thirty  
7 percent shall be the applicable percentage for members and  
8 beneficiaries under this subparagraph.

9 (2) Twenty Twenty-five percent for members with five or  
10 more years of membership service who are receiving an ordinary  
11 disability retirement allowance. However, effective July 1,  
12 1984, for members who retired before July 1, 1979, and  
13 effective July 1, 1988, for members who retire on or after  
14 July 1, 1988, twenty-five percent shall be used for members  
15 who are receiving an ordinary disability retirement allowance.  
16 However, effective July 1, 1990, for members who retired  
17 before that date, thirty percent shall be the applicable  
18 percentage for members under this subparagraph.

19 (3) Twelve and one-half percent for members with less than  
20 five years of membership service who are receiving an ordinary  
21 disability retirement allowance, and for beneficiaries  
22 receiving a pension under subsection 8 of this section.  
23 However, effective July 1, 1990, for members who retired  
24 before that date, fifteen percent shall be the applicable  
25 percentage for members and beneficiaries under this  
26 subparagraph.

27 Sec. 8. Section 97A.6, Code 1989, is amended by adding the  
28 following new subsection:

29 NEW SUBSECTION. 15. REMARRIAGE OF SURVIVING SPOUSE.  
30 Effective July 1, 1990, for a member who died prior to July 1,  
31 1988, if the member's surviving spouse remarried prior to July  
32 1, 1988, the remarriage does not make the spouse ineligible  
33 under subsection 8, paragraph "c", subparagraphs (1) and (2),  
34 to receive benefits under subsections 8, 9, 12, and 14.

35 Sec. 9. Section 97A.6, Code 1989, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 16. Notwithstanding any other provision  
3 of this chapter, a member's average final compensation shall  
4 be computed using only the covered portion of the member's  
5 earnable compensation for each applicable year as shown in the  
6 following paragraphs. However, the average final compensation  
7 of a member in active service on June 30, 1990, shall not be  
8 lower than it would have been if the computation had been made  
9 as of June 30, 1990, on the basis of the member's earnable  
10 compensation for years ending on or before that date.

11 a. For each calendar year beginning prior to January 1,  
12 1990, the covered portion of the member's earnable  
13 compensation is the entire amount of the member's earnable  
14 compensation.

15 b. For the calendar year beginning January 1, 1990, the  
16 covered portion of the member's earnable compensation is the  
17 entire amount of the member's earnable compensation or twenty-  
18 eight thousand dollars, whichever is less.

19 c. For the calendar year beginning January 1, 1991, the  
20 covered portion of the member's earnable compensation is the  
21 entire amount of the member's earnable compensation or thirty-  
22 one thousand dollars, whichever is less.

23 d. For the calendar year beginning January 1, 1992, the  
24 covered portion of the member's earnable compensation is the  
25 entire amount of the member's earnable compensation or thirty-  
26 four thousand dollars, whichever is less.

27 e. For the calendar year beginning January 1, 1993, the  
28 covered portion of the member's earnable compensation is the  
29 entire amount of the member's earnable compensation or thirty-  
30 seven thousand dollars, whichever is less.

31 f. For the calendar year beginning January 1, 1994, and  
32 each calendar year thereafter, the covered portion of the  
33 member's earnable compensation is the entire amount of the  
34 member's earnable compensation or forty thousand dollars,  
35 whichever is less.

1     Sec. 10. NEW SECTION. 97A.6A OPTIONAL RETIREMENT  
2 BENEFITS.

3     In lieu of the retirement benefits and refund of  
4 contributions provided for members of the system and the  
5 members' beneficiaries under sections 97A.6 and 97A.16,  
6 members may elect to receive an optional retirement benefit  
7 during the member's lifetime and have the optional retirement  
8 benefit, or a designated fraction of the optional retirement  
9 benefit, continued and paid to the members beneficiary after  
10 the member's death and during the lifetime of the beneficiary.  
11 The optional retirement benefit shall be determined at the  
12 time of the member's retirement based upon whether the member  
13 retires under service retirement, accidental disability, or  
14 ordinary disability.

15     The member shall make the election request in writing to  
16 the board of trustees prior to retirement. The election is  
17 subject to the approval of the board of trustees. If the  
18 member is married, the election of an option under this  
19 section requires the written acknowledgement of the member's  
20 spouse. The member may revoke the election prior to  
21 retirement by written request to the board of trustees, but  
22 cannot revoke the election after retirement. The election  
23 request applies to retirement under service retirement,  
24 accidental disability and ordinary disability, whichever is  
25 applicable at the time of the member's retirement.

26     Optional retirement benefits shall be the actuarial  
27 equivalent of the amounts of the retirement benefits payable  
28 to members and beneficiaries under section 97A.6. The  
29 actuarial equivalent shall be based on the mortality and  
30 interest assumptions set out in section 97A.5.

31     If the member dies without a beneficiary prior to  
32 retirement or prior to receipt in benefits of an amount equal  
33 to the total amount remaining to the member's credit at the  
34 time of separation from service, the election is null and  
35 void.

1 If the member dies with a beneficiary prior to retirement,  
2 the election remains valid and the beneficiary is entitled to  
3 receive the retirement benefit beginning at the death of the  
4 member.

5 If the member dies with a beneficiary and the beneficiary  
6 subsequently dies prior to receipt in retirement benefits by  
7 both the member and the beneficiary of an amount equal to the  
8 total amount remaining to the member's credit at the time of  
9 separation from service, the election remains valid.

10 For the purpose of this section, "beneficiary" means a  
11 spouse, child, or a dependent parent.

12 Sec. 11. Section 97A.8, subsection 1, paragraphs b, c, and  
13 f, Code 1989, are amended to read as follows:

14 b. On the basis of the rate of interest and of such the  
15 mortality, interest, and other tables as shall be adopted by  
16 the board of trustees, the state commissioner of insurance  
17 shall make each valuation required by this chapter and shall  
18 immediately after making such valuation, determine the "normal  
19 contribution rate". The normal contribution rate shall be the  
20 rate percent of the earnable compensation of all members  
21 obtained by deducting from the total liabilities of the fund  
22 the sum of the amount of the funds in hand to the credit of  
23 the fund and dividing the remainder by one percent of the  
24 present value of the prospective future compensation of all  
25 members as computed on the basis of the rate of interest and  
26 of mortality and service tables adopted by the board of  
27 trustees, all reduced by the employee contribution made  
28 pursuant to paragraph "f" of this subsection. However, the  
29 normal rate of contribution shall not be less than seventeen  
30 and five hundredths percent. The normal rate of contribution  
31 shall be determined by the state commissioner of insurance  
32 after each valuation.

33 c. The total amount payable in each year to the pension  
34 accumulation fund shall not be less than the rate percent  
35 known as the normal contribution rate of the total

1 compensation earnable by all members during the year,  
2 ~~provided, however, that~~ or eighteen and two-tenths percent of  
3 such total compensation earnable by all members during the  
4 year, whichever is less. However, the aggregate payment by  
5 the state shall be sufficient when combined with the amount in  
6 the fund to provide the pensions and other benefits payable  
7 out of the fund during the then current year.

8 The system shall develop a financial plan for making the  
9 system actuarially sound on or before June 30, 1996. The plan  
10 shall be submitted to the general assembly on or before  
11 January 1, 1991. As used in this paragraph, "actuarially  
12 sound" means that the accrued assets equal the accrued  
13 benefits.

14 Notwithstanding any other provision of this chapter,  
15 beginning July 1, 1996, and each fiscal year thereafter, the  
16 normal contribution rate shall be equivalent to the employer  
17 contribution rate provided under section 411.8, subsection 1,  
18 paragraph "b", for the statewide fire and police retirement  
19 system for the applicable fiscal year.

20 f. Except as otherwise provided in paragraph "h":

21 (1) An amount equal to three and one-tenth percent of each  
22 member's compensation from the earnable compensation of the  
23 member shall be paid to the pension accumulation fund for the  
24 fiscal year beginning July 1, 1989.

25 (2) An amount equal to four and four-tenths percent of  
26 each member's compensation from the earnable compensation of  
27 the member shall be paid to the pension accumulation fund for  
28 the fiscal year beginning July 1, 1990.

29 (3) An amount equal to five and seven-tenths percent of  
30 each member's compensation from the earnable compensation of  
31 the member shall be paid to the pension accumulation fund for  
32 the fiscal year beginning July 1, 1991.

33 (4) An amount equal to seven percent of each member's  
34 compensation from the earnable compensation of the member  
35 shall be paid to the pension accumulation fund for the fiscal



1 year beginning July 1, 1992.

2 (5) An amount equal to eight and three-tenths percent of  
3 each member's compensation from the earnable compensation of  
4 the member shall be paid to the pension accumulation fund for  
5 the fiscal year beginning July 1, 1993.

6 (6) An amount equal to nine and six-tenths percent of each  
7 member's compensation from the earnable compensation of the  
8 member shall be paid to the pension accumulation fund for the  
9 fiscal year beginning July 1, 1994.

10 (7) An amount equal to ten and nine-tenths percent of each  
11 member's compensation from the earnable compensation of the  
12 member shall be paid to the pension accumulation fund for the  
13 fiscal year beginning July 1, 1995.

14 (8) Notwithstanding any other provision of this chapter,  
15 beginning July 1, 1996, and each fiscal year thereafter, the  
16 member's contribution rate shall be equivalent to the member's  
17 contribution rate provided under section 411.8, subsection 1,  
18 paragraph "f", for the statewide fire and police retirement  
19 system for the applicable fiscal year.

20 Sec. 12. Section 97A.8, subsection 1, Code 1989, is  
21 amended by adding the following new paragraph:

22 NEW PARAGRAPH. n. Notwithstanding the provisions of  
23 paragraph "f", the following transition percentages apply to  
24 members' contributions as specified:

25 (1) For members who on July 1, 1990, have attained the age  
26 of forty-nine years or more, an amount equal to ten and nine-  
27 tenths percent of each member's compensation from the earnable  
28 compensation of the member shall be paid to the pension  
29 accumulation fund for the fiscal year beginning July 1, 1990,  
30 and each fiscal year thereafter.

31 (2) For members who on July 1, 1990, have attained the age  
32 of forty-eight years but have not attained the age of forty-  
33 nine years, an amount equal to nine and six-tenths percent  
34 shall be paid for the fiscal year beginning July 1, 1990, and  
35 an amount equal to ten and nine-tenths percent shall be paid

1 for the fiscal year beginning July 1, 1991, and each fiscal  
2 year thereafter.

3 (3) For members who on July 1, 1990, have attained the age  
4 of forty-seven years but have not attained the age of forty-  
5 eight years, an amount equal to eight and three-tenths percent  
6 shall be paid for the fiscal year beginning July 1, 1990, an  
7 amount equal to nine and six-tenths percent shall be paid for  
8 the fiscal year beginning July 1, 1991, and an amount equal to  
9 ten and nine-tenths percent shall be paid for the fiscal year  
10 beginning July 1, 1992, and each fiscal year thereafter.

11 (4) For members who on July 1, 1990, have attained the age  
12 of forty-six years but have not attained the age of forty-  
13 seven years, an amount equal to seven percent shall be paid  
14 for the fiscal year beginning July 1, 1990, an amount equal to  
15 eight and three-tenths percent shall be paid for the fiscal  
16 year beginning July 1, 1991, an amount equal to nine and six-  
17 tenths percent shall be paid for the fiscal year beginning  
18 July 1, 1992, and an amount equal to ten and nine-tenths  
19 percent shall be paid for the fiscal year beginning July 1,  
20 1993, and each fiscal year thereafter.

21 (5) For members who on July 1, 1990, have attained the age  
22 of forty-five years but have not attained the age of forty-six  
23 years, an amount equal to five and seven-tenths percent shall  
24 be paid for the fiscal year beginning July 1, 1990, an amount  
25 equal to seven percent shall be paid for the fiscal year  
26 beginning July 1, 1991, an amount equal to eight and three-  
27 tenths percent shall be paid for the fiscal year beginning  
28 July 1, 1992, an amount equal to nine and six-tenths percent  
29 shall be paid for the fiscal year beginning July 1, 1993, and  
30 an amount equal to ten and nine-tenths percent shall be paid  
31 for the fiscal year beginning July 1, 1994, and each fiscal  
32 year thereafter.

33 Sec. 13. Section 97A.8, subsection 1, Code 1989, is  
34 amended by adding the following new paragraph:

35 NEW PARAGRAPH. i. Notwithstanding any other provision of

1 this chapter, employer and employee contributions shall be  
2 computed on only the covered portion of the member's earnable  
3 compensation for the applicable year as shown in the following  
4 subparagraphs:

5 (1) For the calendar year beginning January 1, 1990, the  
6 covered portion of the member's earnable compensation is  
7 twenty-eight thousand dollars.

8 (2) For the calendar year beginning January 1, 1991, the  
9 covered portion of the member's earnable compensation is  
10 thirty-one thousand dollars.

11 (3) For the calendar year beginning January 1, 1992, the  
12 covered portion of the member's earnable compensation is  
13 thirty-four thousand dollars.

14 (4) For the calendar year beginning January 1, 1993, the  
15 covered portion of the member's earnable compensation is  
16 thirty-seven thousand dollars.

17 (5) For the calendar year beginning January 1, 1994, and  
18 each calendar year thereafter, the covered portion of the  
19 member's earnable compensation is forty thousand dollars.

20 Sec. 14. Section 97A.15, subsection 2, paragraph g, Code  
21 1989, is amended to read as follows:

22 g. "Member who became vested" and "vested member" mean a  
23 member who has been a member of the retirement system fifteen  
24 four or more years and is entitled to benefits under this  
25 chapter.

26 Sec. 15. NEW SECTION. 97A.16 WITHDRAWAL OF  
27 CONTRIBUTIONS.

28 Commencing July 1, 1990, if an active member, in service on  
29 or after that date, terminates service, other than by death or  
30 disability, the member may elect to withdraw the member's  
31 contributions under section 97A.8, subsection 1, paragraphs  
32 "f" and "h", together with interest thereon at a rate  
33 determined by the board of trustees. If a member withdraws  
34 contributions as provided in this section, the member shall be  
35 deemed to have waived all claims for other benefits from the

1 system for the period of membership service for which the  
2 contributions are withdrawn.

3 Sec. 16. Section 97B.15, Code 1989, is amended to read as  
4 follows:

5 97B.15 RULES.

6 The department may ~~make~~ adopt rules under chapter 17A and  
7 establish procedures, not inconsistent with this chapter,  
8 which are necessary or appropriate to implement this chapter  
9 and shall adopt reasonable and proper rules to regulate and  
10 provide for the nature and extent of the proofs and evidence  
11 and the method of taking and furnishing the proofs and  
12 evidence in order to establish the right to benefits under  
13 this chapter. The department may adopt rules to conform the  
14 requirements for receipt of retirement benefits under this  
15 chapter to the mandates of applicable federal statutes and  
16 regulations ~~governing-age-discrimination-or-the-taxation-of~~  
17 ~~distributions.~~

18 Sec. 17. Section 97B.41, subsection 1, paragraph b,  
19 subparagraph (9), Code 1989, is amended by striking the  
20 subparagraph and inserting in lieu thereof the following:

21 (9) For the calendar year beginning January 1, 1989, and  
22 ending December 31, 1989, wages not in excess of twenty-six  
23 thousand dollars.

24 Sec. 18. Section 97B.41, subsection 1, paragraph b, Code  
25 1989, is amended by adding the following new subparagraphs  
26 after subparagraph (9) and renumbering the subsequent  
27 subparagraphs:

28 NEW SUBPARAGRAPH. (10) For the calendar year beginning  
29 January 1, 1990, and ending December 31, 1990, wages not in  
30 excess of twenty-eight thousand dollars.

31 NEW SUBPARAGRAPH. (11) Commencing January 1, 1991, for  
32 each calendar year, the department shall increase the covered  
33 wages limitation from the previous calendar year by three  
34 thousand dollars if the annual actuarial valuation of the  
35 assets and liabilities of the retirement system indicates that

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

5 Sec. 19. Section 97B.41, subsection 3, paragraph b,  
6 subparagraph (1), Code 1989, is amended by striking the  
7 subparagraph and inserting in lieu thereof the following:

8 (1) Elective officials in positions for which the  
9 compensation is on a fee basis, elective officials of school  
10 districts, elective officials of townships, and elective  
11 officials of other political subdivisions who are in part-time  
12 positions, unless the elective official makes an application  
13 to the department to be covered under this chapter. An  
14 elective official who made an application to the department to  
15 be covered under this chapter may terminate membership under  
16 this chapter by informing the department in writing of the  
17 member's termination. A county attorney is an employee for  
18 purposes of this chapter whether that county attorney is  
19 employed on a full-time or part-time basis.

20 Graduate medical students while serving as interns or  
21 resident doctors in training at any hospital, or county  
22 medical examiners and deputy county medical examiners under  
23 chapter 331, division V, part 3.

24 Sec. 20. Section 97B.41, subsection 10, Code 1989, is  
25 amended to read as follows:

26 10. a. "Vested member" means a member who terminated  
27 employment-in-accordance-with-one-of-the-following-paragraphs  
28 meets one of the following requirements:

29 a- (1) Prior to July 1, 1965, after-having had attained  
30 the age of forty-eight and completed at least eight years of  
31 service.

32 b- (2) Between July 1, 1965 and June 30, 1973, after  
33 having had completed at least eight years of service.

34 c- (3) On or after July 1, 1973, after-having has  
35 completed at least four years of service.

1 d. (4) After having Has attained the age of fifty-five.

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

8 b. "Active vested member" means an active member who has  
9 attained sufficient membership service to achieve vested  
10 status.

11 c. "Inactive vested member" means an inactive member who  
12 was a vested member at the time of termination of employment.

13 Sec. 21. Section 97B.41, subsection 15, Code 1989, is  
14 amended to read as follows:

15 15. "Years of prior service" means the total of all  
16 periods of prior service of a member. ~~In the determination of~~  
17 ~~such total years of prior service any fraction of the total in~~  
18 ~~excess of an integral number of years which is at least six~~  
19 ~~months shall be deemed to be a complete year and any smaller~~  
20 ~~fraction shall be disregarded.~~ In computing credit for prior  
21 service, service of less than a full quarter shall be rounded  
22 up to a full quarter. Where a member had prior service as a  
23 teacher, a full year of service shall be granted that member  
24 if the member had three quarters of service and a contract for  
25 employment the following school year.

26 Sec. 22. Section 97B.41, subsection 21, Code 1989, is  
27 amended by striking the subsection.

28 Sec. 23. Section 97B.43, unnumbered paragraph 3, Code  
29 1989, is amended to read as follows:

30 Each individual who ~~as of~~ on or after July 1, 1978, was an  
31 active, vested, or retired member and who (1) made application  
32 for and received a refund of contributions made under the  
33 abolished system or (2) has on deposit with the retirement  
34 fund contributions made under the abolished system shall be  
35 entitled to credit for years of prior service in the

1 determination of retirement allowance payments by filing a  
2 written election with the department on or after July 1, 1978,  
3 and by redepositing any withdrawn contributions under the  
4 abolished system together with interest as stated in this  
5 paragraph. Any individual who ~~as-of~~ on or after July 1, 1978,  
6 is a retired member and who made application for and received  
7 a refund of contributions made under the abolished system,  
8 may, by filing a written election with the department on or  
9 after July 1, 1978, have the department retain fifty percent  
10 of the monthly increase in retiree benefits that will accrue  
11 to the individual because of prior service. If the monthly  
12 increase in retirement benefits is less than ten dollars, the  
13 department shall retain five dollars of the scheduled  
14 increase, and if the monthly increase is less than five  
15 dollars, the provisions of this paragraph shall not apply.  
16 The department shall continue to retain such funds until the  
17 withdrawn contributions, together with interest accrued to the  
18 month in which the written election is filed, have been  
19 repaid. Due notice of this provision shall be sent to all  
20 retired members ~~as-of~~ on or after July 1, 1978. However, this  
21 paragraph shall not apply to any person who received a refund  
22 of any membership service contributions unless the person  
23 repaid the membership service contributions pursuant to  
24 section 97B.74; ~~provided, however, that~~ but a refund of  
25 contributions remitted for the calendar quarter ending  
26 September 30, 1953 which was based entirely upon employment  
27 which terminated prior to July 4, 1953 shall not be considered  
28 as a refund of membership service contributions. The interest  
29 to be paid into the fund shall be compounded at the rates  
30 credited to member accounts from the date of payment of the  
31 refund of contributions under the abolished system to the date  
32 the member redeposits the refunded amount. The provisions of  
33 the first paragraph of this section relating to the  
34 consideration given to credited amounts shall apply to the  
35 redeposited amounts or to amounts left on deposit. Effective

1 July 1, 1978, the provisions of this paragraph shall apply to  
2 each individual who ~~as-of~~ on or after July 1, 1978, was an  
3 active, vested, or retired member, but who was not in service  
4 on July 4, 1953. The period for filing the written election  
5 with the department and redepositing any withdrawn  
6 contributions together with interest accrued shall commence  
7 July 1, 1978. A member who is a retired member ~~as-of~~ on or  
8 after July 1, 1978 may file written election with the  
9 department on or after July 1, 1978 to have the department  
10 retain fifty percent of the monthly increase as provided in  
11 this paragraph.

12 Sec. 24. Section 97B.48, subsection 1, Code 1989, is  
13 amended to read as follows:

14 1. Retirement allowances shall be paid monthly, except  
15 that an allowance of less than ~~one-hundred-twenty~~ two hundred  
16 forty dollars a year ~~shall~~ may, at the member's option, be  
17 paid as a lump sum in an actuarial equivalent amount. Receipt  
18 of the lump-sum payment by a member shall terminate any and  
19 all entitlement for the period of service covered of the ~~said~~  
20 member under this chapter.

21 Sec. 25. Section 97B.48, subsection 3, Code 1989, is  
22 amended to read as follows:

23 3. If, after the first day of the month in which the  
24 member attains the age of fifty-five years and until the  
25 member's sixty-fifth birthday, a member who is retired under  
26 this chapter is in regular full-time employment, the member's  
27 retirement allowance shall be suspended for as long as the  
28 member remains in employment. However, effective January 1,  
29 ~~1989~~ 1991, employment is not full-time employment until the  
30 member receives remuneration in an amount in excess of six  
31 thousand ~~one-hundred-twenty~~ eight hundred forty dollars for a  
32 calendar year. Effective the first of the month in which a  
33 member attains the age of sixty-five years, a retired member  
34 may receive a retirement allowance after return to covered  
35 employment regardless of the amount of remuneration received.



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

13 Sec. 26. Section 97B.49, subsection 5, Code 1989, is  
14 amended to read as follows:

15 5. a. For each active member retiring on or after July 1,  
16 1986, and before July 1, 1990, with four or more complete  
17 years of service, a monthly benefit shall be computed which is  
18 equal to one-twelfth of an amount equal to fifty percent of  
19 the three-year average covered wage multiplied by a fraction  
20 of years of service.

21 b. For each active member retiring on or after July 1,  
22 1990, with four or more complete years of service, a monthly  
23 benefit shall be computed which is equal to one-twelfth of an  
24 amount equal to fifty-two percent of the three-year average  
25 covered wage multiplied by a fraction of years of service.

26 Commencing July 1, 1991, the department shall increase the  
27 percentage multiplier of the three-year average covered wage  
28 by an additional two percent each July 1 until reaching sixty  
29 percent of the three-year average covered wage if the annual  
30 actuarial valuation of the retirement system indicates for  
31 that year that the cost of this increase in the percentage of  
32 the three-year average covered wage used in computing  
33 retirement benefits can be absorbed within the employer and  
34 employee contribution rates in effect under section 97B.11.

35 c. For the purposes of this subsection, "fraction of years

1 of service" means a number, not to exceed one, equal to the  
2 sum of the years of membership service and the number of years  
3 of prior service divided by thirty years.

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

7 Sec. 27. Section 97B.49, subsection 13, paragraphs a and  
8 b, Code 1989, are amended to read as follows:

9 a. A member who retired from the system between January 1,  
10 1976, and June 30, 1982, or a contingent annuitant or  
11 beneficiary of such a member, shall receive with the November  
12 ~~1988~~ 1990 and the November ~~1989~~ 1991 monthly benefit payments  
13 a retirement dividend equal to eighty one hundred forty  
14 percent of the monthly benefit payment the member received for  
15 the preceding June, or the most recently received benefit pay-  
16 ment, whichever is greater. The retirement dividend does not  
17 affect the amount of a monthly benefit payment.

18 b. Each member who retired from the system between July 4,  
19 1953, and December 31, 1975, or a contingent annuitant or  
20 beneficiary of such a member, shall receive with the November  
21 ~~1988~~ 1990 and the November ~~1989~~ 1991 monthly benefit payments  
22 a retirement dividend equal to one hundred twenty eighty  
23 percent of the monthly benefit payment the member received for  
24 the preceding June, or the most recently received benefit pay-  
25 ment, whichever is greater. The retirement dividend does not  
26 affect the amount of a monthly benefit payment.

27 Sec. 28. Section 97B.49, subsection 13, paragraph c, Code  
28 1989, is amended to read as follows:

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

33 Sec. 29. Section 97B.49, subsection 13, Code 1989, is  
34 amended by adding the following new paragraph after paragraph  
35 c and relettering the subsequent paragraphs:

1 NEW PARAGRAPH. d. A member who retired from the system  
2 between July 1, 1982, and June 30, 1986, or a contingent  
3 annuitant or beneficiary of such a member, shall receive with  
4 the November 1990 and the November 1991 monthly benefit  
5 payments a retirement dividend equal to twenty-four percent of  
6 the monthly benefit payment the member received for the  
7 preceding June, or the most recently received benefit payment,  
8 whichever is greater. The retirement dividend does not affect  
9 the amount of a monthly benefit payment.

10 Sec. 30. Section 97B.49, subsection 15, Code 1989, is  
11 amended to read as follows:

12 15. In lieu of the monthly benefit computed under  
13 subsections 1 and 3 as applicable, or subsection 5~~7~~-fer:

14 a. For each active member retiring on or after July 1,  
15 1988, and before July 1, 1990, who is at least fifty-five  
16 years of age and has completed at least thirty years of  
17 membership service and prior service, and for which the sum of  
18 the number of years of membership service and prior service  
19 and the member's age in years as of the member's last birthday  
20 equals or exceeds ninety-two, a monthly benefit shall be  
21 computed which is equal to one-twelfth of fifty percent of the  
22 three-year average covered wage of the member.

23 b. For each active member retiring on or after July 1,  
24 1990, who is at least fifty-five years of age and has  
25 completed at least thirty years of membership service and  
26 prior service, and for which the sum of the number of years of  
27 membership service and prior service and the member's age in  
28 years as of the member's last birthday exceeds ninety-two, a  
29 monthly benefit shall be computed which is equal to one-  
30 twelfth of the same percentage of the three-year average  
31 covered wage of the member as is provided in subsection 5.

32 Sec. 31. Section 97B.49, subsection 16, paragraphs a, b,  
33 and c, Code 1989, are amended to read as follows:

34 16. a. Notwithstanding other provisions of this chapter,  
35 a:

1     (1) A member who is or has been employed in a protection  
2 occupation who retires on or after July 1, 1988, and before  
3 July 1, 1990, and at the time of retirement is at least fifty-  
4 five years of age and has completed at least twenty-five years  
5 of membership service in a protection occupation, may elect to  
6 receive in lieu of the receipt of any benefits under  
7 subsection 5 or 15, a monthly retirement allowance equal to  
8 one-twelfth of fifty percent of the member's three-year  
9 average covered wage as a member who has been employed in a  
10 protection occupation, with benefits payable during the  
11 member's lifetime.

12     (2) A member who is or has been employed in a protection  
13 occupation who retires on or after July 1, 1990, and at the  
14 time of retirement is at least fifty-five years of age and has  
15 completed at least twenty-five years of membership service in  
16 a protection occupation, may elect to receive in lieu of the  
17 receipt of any benefits under subsection 5 or 15, a monthly  
18 retirement allowance equal to one-twelfth of fifty-two percent  
19 of the member's three-year average covered wage as a member  
20 who has been employed in a protection occupation, with  
21 benefits payable during the member's lifetime.

22     (3) Commencing July 1, 1991, the department shall increase  
23 the percentage multiplier of the three-year average covered  
24 wage by an additional two percent each July 1 until reaching  
25 sixty percent of the three-year average covered wage.

26     b. Notwithstanding other provisions of this chapter 7-a:

27     (1) A member who retires from employment as a county  
28 sheriff or deputy sheriff who retires on or after July 1,  
29 1988, and before July 1, 1990, and at the time of retirement  
30 is at least fifty-five years of age and has completed at least  
31 twenty-two years of membership service, may elect to receive  
32 in lieu of the receipt of any benefits under subsection 5 or  
33 15, a monthly retirement allowance equal to one-twelfth of  
34 fifty percent of the member's three-year average covered wage  
35 as a member, with benefits payable during the member's

1 lifetime.

2 (2) A member who retires from employment as a county  
3 sheriff or deputy sheriff who retires on or after July 1,  
4 1990, and at the time of retirement is at least fifty-five  
5 years of age and has completed at least twenty-two years of  
6 membership service, may elect to receive in lieu of the  
7 receipt of any benefits under subsection 5 or 15, a monthly  
8 retirement allowance equal to one-twelfth of the same  
9 percentage of the member's three-year average covered wage as  
10 is provided in paragraph "a", with benefits payable during the  
11 member's lifetime.

12 (3) The years of membership service required under this  
13 paragraph shall include membership service as a sheriff or  
14 deputy sheriff and membership service under employment in a  
15 protection occupation included in paragraph "d", subparagraph  
16 (2).

17 (4) For the purposes of this subsection, sheriff means a  
18 county sheriff as defined in section 39.17 and deputy sheriff  
19 means a deputy sheriff appointed pursuant to section 341.1  
20 prior to July 1, 1981, or section 331.903 on or after July 1,  
21 1981.

22 c. A member covered under this subsection who retires on  
23 or after July 1, 1988, and before July 1, 1990, and has not  
24 completed the twenty-five years of membership service required  
25 under paragraph "a", or twenty-two years of membership service  
26 required under paragraph "b", is eligible to receive a monthly  
27 retirement allowance equal to one-twelfth of fifty percent of  
28 the member's three-year average covered wage as a member  
29 employed in a protection occupation, or as a sheriff or deputy  
30 sheriff, multiplied by a fraction of years of service.

31 A member covered under this subsection who retires on or  
32 after July 1, 1990, and has not completed the twenty-five  
33 years of membership service required under paragraph "a", or  
34 twenty-two years of membership service required under para-  
35 graph "b", is eligible to receive a monthly retirement

1 allowance equal to one-twelfth of the same percentage of the  
2 member's three-year average covered wage as is provided in  
3 paragraph "a", multiplied by a fraction of years of service.

4 PARAGRAPH DIVIDED. For the purpose of this subsection,  
5 "fraction of years of service" means a number, not to exceed  
6 one, equal to the sum of the years of membership service for a  
7 member retiring in a protection occupation, divided by twenty-  
8 five years, or the sum of the years of membership service for  
9 a member retiring as a sheriff or deputy sheriff divided by  
10 twenty-two years.

11 Sec. 32. Section 97B.50, subsection 2, Code 1989, is  
12 amended to read as follows:

13 2. a. A member who retires from the system due to  
14 disability and commences receiving disability benefits  
15 pursuant to the United States Social Security Act (42 U.S.C.),  
16 as amended to July 1, 1978, who is eligible for early  
17 retirement, but has not reached the normal retirement date,  
18 shall receive full benefits under section 97B.49 and shall not  
19 have benefits reduced upon retirement as required under  
20 subsection 1 regardless of whether the member has completed  
21 thirty or more years of membership service. This section  
22 takes effect July 1, 1987 for a member meeting the  
23 requirements of this subsection paragraph who retired from the  
24 system at any time between July 4, 1953 and June 30, 1987.

25 Effective July 1, 1990, for members terminating on or after  
26 July 4, 1953, a member who terminates covered employment due  
27 to disability and commences receiving disability benefits  
28 pursuant to the United States Social Security Act (42 U.S.C.),  
29 who has not attained the age of fifty-five years, is eligible  
30 to receive benefits under section 97B.49, reduced by twenty-  
31 five hundredths of one percent for each month that the  
32 retirement date precedes the first day of the month in which  
33 the member attains the age of fifty-five. However, the  
34 benefits shall be suspended during any period in which the  
35 member returns to covered employment. Eligible members are

1 entitled to receipt of retroactive adjustment payments for no  
2 more than six months immediately preceding the month after  
3 July 1, 1990, in which written notice was submitted to the  
4 department.

5 b. A member who retires from the system due to disability  
6 and commences receiving disability benefits pursuant to the  
7 United States Railroad Retirement Act (45 U.S.C. § 231 et  
8 seq.) who is eligible for early retirement but has not reached  
9 the normal retirement date, shall receive full benefits under  
10 section 97B.49 and shall not have benefits reduced upon  
11 retirement as required under subsection 1 regardless of  
12 whether the member has completed thirty or more years of  
13 membership service. This section takes effect July 1, 1990,  
14 for a member meeting the requirements of this paragraph who  
15 retired from the system at any time since July 4, 1953.  
16 However, eligible members are entitled to receipt of  
17 retroactive adjustment payments for no more than six months  
18 immediately preceding the month after July 1, 1990, in which  
19 written notice was submitted to the department.

20 Effective July 1, 1990, for members terminating on or after  
21 July 4, 1953, a member who terminates covered employment due  
22 to disability and commences receiving disability benefits  
23 pursuant to the United States Railroad Retirement Act (45  
24 U.S.C. § 231 et seq.), who has not attained the age of fifty-  
25 five years, is eligible to receive benefits under section  
26 97B.49, reduced by twenty-five hundredths of one percent for  
27 each month that the retirement date precedes the first day of  
28 the month in which the member attains the age of fifty-five.  
29 However, the benefits shall be suspended during any period in  
30 which the member returns to covered employment. Eligible  
31 members are entitled to receipt of retroactive adjustment  
32 payments for no more than six months immediately preceding the  
33 month after July 1, 1990, in which written notice was  
34 submitted to the department.

35 Sec. 33. Section 97B.52, subsection 3, Code 1989, is

1 amended to read as follows:

2 3. a. Other than as provided ~~above~~ in subsections 1 and 2  
3 of this section, or section 97B.51, all rights to any benefits  
4 under the retirement system ~~will~~ shall cease upon the death of  
5 a member.

6 b. If a death benefit is due and payable, interest shall  
7 continue to accumulate through the month preceding the month  
8 in which payment is made to the designated beneficiary, heirs  
9 at law, or to the estate unless the payment of the death  
10 benefit is delayed because of a dispute between alleged heirs,  
11 in which case the benefit due and payable shall be placed in a  
12 noninterest bearing escrow account until the beneficiary is  
13 determined in accordance with this section.

14 Sec. 34. NEW SECTION. 97B.53A DUTY OF DEPARTMENT.

15 Effective July 1, 1991, upon a member's termination of  
16 covered employment prior to the member's retirement, the  
17 department shall send the member by first class mail, to the  
18 member's last known mailing address, a notice setting forth  
19 the balance and status of the member's account and an  
20 explanation of the courses of action available to the member  
21 under this chapter.

22 Sec. 35. Section 97B.73, Code 1989, is amended to read as  
23 follows:

24 97B.73 MEMBERS FROM OTHER PUBLIC SYSTEMS.

25 A vested or retired member who was ~~a-member-of-a-public~~  
26 ~~retirement-system~~ in public employment in another state but  
27 ~~was-not-vested-or-retired-under-that-system-may~~ or in the  
28 federal government, or who was a member of another public  
29 retirement system in this state, but who was not retired under  
30 that system, upon submitting verification of membership and  
31 service in the other public retirement system to the  
32 department, including proof that the member has no further  
33 claim upon a retirement benefit from that other public system,  
34 may make employer and employee contributions to the system for  
35 the period of service in the other public retirement system



1 and receive credit for membership service in this system  
2 equivalent to the number of years of service in the other  
3 public retirement system. The contributions-paid-by-the  
4 vested-or-retired-member-for-service-in-the-other-public  
5 retirement-system-shall-be-equal-to-the-accumulated  
6 contributions-as-defined-in-section-97B.41, subsection 12, by  
7 the-member-for-that-period-of-service-and-the-employer  
8 contribution-for-that-period-of-service-that-would-have-been  
9 contributed-by-the-vested-or-retired-member-and-the-employer  
10 plus-interest-on-the-contributions-that-would-have-accrued-if  
11 the-member-had-been-a-member-of-this-system-earning-the-same  
12 wages-earned-under-the-other-system-for-the-period-from-the  
13 date-of-service-of-the-member-in-the-other-public-retirement  
14 system-to-the-date-of-payment-of-the-contributions-by-the  
15 member-equal-to-two-percent-plus-the-interest-dividend-rate  
16 applicable-for-each-year contribution payable shall be based  
17 upon the member's covered wages for the most recent full  
18 calendar year at the applicable rates in effect for that  
19 calendar year under sections 97B.11 and 97B.49 and multiplied  
20 by the member's years of service in other public employment.

21 This section is applicable to a vested or retired member  
22 who was a member of a public retirement system established in  
23 sections 294.8, 294.9, and 294.10 but was not vested or  
24 retired under that system.

25 A member vested under another public system must waive, on  
26 a form provided by the Iowa public employees' retirement  
27 system, all rights to a retirement benefit under that other  
28 public system before receiving credit in this system for those  
29 years of service in the other public system.

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

1 Sec. 36. Section 97B.74, unnumbered paragraphs 1 and 2,  
2 Code 1989, are amended to read as follows:

3 An Effective January 1, 1991, an active, vested, or retired  
4 member who at any time between July 4, 1953 and July 17, 1973  
5 was a member of the system at any time on or after July 4,  
6 1953, but who did not meet the requirements to be a vested  
7 member for that period of membership service, and who received  
8 a refund of the member's contributions for that period of  
9 membership service, may elect in writing to the department to  
10 make contributions to the system for that period of membership  
11 service for which a refund of contributions was made. The  
12 contributions repaid by the member for such service shall be  
13 equal to the accumulated contributions, as defined in section  
14 97B.41, subsection 12, received by the member for that period  
15 of membership service plus interest on the accumulated  
16 contributions for the period from the date of receipt by the  
17 member to the date of repayment equal to two percent plus the  
18 interest dividend rate applicable for each year compounded  
19 annually.

20 ~~The provisions of this section are only available to a~~  
21 ~~member if that member's total years of membership and prior~~  
22 ~~service, with the addition of service for that period of~~  
23 ~~membership service for which contributions are repaid, equals~~  
24 ~~or exceeds fifteen years. An active member must have at least~~  
25 one quarter's reportable wages on file and have membership  
26 service, including that period of membership service for which  
27 a refund of contributions was made, sufficient to give the  
28 member vested status.

29 Sec. 37. NEW SECTION. 97D.1 GUIDING GOALS FOR FUTURE  
30 CHANGES IN PUBLIC RETIREMENT SYSTEMS -- SOCIAL SECURITY --  
31 PORTABILITY.

32 1. The general assembly declares that legislative  
33 proposals for changes in specific public retirement systems  
34 should be considered within the context of all public retire-  
35 ment systems within the state, with emphasis on equity and

1 equality among the systems. The following list of guiding  
2 goals shall apply to the consideration of proposed changes:

3 a. Select those benefit enhancement options which most  
4 successfully deliver the greatest good to the greatest number  
5 of employees.

6 b. Choose those options which best correct existing  
7 inequities between and among the various retirement groups in  
8 the state.

9 c. Determine those options which most ably serve the twin  
10 objectives of attracting and retaining quality employees.

11 d. Avoid enacting further incentives toward earlier  
12 retirement with full benefits.

13 e. Avoid further splintering of benefits by dispropor-  
14 tionate enhancement of benefits for one group beyond those  
15 available to another.

16 2. The public retirement systems committee established by  
17 section 97B.76 shall periodically weigh the advantages and  
18 disadvantages of establishing participation in the federal  
19 social security system for the members of public retirement  
20 systems operating under chapters 97A and 411 and the impact of  
21 such a change on total contributions and benefits.

22 3. The public retirement systems committee established by  
23 section 97B.76 shall consider proposals to achieve greater  
24 portability of pension benefits between the various public  
25 retirement systems in the state. Special attention should be  
26 given to the actuarial cost of transfers of value from one  
27 system to another.

28 Sec. 38. NEW SECTION. 97D.2 ANALYSIS OF COST OF PROPOSED  
29 CHANGES.

30 When the public retirement systems committee established by  
31 section 97B.76 or a standing committee of the senate or house  
32 of representatives receives a proposal for a change in a  
33 public retirement system within this state, the committee  
34 shall require the development of actuarial information  
35 concerning the costs of the proposed change. If the proposal

1 affects police and fire retirement under chapter 411, the  
2 committee shall arrange for the services of an actuarial  
3 consultant to assist in developing the information.

4 Sec. 39. NEW SECTION. 97D.3 NEWLY HIRED PEACE OFFICERS,  
5 POLICE OFFICERS, AND FIRE FIGHTERS AFTER JULY 1, 1991.

6 Notwithstanding sections 97A.3 and 411.3, all persons newly  
7 hired as peace officers, as defined in section 97A.1, police  
8 officers, and fire fighters after July 1, 1991, shall be  
9 members of the Iowa public employees' retirement system under  
10 chapter 97B, rather than members of retirement systems under  
11 chapters 97A and 411. Such members shall have federal social  
12 security coverage in addition to coverage under the Iowa  
13 public employees' retirement system and shall have the same  
14 benefits as county sheriffs and deputy sheriffs under section  
15 97B.49, subsection 16, paragraph "b".

16 Sec. 40. Section 410.6, unnumbered paragraph 2, Code 1989,  
17 is amended to read as follows:

18 Upon the adoption of any increase in pension benefits  
19 effective subsequent to the date of a member's retirement, the  
20 amount payable to each member as regular pension shall be  
21 increased by an amount equal to fifty ~~sixty~~ percent of any  
22 increase in the pension benefits for the rank at which the  
23 member retired.

24 Sec. 41. Section 411.1, subsections 1, 4, 5, 14, 16, 17,  
25 and 18, Code 1989, are amended to read as follows:

26 1. "Retirement system" or "system" shall-mean-either means  
27 the statewide fire or-the and police retirement system  
28 established by this chapter for the fire fighters and police  
29 officers of the said cities as-defined described in section  
30 411.2, its board of trustees, and its appointed  
31 representatives.

32 4. "Member" shall-mean means a member of either the police  
33 or-fire retirement systems system as defined by section 411.3.

34 5. "Board of fire trustees" and-"board-of-police-trustees"  
35 shall-mean means the boards board provided-in-section-411-5

1 created by section 411.36 to administer direct the  
 2 establishment and administration of the fire retirement system  
 3 and the police retirement system respectively.

4 14. "Pensions" shall-mean means annual payments for life  
 5 derived from appropriations provided by the said participating  
 6 cities and the state and from contributions of the members  
 7 which are deposited in the pension-accumulation fire and  
 8 police retirement fund. All pensions shall be paid in equal  
 9 monthly installments.

10 16. "Pension reserve" shall-mean means the present value  
 11 of all payments to be made on account of any pension, or  
 12 benefit in lieu of a pension, granted under the provisions of  
 13 this chapter, upon the basis of such mortality tables as shall  
 14 be adopted by the boards of-trustees system, and interest  
 15 computed at rates the rate adopted established by the boards  
 16 upon-the-recommendation-of-the actuary.

17 17. "Actuarial equivalent" shall-mean means a benefit of  
 18 equal value, when computed upon the basis of mortality tables  
 19 adopted by the boards-of-trustees system, and interest  
 20 computed at rates the rate adopted established by the boards  
 21 upon-the-recommendation-of-the actuary.

22 18. "City" or "cities" shall-mean means any city or cities  
 23 in-which-fire-or-police-retirement-systems-are-established  
 24 participating in the statewide fire and police retirement  
 25 system as required by this chapter.

26 Sec. 42. Section 411.2, Code 1989, is amended to read as  
 27 follows:

28 411.2 NAME-AND-DATE-OF-ESTABLISHMENT PARTICIPATION IN  
 29 RETIREMENT SYSTEM.

30 1. In-any Except as provided in subsections 2 through 5,  
 31 each city in which the fire fighters or police officers are or  
 32 shall-be appointed under the civil service law of this state,  
 33 there-are-hereby-created-and-established-two-separate  
 34 retirement-or-pension-systems shall participate in the  
 35 retirement system established by this chapter for the purpose

1 of providing retirement allowances only for fire fighters or  
2 police officers, or both, of said the cities who shall-be are  
3 so appointed after the date this-chapter-takes-effect the city  
4 comes under the retirement system, or benefits to their  
5 dependents. Each-such-system-shall-be-under-the--management  
6 of-a-board-of-trustees-hereinafter-described, and shall-be  
7 known-as-the-"fire-retirement-system-of-.....-(name-of  
8 city)", and-the-"police-retirement-system-of-.....-(name  
9 of-city)", and-by-such-names-all-of-their-business-shall-be  
10 transacted, all-funds-invested, and-all-cash-and-securities  
11 and-other-property-held.--The-retirement-systems-so-created  
12 shall-begin-operation-as-of-the-first-day-of-the-month-in  
13 which-said-systems-are-there-established-by-this-chapter.

14 2. A city whose population was under eight thousand prior  
15 to the results of the federal census conducted in 1990 is not  
16 required to come under the retirement system established by  
17 this chapter upon attaining a population of eight thousand or  
18 more.

19 3. A city which did not have a paid fire department on the  
20 effective date of this Act is not required to come under the  
21 retirement system established by this chapter upon  
22 establishing a paid fire department.

23 4. A city which did not have a paid police department on  
24 the effective date of this Act is not required to come under  
25 the retirement system established by this chapter upon  
26 establishing a paid police department.

27 5. If a city's fire fighters or police officers, or both,  
28 are appointed under the civil service law of this state but  
29 the city is not operating a city fire or police retirement  
30 system, or both, under this chapter on the effective date of  
31 this Act, the city is not required to come under the statewide  
32 fire and police retirement system established by this chapter.

33 Sec. 43. Section 411.3, subsection 1, Code 1989, is  
34 amended to read as follows:

35 1. All persons who become police officers or fire fighters

1 after the date the city is required to come under the  
2 retirement systems-are-established-by-this-chapter system,  
3 shall become members thereof of the retirement system as a  
4 condition of their employment, except that a police chief or a  
5 fire chief who would not complete twenty-two years of service  
6 under this chapter by the time the chief attains fifty-five  
7 years of age shall, upon written request to the board-of  
8 trustees system, be exempt from this chapter. Notwithstanding  
9 section 97B.41, a police chief or fire chief who is exempt  
10 from this chapter is exempt from chapter 97B. Members of the  
11 system established in this chapter shall not be required to  
12 make contributions under any other pension or retirement  
13 system of a city, county, or the state of Iowa, anything to  
14 the contrary notwithstanding.

15 Sec. 44. Section 411.4, Code 1989, is amended to read as  
16 follows:

17 411.4 SERVICE CREDITABLE.

18 The-board-of-trustees-shall-fix-and-determine-by-proper  
19 rules-and-regulations-how-much-service-in-any-year-shall-be  
20 Service for fewer than six months of a year is not creditable  
21 as service. Service of six months or more of a year is  
22 equivalent to one year of service, but in no case shall more  
23 than one year of service be creditable for all service in one  
24 calendar year, nor shall the board-of-trustees system allow  
25 credit as service for any period of more than one month  
26 duration during which the member was absent without pay.

27 The board-of-trustees system shall credit as service for a  
28 member of the system a previous period of service for which  
29 the member had withdrawn the member's accumulated  
30 contributions, as defined in section 411.21.

31 Sec. 45. Section 411.5, Code 1989, is amended to read as  
32 follows:

33 411.5 ADMINISTRATION.

34 1. BOARDS BOARD. The general administration-and-the  
35 responsibility for the establishment and proper operation of

1 the retirement systems and for making effective the provisions  
2 of this chapter are hereby system is vested in a the board of  
3 fire trustees to administer the system relating to fire  
4 fighters and a board of police trustees to administer the  
5 system relating to police officers created by section 411.36.  
6 The said boards shall be constituted as follows: The system  
7 shall be administered under the direction of the board.  
8 a. The chief officer of the fire department, the city  
9 treasurer, two fire fighters elected by secret ballot by the  
10 members of the department who are entitled to participate in a  
11 fire retirement system established by law, and three citizens  
12 who do not hold another public office, who shall be appointed  
13 by the mayor with the approval of the city council, shall  
14 serve as the members of the board of trustees of the fire  
15 retirement system.  
16 b. The chief officer of the police department, the city  
17 treasurer, two police officers elected by secret ballot by the  
18 members of the department who are entitled to participate in a  
19 police retirement system established by law, and three  
20 citizens who do not hold another public office, who shall be  
21 appointed by the mayor with the approval of the city council,  
22 shall serve as the members of the board of trustees of the  
23 police retirement system.  
24 c. The three citizens appointed by the mayor shall serve  
25 on both of the boards.  
26 d. Upon the taking effect of this chapter, such members of  
27 each said department in said cities shall elect by secret  
28 ballot two active members of each such department to serve as  
29 members of said respective boards, one of whom shall serve  
30 until the first Monday in April of the second year, and one  
31 until the first Monday in April of the fourth year.  
32 Thereafter each such department shall, every second year, on  
33 such date and in such manner as shall be prescribed by said  
34 board of trustees, elect by ballot one such member to serve  
35 for a term of four years.



1 e.--Beginning July 17, 1986, upon the taking effect of this  
2 chapter, the mayor, with the approval of the city council,  
3 shall appoint three citizens who do not hold any other public  
4 office, to serve as members of the boards of trustees, one of  
5 whom shall serve until the first Monday in April of the second  
6 year, one until the first Monday in April of the third year,  
7 and one until the first Monday in April of the fourth year.  
8 Thereafter, appointments shall be made for four-year terms.

9 f.--If a vacancy occurs in the office of trustee, the  
10 vacancy shall be filled for the unexpired term in the same  
11 manner as the office was previously filled.

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

15 3 2. COMPENSATION. The trustees, other than the  
16 secretary, shall serve as such without compensation, but they  
17 shall be reimbursed from the expense fire and police  
18 retirement fund for all necessary expenses which they may  
19 incur through service on the board.

20 4 3. RULES. Subject to the limitations of this chapter,  
21 each the board of trustees shall, from time to time, establish  
22 adopt rules and regulations for the establishment and  
23 administration of funds the system and the fire and police  
24 retirement fund created by this chapter, and for the  
25 transaction of its business.

26 5 4. ORGANIZATION -- EMPLOYEES. Each The board of  
27 trustees shall elect from its membership a chairperson, and  
28 shall, by majority vote of its members, appoint a secretary,  
29 who may, but need not, be, one of its members. It The system  
30 shall engage such actuarial and other services as shall be are  
31 required to transact the business of the retirement system.  
32 The compensation of all persons engaged by each board of  
33 trustees the system and all other expenses of each the board  
34 of trustees necessary for the operation of the retirement  
35 system, shall be paid at such rates and in such amounts as

1 ~~each the board of trustees shall approve~~ approves.

2 ~~6 5. DATA. Each board of trustees~~ The system shall keep  
3 in convenient form such data as shall be is necessary for  
4 actuarial valuation of the various funds of the retirement  
5 system fire and police retirement fund and for checking the  
6 experience of the retirement system.

7 ~~7 6. RECORDS -- REPORTS. Each~~ The board of trustees shall  
8 keep a record of all its proceedings, which record shall be  
9 open to public inspection. It shall annually make a submit an  
10 annual report to the governor, the general assembly, and the  
11 city council showing the fiscal transactions of the retirement  
12 system for the preceding fiscal year, the amount of the  
13 accumulated cash and securities of the system, and the last  
14 balance sheet showing the financial condition of the system by  
15 means of an actuarial valuation of the assets and liabilities  
16 of each participating city concerning the financial condition  
17 of the retirement system, its current and future liabilities,  
18 and the actuarial valuation of the system.

19 ~~8 7. LEGAL ADVISER ADVISOR. The city attorney or~~  
20 solicitor of a city shall serve as the legal adviser of the  
21 board of trustees at the request of the board or the board of  
22 trustees system may employ or retain an attorney on a per diem  
23 basis to serve as the system's legal advisor and to represent  
24 the board of trustees when, in the opinion of the board of  
25 trustees, there is a conflict of interest between the board of  
26 trustees and the city council system. The costs of an  
27 attorney employed or retained by the board of trustees system  
28 shall be paid from the expense fire and police retirement fund  
29 created in section 411.8.

30 ~~9 8. MEDICAL BOARD. The board of fire trustees and the~~  
31 board of police trustees jointly system shall designate a  
32 medical board to be composed of three physicians who shall  
33 arrange for and pass upon all medical examinations required  
34 under the provisions of this chapter, except that for  
35 examinations required because of disability three physicians

1 from the University of Iowa hospitals and clinics who shall  
2 pass upon the medical examinations required for disability  
3 retirements, and shall report to the system in writing to each  
4 board-of-trustees, respectively, its conclusions and  
5 recommendations upon all matters ~~any~~ referred to it. Each  
6 report of a medical examination under section 411.6,  
7 subsections 3 and 5, shall include the medical board's rating  
8 as to the extent of the member's physical impairment.

9 10 9. DUTIES OF ACTUARY. The actuary shall be the  
10 technical ~~adviser~~ advisor of the board-of-trustees system on  
11 matters regarding the operation of the funds-created-by-the  
12 provisions-of-this-chapter fire and police retirement fund and  
13 shall perform such other duties as are required in connection  
14 therewith with the operation of the system.

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

27 12 10. ACTUARIAL INVESTIGATION -- TABLES -- RATES. In-the  
28 year-1938, and-at At least once in each five-year period  
29 thereafter, the actuary shall make an actuarial investigation  
30 into the mortality, service, and compensation experience of  
31 the members and beneficiaries of the retirement system, and  
32 the interest and other earnings on the moneys and other assets  
33 of the retirement system, and shall make a valuation of the  
34 assets and liabilities of the funds-of-the-system fire and  
35 police retirement fund, and taking into-account on the basis

1 of the results of such the investigation and valuation, the  
2 board-of-trustees system shall do all of the following:

3 a. Adopt for the retirement system such interest rate,  
4 mortality and other tables as shall-be are deemed necessary.

5 b. Certify the rates of contribution payable by the said  
6 cities in accordance with section 411.8 of-this-chapter.

7 c. Certify the rates of contributions payable by the  
8 members in accordance with section 411.8.

9 13 11. VALUATION. On the basis of such the rate of  
10 interest and such tables as-the-boards-of-trustees-shall-adopt  
11 adopted, the actuary shall make an annual valuation of the  
12 assets and liabilities of-the-funds of the fire and police  
13 retirement systems fund created by this chapter.

14 14.--COMMISSIONER-OF-INSURANCE.--Within-five-days-following  
15 its-submission-to-the-city-council,-each-board-of-trustees  
16 shall-transmit-to-the-commissioner-of-insurance-a-copy-of-the  
17 report-submitted-to-the-city-council-and-the-amount-of  
18 contributions-deposited-in-the-pension-accumulation-fund-by  
19 the-city.-The-commissioner-of-insurance-shall-review-the  
20 report-and-the-adequacy-of-the-contribution-of-the-city.--The  
21 commissioner-of-insurance-shall-inform-the-city-council-of  
22 each-city-in-which-the-contribution-of-a-city-is-deemed-to-be  
23 inadequate.

24 Sec. 46. Section 411.6, subsection 1, unnumbered paragraph  
25 1 and paragraph a, Code 1989, are amended to read as follows:

26 SERVICE RETIREMENT BENEFIT. Retirement of a member on a  
27 service retirement allowance shall be made by each-board-of  
28 trustees the system as follows:

29 a. Any member in service may retire upon written  
30 application to the board-of-police-or-fire-trustees-as-the  
31 case-may-be system, setting forth at what time, not less than  
32 thirty nor more than ninety days subsequent to the execution  
33 and filing of the application, the member desires to be  
34 retired. However, the member at the time specified for  
35 retirement shall have attained the age of fifty-five and shall

1 have served twenty-two years or more, and notwithstanding  
2 that, during the period of notification, the member may have  
3 separated from the service.

4 Sec. 47. Section 411.6, subsection 1, paragraph b, Code  
5 1989, is amended to read as follows:

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

19 Sec. 48. Section 411.6, subsection 2, Code 1989, are  
20 amended to read as follows:

21 2. ALLOWANCE ON SERVICE RETIREMENT.

22 a. Upon retirement from service, prior to July 1, 1990, a  
23 member shall receive a service retirement allowance which  
24 shall consist of a pension given by the city which ~~shall equal~~  
25 one-half equals fifty percent of the member's average final  
26 compensation.

27 b. Upon retirement from service on or after July 1, 1990,  
28 a member shall receive a service retirement allowance which  
29 shall consist of a pension which equals fifty-two percent of  
30 the member's average final compensation.

31 c. Commencing July 1, 1991, the system shall increase the  
32 percentage multiplier of the member's average final  
33 compensation by an additional percentage each July 1, which is  
34 equivalent to the additional percentage, if any, provided by  
35 the Iowa public employees' retirement system under section

1 97B.49, subsection 5, paragraph "b", for the succeeding fiscal  
2 year, until reaching sixty percent of the member's average  
3 final compensation.

4 d. Commencing July 1, 1990, if the member has completed  
5 more than twenty-two years of creditable service, the service  
6 retirement allowance shall consist of a pension which equals  
7 the amount provided in paragraphs "b" and "c", and the member  
8 shall also be eligible for a social security replacement  
9 benefit upon attaining the age of sixty-five years, which  
10 shall consist of an additional percentage as set forth below:

11 (1) For a member who terminates service, other than by  
12 death or disability, on or after July 1, 1990, but before July  
13 1, 1991, and who does not withdraw the member's contributions  
14 pursuant to section 411.23, upon the member's attaining the  
15 age of sixty-five years there shall be added three-tenths  
16 percent of the member's average final compensation for each  
17 year of service over twenty-two years, excluding years of  
18 service after the member's fifty-fifth birthday. However,  
19 this subparagraph does not apply to more than eight additional  
20 years of service.

21 (2) For a member who terminates service, other than by  
22 death or disability, on or after July 1, 1991, but before July  
23 1, 1992, and who does not withdraw the member's contributions  
24 pursuant to section 411.23, upon the member's attaining the  
25 age of sixty-five years there shall be added six-tenths  
26 percent of the member's average final compensation for each  
27 year of service over twenty-two years, excluding years of  
28 service after the member's fifty-fifth birthday. However,  
29 this subparagraph does not apply to more than eight additional  
30 years of service.

31 (3) For a member who terminates service, other than by  
32 death or disability, on or after July 1, 1992, but before July  
33 1, 1993, and who does not withdraw the member's contributions  
34 pursuant to section 411.23, upon the member's attaining the  
35 age of sixty-five years there shall be added nine-tenths

1 percent of the member's average final compensation for each  
2 year of service over twenty-two years, excluding years of  
3 service after the member's fifty-fifth birthday. However,  
4 this subparagraph does not apply to more than eight additional  
5 years of service.

6 (4) For a member who terminates service, other than by  
7 death or disability, on or after July 1, 1993, but before July  
8 1, 1994, and who does not withdraw the member's contributions  
9 pursuant to section 411.23, upon the member's attaining the  
10 age of sixty-five years there shall be added one and two-  
11 tenths percent of the member's average final compensation for  
12 each year of service over twenty-two years, excluding years of  
13 service after the member's fifty-fifth birthday. However,  
14 this subparagraph does not apply to more than eight additional  
15 years of service.

16 (5) For a member who terminates service, other than by  
17 death or disability, on or after July 1, 1994, and who does  
18 not withdraw the member's contributions pursuant to section  
19 411.23, upon the member's attaining the age of sixty-five  
20 years there shall be added one and five-tenths percent of the  
21 member's average final compensation for each year of service  
22 over twenty-two years, excluding years of service after the  
23 member's fifty-fifth birthday. However, this subparagraph  
24 does not apply to more than eight additional years of service.

25 Sec. 49. Section 411.6, subsection 3, Code 1989, is  
26 amended to read as follows:

27 3. ORDINARY DISABILITY RETIREMENT BENEFIT. Upon the  
28 application, to the system, of a member in service or of the  
29 chief of the police or fire departments, respectively, any  
30 member shall be retired by the respective-board-of-trustees  
31 system, not less than thirty and not more than ninety days  
32 next following the date of filing such the application, on an  
33 ordinary disability retirement allowance, provided,-that if  
34 the medical board after a medical examination of such the  
35 member shall-certify certifies that said the member is

1 mentally or physically incapacitated for further performance  
2 of duty, that such the incapacity is likely to be permanent,  
3 and that such the member should be retired.

4 Sec. 50. Section 411.6, subsection 5, unnumbered  
5 paragraphs 1 and 2, Code 1989, are amended to read as follows:

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

19 Should If a member in service or the chief of the police or  
20 fire departments ~~become~~ becomes incapacitated for duty as a  
21 natural or proximate result of an injury or disease incurred  
22 in or aggravated by the actual performance of duty at some  
23 definite time or place or while acting, pursuant to order,  
24 outside the city by which the member is regularly employed,  
25 the member shall, upon being found to be temporarily  
26 incapacitated following an a medical examination by-the-board  
27 of-trustees, be as directed by the system, is entitled to  
28 receive the member's full pay and allowances from the city's  
29 general fund until re-examined by-the-board as directed by the  
30 system and found to be fully recovered or permanently  
31 disabled.

32 Sec. 51. Section 411.6, subsection 6, Code 1989, is  
33 amended to read as follows:

34 6. RETIREMENT AFTER ACCIDENT.

35 a. Upon retirement for accidental disability prior to July



1 1, 1990, a member shall receive an accidental disability  
2 retirement allowance which shall consist of a pension equal to  
3 sixty-six and two-thirds percent of the member's average final  
4 compensation.

5 b. Upon retirement for accidental disability on or after  
6 July 1, 1990, a member shall receive an accidental disability  
7 retirement allowance which shall consist of a pension equal to  
8 sixty percent of the member's average final compensation.

9 Sec. 52. Section 411.6, subsection 7, unnumbered paragraph  
10 1, Code 1989, is amended to read as follows:

11 RE-EXAMINATION OF BENEFICIARIES RETIRED ON ACCOUNT OF  
12 DISABILITY. Once each year during the first five years  
13 following the retirement of a member on a disability  
14 retirement allowance, and once in every three-year period  
15 thereafter, the ~~respective-board-of-trustees~~ system may, and  
16 upon the member's application shall, require any disability  
17 beneficiary who has not yet attained age fifty-five to undergo  
18 a medical examination at a place designated by the medical  
19 board. ~~Such~~ The examination shall be made by the medical  
20 board or in special cases, by an additional physician or  
21 physicians designated by such board. ~~Should~~ If any disability  
22 beneficiary who has not attained the age of fifty-five ~~refuse~~  
23 refuses to submit to ~~such~~ the medical examination, the  
24 member's allowance may be discontinued until withdrawal of  
25 such refusal, and ~~should~~ if the refusal ~~continue~~ continues for  
26 one year all rights in and to the member's pension may be  
27 revoked by the ~~respective-board-of-trustees~~ system.

28 Sec. 53. Section 411.6, subsection 7, paragraph a,  
29 unnumbered paragraph 2, Code 1989, is amended to read as  
30 follows:

31 A beneficiary retired under this paragraph, in order to be  
32 eligible for continued receipt of retirement benefits, shall  
33 no later than May 15 of each year submit to the ~~board-of~~  
34 trustees system a copy of the beneficiary's federal individual  
35 income tax return for the preceding year.

1 Sec. 54. Section 411.6, subsection 8, paragraph a, Code  
2 1989, is amended to read as follows:

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

16 Sec. 55. Section 411.6, subsection 8, paragraph c, Code  
17 1989, is amended to read as follows:

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

20 (1) The spouse.

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

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

31 Sec. 56. Section 411.6, subsection 9, unnumbered paragraph  
32 1, Code 1989, is amended to read as follows:

33 ACCIDENTAL DEATH BENEFIT. If, upon the receipt of evidence  
34 and proof from the chief of the police or fire department that  
35 the death of a member in service or-the-chief-of-police-or

1 fire-departments was the natural and proximate result of an  
2 injury or disease incurred in or aggravated by the actual  
3 performance of duty at some definite time and place, or while  
4 acting pursuant to order, outside of the city by which the  
5 member is regularly employed, the board-of-trustees-shall  
6 decide system decides that death was so caused in the  
7 performance of duty there shall be paid, in lieu of the  
8 ordinary death benefit provided in subsection 8 of-this  
9 section, to the member's estate or to such person having an  
10 insurable interest in the member's life as the member shall  
11 have has nominated by written designation duly executed and  
12 filed with the respective-board-of-trustees system the  
13 benefits set forth in paragraphs "a" and "b" of this  
14 subsection:

15 Sec. 57. Section 411.6, subsection 12, paragraph a,  
16 subparagraphs (1), (2), and (3), Code 1989, are amended to  
17 read as follows:

18 (1) Twenty-five percent for members receiving a service  
19 retirement allowance and for beneficiaries receiving a pension  
20 under subsection 9 of this section. However, effective July  
21 1, 1990, for members who retired before that date, thirty  
22 percent shall be the applicable percentage for members and  
23 beneficiaries under this subparagraph.

24 (2) ~~Twenty~~ Twenty-five percent for members with five or  
25 more years of membership service who are receiving an ordinary  
26 disability retirement allowance. However, ~~effective July 1,~~  
27 ~~1984, for members who retired before July 1, 1979, and~~  
28 ~~effective July 1, 1988, for members who retire on or after~~  
29 ~~July 1, 1988, twenty-five percent shall be used for members~~  
30 ~~who are receiving an ordinary disability allowance. However,~~  
31 ~~effective July 1, 1990, for members who retired before that~~  
32 ~~date, thirty percent shall be the applicable percentage for~~  
33 ~~members under this subparagraph.~~

34 (3) Twelve and one-half percent for members with less than  
35 five years of membership service who are receiving an ordinary

1 disability retirement allowance, and for beneficiaries  
2 receiving a pension under subsection 8 of this section.  
3 However, effective July 1, 1990, for members who retired  
4 before that date, fifteen percent shall be the applicable  
5 percentage for members and beneficiaries under this  
6 subparagraph.

7 Sec. 58. Section 411.6, Code 1989, is amended by adding  
8 the following new subsection:

9 NEW SUBSECTION. 13. REMARRIAGE OF SURVIVING SPOUSE.

10 Effective July 1, 1990, for a member who died prior to July 1,  
11 1988, if the member's surviving spouse remarried prior to July  
12 1, 1988, the remarriage does not make the spouse ineligible  
13 under subsection 8, paragraph "c", subparagraphs (1) and (2),  
14 to receive benefits under subsections 8, 9, 11, and 12.

15 Sec. 59. Section 411.6, Code 1989, is amended by adding  
16 the following new subsection:

17 NEW SUBSECTION. 14. Notwithstanding any other provision  
18 of this chapter, a member's average final compensation shall  
19 be computed using only the covered portion of the member's  
20 earnable compensation for each applicable year as shown in the  
21 following paragraphs. However, the average final compensation  
22 of a member in active service on June 30, 1990, shall not be  
23 lower than it would have been if the computation had been made  
24 as of June 30, 1990, on the basis of the member's earnable  
25 compensation for years ending on or before that date.

26 a. For each calendar year beginning prior to January 1,  
27 1990, the covered portion of the member's earnable  
28 compensation is the entire amount of the member's earnable  
29 compensation.

30 b. For the calendar year beginning January 1, 1990, the  
31 covered portion of the member's earnable compensation is the  
32 entire amount of the member's earnable compensation or twenty-  
33 eight thousand dollars, whichever is less.

34 c. For the calendar year beginning January 1, 1991, the  
35 covered portion of the member's earnable compensation is the

1 entire amount of the member's earnable compensation or thirty-  
2 one thousand dollars, whichever is less.

3 d. For the calendar year beginning January 1, 1992, the  
4 covered portion of the member's earnable compensation is the  
5 entire amount of the member's earnable compensation or thirty-  
6 four thousand dollars, whichever is less.

7 e. For the calendar year beginning January 1, 1993, the  
8 covered portion of the member's earnable compensation is the  
9 entire amount of the member's earnable compensation or thirty-  
10 seven thousand dollars, whichever is less.

11 f. For the calendar year beginning January 1, 1994, and  
12 each calendar year thereafter, the covered portion of the  
13 member's earnable compensation is the entire amount of the  
14 member's earnable compensation or forty thousand dollars,  
15 whichever is less.

16 Sec. 60. NEW SECTION. 411.6A OPTIONAL RETIREMENT  
17 BENEFITS.

18 In lieu of the retirement benefits and refund of  
19 contributions provided for members of the system and the  
20 members' beneficiaries under sections 411.6 and 411.23,  
21 members may elect to receive an optional retirement benefit  
22 during the member's lifetime and have the optional retirement  
23 benefit, or a designated fraction of the optional retirement  
24 benefit, continued and paid to the member's beneficiary after  
25 the member's death and during the lifetime of the beneficiary.  
26 The optional retirement benefit shall be determined at the  
27 time of the member's retirement based upon whether the member  
28 retires under service retirement, accidental disability, or  
29 ordinary disability.

30 The member shall make the election request in writing to  
31 the board of trustees prior to retirement. The election is  
32 subject to the approval of the board of trustees. If the  
33 member is married, the election of an option under this  
34 section requires the written acknowledgement of the member's  
35 spouse. The member may revoke the election prior to

1 retirement by written request to the board of trustees, but  
2 cannot revoke the election after retirement. The election  
3 request applies to retirement under service retirement,  
4 accidental disability and ordinary disability, whichever is  
5 applicable at the time of the member's retirement.

6 Optional retirement benefits shall be the actuarial  
7 equivalent of the amounts of the retirement benefits payable  
8 to members and beneficiaries under section 411.6. The  
9 actuarial equivalent shall be based on the mortality and  
10 interest assumptions set out in section 411.5.

11 If the member dies without a beneficiary prior to  
12 retirement or prior to receipt in benefits of an amount equal  
13 to the total amount remaining to the member's credit at the  
14 time of separation from service, the election is null and  
15 void.

16 If the member dies with a beneficiary prior to retirement,  
17 the election remains valid and the beneficiary is entitled to  
18 receive the retirement benefit beginning at the death of the  
19 member.

20 If the member dies with a beneficiary and the beneficiary  
21 subsequently dies prior to receipt in retirement benefits by  
22 both the member and the beneficiary of an amount equal to the  
23 total amount remaining to the member's credit at the time of  
24 separation from service, the election remains valid.

25 For the purpose of this section, "beneficiary" means a  
26 spouse, child, or a dependent parent.

27 Sec. 61. Section 411.7, Code 1989, is amended to read as  
28 follows:

29 411.7 MANAGEMENT OF FUNDS.

30 1. The ~~respective-boards~~ board of trustees shall be is the  
31 trustees trustee of the ~~several-funds~~ fire and police  
32 retirement fund created by ~~this-chapter-as-provided~~ in section  
33 411.8 and shall ~~have-full-power-to-invest-and-reinvest-such~~  
34 funds annually establish an investment policy to govern the  
35 investment and reinvestment of the moneys in the fund, subject

1 to the terms, conditions, limitations and restrictions imposed  
 2 by subsection 2 of this section, and subject. Subject to like  
 3 terms, conditions, limitations, and restrictions said trustees  
 4 shall have the system has full power to hold, purchase, sell,  
 5 assign, transfer, or dispose of any of the securities and  
 6 investments in which any of the funds created herein shall  
 7 have fund has been invested, as well as of the proceeds of  
 8 said the investments and any moneys belonging to said funds  
 9 the fund.

10 2. The city treasurer may secretary of the board of  
 11 trustees shall invest, at the direction of in accordance with  
 12 the investment policy established by the respective boards  
 13 board of trustees, a the portion of the funds fund established  
 14 in section 411.8 which in the judgment of the respective  
 15 boards are board is not needed for current payment of benefits  
 16 under this chapter in investments authorized in section 97B.7,  
 17 subsection 2, paragraph "b", for moneys in the Iowa public  
 18 employees' retirement fund.

19 The board of trustees may negotiate a joint agreement under  
 20 chapter 28E with another board of trustees, a utility board, a  
 21 city council, or all of these, that provides for the joint  
 22 investment of moneys under the control of the boards of  
 23 trustees, the utility board, and the city council. The  
 24 investment of the moneys is subject to this section and  
 25 section 452.10 and to the limitations stated in the joint  
 26 agreement.

27 3. The treasurer of the said cities shall be secretary of  
 28 the board of trustees is the custodian of the several funds  
 29 fire and police retirement fund. All payments from said funds  
 30 the fund shall be made by the treasurer secretary only upon  
 31 vouchers signed by two persons designated by the respective  
 32 board of trustees. A duly attested copy of the resolution of  
 33 the respective board of trustees designating such persons and  
 34 bearing on its face specimen signatures of such persons shall  
 35 be filed with the treasurer as the treasurer's authority for

1 ~~making payments upon such vouchers. -- No voucher shall be drawn~~  
2 ~~unless it shall previously have been allowed by resolution of~~  
3 ~~the respective board of trustees. The system may select~~  
4 ~~master custodian banks to provide custody of the assets of the~~  
5 ~~retirement system.~~

6 ~~4. -- For the purpose of meeting disbursements for pensions,~~  
7 ~~annuities, and other payments, there may be kept available~~  
8 ~~cash not exceeding ten percent of the total amount in the~~  
9 ~~several funds of the retirement system on deposit in one or~~  
10 ~~more banks or trust companies in said cities, organized under~~  
11 ~~the laws of the state of Iowa, or of the United States,~~  
12 ~~provided, that the amount on deposit in any one bank or trust~~  
13 ~~company shall not exceed twenty-five percent of the paid-up~~  
14 ~~capital and surplus of such bank or trust company.~~

15 5 4. No trustee and no A member or employee of either the  
16 board of trustees shall not have any direct interest in the  
17 gains or profits of any investment made by the respective  
18 boards board of trustees, other than as a member of the  
19 system. No A trustee shall not receive any pay or emolument  
20 for the trustee's services except as secretary. No trustee A  
21 member or employee of either the board of trustees shall not  
22 directly or indirectly for the trustee or employee or as an  
23 agent in any manner use the assets of the retirement system  
24 except to make such current and necessary payments as are  
25 authorized by the board of trustees, nor shall any trustee or  
26 employee of the boards system become an endorser or surety or  
27 become in any manner an obligor for moneys loaned by or  
28 borrowed from the respective board of trustees system.

29 Sec. 62. Section 411.8, unnumbered paragraph 1, Code 1989,  
30 is amended to read as follows:

31 All the assets of each the retirement system created and  
32 established by this chapter shall be credited according to the  
33 purpose for which they are held to one of three funds, namely,  
34 the pension accumulation fund, the pension reserve fund, and  
35 the expense fund to the fire and police retirement fund, which



1 is hereby created. As used in this section, "fund" means the  
2 fire and police retirement fund.

3 Sec. 63. Section 411.8, subsection 1, unnumbered paragraph  
4 1 and paragraph a, Code 1989, are amended to read as follows:

5 PENSION-ACCUMULATION-FUND.--The pension-accumulation-fund  
6 shall-be-the-fund-in-which-shall-be-accumulated-all All moneys  
7 for the payment of all pensions and other benefits payable  
8 from contributions made by the said participating cities, the  
9 state, and the members and-from-which-shall-be-paid-the-lump-  
10 sum-death shall be accumulated in the fund. The refunds and  
11 benefits for all members payable-from-the-said-contributions  
12 and beneficiaries shall be payable from the fund.

13 Contributions to and payments from the pension-accumulation  
14 fund shall be as follows:

15 a. On account of each member there shall be paid annually.  
16 into the pension-accumulation fund by the said participating  
17 cities an amount equal to a certain percentage of the earnable  
18 compensation of the member to be known as the "normal  
19 contribution". The rate percent of such contribution shall be  
20 fixed on the basis of the liabilities of the retirement system  
21 as shown by annual actuarial valuations.

22 Sec. 64. Section 411.8, subsection 1, paragraph b, Code  
23 1989, is amended to read as follows:

24 b. On the basis of the rate of interest and of such the  
25 mortality, interest and other tables as-shall-be adopted by  
26 the boards-of-trustees system, the actuary engaged by the said  
27 boards system to make each valuation required by this chapter,  
28 shall immediately after making such valuation, determine the  
29 "normal contribution rate". The Except as otherwise provided  
30 in this lettered paragraph, the normal contribution rate shall  
31 be the rate percent of the earnable compensation of all  
32 members obtained by deducting from the total liabilities of  
33 the fund the amount of the funds in hand to the credit of the  
34 fund and dividing the remainder by 0.1 percent of the present  
35 value of the prospective future compensation of all members as

1 computed on the basis of the rate of interest and of mortality  
2 and service tables adopted by the boards of trustees, all  
3 reduced by the employee contribution made pursuant to  
4 paragraph "f" of this subsection. However, the normal rate of  
5 contribution shall not be less than seventeen and five  
6 hundredths percent.

7 Beginning July 1, 1996, and each fiscal year thereafter,  
8 the normal contribution rate shall be the rate percent of the  
9 earnable compensation of all members obtained by deducting  
10 from the total liabilities of the fund the amount of the funds  
11 in hand to the credit of the fund and dividing the remainder  
12 by one percent of the present value of the prospective future  
13 compensation of all members as computed on the basis of the  
14 rate of interest and of mortality and service tables adopted,  
15 multiplied by six-tenths, or seventeen and five hundredths  
16 percent, whichever is greater.

17 Beginning July 1, 1996, and each fiscal year thereafter,  
18 for the purpose of computing the employer contribution under  
19 this chapter, the percentage contribution rate for medicare  
20 payments shall be calculated by dividing the total annual  
21 medicare contribution by one hundredth of the total annual  
22 earnable compensation and multiplying by six-tenths. This  
23 percentage shall be added to the normal contribution rate and  
24 used to determine the total amount which the employer  
25 contributes.

26 PARAGRAPH DIVIDED. The normal rate of contribution total  
27 amount to be contributed by the employer shall be determined  
28 by the actuary after each valuation.

29 Sec. 65. Section 411.8, subsection 1, paragraphs c, d, and  
30 e, Code 1989, are amended to read as follows:

31 c. The total amount payable in each year to the pension  
32 accumulation fund shall be not less than the rate percent  
33 known as the normal contribution rate of the total  
34 compensation earnable by all members during the year,  
35 provided, however, that but the aggregate payment by the said

1 participating cities shall must be sufficient when combined  
2 with the amount in the fund to provide the pensions and other  
3 benefits payable out of the fund during the then current year.

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

7 ~~e.--Upon the retirement or death of a member an amount~~  
8 ~~equal to the pension reserve on any pension payable to the~~  
9 ~~member or on account of the member's death shall be~~  
10 ~~transferred from the pension-accumulation fund to the pension~~  
11 ~~reserve fund.~~

12 Sec. 66. Section 411.8, subsection 1, paragraph f, Code  
13 1989, is amended to read as follows:

14 f. Except as otherwise provided in paragraph "h":

15 (1) An amount equal to three and one-tenth percent of each  
16 member's compensation from the earnable compensation of the  
17 member shall be paid to the pension-accumulation fund for the  
18 fiscal year beginning July 1, 1989.

19 (2) An amount equal to four and four-tenths percent of  
20 each member's compensation from the earnable compensation of  
21 the member shall be paid to the fund for the fiscal year  
22 beginning July 1, 1990.

23 (3) An amount equal to five and seven-tenths percent of  
24 each member's compensation from the earnable compensation of  
25 the member shall be paid to the fund for the fiscal year  
26 beginning July 1, 1991.

27 (4) An amount equal to seven percent of each member's  
28 compensation from the earnable compensation of the member  
29 shall be paid to the fund for the fiscal year beginning July  
30 1, 1992.

31 (5) An amount equal to eight and three-tenths percent of  
32 each member's compensation from the earnable compensation of  
33 the member shall be paid to the fund for the fiscal year  
34 beginning July 1, 1993.

35 (6) An amount equal to nine and six-tenths percent of each

1 member's compensation from the earnable compensation of the  
2 member shall be paid to the fund for the fiscal year beginning  
3 July 1, 1994.

4 (7) An amount equal to ten and nine-tenths percent of each  
5 member's compensation from the earnable compensation of the  
6 member shall be paid to the fund for the fiscal year beginning  
7 July 1, 1995.

8 (8) Beginning July 1, 1996, and each fiscal year  
9 thereafter, the member's contribution rate shall be the rate  
10 percent of the earnable compensation of all members obtained  
11 by deducting from the total liabilities of the fund the amount  
12 of the funds in hand to the credit of the fund and dividing  
13 the remainder by one percent of the present value of the  
14 prospective future compensation of all members as computed on  
15 the basis of the rate of interest and of mortality and service  
16 tables adopted, multiplied by four-tenths, or ten and nine-  
17 tenths percent, whichever is greater.

18 Beginning July 1, 1996, and each fiscal year thereafter, an  
19 amount equal to the member's contribution rate times each  
20 member's compensation shall be paid to the fund from the  
21 earnable compensation of the member. Beginning July 1, 1996,  
22 and each fiscal year thereafter, for the purpose of computing  
23 the employee contribution under this chapter, the percentage  
24 contribution rate for medicare payments shall be calculated by  
25 dividing the total annual medicare contribution by one  
26 hundredth of the total annual earnable compensation and  
27 multiplying by four-tenths. This percentage shall be added to  
28 the member's contribution rate and used to determine the total  
29 amount which the member contributes.

30 The total amount to be contributed by the member shall be  
31 determined by the actuary after each valuation.

32 Sec. 67. Section 411.8, subsection 1, paragraph g, Code  
33 1989, is amended to read as follows:

34 g. Each-board-of-trustees The system shall certify to the  
35 superintendent of public safety as defined in this chapter and

1 the superintendent of public safety as defined in this chapter  
2 shall cause to be deducted from the earnable compensation of  
3 each member the contribution required under paragraph "f" of  
4 this subsection and shall forward the contributions to the  
5 board-of-trustees system for recording and for deposit in the  
6 pension-accumulation fund.

7 The deductions provided for under this subsection paragraph  
8 shall be made notwithstanding that the minimum compensation  
9 provided by law for any member is reduced. Every member is  
10 deemed to consent to the deductions made under this section  
11 paragraph.

12 Sec. 68. Section 411.8, subsection 1, Code 1989, is  
13 amended by adding the following new paragraph:

14 NEW PARAGRAPH. h. Notwithstanding the provisions of  
15 paragraph "f", the following transition percentages apply to  
16 members' contributions as specified:

17 (1) For members who on July 1, 1990, have attained the age  
18 of forty-nine years or more, an amount equal to ten and nine-  
19 tenths percent of each member's compensation from the earnable  
20 compensation of the member shall be paid to the fund for the  
21 fiscal year beginning July 1, 1990, and each subsequent fiscal  
22 year until the fiscal year beginning July 1, 1996, when  
23 paragraph "f", subparagraph (8), applies.

24 (2) For members who on July 1, 1990, have attained the age  
25 of forty-eight years but have not attained the age of forty-  
26 nine years, an amount equal to nine and six-tenths percent  
27 shall be paid for the fiscal year beginning July 1, 1990, and  
28 an amount equal to ten and nine-tenths percent shall be paid  
29 for the fiscal year beginning July 1, 1991, and each  
30 subsequent fiscal year thereafter until the fiscal year  
31 beginning July 1, 1996, when paragraph "f", subparagraph (8),  
32 applies.

33 (3) For members who on July 1, 1990, have attained the age  
34 of forty-seven years but have not attained the age of forty-  
35 eight years, an amount equal to eight and three-tenths percent

1 shall be paid for the fiscal year beginning July 1, 1990, an  
2 amount equal to nine and six-tenths percent shall be paid for  
3 the fiscal year beginning July 1, 1991, and an amount equal to  
4 ten and nine-tenths percent shall be paid for the fiscal year  
5 beginning July 1, 1992, and each subsequent fiscal year until  
6 the fiscal year beginning July 1, 1996, when paragraph "f",  
7 subparagraph (8), applies.

8 (4) For members who on July 1, 1990, have attained the age  
9 of forty-six years but have not attained the age of forty-  
10 seven years, an amount equal to seven percent shall be paid  
11 for the fiscal year beginning July 1, 1990, an amount equal to  
12 eight and three-tenths percent shall be paid for the fiscal  
13 year beginning July 1, 1991, an amount equal to nine and six-  
14 tenths percent shall be paid for the fiscal year beginning  
15 July 1, 1992, and an amount equal to ten and nine-tenths  
16 percent shall be paid for the fiscal year beginning July 1,  
17 1993, and each subsequent fiscal year until the fiscal year  
18 beginning July 1, 1996, when paragraph "f", subparagraph (8),  
19 applies.

20 (5) For members who on July 1, 1990, have attained the age  
21 of forty-five years but have not attained the age of forty-six  
22 years, an amount equal to five and seven-tenths percent shall  
23 be paid for the fiscal year beginning July 1, 1990, an amount  
24 equal to seven percent shall be paid for the fiscal year  
25 beginning July 1, 1991, an amount equal to eight and three-  
26 tenths percent shall be paid for the fiscal year beginning  
27 July 1, 1992, an amount equal to nine and six-tenths percent  
28 shall be paid for the fiscal year beginning July 1, 1993, and  
29 an amount equal to ten and nine-tenths percent shall be paid  
30 for the fiscal years beginning July 1, 1994, and July 1, 1995.  
31 Beginning July 1, 1996, paragraph "f", subparagraph (8),  
32 applies.

33 Sec. 69. Section 411.8, subsection 1, Code 1989, is  
34 amended by adding the following new paragraph:

35 NEW PARAGRAPH. i. Notwithstanding any other provision of

1 this chapter, employer and employee contributions shall be  
2 computed on only the covered portion of the member's earnable  
3 compensation for the applicable year as shown in the following  
4 subparagraphs:

5 (1) For the calendar year beginning January 1, 1990, the  
6 covered portion of the member's earnable compensation is  
7 twenty-eight thousand dollars.

8 (2) For the calendar year beginning January 1, 1991, the  
9 covered portion of the member's earnable compensation is  
10 thirty-one thousand dollars.

11 (3) For the calendar year beginning January 1, 1992, the  
12 covered portion of the member's earnable compensation is  
13 thirty-four thousand dollars.

14 (4) For the calendar year beginning January 1, 1993, the  
15 covered portion of the member's earnable compensation is  
16 thirty-seven thousand dollars.

17 (5) For the calendar year beginning January 1, 1994, and  
18 each calendar year thereafter, the covered portion of the  
19 member's earnable compensation is forty thousand dollars.

20 Sec. 70. Section 411.8, subsection 2, Code 1989, is  
21 amended by striking the subsection.

22 Sec. 71. Section 411.8, subsection 3, Code 1989, is  
23 amended to read as follows:

24 3. EXPENSE-FUND:--The expense fund shall be the fund to  
25 which shall be credited all money provided by the said cities  
26 to pay the administration expenses of the retirement system  
27 and from which shall be paid all the expenses necessary in  
28 connection with the administration and operation of the  
29 system. Annually the boards board of trustees shall estimate  
30 budget the amount of money necessary to be paid into the  
31 expense fund during the ensuing year to provide for the  
32 expense of operation of the retirement system. The operating  
33 expenses shall be financed from the income derived from the  
34 system's investments. Investment management expenses shall be  
35 charged directly to the investment income of the system.

1 Sec. 72. Section 411.11, Code 1989, is amended to read as  
2 follows:

3 411.11 CONTRIBUTIONS BY THE CITY.

4 On or before January 1 of each year the respective-boards  
5 of-trustees system shall certify to the superintendent of  
6 public safety of each participating city the amounts which  
7 will become due and payable during the year next following to  
8 the pension-accumulation fire and police retirement fund and  
9 the-expense-fund. The amounts so certified shall be included  
10 by the superintendent of public safety in the annual budget  
11 estimate. The amounts so certified shall be appropriated by  
12 the respective cities and transferred to the retirement system  
13 for the ensuing year. The cities shall annually levy a tax  
14 sufficient in amount to cover the appropriations.

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

19 Sec. 73. Section 411.12, Code 1989, is amended to read as  
20 follows:

21 411.12 GUARANTY.

22 The creation and maintenance of moneys in the pension  
23 accumulation fire and police retirement fund and the  
24 maintenance-of-pension-reserves as provided for the payment of  
25 all pensions and other benefits granted under the provisions  
26 of this chapter and all expenses in connection with the  
27 administration and operation of the retirement systems system  
28 are hereby made direct liability obligations of the said  
29 cities participating in the retirement system.

30 Sec. 74. Section 411.13, Code Supplement 1989, is amended  
31 to read as follows:

32 411.13 EXEMPTION FROM EXECUTION.

33 The right of any person to a pension, annuity, or  
34 retirement allowance, to the return of contributions, the  
35 pension, annuity, or retirement allowance itself, any optional



1 benefit or death benefit, any other right accrued or accruing  
2 to any person under this chapter, and the moneys in the  
3 various-funds fire and police retirement fund created under  
4 this chapter, are not subject to execution, garnishment,  
5 attachment, or any other process whatsoever, and are  
6 unassignable except as in this chapter specifically provided.

7 Sec. 75. Section 411.14, Code 1989, is amended to read as  
8 follows:

9 411.14 PROTECTION AGAINST FRAUD.

10 Any A person who shall knowingly make-any makes a false  
11 statement, or shall-falsify falsifies or permit permits to be  
12 falsified any record or records of such the retirement system  
13 in any an attempt to defraud such the system as a result of  
14 such act, shall-be is guilty of a fraudulent practice. Should  
15 If any change or errors error in records result results in any  
16 a member or beneficiary receiving from the retirement system  
17 more or less than the member or beneficiary would have been  
18 entitled to receive had the records been correct, the  
19 respective-board-of-trustees system shall correct such the  
20 error, and, as far as practicable, shall adjust the payments  
21 in such a manner that the actuarial equivalent of the benefit  
22 to which such the member or beneficiary was correctly  
23 entitled, shall be paid.

24 Sec. 76. Section 411.20, Code 1989, is amended by striking  
25 the section and inserting in lieu thereof the following:

26 411.20 STATE APPROPRIATION.

27 There is appropriated from the general fund of the state  
28 for each fiscal year an amount necessary to be distributed to  
29 the statewide fire and police retirement system, or to the  
30 cities participating in the system, to finance the cost of  
31 benefits provided in this chapter by amendments of the Acts of  
32 the Sixty-sixth General Assembly, chapter 1089. The method of  
33 distribution shall be determined by the board of trustees  
34 based on information provided by the actuary of the statewide  
35 retirement system.

1 Moneys appropriated by the state shall not be used to  
2 reduce the normal rate of contribution of any city below  
3 seventeen and five hundredths percent.

4 Sec. 77. Section 411.21, subsection 2, paragraph g, Code  
5 1989, is amended to read as follows:

6 g. "Member who became vested" and "vested member" mean a  
7 member who has been a member of the retirement system ~~fifteen~~  
8 four or more years and is entitled to benefits under this  
9 chapter.

10 Sec. 78. NEW SECTION. 411.23 WITHDRAWAL OF  
11 CONTRIBUTIONS.

12 Commencing July 1, 1990, if an active member, in service on  
13 or after that date, terminates service, other than by death or  
14 disability, the member may elect to withdraw the member's  
15 contributions under section 411.8, subsection 1, paragraphs  
16 "f" and "h", together with interest thereon at a rate  
17 determined by the board of trustees. If a member withdraws  
18 contributions as provided in this section, the member shall be  
19 deemed to have waived all claims for other benefits from the  
20 system for the period of membership service for which the  
21 contributions are withdrawn.

22 Sec. 79. NEW SECTION. 411.35 STATEWIDE SYSTEM  
23 ESTABLISHED -- CITY SYSTEMS TERMINATED.

24 1. Effective July 1, 1991, a single statewide fire and  
25 police retirement system is established to replace the  
26 individual city fire retirement systems and police retirement  
27 systems operating under this chapter prior to that date. Each  
28 city fire retirement system and police retirement system  
29 operating under this chapter prior to July 1, 1991, shall  
30 participate in the statewide system.

31 2. Effective July 1, 1991, each city fire retirement  
32 system and police retirement system operating under this  
33 chapter prior to that date is terminated, and all membership,  
34 benefit rights, and financial obligations under the  
35 terminating systems shall be assumed by the statewide fire and

1 police retirement system.

2 Sec. 80. NEW SECTION. 411.36 BOARD OF TRUSTEES FOR  
3 STATEWIDE SYSTEM.

4 1. A board of trustees for the statewide fire and police  
5 retirement system is created. The board shall consist of nine  
6 members, including seven voting members and two nonvoting  
7 members. The voting members shall be as follows:

8 a. A fire fighter from a participating city who is a  
9 member of the retirement system. The fire fighter shall be  
10 appointed by the governing body of the Iowa association of  
11 professional fire fighters.

12 b. A police officer from a participating city who is a  
13 member of the retirement system. The police officer shall be  
14 appointed by the governing body of the Iowa state police  
15 association.

16 c. The city treasurers of two participating cities. The  
17 city treasurers shall be appointed by the governing body of  
18 the league of Iowa municipalities.

19 d. Three citizens who do not hold another public office.  
20 The citizens shall be appointed by the other members of the  
21 board.

22 The nonvoting members of the board shall be one state  
23 representative appointed by the speaker of the house of  
24 representatives and one state senator appointed by the  
25 majority leader of the senate.

26 2. Except as otherwise provided for the initial  
27 appointments, the members shall be appointed for four-year  
28 terms beginning on May 1 in the year of appointment and  
29 expiring on April 30 in the year of expiration.

30 3. Vacancies shall be filled in the same manner as  
31 original appointments. A vacancy shall be filled for the  
32 unexpired term.

33 4. The board shall elect a chairperson from among its own  
34 members.

35 Sec. 81. NEW SECTION. 411.37 BOARD RESPONSIBLE FOR

1 TRANSITION.

2 1. The board of trustees for the statewide system is  
3 responsible for effecting the transition from the city fire  
4 and police retirement systems to the statewide fire and police  
5 retirement system. The board shall adopt a transition plan  
6 and other appropriate transition documents it deems necessary  
7 to accomplish the transition in accordance with the  
8 requirements of this chapter. The city fire and police  
9 retirement systems shall comply with orders of the board  
10 issued pursuant to the transition plan or other transition  
11 documents.

12 2. The board shall include in the transition plan or other  
13 transition documents, provisions to facilitate continuity  
14 under sections 411.20, 411.21, and 411.30 and a recommendation  
15 for an equitable process for determining earnable compensation  
16 changes when calculating adjustments to pensions under section  
17 411.6, subsection 12, to be submitted to the general assembly  
18 meeting in 1991.

19 3. For the fiscal year beginning July 1, 1990, ten percent  
20 of the amount appropriated for distribution to cities as  
21 provided in section 411.20 shall be made available to the  
22 board of trustees for the statewide system to cover the  
23 administrative costs of the transition. The amount  
24 distributed to each city shall be reduced accordingly. The  
25 moneys remaining unexpended at the end of the fiscal year  
26 shall be credited to the cities in the same proportion as the  
27 reduction.

28 Sec. 82. NEW SECTION. 411.38 OBLIGATIONS OF  
29 PARTICIPATING CITIES.

30 Upon the establishment of the statewide system, each city  
31 participating in the statewide fire and police retirement  
32 system shall do all of the following:

33 1. Pay to the statewide system the normal contribution  
34 rate provided pursuant to section 411.8.

35 2. Transfer from each terminated city fire or police

1 retirement system to the statewide system amounts sufficient  
2 to cover the accrued liabilities of that terminated system as  
3 determined by the actuary of the statewide system.

4 3. Contribute additional amounts necessary to ensure  
5 sufficient financial support for the statewide fire and police  
6 retirement system, as determined by the board of trustees  
7 based on information provided by the actuary of the statewide  
8 system.

9 Sec. 83. INITIAL STATEWIDE BOARD FOR STATEWIDE SYSTEM.

10 1. All members of the initial board of trustees for the  
11 statewide fire and police retirement system shall be appointed  
12 from the boards of trustees of the participating fire and  
13 police retirement systems.

14 2. The terms of the initial appointees shall be as  
15 follows:

16 a. The fire fighter and police officer shall be appointed  
17 for terms of four years.

18 b. One city treasurer shall be appointed for a term of  
19 three years and one for a term of two years.

20 c. One citizen member shall be appointed for a term of  
21 three years, one for a term of two years, and one for a term  
22 of one year.

23 d. The state representative and the state senator shall  
24 each be appointed for a term of two years.

25 3. Notwithstanding section 411.36, subsection 2, the term  
26 of each original appointee commences on the date of  
27 appointment and expires on April 30 in the year of expiration.

28 4. As soon as possible after the effective date of this  
29 section, the director of the legislative service bureau shall  
30 call a preliminary meeting of the four board members appointed  
31 as provided in section 411.36, subsection 1, paragraphs "a",  
32 "b", and "c" for the purpose of appointing the remaining board  
33 members and setting a date for the first meeting of the full  
34 board. The preliminary meeting shall be held before July 1,  
35 1990. The director of the legislative service bureau shall

1 preside at the preliminary meeting and also at the first  
2 meeting of the full board until the board elects a chairperson  
3 from among its own members.

4 5. The initial board members are entitled to expenses  
5 incurred in the performance of their duties during the  
6 transition period.

7 6. The initial board may engage actuarial and other  
8 services as necessary for transition purposes.

9 Sec. 84. REPEALS.

10 Sections 411.18 and 411.19, Code 1989, are repealed.

11 Sec. 85. STUDY.

12 The legislative council shall employ an actuarial  
13 consultant to study possible courses of action with respect to  
14 the retirement systems for public safety peace officers,  
15 police officers, and fire fighters covered under chapters 97A  
16 and 411.

17 The study of possible courses of action shall include:

18 1. Extending the Iowa public employees' retirement system  
19 and the federal social security system to peace officers,  
20 police officers, and fire fighters, with the same benefits as  
21 county sheriffs and deputy sheriffs under section 97B.49,  
22 subsection 16, paragraph "b".

23 2. Establishing a system for rating the degree of  
24 disability under the retirement systems established by  
25 chapters 97A and 411.

26 3. Determining methods of enhancing benefits for current  
27 retirees and their survivors and determining equity among  
28 state and local systems, both as to contribution rates and  
29 benefit formulas.

30 4. Revising the system of benefits for members, spouses,  
31 and other beneficiaries so that members would choose from  
32 among five benefit options similar to those available under  
33 the Iowa public employees' retirement system.

34 The study shall consider each of the possible courses of  
35 action with respect to (a) persons currently under the

1 retirement systems established by chapters 97A and 411, and  
2 (b) persons newly hired as peace officers, police officers,  
3 and fire fighters.

4 The study shall also extend to consideration of changes in  
5 provisions governing coverage of temporary employees under the  
6 Iowa public employees' retirement system, including the issue  
7 of whether coverage under the proposed changes should be  
8 mandatory or optional for the employee.

9 The study shall be conducted in accordance with the guiding  
10 goals and principles set forth in section 97D.1.

11 The legislative service bureau shall coordinate the study,  
12 in consultation with the legislative fiscal bureau and the  
13 public employees' retirement system division of the department  
14 of personnel.

15 The study shall be completed and a report submitted to the  
16 general assembly not later than December 1, 1990.

17 Sec. 86. STUDY OF DEFINED CONTRIBUTION PLAN.

18 1. The Iowa public employees' retirement system shall  
19 conduct a study of the feasibility of initiating an optional,  
20 supplemental defined contribution retirement plan which would  
21 be available to all members in addition to their basic  
22 coverage under the existing system. Under the proposed plan,  
23 employees electing to participate would be eligible to  
24 contribute up to five percent of their total salary per year  
25 at their option and this would accumulate interest at the rate  
26 credited to members' accounts under basic Iowa public  
27 employees' retirement system coverage, less management  
28 expenses and administrative costs. The funds in the  
29 employee's account would be available to the employee either  
30 upon termination of public employment or at retirement.

31 2. The Iowa public employees' retirement system shall  
32 provide a preliminary report concerning the study on or after  
33 November 1, 1990, and a final report on or after November 1,  
34 1991. The reports shall be transmitted to the chief clerk of  
35 the house of representatives and the secretary of the senate

1 for distribution to the general assembly.

2 Sec. 87. TRANSFER OF SECTION.

3 The Code editor shall transfer section 97B.76 to chapter  
4 97D, created by this Act.

5 Sec. 88. APPLICABILITY -- EFFECTIVE DATE.

6 1. Sections 3, 6, 14, 47, 54, and 77 of this Act apply to  
7 members of the Iowa department of public safety peace  
8 officers' retirement, accident, and disability system and  
9 members of police and fire retirement systems who are in  
10 active service on or after the effective date of this Act.

11 2. Section 21 of this Act is applicable to computations of  
12 years of prior service made on or after the effective date of  
13 this Act.

14 3. Sections 1, 41 through 46, 49, 50, 52 through 67, 70  
15 through 76, and 84 of this Act take effect July 1, 1991.

16 Sec. 89. IMMEDIATE EFFECTIVENESS.

17 Sections 79 through 83 and this section, being deemed of  
18 immediate importance, take effect upon enactment.

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## HOUSE FILE 2543

S-5814

1 Amend House File 2543, 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 97A.6, subsections 2 and 6,  
6 Code 1989, are amended to read as follows:

7 2. ALLOWANCE ON SERVICE RETIREMENT.

8 a. Upon retirement from service prior to July 1,  
9 1990, a member shall receive a service retirement  
10 allowance which shall consist of a pension which shall  
11 equal one-half equals fifty percent of the member's  
12 average final compensation.

13 b. Upon retirement from service on or after July  
14 1, 1990, a member shall receive a service retirement  
15 allowance which shall consist of a pension which  
16 equals fifty-two percent of the member's average final  
17 compensation.

18 c. Commencing July 1, 1991, the board of trustees  
19 shall increase the percentage multiplier of the  
20 member's average final compensation by an additional  
21 two percent each July 1 until reaching sixty percent  
22 of the member's average final compensation if the  
23 annual actuarial valuation of the retirement system  
24 indicates for that year that the cost of this increase  
25 in the percentage of the member's average final  
26 compensation used in computing retirement benefits can  
27 be absorbed within the employer and employee  
28 contribution rates in effect pursuant to section  
29 97A.8.

30 d. Commencing July 1, 1990, if the member has  
31 completed more than twenty-two years of creditable  
32 service, the service retirement allowance shall  
33 consist of a pension which equals the amount provided  
34 in paragraphs "b" and "c", plus an additional one  
35 percent of the member's average final compensation for  
36 each year of service over twenty-two years, excluding  
37 years of service after the member's fifty-fifth  
38 birthday. However, this paragraph does not apply to  
39 more than eight additional years of service.

40 6. RETIREMENT AFTER ACCIDENT.

41 a. Upon retirement for accidental disability prior  
42 to July 1, 1990, a member shall receive an accidental  
43 disability retirement allowance which shall consist of  
44 a pension equal to sixty-six and two-thirds percent of  
45 the member's average final compensation.

46 b. Upon retirement for accidental disability on or  
47 after July 1, 1990, a member shall receive an  
48 accidental disability retirement allowance which shall  
49 consist of a pension equal to sixty percent of the  
50 member's average final compensation.

S-5814

Page 2

1 Sec. 2. Section 97A.6, subsection 14, paragraph a,  
2 subparagraphs (1), (2), (3), and (4), Code 1989, are  
3 amended to read as follows:

4 (1) Twenty-five percent for members receiving a  
5 service retirement allowance and for beneficiaries  
6 receiving a pension under subsection 9 of this  
7 section. However, effective July 1, 1990, for members  
8 who retired before that date, thirty percent shall be  
9 the applicable percentage for members and  
10 beneficiaries under this subparagraph.

11 (2) ~~Twenty~~ Twenty-five percent for members with  
12 five or more years of membership service who are  
13 receiving an ordinary disability retirement allowance.  
14 ~~However, effective July 1, 1984, for members who~~  
15 ~~retired before July 1, 1979, and effective July 1,~~  
16 ~~1988, for members who retire on or after July 1, 1988,~~  
17 ~~twenty-five percent shall be used for members who are~~  
18 ~~receiving an ordinary disability retirement allowance.~~  
19 However, effective July 1, 1990, for members who  
20 retired before that date, thirty percent shall be the  
21 applicable percentage for members under this  
22 subparagraph.

23 (3) Twelve and one-half percent for members with  
24 less than five years of membership service who are  
25 receiving an ordinary disability retirement allowance,  
26 and for beneficiaries receiving a pension under  
27 subsection 8 of this section. However, effective July  
28 1, 1990, for members who retired before that date,  
29 fifteen percent shall be the applicable percentage for  
30 members and beneficiaries under this subparagraph.

31 (4) Thirty-three and one-third percent for members  
32 receiving an accidental disability allowance.  
33 However, effective July 1, 1990, for members who  
34 retired before that date, thirty percent shall be the  
35 applicable percentage for members under this  
36 subparagraph.

37 Sec. 3. Section 97A.6, Code 1989, is amended by  
38 adding the following new subsection:

39 NEW SUBSECTION. 15. REMARRIAGE OF SURVIVING  
40 SPOUSE. Effective July 1, 1990, for a member who died  
41 prior to July 1, 1988, if the member's surviving  
42 spouse remarried prior to July 1, 1988, the remarriage  
43 does not make the spouse ineligible under subsection  
44 8, paragraph "c", subparagraphs (1) and (2), to  
45 receive benefits under subsections 8, 9, 12, and 14.

46 Sec. 4. Section 97A.8, subsection 1, paragraph f,  
47 Code 1989, is amended to read as follows:

48 f. Except as otherwise provided in paragraph "h":

49 (1) An amount equal to three and one-tenth percent  
50 of each member's compensation from the earnable

S-5814

Page 3

1 compensation of the member shall be paid to the  
2 pension accumulation fund for the fiscal year begin-  
3 ning July 1, 1989.

4 (2) An amount equal to four and forty-six  
5 hundredths percent of each member's compensation from  
6 the earnable compensation of the member shall be paid  
7 to the pension accumulation fund for the fiscal year  
8 beginning July 1, 1990.

9 (3) An amount equal to five and eighty-two  
10 hundredths percent of each member's compensation from  
11 the earnable compensation of the member shall be paid  
12 to the pension accumulation fund for the fiscal year  
13 beginning July 1, 1991.

14 (4) An amount equal to seven and eighteen  
15 hundredths percent of each member's compensation from  
16 the earnable compensation of the member shall be paid  
17 to the pension accumulation fund for the fiscal year  
18 beginning July 1, 1992.

19 (5) An amount equal to eight and fifty-four  
20 hundredths percent of each member's compensation from  
21 the earnable compensation of the member shall be paid  
22 to the pension accumulation fund for the fiscal year  
23 beginning July 1, 1993.

24 (6) An amount equal to nine and nine-tenths  
25 percent of each member's compensation from the  
26 earnable compensation of the member shall be paid to  
27 the pension accumulation fund for the fiscal year  
28 beginning July 1, 1994, and each fiscal year  
29 thereafter.

30 Sec. 5. Section 97A.8, subsection 1, Code 1989, is  
31 amended by adding the following new paragraph:

32 NEW PARAGRAPH. h. Notwithstanding the provisions  
33 of paragraph "f", the following transition percentages  
34 apply to members' contributions as specified:

35 (1) For members who on July 1, 1990, have attained  
36 the age of forty-nine years or more, an amount equal  
37 to nine and nine-tenths percent of each member's  
38 compensation from the earnable compensation of the  
39 member shall be paid to the pension accumulation fund  
40 for the fiscal year beginning July 1, 1990, and each  
41 fiscal year thereafter.

42 (2) For members who on July 1, 1990, have attained  
43 the age of forty-eight years but have not attained the  
44 age of forty-nine years, an amount equal to eight and  
45 fifty-four hundredths percent shall be paid for the  
46 fiscal year beginning July 1, 1990, and an amount  
47 equal to nine and nine-tenths percent shall be paid  
48 for the fiscal year beginning July 1, 1991, and each  
49 fiscal year thereafter.

50 (3) For members who on July 1, 1990, have attained

S-5814

Page 4

1 the age of forty-seven years but have not attained the  
2 age of forty-eight years, an amount equal to seven and  
3 eighteen hundredths percent shall be paid for the  
4 fiscal year beginning July 1, 1990, an amount equal to  
5 eight and fifty-four hundredths percent shall be paid  
6 for the fiscal year beginning July 1, 1991, and an  
7 amount equal to nine and nine-tenths percent shall be  
8 paid for the fiscal year beginning July 1, 1992, and  
9 each fiscal year thereafter.

10 (4) For members who on July 1, 1990, have attained  
11 the age of forty-six years but have not attained the  
12 age of forty-seven years, an amount equal to five and  
13 eighty-two hundredths percent shall be paid for the  
14 fiscal year beginning July 1, 1990, an amount equal to  
15 seven and eighteen hundredths percent shall be paid  
16 for the fiscal year beginning July 1, 1991, an amount  
17 equal to eight and fifty-four hundredths percent shall  
18 be paid for the fiscal year beginning July 1, 1992,  
19 and an amount equal to nine and nine-tenths percent  
20 shall be paid for the fiscal year beginning July 1,  
21 1993, and each fiscal year thereafter.

22 (5) For members who on July 1, 1990, have attained  
23 the age of forty-five years but have not attained the  
24 age of forty-six years, an amount equal to four and  
25 forty-six hundredths percent shall be paid for the  
26 fiscal year beginning July 1, 1990, an amount equal to  
27 five and eighty-two hundredths percent shall be paid  
28 for the fiscal year beginning July 1, 1991, an amount  
29 equal to seven and eighteen hundredths percent shall  
30 be paid for the fiscal year beginning July 1, 1992, an  
31 amount equal to eight and fifty-four hundredths  
32 percent shall be paid for the fiscal year beginning  
33 July 1, 1993, and an amount equal to nine and nine-  
34 tenths percent shall be paid for the fiscal year  
35 beginning July 1, 1994, and each fiscal year  
36 thereafter.

37 Sec. 6. Section 97B.15, Code 1989, is amended to  
38 read as follows:

39 97B.15 RULES.

40 The department may make adopt rules under chapter  
41 17A and establish procedures, not inconsistent with  
42 this chapter, which are necessary or appropriate to  
43 implement this chapter and shall adopt reasonable and  
44 proper rules to regulate and provide for the nature  
45 and extent of the proofs and evidence and the method  
46 of taking and furnishing the proofs and evidence in  
47 order to establish the right to benefits under this  
48 chapter. The department may adopt rules to conform  
49 the requirements for receipt of retirement benefits  
50 under this chapter to the mandates of applicable

S-5814

Page 5

1 federal statutes and regulations governing-age  
2 ~~discrimination-or-the-taxation-of-distributions.~~

3 Sec. 7. Section 97B.41, subsection 1, paragraph a,  
4 unnumbered paragraph 2, Code 1989, is amended to read  
5 as follows:

6 Wages for a member of the general assembly means  
7 the total compensation received by a member of the  
8 general assembly, whether paid in the form of per diem  
9 or annual salary, exclusive of expense and travel  
10 allowances paid to a member of the general assembly  
11 except as otherwise provided in this paragraph. Wages  
12 includes per diem payments paid to members of the  
13 general assembly during interim periods between  
14 sessions of the general assembly. Wages also includes  
15 the daily allowance to members of the general assembly  
16 for nontravel expenses of office during a session of  
17 the general assembly.

18 Sec. 8. Section 97B.41, subsection 1, paragraph b,  
19 subparagraph (9), Code 1989, is amended by striking  
20 the subparagraph and inserting in lieu thereof the  
21 following:

22 (9) For the calendar year beginning January 1,  
23 1989, and ending December 31, 1989, wages not in  
24 excess of twenty-six thousand dollars.

25 Sec. 9. Section 97B.41, subsection 1, paragraph b,  
26 Code 1989, is amended by adding the following new  
27 subparagraphs after subparagraph (9) and renumbering  
28 the subsequent subparagraphs:

29 NEW SUBPARAGRAPH. (10) For the calendar year  
30 beginning January 1, 1990, and ending December 31,  
31 1990, wages not in excess of twenty-eight thousand  
32 dollars.

33 NEW SUBPARAGRAPH. (11) Commencing January 1,  
34 1991, for each calendar year, the department shall  
35 increase the covered wages limitation from the  
36 previous calendar year by three thousand dollars if  
37 the annual actuarial valuation of the assets and  
38 liabilities of the retirement system indicates that  
39 the cost of the increase in covered wages can be  
40 absorbed within the employer and employee contribution  
41 rates in effect under section 97B.11. However,  
42 covered wages shall not exceed forty thousand dollars  
43 for a calendar year.

44 Sec. 10. Section 97B.41, subsection 3, paragraph  
45 b, Code 1989, is amended by adding the following new  
46 subparagraph:

47 NEW SUBPARAGRAPH. (15) Employees appointed by the  
48 state board of regents who, at the discretion of the  
49 state board of regents, elect coverage in a retirement  
50 system qualified by the state board of regents that

S-5814

Page 6

1 meets the criteria of section 97B.2.

2 Sec. 11. Section 97B.41, subsection 10, Code 1989,  
3 is amended to read as follows:

4 10. a. "Vested member" means a member who  
5 ~~terminated-employment-in-accordance-with-one-of-the~~  
6 ~~following-paragraphs~~ meets one of the following  
7 requirements:

8 a- (1) ~~Prior to July 1, 1965, after-having had~~  
9 ~~attained the age of forty-eight and completed at least~~  
10 ~~eight years of service.~~

11 b- (2) ~~Between July 1, 1965 and June 30, 1973,~~  
12 ~~after-having had completed at least eight years of~~  
13 ~~service.~~

14 e- (3) ~~On or after July 1, 1973, after-having has~~  
15 ~~completed at least four years of service.~~

16 d- (4) ~~After-having Has attained the age of fifty-~~  
17 ~~five.~~

18 e- (5) ~~On or after July 1, 1988, an inactive~~  
19 ~~member who had accumulated, as of the date of the~~  
20 ~~member's last termination of employment, years of~~  
21 ~~membership service equal to or exceeding the years of~~  
22 ~~membership service specified in this subsection for~~  
23 ~~qualifying as a vested member on that date of~~  
24 ~~termination.~~

25 b. "Active vested member" means an active member  
26 who has attained sufficient membership service to  
27 achieve vested status.

28 c. "Inactive vested member" means an inactive  
29 member who was a vested member at the time of  
30 termination of employment.

31 Sec. 12. Section 97B.41, subsection 15, Code 1989,  
32 is amended to read as follows:

33 15. "Years of prior service" means the total of  
34 all periods of prior service of a member. In the  
35 determination of such total years of prior service any  
36 fraction of the total in excess of an integral number  
37 of years which is at least six months shall be deemed  
38 to be a complete year and any smaller fraction shall  
39 be disregarded. In computing credit for prior  
40 service, service of less than a full quarter shall be  
41 rounded up to a full quarter. Where a member had  
42 prior service as a teacher, a full year of service  
43 shall be granted that member if the member had three  
44 quarters of service and a contract for employment the  
45 following school year.

46 Sec. 13. Section 97B.41, subsection 21, Code 1989,  
47 is amended by striking the subsection.

48 Sec. 14. Section 97B.42, Code 1989, is amended by  
49 adding the following new unnumbered paragraphs:

50 NEW UNNUMBERED PARAGRAPH. Notwithstanding any

S-5814

Page 7

1 other provision of this section, a member who is  
2 employed by an area vocational school or an area  
3 community college may elect coverage under an  
4 alternative retirement benefits system, which is  
5 issued by or through a nonprofit corporation issuing  
6 retirement annuities exclusively to educational  
7 institutions and their employees, in lieu of  
8 continuing contributions to the Iowa public employees'  
9 retirement system, if the board of directors of the  
10 area vocational school or area community college has  
11 approved the alternative system pursuant to section  
12 280A.23. However, a vested member who elects to  
13 participate in the alternative benefits system does  
14 not have a right to withdraw funds from the member's  
15 Iowa public employees' retirement system account prior  
16 to retirement or termination of covered employment.  
17 The department shall cooperate with the boards of  
18 directors of the area vocational schools and area  
19 community colleges to facilitate the implementation of  
20 this paragraph.

21 NEW UNNUMBERED PARAGRAPH. Notwithstanding any  
22 other provision of this section, a person newly  
23 entering permanent, full-time employment with an area  
24 vocational school or area community college on or  
25 after the effective date of this Act may elect  
26 coverage under an alternative retirement benefits  
27 system, which is issued by or through a nonprofit  
28 corporation issuing retirement annuities exclusively  
29 to educational institutions and their employees, in  
30 lieu of coverage under the Iowa public employees'  
31 retirement system, but only if the person has no  
32 membership service credits under the Iowa public  
33 employees' retirement system. An election to  
34 participate in the alternative retirement benefits  
35 system is irrevocable as to the person's employment  
36 with that area vocational school or area community  
37 college and any other area vocational school or area  
38 community college in this state. If the person elects  
39 coverage under the alternative retirement benefits  
40 system, the person shall become a member of that  
41 system upon the first day of employment with the area  
42 vocational school or area community college.

43 Sec. 15. Section 97B.43, unnumbered paragraph 3,  
44 Code 1989, is amended to read as follows:

45 Each individual who ~~as-of~~ on or after July 1, 1978,  
46 was an active, vested, or retired member and who (1)  
47 made application for and received a refund of  
48 contributions made under the abolished system or (2)  
49 has on deposit with the retirement fund contributions  
50 made under the abolished system shall be entitled to

S-5814

Page 8

1 credit for years of prior service in the determination  
2 of retirement allowance payments by filing a written  
3 election with the department on or after July 1, 1978,  
4 and by re depositing any withdrawn contributions under  
5 the abolished system together with interest as stated  
6 in this paragraph. Any individual who ~~as-of~~ on or  
7 after July 1, 1978, is a retired member and who made  
8 application for and received a refund of contributions  
9 made under the abolished system, may, by filing a  
10 written election with the department on or after July  
11 1, 1978, have the department retain fifty percent of  
12 the monthly increase in retiree benefits that will  
13 accrue to the individual because of prior service. If  
14 the monthly increase in retirement benefits is less  
15 than ten dollars, the department shall retain five  
16 dollars of the scheduled increase, and if the monthly  
17 increase is less than five dollars, the provisions of  
18 this paragraph shall not apply. The department shall  
19 continue to retain such funds until the withdrawn  
20 contributions, together with interest accrued to the  
21 month in which the written election is filed, have  
22 been repaid. Due notice of this provision shall be  
23 sent to all retired members ~~as-of~~ on or after July 1,  
24 1978. However, this paragraph shall not apply to any  
25 person who received a refund of any membership service  
26 contributions unless the person repaid the membership  
27 service contributions pursuant to section 97B.74;  
28 ~~provided, however, that~~ but a refund of contributions  
29 remitted for the calendar quarter ending September 30,  
30 1953 which was based entirely upon employment which  
31 terminated prior to July 4, 1953 shall not be  
32 considered as a refund of membership service  
33 contributions. The interest to be paid into the fund  
34 shall be compounded at the rates credited to member  
35 accounts from the date of payment of the refund of  
36 contributions under the abolished system to the date  
37 the member re deposits the refunded amount. The  
38 provisions of the first paragraph of this section  
39 relating to the consideration given to credited  
40 amounts shall apply to the re deposited amounts or to  
41 amounts left on deposit. Effective July 1, 1978, the  
42 provisions of this paragraph shall apply to each  
43 individual who ~~as-of~~ on or after July 1, 1978, was an  
44 active, vested, or retired member, but who was not in  
45 service on July 4, 1953. The period for filing the  
46 written election with the department and re depositing  
47 any withdrawn contributions together with interest  
48 accrued shall commence July 1, 1978. A member who is  
49 a retired member ~~as-of~~ on or after July 1, 1978 may  
50 file written election with the department on or after



S-5814

Page 9

1 July 1, 1978 to have the department retain fifty  
2 percent of the monthly increase as provided in this  
3 paragraph.

4 Sec. 16. Section 97B.48, subsection 1, Code 1989,  
5 is amended to read as follows:

6 1. Retirement allowances shall be paid monthly,  
7 except that an allowance of less than one-hundred  
8 twenty two hundred forty dollars a year shall be paid  
9 as a lump sum in an actuarial equivalent amount.

10 Receipt of the lump-sum payment by a member shall  
11 terminate any and all entitlement for the period of  
12 service covered of the said member under this chapter.

13 Sec. 17. Section 97B.48, subsection 3, Code 1989,  
14 is amended to read as follows:

15 3. If, after the first day of the month in which  
16 the member attains the age of fifty-five years and  
17 until the member's sixty-fifth birthday, a member who  
18 is retired under this chapter is in regular full-time  
19 employment, the member's retirement allowance shall be  
20 suspended for as long as the member remains in  
21 employment. However, effective January 1, 1989 1990,  
22 employment is not full-time employment until the  
23 member receives remuneration in an amount in excess of  
24 six thousand one-hundred-twenty eight hundred forty  
25 dollars for a calendar year. Effective the first of  
26 the month in which a member attains the age of sixty-  
27 five years, a retired member may receive a retirement  
28 allowance after return to covered employment  
29 regardless of the amount of remuneration received.  
30 Effective January 1, 1991, a retired member of any age  
31 may receive a retirement allowance after return to  
32 covered employment, regardless of the amount of  
33 remuneration received, if the covered employment  
34 consists of holding an elective office. As of the  
35 first of the month in which the member attains the age  
36 of seventy years, the member may receive a retirement  
37 allowance determined under section 97B.49, regardless  
38 of the amount of remuneration received. Upon a  
39 retirement after reemployment, a retired member may  
40 have the retired member's retirement allowance  
41 redetermined under this section or section 97B.49 or  
42 97B.50, whichever is applicable, based upon the  
43 addition of credit for the years of membership service  
44 of the employee after reemployment, the covered wage  
45 during reemployment, and the age of the employee after  
46 reemployment. The retired member shall not receive a  
47 retirement allowance based upon more than a total of  
48 thirty years of service.

49 Sec. 18. Section 97B.49, subsection 5, Code 1989,  
50 is amended to read as follows:

S-5814

Page 10

1 5. a. For each active member retiring on or after  
2 July 1, 1986, and before July 1, 1990, with four or  
3 more complete years of service, a monthly benefit  
4 shall be computed which is equal to one-twelfth of an  
5 amount equal to fifty percent of the three-year  
6 average covered wage multiplied by a fraction of years  
7 of service.

8 b. For each active member retiring on or after  
9 July 1, 1990, with four or more complete years of  
10 service, a monthly benefit shall be computed which is  
11 equal to one-twelfth of an amount equal to fifty-two  
12 percent of the three-year average covered wage  
13 multiplied by a fraction of years of service.

14 Commencing July 1, 1991, the department shall  
15 increase the percentage multiplier of the three-year  
16 average covered wage by an additional two percent each  
17 July 1 until reaching sixty percent of the three-year  
18 average covered wage if the annual actuarial valuation  
19 of the retirement system indicates for that year that  
20 the cost of this increase in the percentage of the  
21 three-year average covered wage used in computing  
22 retirement benefits can be absorbed within the  
23 employer and employee contribution rates in effect  
24 under section 97B.11.

25 c. For the purposes of this subsection, "fraction  
26 of years of service" means a number, not to exceed  
27 one, equal to the sum of the years of membership  
28 service and the number of years of prior service  
29 divided by thirty years.

30 d. If benefits under this subsection commence on  
31 an early retirement date, the amount of benefit shall  
32 be reduced in accordance with section 97B.50.

33 Sec. 19. Section 97B.49, subsection 13, paragraphs  
34 a and b, Code 1989, are amended to read as follows:

35 a. A member who retired from the system between  
36 January 1, 1976, and June 30, 1982, or a contingent  
37 annuitant or beneficiary of such a member, shall  
38 receive with the November ~~1988~~ 1990 and the November  
39 ~~1989~~ 1991 monthly benefit payments a retirement  
40 dividend equal to ~~eighty one hundred forty~~ percent of  
41 the monthly benefit payment the member received for  
42 the preceding June, or the most recently received  
43 benefit payment, whichever is greater. The retirement  
44 dividend does not affect the amount of a monthly  
45 benefit payment.

46 b. Each member who retired from the system between  
47 July 4, 1953, and December 31, 1975, or a contingent  
48 annuitant or beneficiary of such a member, shall  
49 receive with the November ~~1988~~ 1990 and the November  
50 ~~1989~~ 1991 monthly benefit payments a retirement

S-5814

Page 11

1 dividend equal to one hundred twenty eighty percent of  
2 the monthly benefit payment the member received for  
3 the preceding June, or the most recently received  
4 benefit payment, whichever is greater. The retirement  
5 dividend does not affect the amount of a monthly  
6 benefit payment.

7 Sec. 20. Section 97B.49, subsection 13, paragraph  
8 c, Code 1989, is amended to read as follows:

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

13 Sec. 21. Section 97B.49, subsection 13, Code 1989,  
14 is amended by adding the following new paragraph after  
15 paragraph c and relettering the subsequent paragraphs:

16 NEW PARAGRAPH. d. A member who retired from the  
17 system between July 1, 1982, and June 30, 1986, or a  
18 contingent annuitant or beneficiary of such a member,  
19 shall receive with the November 1990 and the November  
20 1991 monthly benefit payments a retirement dividend  
21 equal to twenty-four percent of the monthly benefit  
22 payment the member received for the preceding June, or  
23 the most recently received benefit payment, whichever  
24 is greater. The retirement dividend does not affect  
25 the amount of a monthly benefit payment.

26 Sec. 22. Section 97B.49, subsection 15, Code 1989,  
27 is amended to read as follows:

28 15. In lieu of the monthly benefit computed under  
29 subsections 1 and 3 as applicable, or subsection 5,  
30 for:

31 a. For each active member retiring on or after  
32 July 1, 1988, and before July 1, 1990, who is at least  
33 fifty-five years of age and ~~has completed at least~~  
34 ~~thirty years of membership service and prior service,~~  
35 and for which the sum of the number of years of  
36 membership service and prior service and the member's  
37 age in years as of the member's last birthday equals  
38 or exceeds ninety-two, a monthly benefit shall be  
39 computed which is equal to one-twelfth of fifty  
40 percent of the three-year average covered wage of the  
41 member.

42 b. For each active member retiring on or after  
43 July 1, 1990, who is at least fifty-five years of age  
44 and for which the sum of the number of years of  
45 membership service and prior service and the member's  
46 age in years as of the member's last birthday exceeds  
47 ninety-two, a monthly benefit shall be computed which  
48 is equal to one-twelfth of the same percentage of the  
49 three-year average covered wage of the member as is  
50 provided in subsection 5.

S-5814

Page 12

1 Sec. 23. Section 97B.49, subsection 16, paragraphs  
2 a, b, and c, Code 1989, are amended to read as  
3 follows:

4 a. Notwithstanding other provisions of this  
5 chapter, ~~a~~:

6 (1) A member who is or has been employed in a  
7 protection occupation who retires on or after July 1,  
8 1988, and before July 1, 1990, and at the time of  
9 retirement is at least fifty-five years of age and has  
10 completed at least twenty-five years of membership  
11 service in a protection occupation, may elect to  
12 receive in lieu of the receipt of any benefits under  
13 subsection 5 or 15, a monthly retirement allowance  
14 equal to one-twelfth of fifty percent of the member's  
15 three-year average covered wage as a member who has  
16 been employed in a protection occupation, with  
17 benefits payable during the member's lifetime.

18 (2) A member who is or has been employed in a  
19 protection occupation who retires on or after July 1,  
20 1990, and at the time of retirement is at least fifty-  
21 five years of age and has completed at least twenty-  
22 five years of membership service in a protection  
23 occupation, may elect to receive in lieu of the  
24 receipt of any benefits under subsection 5 or 15, a  
25 monthly retirement allowance equal to one-twelfth of  
26 fifty-two percent of the member's three-year average  
27 covered wage as a member who has been employed in a  
28 protection occupation, with benefits payable during  
29 the member's lifetime.

30 (3) Commencing July 1, 1991, the department shall  
31 increase the percentage multiplier of the three-year  
32 average covered wage by an additional two percent each  
33 July 1 until reaching sixty percent of the three-year  
34 average covered wage if the annual actuarial valuation  
35 of the retirement system indicates for that year that  
36 the cost of this increase in the percentage of the  
37 three-year average covered wage used in computing  
38 retirement benefits can be absorbed within the  
39 employer and employee contribution rates in effect  
40 under section 97B.11 and this section.

41 b. Notwithstanding other provisions of this  
42 chapter, ~~a~~:

43 (1) A member who retires from employment as a  
44 county sheriff or deputy sheriff who retires on or  
45 after July 1, 1988, and before July 1, 1990, and at  
46 the time of retirement is at least fifty-five years of  
47 age and has completed at least twenty-two years of  
48 membership service, may elect to receive in lieu of  
49 the receipt of any benefits under subsection 5 or 15,  
50 a monthly retirement allowance equal to one-twelfth of

S-5814

Page 13

1 fifty percent of the member's three-year average  
2 covered wage as a member, with benefits payable during  
3 the member's lifetime.

4 (2) A member who retires from employment as a  
5 county sheriff or deputy sheriff who retires on or  
6 after July 1, 1990, and at the time of retirement is  
7 at least fifty-five years of age and has completed at  
8 least twenty-two years of membership service, may  
9 elect to receive in lieu of the receipt of any  
10 benefits under subsection 5 or 15, a monthly  
11 retirement allowance equal to one-twelfth of the same  
12 percentage of the member's three-year average covered  
13 wage as is provided in paragraph "a", with benefits  
14 payable during the member's lifetime.

15 (3) The years of membership service required under  
16 this paragraph shall include membership service as a  
17 sheriff or deputy sheriff and membership service under  
18 employment in a protection occupation included in  
19 paragraph "d", subparagraph (2).

20 (4) For the purposes of this subsection, sheriff  
21 means a county sheriff as defined in section 39.17 and  
22 deputy sheriff means a deputy sheriff appointed  
23 pursuant to section 341.1 prior to July 1, 1981, or  
24 section 331.903 on or after July 1, 1981.

25 c. A member covered under this subsection who  
26 retires on or after July 1, 1988, and before July 1,  
27 1990, and has not completed the twenty-five years of  
28 membership service required under paragraph "a", or  
29 twenty-two years of membership service required under  
30 paragraph "b", is eligible to receive a monthly  
31 retirement allowance equal to one-twelfth of fifty  
32 percent of the member's three-year average covered  
33 wage as a member employed in a protection occupation,  
34 or as a sheriff or deputy sheriff, multiplied by a  
35 fraction of years of service.

36 A member covered under this subsection who retires  
37 on or after July 1, 1990, and has not completed the  
38 twenty-five years of membership service required under  
39 paragraph "a", or twenty-two years of membership  
40 service required under paragraph "b", is eligible to  
41 receive a monthly retirement allowance equal to one-  
42 twelfth of the same percentage of the member's three-  
43 year average covered wage as is provided in paragraph  
44 "a", multiplied by a fraction of years of service.

45 PARAGRAPH DIVIDED. For the purpose of this  
46 subsection, "fraction of years of service" means a  
47 number, not to exceed one, equal to the sum of the  
48 years of membership service for a member retiring in a  
49 protection occupation, divided by twenty-five years,  
50 or the sum of the years of membership service for a

S-5814

Page 14

1 member retiring as a sheriff or deputy sheriff divided  
2 by twenty-two years.

3 Sec. 24. Section 97B.49, subsection 16, paragraph  
4 d, subparagraph (3), Code 1989, is amended to read as  
5 follows:

6 (3) A correctional officer or correctional  
7 supervisor employed by the Iowa department of  
8 corrections, in-an-applicable-job-classification and  
9 any other employee of that department who has ongoing,  
10 direct contact with inmates. The-department-of  
11 corrections-and-the-department-of-personnel-shall  
12 jointly-determine-the-applicable-merit-system-job  
13 classifications-of-correctional-officers.

14 Sec. 25. Section 97B.49, subsection 16, paragraph  
15 d, Code 1989, is amended by adding the following new  
16 subparagraph:

17 NEW SUBPARAGRAPH. (7) An employee of the state  
18 department of transportation who is designated as a  
19 "peace officer" by resolution under section 321.477,  
20 but only if the employee retires on or after July 1,  
21 1990. For purposes of this subparagraph, service as a  
22 traffic weight officer employed by the highway  
23 commission prior to the creation of the state  
24 department of transportation or as a peace officer  
25 employed by the Iowa state commerce commission prior  
26 to the creation of the state department of  
27 transportation shall be included in computing the  
28 employee's years of membership service.

29 Sec. 26. Section 97B.49, subsection 16, Code 1989,  
30 is amended by adding the following new paragraph:

31 NEW PARAGRAPH. k. For the fiscal year commencing  
32 July 1, 1990, and each succeeding fiscal year, the  
33 state department of transportation shall pay to the  
34 department of personnel, from funds appropriated to  
35 the state department of transportation from the road  
36 use tax fund and the primary road fund, the amount  
37 necessary to pay the employer share of the cost of the  
38 additional benefits provided to employees covered  
39 under paragraph "d", subparagraph (7).

40 Sec. 27. Section 97B.50, subsection 2, Code 1989,  
41 is amended to read as follows:

42 2. a. A member who retires from the system due to  
43 disability and commences receiving disability benefits  
44 pursuant to the United States Social Security Act (42  
45 U.S.C.), as amended to July 1, 1978, who is eligible  
46 for early retirement, but has not reached the normal  
47 retirement date, shall receive full benefits under  
48 section 97B.49 and shall not have benefits reduced  
49 upon retirement as required under subsection 1  
50 regardless of whether the member has completed thirty

S-5814

Page 15

1 or more years of membership service. This section  
2 takes effect July 1, 1987 for a member meeting the  
3 requirements of this subsection paragraph who retired  
4 from the system at any time between July 4, 1953 and  
5 June 30, 1987.

6 b. A member who retires from the system due to  
7 disability and commences receiving disability benefits  
8 pursuant to the United States Railroad Retirement Act  
9 (45 U.S.C. § 231 et seq.) who is eligible for early  
10 retirement but has not reached the normal retirement  
11 date, shall receive full benefits under section 97B.49  
12 and shall not have benefits reduced upon retirement as  
13 required under subsection 1 regardless of whether the  
14 member has completed thirty or more years of  
15 membership service. This section takes effect July 1,  
16 1990, for a member meeting the requirements of this  
17 paragraph who retired from the system at any time  
18 since July 4, 1953. However, eligible members are  
19 entitled to receipt of retroactive adjustment payments  
20 for no more than six months immediately preceding the  
21 month after July 1, 1990, in which written notice was  
22 submitted to the department.

23 Sec. 28. Section 97B.52, subsection 3, Code 1989,  
24 is amended to read as follows:

25 3. a. Other than as provided above in subsections  
26 1 and 2 of this section, or section 97B.51, all rights  
27 to any benefits under the retirement system ~~will~~ shall  
28 cease upon the death of a member.

29 b. If a death benefit is due and payable, interest  
30 shall continue to accumulate through the month  
31 preceding the month in which payment is made to the  
32 designated beneficiary, heirs at law, or to the estate  
33 unless the payment of the death benefit is delayed  
34 because of a dispute between alleged heirs, in which  
35 case the benefit due and payable shall be placed in a  
36 noninterest bearing escrow account until the  
37 beneficiary is determined in accordance with this  
38 section.

39 Sec. 29. Section 97B.73, Code 1989, is amended to  
40 read as follows:

41 97B.73 MEMBERS FROM OTHER PUBLIC SYSTEMS.

42 A vested or retired member who was ~~a-member-of-a~~  
43 ~~public-retirement-system~~ in public employment in  
44 another state ~~but-was-not-vested-or-retired-under-that~~  
45 ~~system-may~~ or in the federal government but who was  
46 not retired under that system, upon submitting  
47 verification of membership and service in the other  
48 public retirement system to the department, including  
49 proof that the member has no further claim upon a  
50 retirement benefit from that other public system, may

S-5814

Page 16

1 make employer and employee contributions to the system  
2 for the period of service in the other public  
3 retirement system and receive credit for membership  
4 service in this system equivalent to the number of  
5 years of service in the other public retirement  
6 system. ~~The contributions-paid-by-the-vested-or~~  
7 ~~retired-member-for-service-in-the-other-public~~  
8 ~~retirement-system-shall-be-equal-to-the-accumulated~~  
9 ~~contributions-as-defined-in-section-97B.41, subsection~~  
10 ~~12, by the member for that period of service and the~~  
11 ~~employer contribution for that period of service that~~  
12 ~~would have been contributed by the vested or retired~~  
13 ~~member and the employer plus interest on the~~  
14 ~~contributions that would have accrued if the member~~  
15 ~~had been a member of this system earning the same~~  
16 ~~wages earned under the other system for the period~~  
17 ~~from the date of service of the member in the other~~  
18 ~~public retirement system to the date of payment of the~~  
19 ~~contributions by the member equal to two percent plus~~  
20 ~~the interest dividend rate applicable for each year~~  
21 contribution payable shall be based upon the member's  
22 covered wages for the most recent full calendar year  
23 at the applicable rates in effect for that calendar  
24 year under sections 97B.11 and 97B.49 and multiplied  
25 by the member's years of service in other public  
26 employment.

27 This section is applicable to a vested or retired  
28 member who was a member of a public retirement system  
29 established in sections 294.8, 294.9, and 294.10 but  
30 was not ~~vested or~~ retired under that system.

31 A member vested under another public system must  
32 waive, on a form provided by the Iowa public  
33 employees' retirement system, all rights to a  
34 retirement benefit under that other public system  
35 before receiving credit in this system for those years  
36 of service in the other public system.

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

43 Sec. 30. Section 97B.74, unnumbered paragraphs 1  
44 and 2, Code 1989, are amended to read as follows:

45 An Effective January 1, 1991, an active, vested, or  
46 retired member who at any time between July 4, 1953  
47 and July 17, 1973 was a member of the system at any  
48 time on or after July 4, 1953, but who did not meet  
49 the requirements to be a vested member for that period  
50 of membership service, and who received a refund of



S-5814

Page 17

1 the member's contributions for that period of  
2 membership service, may elect in writing to the  
3 department to make contributions to the system for  
4 that period of membership service for which a refund  
5 of contributions was made. The contributions repaid  
6 by the member for such service shall be equal to the  
7 accumulated contributions, as defined in section  
8 97B.41, subsection 12, received by the member for that  
9 period of membership service plus interest on the  
10 accumulated contributions for the period from the date  
11 of receipt by the member to the date of repayment  
12 equal to two percent plus the interest dividend rate  
13 applicable for each year compounded annually.

14 ~~The provisions of this section are only available~~  
15 ~~to a member if that member's total years of membership~~  
16 ~~and prior service, with the addition of service for~~  
17 ~~that period of membership service for which~~  
18 ~~contributions are repaid, equals or exceeds fifteen~~  
19 ~~years. An active member must have at least one~~  
20 quarter's reportable wages on file and have membership  
21 service, including that period of membership service  
22 for which a refund of contributions was made,  
23 sufficient to give the member vested status.

24 Sec. 31. Section 97B.80, Code 1989, is amended to  
25 read as follows:

26 97B.80 VETERAN'S CREDIT.

27 ~~An active member in service on July 1, 1987, who at~~  
28 ~~any time served on active duty in the armed forces of~~  
29 ~~the United States, upon submitting verification of the~~  
30 ~~dates of the active duty service in the armed forces~~  
31 ~~to the department, may make employer and employee~~  
32 ~~contributions to the system based upon the member's~~  
33 ~~covered wages for the calendar year beginning January~~  
34 ~~1, 1987, at the rates in effect under section 97B.11~~  
35 ~~on January 1, 1987, for the period of time of the~~  
36 ~~active duty service, not to exceed four years, and~~  
37 ~~receive credit for membership service and prior~~  
38 ~~service for the period of time for which the~~  
39 ~~contributions are made. Effective July 1, 1990, a~~  
40 vested or retired member with reportable wages in the  
41 most recent calendar year, who at any time served on  
42 active duty in the armed forces of the United States,  
43 upon submitting verification of the dates of the  
44 active duty service, may make employer and employee  
45 contributions to the system based upon the member's  
46 covered wages for the most recent full calendar year  
47 at the applicable rates in effect for that year under  
48 sections 97B.11 and 97B.49, for the period of time of  
49 the active duty service, in one-year increments but  
50 not to exceed four years, and receive credit for

S-5814

Page 18

1 membership service and prior service for the period of  
2 time for which the contributions are made.

3 Verification of active duty service and payment of  
4 contributions shall be made to the department.

5 However, a member is not eligible to make  
6 contributions under this section if the member is  
7 receiving or is eligible to receive retirement pay  
8 from the United States government for active duty in  
9 the armed forces.

10 Sec. 32. NEW SECTION. 97B.81 WAIVER RIGHTS.

11 A person receiving, or eligible to receive, an  
12 allowance or benefit, or an increase to an allowance  
13 or benefit, under this chapter, may at any time waive  
14 the person's rights to all or part of the allowance or  
15 benefit, by filing a written and notarized notice of  
16 waiver with the public employees' retirement system on  
17 a form provided by the system. The waiver shall  
18 remain in effect until the first day of the month  
19 following the person's death or the filing of a  
20 written and notarized cancellation of the waiver with  
21 the retirement system. The amount waived is forever  
22 forfeited.

23 Sec. 33. NEW SECTION. 97D.1 GUIDING GOALS FOR  
24 FUTURE CHANGES IN PUBLIC RETIREMENT SYSTEMS -- SOCIAL  
25 SECURITY -- PORTABILITY.

26 1. The general assembly declares that legislative  
27 proposals for changes in specific public retirement  
28 systems should be considered within the context of all  
29 public retirement systems within the state, with  
30 emphasis on equity and equality between and among the  
31 systems. The following list of guiding goals shall  
32 apply to the consideration of proposed changes:

33 a. Select those benefit enhancement options which  
34 most successfully deliver the greatest good to the  
35 greatest number of employees.

36 b. Choose those options which best correct  
37 existing inequities between and among the various  
38 retirement groups in the state.

39 c. Determine those options which most ably serve  
40 the twin objectives of attracting and retaining  
41 quality employees.

42 d. Avoid enacting further incentives toward  
43 earlier retirement with full benefits.

44 e. Avoid further splintering of benefits by  
45 disproportionate enhancement of benefits for one group  
46 over and beyond those available to the other.

47 2. The public retirement systems committee  
48 established by section 97B.76 shall periodically weigh  
49 the advantages and disadvantages of establishing  
50 participation in the federal social security system

S-5814

Page 19

1 for the members of public retirement systems operating  
2 under chapters 97A and 411 and the impact of such a  
3 change on total contributions and benefits.

4 3. The public retirement systems committee estab-  
5 lished by section 97B.76 shall consider proposals to  
6 achieve greater portability of pension benefits  
7 between the various public retirement systems in the  
8 state. Special attention should be given to the  
9 actuarial cost of transfers of value from one system  
10 to another.

11 Sec. 34. NEW SECTION. 97D.2 ANALYSIS OF COST OF  
12 PROPOSED CHANGES.

13 When the public retirement systems committee estab-  
14 lished by section 97B.76 or a standing committee of  
15 the senate or house of representatives receives a  
16 proposal for a change in a public retirement system  
17 within this state, the committee may require the  
18 development of actuarial information concerning the  
19 costs of the proposed change. If the proposal affects  
20 police and fire retirement systems under chapter 411,  
21 the committee may arrange for the services of an  
22 actuarial consultant to assist in developing the  
23 information on a consolidated basis for all the  
24 systems.

25 Sec. 35. Section 280A.23, Code 1989, is amended by  
26 adding the following new subsections:

27 NEW SUBSECTION. 15. Provide for an alternative  
28 retirement benefits system, which is issued by or  
29 through a nonprofit corporation issuing retirement  
30 annuities exclusively to educational institutions and  
31 their employees, for persons employed by the area  
32 vocational school or area community college who are  
33 members of the Iowa public employees' retirement  
34 system on the effective date of this Act and who elect  
35 coverage under the alternative retirement benefits  
36 system pursuant to section 97B.42, in lieu of  
37 continuing contributions to the Iowa public employees'  
38 retirement system. The system for employee and  
39 employer contributions under the alternative system  
40 shall be substantially the same as provided by the  
41 state board of regents under the teachers insurance  
42 annuity association-college retirement equities fund,  
43 and the employer's contribution shall not exceed the  
44 employer's contribution rate established for employees  
45 of the state board of regents who are under that  
46 system.

47 NEW SUBSECTION. 16. Provide for an alternative  
48 retirement benefits system, which is issued by or  
49 through a nonprofit corporation issuing retirement  
50 annuities exclusively to educational institutions and

S-5814

Page 20

1 their employees, for persons newly employed after the  
2 effective date of this Act who elect coverage under  
3 that system pursuant to section 97B.42, in lieu of  
4 coverage under the Iowa public employees' retirement  
5 system. The system for employee and employer  
6 contributions under the alternative system shall be  
7 substantially the same as provided by the state board  
8 of regents under the teachers insurance annuity  
9 association-college retirement equities fund, and the  
10 employer's contribution rate shall not exceed the  
11 employer's contribution rate established for employees  
12 of the state board of regents who are under that  
13 system.

14 Sec. 36. Section 411.5, subsection 9, Code 1989,  
15 is amended to read as follows:

16 9. MEDICAL BOARD. The board of fire trustees and  
17 the board of police trustees jointly shall designate a  
18 medical board to be composed of three physicians who  
19 shall arrange for and pass upon all medical  
20 examinations required under the provisions of this  
21 chapter, ~~except that for examinations required because~~  
22 ~~of disability three physicians from the University of~~  
23 ~~Iowa hospitals and clinics who shall pass upon the~~  
24 ~~medical examinations required for disability~~  
25 ~~retirements~~, and shall report in writing to each board  
26 of trustees, respectively, its conclusions and  
27 recommendations upon all matters duly referred to it.

28 Sec. 37. Section 411.6, subsections 2 and 6, Code  
29 1989, are amended to read as follows:

30 2. ALLOWANCE ON SERVICE RETIREMENT.

31 a. Upon retirement from service, prior to July 1,  
32 1990, a member shall receive a service retirement  
33 allowance which shall consist of a pension given by  
34 the city which ~~shall equal one-half~~ equals fifty  
35 percent of the member's average final compensation.

36 b. Upon retirement from service on or after July  
37 1, 1990, a member shall receive a service retirement  
38 allowance which shall consist of a pension given by  
39 the city which equals fifty-two percent of the  
40 member's average final compensation.

41 c. Commencing July 1, 1991, each board of trustees  
42 shall increase the percentage multiplier of the  
43 member's average final compensation by an additional  
44 two percent each July 1 until reaching sixty percent  
45 of the member's average final compensation if the  
46 annual actuarial valuation of the board's retirement  
47 system indicates for that year that the cost of this  
48 increase in the percentage of the member's average  
49 final compensation used in computing retirement  
50 benefits can be absorbed within the employer and

S-5814

Page 21

1 employee contribution rates in effect pursuant to  
2 Section 411.8.

3 d. Commencing July 1, 1990, if the member has  
4 completed more than twenty-two years of creditable  
5 service, the service retirement allowance shall  
6 consist of a pension which equals the amount provided  
7 in paragraphs "b" and "c", plus an additional  
8 percentage as set forth below:

9 (1) For a member who terminates service, other  
10 than by death or disability, on or after July 1, 1990,  
11 but before July 1, 1991, and who does not withdraw the  
12 member's contributions pursuant to section 411.23,  
13 upon the member's retirement there shall be added  
14 three-tenths percent of the member's average final  
15 compensation for each year of service over twenty-two  
16 years, excluding years of service after the member's  
17 fifty-fifth birthday. However, this subparagraph does  
18 not apply to more than eight additional years of  
19 service.

20 (2) For a member who terminates service, other  
21 than by death or disability, on or after July 1, 1991,  
22 but before July 1, 1992, and who does not withdraw the  
23 member's contributions pursuant to section 411.23,  
24 upon the member's retirement there shall be added six-  
25 tenths percent of the member's average final  
26 compensation for each year of service over twenty-two  
27 years, excluding years of service after the member's  
28 fifty-fifth birthday. However, this subparagraph does  
29 not apply to more than eight additional years of  
30 service.

31 (3) For a member who terminates service, other  
32 than by death or disability, on or after July 1, 1992,  
33 but before July 1, 1993, and who does not withdraw the  
34 member's contributions pursuant to section 411.23,  
35 upon the member's retirement there shall be added  
36 nine-tenths percent of the member's average final  
37 compensation for each year of service over twenty-two  
38 years, excluding years of service after the member's  
39 fifty-fifth birthday. However, this subparagraph does  
40 not apply to more than eight additional years of  
41 service.

42 (4) For a member who terminates service, other  
43 than by death or disability, on or after July 1, 1993,  
44 but before July 1, 1994, and who does not withdraw the  
45 member's contributions pursuant to section 411.23,  
46 upon the member's retirement there shall be added one  
47 and two-tenths percent of the member's average final  
48 compensation for each year of service over twenty-two  
49 years, excluding years of service after the member's  
50 fifty-fifth birthday. However, this subparagraph does

S-5814

Page 22

1 not apply to more than eight additional years of  
2 service.

3 (5) For a member who terminates service, other  
4 than by death or disability, on or after July 1, 1994,  
5 and who does not withdraw the member's contributions  
6 pursuant to section 411.23, upon the member's  
7 retirement there shall be added one and five-tenths  
8 percent of the member's average final compensation for  
9 each year of service over twenty-two years, excluding  
10 years of service after the member's fifty-fifth  
11 birthday. However, this subparagraph does not apply  
12 to more than eight additional years of service.

13 6. RETIREMENT AFTER ACCIDENT.

14 a. Upon retirement for accidental disability prior  
15 to July 1, 1990, a member shall receive an accidental  
16 disability retirement allowance which shall consist of  
17 a pension equal to  $66\frac{2}{3}$  sixty-six and two-thirds  
18 percent of the member's average final compensation.

19 b. Upon retirement for accidental disability on or  
20 after July 1, 1990, a member shall receive an  
21 accidental disability retirement allowance which shall  
22 consist of a pension equal to sixty percent of the  
23 member's average final compensation.

24 Sec. 38. Section 411.6, subsection 12, paragraph  
25 a, subparagraphs (1) through (4), Code 1989, are  
26 amended to read as follows:

27 (1) Twenty-five percent for members receiving a  
28 service retirement allowance and for beneficiaries  
29 receiving a pension under subsection 9 of this  
30 section. However, effective July 1, 1990, for members  
31 who retired before that date, thirty percent shall be  
32 the applicable percentage for members and  
33 beneficiaries under this subparagraph.

34 (2) ~~Twenty~~ Twenty-five percent for members with  
35 five or more years of membership service who are  
36 receiving an ordinary disability retirement allowance.  
37 ~~However, effective July 1, 1984, for members who~~  
38 ~~retired before July 1, 1979, and effective July 1,~~  
39 ~~1988, for members who retire on or after July 1, 1988,~~  
40 ~~twenty-five percent shall be used for members who are~~  
41 ~~receiving an ordinary disability allowance. However,~~  
42 effective July 1, 1990, for members who retired before  
43 that date, thirty percent shall be the applicable  
44 percentage for members under this subparagraph.

45 (3) Twelve and one-half percent for members with  
46 less than five years of membership service who are  
47 receiving an ordinary disability retirement allowance,  
48 and for beneficiaries receiving a pension under  
49 subsection 8 of this section. However, effective July  
50 1, 1990, for members who retired before that date,

S-5814

Page 23

1 fifteen percent shall be the applicable percentage for  
2 members and beneficiaries under this subparagraph.

3 (4) Thirty-three and one-third percent for members  
4 receiving an accidental disability allowance.

5 However, effective July 1, 1990, for members who  
6 retired before that date, thirty percent shall be the  
7 applicable percentage for members under this  
8 subparagraph.

9 Sec. 39. Section 411.6, Code 1989, is amended by  
10 adding the following new subsection:

11 NEW SUBSECTION. 13. REMARRIAGE OF SURVIVING  
12 SPOUSE. Effective July 1, 1990, for a member who died  
13 prior to July 1, 1988, if the member's surviving  
14 spouse remarried prior to July 1, 1988, the remarriage  
15 does not make the spouse ineligible under subsection  
16 8, paragraph "c", subparagraphs (1) and (2), to  
17 receive benefits under subsections 8, 9, 11, and 12.

18 Sec. 40. Section 411.8, subsection 1, paragraph f,  
19 Code 1989, is amended to read as follows:

20 f. Except as otherwise provided in paragraph "h":

21 (1) An amount equal to three and one-tenth percent  
22 of each member's compensation from the earnable  
23 compensation of the member shall be paid to the  
24 pension accumulation fund for the fiscal year  
25 beginning July 1, 1989.

26 (2) An amount equal to four and forty-six  
27 hundredths percent of each member's compensation from  
28 the earnable compensation of the member shall be paid  
29 to the pension accumulation fund for the fiscal year  
30 beginning July 1, 1990.

31 (3) An amount equal to five and eighty-two  
32 hundredths percent of each member's compensation from  
33 the earnable compensation of the member shall be paid  
34 to the pension accumulation fund for the fiscal year  
35 beginning July 1, 1991.

36 (4) An amount equal to seven and eighteen  
37 hundredths percent of each member's compensation from  
38 the earnable compensation of the member shall be paid  
39 to the pension accumulation fund for the fiscal year  
40 beginning July 1, 1992.

41 (5) An amount equal to eight and fifty-four  
42 hundredths percent of each member's compensation from  
43 the earnable compensation of the member shall be paid  
44 to the pension accumulation fund for the fiscal year  
45 beginning July 1, 1993.

46 (6) An amount equal to nine and nine-tenths  
47 percent of each member's compensation from the  
48 earnable compensation of the member shall be paid to  
49 the pension accumulation fund for the fiscal year  
50 beginning July 1, 1994, and each fiscal year

S-5814

Page 24

1 thereafter.

2 Sec. 41. Section 411.8, subsection 1, Code 1989,  
3 is amended by adding the following new paragraph:

4 NEW PARAGRAPH. h. Notwithstanding the provisions  
5 of paragraph "f", the following transition percentages  
6 apply to members' contributions as specified:

7 (1) For members who on July 1, 1990, have attained  
8 the age of forty-nine years or more, an amount equal  
9 to nine and nine-tenths percent of each member's  
10 compensation from the earnable compensation of the  
11 member shall be paid to the fund for the fiscal year  
12 beginning July 1, 1990, and each subsequent fiscal  
13 year.

14 (2) For members who on July 1, 1990, have attained  
15 the age of forty-eight years but have not attained the  
16 age of forty-nine years, an amount equal to eight and  
17 fifty-four hundredths percent shall be paid for the  
18 fiscal year beginning July 1, 1990, and an amount  
19 equal to nine and nine-tenths percent shall be paid  
20 for the fiscal year beginning July 1, 1991, and each  
21 subsequent fiscal year thereafter.

22 (3) For members who on July 1, 1990, have attained  
23 the age of forty-seven years but have not attained the  
24 age of forty-eight years, an amount equal to seven and  
25 eighteen hundredths percent shall be paid for the  
26 fiscal year beginning July 1, 1990, an amount equal to  
27 eight and fifty-four hundredths percent shall be paid  
28 for the fiscal year beginning July 1, 1991, and an  
29 amount equal to nine and nine-tenths percent shall be  
30 paid for the fiscal year beginning July 1, 1992, and  
31 each subsequent fiscal year.

32 (4) For members who on July 1, 1990, have attained  
33 the age of forty-six years but have not attained the  
34 age of forty-seven years, an amount equal to five and  
35 eighty-two hundredths percent shall be paid for the  
36 fiscal year beginning July 1, 1990, an amount equal to  
37 seven and eighteen hundredths percent shall be paid  
38 for the fiscal year beginning July 1, 1991, an amount  
39 equal to eight and fifty-four hundredths percent shall  
40 be paid for the fiscal year beginning July 1, 1992,  
41 and an amount equal to nine and nine-tenths percent  
42 shall be paid for the fiscal year beginning July 1,  
43 1993, and each subsequent fiscal year.

44 (5) For members who on July 1, 1990, have attained  
45 the age of forty-five years but have not attained the  
46 age of forty-six years, an amount equal to four and  
47 forty-six hundredths percent shall be paid for the  
48 fiscal year beginning July 1, 1990, an amount equal to  
49 five and eighty-two hundredths percent shall be paid  
50 for the fiscal year beginning July 1, 1991, an amount



S-5814

Page 25

1 equal to seven and eighteen hundredths percent shall  
2 be paid for the fiscal year beginning July 1, 1992, an  
3 amount equal to eight and fifty-four hundredths  
4 percent shall be paid for the fiscal year beginning  
5 July 1, 1993, and an amount equal to nine and nine-  
6 tenths percent shall be paid for the fiscal year  
7 beginning July 1, 1994, and each subsequent fiscal  
8 year.

9 Sec. 42. NEW SECTION. 411.31 REPORTING.

10 Each board of trustees shall submit annually to the  
11 auditor of state its most recent actuarial valuation  
12 and a pension status report, which shall be in the  
13 form prescribed by the auditor of state and shall  
14 provide statistical and financial information as  
15 required by the auditor of state, including  
16 information about benefits, contribution rates,  
17 assets, liabilities, and social security coverage.  
18 The auditor of state shall consult with the director  
19 of the legislative fiscal bureau for the purpose of  
20 determining the information to be included in the  
21 pension status reports.

22 Sec. 43. NEW SECTION. 411.32 EVALUATION OF  
23 FINANCIAL STATUS OF SYSTEMS.

24 The legislative fiscal bureau shall review the  
25 actuarial reports and pension status reports submitted  
26 in accordance with section 411.31 and shall  
27 periodically prepare an evaluation of the financial  
28 status of police and fire retirement systems operating  
29 under this chapter. The evaluation shall be submitted  
30 to the secretary of the senate and the chief clerk of  
31 the house of representatives for distribution to the  
32 members of the general assembly.

33 The legislative fiscal bureau may arrange for the  
34 services of an actuarial consultant to assist in  
35 performing the duties assigned by this section.

36 Sec. 44. NEW SECTION. 411.33 FUNDING REQUIRE-  
37 MENTS.

38 Each retirement system operating under this chapter  
39 shall have sufficient assets, evaluated at cost, to  
40 cover the system's currently accrued liabilities. A  
41 retirement system whose assets are not sufficient to  
42 provide this coverage on the effective date of this  
43 Act shall establish the necessary asset level on or  
44 before June 30, 1995. The system shall report to the  
45 auditor of state in the annual pension status report  
46 its plan for and progress toward achieving the  
47 required coverage.

48 Sec. 45. STUDY.

49 1. The Iowa public employees' retirement system  
50 shall conduct a study of the feasibility of initiating

**S-5814**

Page 26

1 an optional, supplemental defined contribution  
2 retirement plan which would be available to all  
3 members in addition to their basic coverage under the  
4 existing system. Under the proposed plan, employees  
5 electing to participate would be eligible to  
6 contribute up to five percent of their total salary  
7 per year at their option and this would accumulate  
8 interest at the rate credited to members' accounts  
9 under basic Iowa public employees' retirement system  
10 coverage, less management expenses and administrative  
11 costs. The funds in the employee's account would be  
12 available to the employee either upon termination of  
13 public employment or at retirement.

14 2. The Iowa public employees' retirement system  
15 shall provide a preliminary report concerning the  
16 study on or after November 1, 1990, and a final report  
17 on or after November 1, 1991. The reports shall be  
18 transmitted to the chief clerk of the house of  
19 representatives and the secretary of the senate for  
20 distribution to the general assembly.

21 Sec. 46. TRANSFER OF SECTION.

22 The Code editor shall transfer section 97B.76 to  
23 chapter 97D, created by this Act.

24 Sec. 47. APPLICABILITY.

25 Section 12 of this Act is applicable to  
26 computations of years of prior service made on or  
27 after the effective date of this Act."

By JOHN P. KIBBIE

BILL HUTCHINS

JACK NYSTROM

CALVIN O. HULTMAN

**S-5814** FILED MARCH 30, 1990  
ADOPTED *as amended by 5818 3/30 (p. 1432)*

**HOUSE FILE 2543****S-5816**

1 Amend the amendment, S-5814, to House File 2543, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

- 4 1. Page 5, by striking lines 3 through 17.
- 5 2. By numbering and renumbering as necessary.

By MARK R. HAGERLA

JULIA GENTLEMAN

**S-5816** FILED MARCH 30, 1990

LOST *(p. 1428)*

HOUSE FILE 2543

S-5811

- 1 Amend House File 2543 as amended, passed, and
- 2 reprinted by the House as follows:
- 3 1. Page 4, by inserting after line 34 the
- 4 following:
- 5 "Sec. \_\_\_\_: Section 97A.6, subsection 8, paragraph
- 6 b, Code 1989, is amended by adding the following new
- 7 unnumbered paragraph:
- 8 NEW UNNUMBERED PARAGRAPH. Notwithstanding section
- 9 97A.6, subsection 8, Code 1985, effective July 1,
- 10 1990, for a member's surviving spouse who, prior to
- 11 July 1, 1986, elected to receive pension benefits
- 12 under this paragraph, the monthly pension benefit
- 13 shall be equal to one-twelfth of forty percent of the
- 14 average final compensation of the member."
- 15 2. By renumbering as necessary.

By JOHN PETERSON

S-5811 FILED MARCH 30, 1990

*Cont of order 3/30 (p. 14.30)*

HOUSE FILE 2543

S-5818

- 1 Amend the amendment, S-5814, to House File 2543, as
- 2 amended, passed, and reprinted by the House, as
- 3 follows:
- 4 1. Page 15, line 45, by inserting after the word
- 5 "government" the following: ", or who was a member of
- 6 another public retirement system in this state,
- 7 including but not limited to the teachers insurance
- 8 annuity association-college retirement equities
- 9 fund,".

By RICHARD VARN

S-5818 FILED MARCH 30, 1990

ADOPTED *(p. 14.29)*

HOUSE FILE 2543

S-5819

- 1 Amend the amendment, S-5814, to House File 2543, as
- 2 amended, passed and reprinted by the House as follows:
- 3 1. Page 9, by striking lines 13 through 48.

By JULIA GENTLEMAN  
H. KAY HEDGE

S-5819 FILED MARCH 30, 1990

LOST *(p. 14.31)*

HOUSE FILE 2543

S-5820

1 Amend the amendment, S-5814, to House File 2543, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 4, by inserting after line 36 the  
5 following:

6 "Sec. \_\_\_\_ . NEW SECTION. 97A.20 WELLNESS.

7 All members of the retirement system under this  
8 chapter shall be involved in a wellness program."

9 2. Page 18, by inserting after line 22 the  
10 following:

11 "Sec. \_\_\_\_ . NEW SECTION. 97B.82 WELLNESS.

12 All members of the system shall be involved in a  
13 wellness program."

14 3. Page 25, by inserting after line 47, the  
15 following:

16 "Sec. \_\_\_\_ . NEW SECTION. 411.40 WELLNESS.

17 All members of fire and police retirement systems  
18 under this chapter shall be involved in a wellness  
19 program."

20 4. By numbering and renumbering as necessary.

By JIM LIND

S-5820 FILED MARCH 30, 1990

RULED OUT OF ORDER (p. 1431)

## SENATE AMENDMENT TO HOUSE FILE 2543

H-6026

1 Amend House File 2543, 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 97A.6, subsections 2 and 6,  
6 Code 1989, are amended to read as follows:

7 2. ALLOWANCE ON SERVICE RETIREMENT.

8 a. Upon retirement from service prior to July 1,  
9 1990, a member shall receive a service retirement  
10 allowance which shall consist of a pension which shall  
11 equal ~~one-half~~ equals fifty percent of the member's  
12 average final compensation.

13 b. Upon retirement from service on or after July  
14 1, 1990, a member shall receive a service retirement  
15 allowance which shall consist of a pension which  
16 equals fifty-two percent of the member's average final  
17 compensation.

18 c. Commencing July 1, 1991, the board of trustees  
19 shall increase the percentage multiplier of the  
20 member's average final compensation by an additional  
21 two percent each July 1 until reaching sixty percent  
22 of the member's average final compensation if the  
23 annual actuarial valuation of the retirement system  
24 indicates for that year that the cost of this increase  
25 in the percentage of the member's average final  
26 compensation used in computing retirement benefits can  
27 be absorbed within the employer and employee  
28 contribution rates in effect pursuant to section  
29 97A.8.

30 d. Commencing July 1, 1990, if the member has  
31 completed more than twenty-two years of creditable  
32 service, the service retirement allowance shall  
33 consist of a pension which equals the amount provided  
34 in paragraphs "b" and "c", plus an additional one  
35 percent of the member's average final compensation for  
36 each year of service over twenty-two years, excluding  
37 years of service after the member's fifty-fifth  
38 birthday. However, this paragraph does not apply to  
39 more than eight additional years of service.

40 6. RETIREMENT AFTER ACCIDENT.

41 a. Upon retirement for accidental disability prior  
42 to July 1, 1990, a member shall receive an accidental  
43 disability retirement allowance which shall consist of  
44 a pension equal to sixty-six and two-thirds percent of  
45 the member's average final compensation.

46 b. Upon retirement for accidental disability on or  
47 after July 1, 1990, a member shall receive an  
48 accidental disability retirement allowance which shall  
49 consist of a pension equal to sixty percent of the  
50 member's average final compensation.

H-6026

Page 2

1 Sec. 2. Section 97A.6, subsection 14, paragraph a,  
2 subparagraphs (1), (2), (3), and (4), Code 1989, are  
3 amended to read as follows:

4 (1) Twenty-five percent for members receiving a  
5 service retirement allowance and for beneficiaries  
6 receiving a pension under subsection 9 of this  
7 section. However, effective July 1, 1990, for members  
8 who retired before that date, thirty percent shall be  
9 the applicable percentage for members and  
10 beneficiaries under this subparagraph.

11 (2) ~~Twenty~~ Twenty-five percent for members with  
12 five or more years of membership service who are  
13 receiving an ordinary disability retirement allowance.  
14 ~~However, effective July 1, 1984, for members who~~  
15 ~~retired before July 1, 1979, and effective July 1,~~  
16 ~~1988, for members who retire on or after July 1, 1988,~~  
17 ~~twenty-five percent shall be used for members who are~~  
18 ~~receiving an ordinary disability retirement allowance.~~  
19 However, effective July 1, 1990, for members who  
20 retired before that date, thirty percent shall be the  
21 applicable percentage for members under this  
22 subparagraph.

23 (3) Twelve and one-half percent for members with  
24 less than five years of membership service who are  
25 receiving an ordinary disability retirement allowance,  
26 and for beneficiaries receiving a pension under  
27 subsection 8 of this section. However, effective July  
28 1, 1990, for members who retired before that date,  
29 fifteen percent shall be the applicable percentage for  
30 members and beneficiaries under this subparagraph.

31 (4) Thirty-three and one-third percent for members  
32 receiving an accidental disability allowance.  
33 However, effective July 1, 1990, for members who  
34 retired before that date, thirty percent shall be the  
35 applicable percentage for members under this  
36 subparagraph.

37 Sec. 3. Section 97A.6, Code 1989, is amended by  
38 adding the following new subsection:

39 NEW SUBSECTION. 15. REMARRIAGE OF SURVIVING  
40 SPOUSE. Effective July 1, 1990, for a member who died  
41 prior to July 1, 1988, if the member's surviving  
42 spouse remarried prior to July 1, 1988, the remarriage  
43 does not make the spouse ineligible under subsection  
44 8, paragraph "c", subparagraphs (1) and (2), to  
45 receive benefits under subsections 8, 9, 12, and 14.

46 Sec. 4. Section 97A.8, subsection 1, paragraph f,  
47 Code 1989, is amended to read as follows:

48 f. Except as otherwise provided in paragraph "h":

49 (1) An amount equal to three and one-tenth percent  
50 of each member's compensation from the earnable

H-6026

Page 3

1 compensation of the member shall be paid to the  
2 pension accumulation fund for the fiscal year begin-  
3 ning July 1, 1989.

4 (2) An amount equal to four and forty-six  
5 hundredths percent of each member's compensation from  
6 the earnable compensation of the member shall be paid  
7 to the pension accumulation fund for the fiscal year  
8 beginning July 1, 1990.

9 (3) An amount equal to five and eighty-two  
10 hundredths percent of each member's compensation from  
11 the earnable compensation of the member shall be paid  
12 to the pension accumulation fund for the fiscal year  
13 beginning July 1, 1991.

14 (4) An amount equal to seven and eighteen  
15 hundredths percent of each member's compensation from  
16 the earnable compensation of the member shall be paid  
17 to the pension accumulation fund for the fiscal year  
18 beginning July 1, 1992.

19 (5) An amount equal to eight and fifty-four  
20 hundredths percent of each member's compensation from  
21 the earnable compensation of the member shall be paid  
22 to the pension accumulation fund for the fiscal year  
23 beginning July 1, 1993.

24 (6) An amount equal to nine and nine-tenths  
25 percent of each member's compensation from the  
26 earnable compensation of the member shall be paid to  
27 the pension accumulation fund for the fiscal year  
28 beginning July 1, 1994, and each fiscal year  
29 thereafter.

30 Sec. 5. Section 97A.8, subsection 1, Code 1989, is  
31 amended by adding the following new paragraph:

32 NEW PARAGRAPH. h. Notwithstanding the provisions  
33 of paragraph "f", the following transition percentages  
34 apply to members' contributions as specified:

35 (1) For members who on July 1, 1990, have attained  
36 the age of forty-nine years or more, an amount equal  
37 to nine and nine-tenths percent of each member's  
38 compensation from the earnable compensation of the  
39 member shall be paid to the pension accumulation fund  
40 for the fiscal year beginning July 1, 1990, and each  
41 fiscal year thereafter.

42 (2) For members who on July 1, 1990, have attained  
43 the age of forty-eight years but have not attained the  
44 age of forty-nine years, an amount equal to eight and  
45 fifty-four hundredths percent shall be paid for the  
46 fiscal year beginning July 1, 1990, and an amount  
47 equal to nine and nine-tenths percent shall be paid  
48 for the fiscal year beginning July 1, 1991, and each  
49 fiscal year thereafter.

50 (3) For members who on July 1, 1990, have attained

H-6026

Page 4

1 the age of forty-seven years but have not attained the  
2 age of forty-eight years, an amount equal to seven and  
3 eighteen hundredths percent shall be paid for the  
4 fiscal year beginning July 1, 1990, an amount equal to  
5 eight and fifty-four hundredths percent shall be paid  
6 for the fiscal year beginning July 1, 1991, and an  
7 amount equal to nine and nine-tenths percent shall be  
8 paid for the fiscal year beginning July 1, 1992, and  
9 each fiscal year thereafter.

10 (4) For members who on July 1, 1990, have attained  
11 the age of forty-six years but have not attained the  
12 age of forty-seven years, an amount equal to five and  
13 eighty-two hundredths percent shall be paid for the  
14 fiscal year beginning July 1, 1990, an amount equal to  
15 seven and eighteen hundredths percent shall be paid  
16 for the fiscal year beginning July 1, 1991, an amount  
17 equal to eight and fifty-four hundredths percent shall  
18 be paid for the fiscal year beginning July 1, 1992,  
19 and an amount equal to nine and nine-tenths percent  
20 shall be paid for the fiscal year beginning July 1,  
21 1993, and each fiscal year thereafter.

22 (5) For members who on July 1, 1990, have attained  
23 the age of forty-five years but have not attained the  
24 age of forty-six years, an amount equal to four and  
25 forty-six hundredths percent shall be paid for the  
26 fiscal year beginning July 1, 1990, an amount equal to  
27 five and eighty-two hundredths percent shall be paid  
28 for the fiscal year beginning July 1, 1991, an amount  
29 equal to seven and eighteen hundredths percent shall  
30 be paid for the fiscal year beginning July 1, 1992, an  
31 amount equal to eight and fifty-four hundredths  
32 percent shall be paid for the fiscal year beginning  
33 July 1, 1993, and an amount equal to nine and nine-  
34 tenths percent shall be paid for the fiscal year  
35 beginning July 1, 1994, and each fiscal year  
36 thereafter.

37 Sec. 6. Section 97B.15, Code 1989, is amended to  
38 read as follows:

39 97B.15 RULES.

40 The department may ~~make~~ adopt rules under chapter  
41 17A and establish procedures, not inconsistent with  
42 this chapter, which are necessary or appropriate to  
43 implement this chapter and shall adopt reasonable and  
44 proper rules to regulate and provide for the nature  
45 and extent of the proofs and evidence and the method  
46 of taking and furnishing the proofs and evidence in  
47 order to establish the right to benefits under this  
48 chapter. The department may adopt rules to conform  
49 the requirements for receipt of retirement benefits  
50 under this chapter to the mandates of applicable



H-6026

Page 5

1 federal statutes and regulations governing-age  
2 ~~discrimination-or-the-taxation-of-distributions.~~

3 Sec. 7. Section 97B.41, subsection 1, paragraph a,  
4 unnumbered paragraph 2, Code 1989, is amended to read  
5 as follows:

6 Wages for a member of the general assembly means  
7 the total compensation received by a member of the  
8 general assembly, whether paid in the form of per diem  
9 or annual salary, exclusive of expense and travel  
10 allowances paid to a member of the general assembly  
11 except as otherwise provided in this paragraph. Wages  
12 includes per diem payments paid to members of the  
13 general assembly during interim periods between  
14 sessions of the general assembly. Wages also includes  
15 the daily allowance to members of the general assembly  
16 for nontravel expenses of office during a session of  
17 the general assembly.

18 Sec. 8. Section 97B.41, subsection 1, paragraph b,  
19 subparagraph (9), Code 1989, is amended by striking  
20 the subparagraph and inserting in lieu thereof the  
21 following:

22 (9) For the calendar year beginning January 1,  
23 1989, and ending December 31, 1989, wages not in  
24 excess of twenty-six thousand dollars.

25 Sec. 9. Section 97B.41, subsection 1, paragraph b,  
26 Code 1989, is amended by adding the following new  
27 subparagraphs after subparagraph (9) and renumbering  
28 the subsequent subparagraphs:

29 NEW SUBPARAGRAPH. (10) For the calendar year  
30 beginning January 1, 1990, and ending December 31,  
31 1990, wages not in excess of twenty-eight thousand  
32 dollars.

33 NEW SUBPARAGRAPH. (11) Commencing January 1,  
34 1991, for each calendar year, the department shall  
35 increase the covered wages limitation from the  
36 previous calendar year by three thousand dollars if  
37 the annual actuarial valuation of the assets and  
38 liabilities of the retirement system indicates that  
39 the cost of the increase in covered wages can be  
40 absorbed within the employer and employee contribution  
41 rates in effect under section 97B.11. However,  
42 covered wages shall not exceed forty thousand dollars  
43 for a calendar year.

44 Sec. 10. Section 97B.41, subsection 3, paragraph  
45 b, Code 1989, is amended by adding the following new  
46 subparagraph:

47 NEW SUBPARAGRAPH. (15) Employees appointed by the  
48 state board of regents who, at the discretion of the  
49 state board of regents, elect coverage in a retirement  
50 system qualified by the state board of regents that

H-6026

Page 6

1 meets the criteria of section 97B.2.

2 Sec. 11. Section 97B.41, subsection 10, Code 1989,  
3 is amended to read as follows:

4 10. a. "Vested member" means a member who  
5 ~~terminated employment in accordance with one of the~~  
6 ~~following paragraphs~~ meets one of the following  
7 requirements:

8 a- (1) Prior to July 1, 1965, ~~after having had~~  
9 attained the age of forty-eight and completed at least  
10 eight years of service.

11 b- (2) Between July 1, 1965 and June 30, 1973,  
12 ~~after having had~~ completed at least eight years of  
13 service.

14 c- (3) On or after July 1, 1973, ~~after having has~~  
15 completed at least four years of service.

16 d- (4) ~~After having Has~~ attained the age of fifty-  
17 five.

18 e- (5) On or after July 1, 1988, an inactive  
19 member who had accumulated, as of the date of the  
20 member's last termination of employment, years of  
21 membership service equal to or exceeding the years of  
22 membership service specified in this subsection for  
23 qualifying as a vested member on that date of  
24 termination.

25 b. "Active vested member" means an active member  
26 who has attained sufficient membership service to  
27 achieve vested status.

28 c. "Inactive vested member" means an inactive  
29 member who was a vested member at the time of  
30 termination of employment.

31 Sec. 12. Section 97B.41, subsection 15, Code 1989,  
32 is amended to read as follows:

33 15. "Years of prior service" means the total of  
34 all periods of prior service of a member. ~~In the~~  
35 ~~determination of such total years of prior service any~~  
36 ~~fraction of the total in excess of an integral number~~  
37 ~~of years which is at least six months shall be deemed~~  
38 ~~to be a complete year and any smaller fraction shall~~  
39 ~~be disregarded.~~ In computing credit for prior  
40 service, service of less than a full quarter shall be  
41 rounded up to a full quarter. Where a member had  
42 prior service as a teacher, a full year of service  
43 shall be granted that member if the member had three  
44 quarters of service and a contract for employment the  
45 following school year.

46 Sec. 13. Section 97B.41, subsection 21, Code 1989,  
47 is amended by striking the subsection.

48 Sec. 14. Section 97B.42, Code 1989, is amended by  
49 adding the following new unnumbered paragraphs:

50 NEW UNNUMBERED PARAGRAPH. Notwithstanding any

H-6026

Page 7

1 other provision of this section, a member who is  
2 employed by an area vocational school or an area  
3 community college may elect coverage under an  
4 alternative retirement benefits system, which is  
5 issued by or through a nonprofit corporation issuing  
6 retirement annuities exclusively to educational  
7 institutions and their employees, in lieu of  
8 continuing contributions to the Iowa public employees'  
9 retirement system, if the board of directors of the  
10 area vocational school or area community college has  
11 approved the alternative system pursuant to section  
12 280A.23. However, a vested member who elects to  
13 participate in the alternative benefits system does  
14 not have a right to withdraw funds from the member's  
15 Iowa public employees' retirement system account prior  
16 to retirement or termination of covered employment.  
17 The department shall cooperate with the boards of  
18 directors of the area vocational schools and area  
19 community colleges to facilitate the implementation of  
20 this paragraph.

21 NEW UNNUMBERED PARAGRAPH. Notwithstanding any  
22 other provision of this section, a person newly  
23 entering permanent, full-time employment with an area  
24 vocational school or area community college on or  
25 after the effective date of this Act may elect  
26 coverage under an alternative retirement benefits  
27 system, which is issued by or through a nonprofit  
28 corporation issuing retirement annuities exclusively  
29 to educational institutions and their employees, in  
30 lieu of coverage under the Iowa public employees'  
31 retirement system, but only if the person has no  
32 membership service credits under the Iowa public  
33 employees' retirement system. An election to  
34 participate in the alternative retirement benefits  
35 system is irrevocable as to the person's employment  
36 with that area vocational school or area community  
37 college and any other area vocational school or area  
38 community college in this state. If the person elects  
39 coverage under the alternative retirement benefits  
40 system, the person shall become a member of that  
41 system upon the first day of employment with the area  
42 vocational school or area community college.

43 Sec. 15. Section 97B.43, unnumbered paragraph 3,  
44 Code 1989, is amended to read as follows:

45 Each individual who ~~as of~~ on or after July 1, 1978,  
46 was an active, vested, or retired member and who (1)  
47 made application for and received a refund of  
48 contributions made under the abolished system or (2)  
49 has on deposit with the retirement fund contributions  
50 made under the abolished system shall be entitled to

H-6026

Page 8

1 credit for years of prior service in the determination  
2 of retirement allowance payments by filing a written  
3 election with the department on or after July 1, 1978,  
4 and by re depositing any withdrawn contributions under  
5 the abolished system together with interest as stated  
6 in this paragraph. Any individual who ~~as-of~~ on or  
7 after July 1, 1978, is a retired member and who made  
8 application for and received a refund of contributions  
9 made under the abolished system, may, by filing a  
10 written election with the department on or after July  
11 1, 1978, have the department retain fifty percent of  
12 the monthly increase in retiree benefits that will  
13 accrue to the individual because of prior service. If  
14 the monthly increase in retirement benefits is less  
15 than ten dollars, the department shall retain five  
16 dollars of the scheduled increase, and if the monthly  
17 increase is less than five dollars, the provisions of  
18 this paragraph shall not apply. The department shall  
19 continue to retain such funds until the withdrawn  
20 contributions, together with interest accrued to the  
21 month in which the written election is filed, have  
22 been repaid. Due notice of this provision shall be  
23 sent to all retired members ~~as-of~~ on or after July 1,  
24 1978. However, this paragraph shall not apply to any  
25 person who received a refund of any membership service  
26 contributions unless the person repaid the membership  
27 service contributions pursuant to section 97B.74;  
28 ~~provided, however, that~~ but a refund of contributions  
29 remitted for the calendar quarter ending September 30,  
30 1953 which was based entirely upon employment which  
31 terminated prior to July 4, 1953 shall not be  
32 considered as a refund of membership service  
33 contributions. The interest to be paid into the fund  
34 shall be compounded at the rates credited to member  
35 accounts from the date of payment of the refund of  
36 contributions under the abolished system to the date  
37 the member re deposits the refunded amount. The  
38 provisions of the first paragraph of this section  
39 relating to the consideration given to credited  
40 amounts shall apply to the re deposited amounts or to  
41 amounts left on deposit. Effective July 1, 1978, the  
42 provisions of this paragraph shall apply to each  
43 individual who ~~as-of~~ on or after July 1, 1978, was an  
44 active, vested, or retired member, but who was not in  
45 service on July 4, 1953. The period for filing the  
46 written election with the department and re depositing  
47 any withdrawn contributions together with interest  
48 accrued shall commence July 1, 1978. A member who is  
49 a retired member ~~as-of~~ on or after July 1, 1978 may  
50 file written election with the department on or after

H-6026

Page 9

1 July 1, 1978 to have the department retain fifty  
2 percent of the monthly increase as provided in this  
3 paragraph.

4 Sec. 16. Section 97B.48, subsection 1, Code 1989,  
5 is amended to read as follows:

6 1. Retirement allowances shall be paid monthly,  
7 except that an allowance of less than one-hundred  
8 twenty two hundred forty dollars a year shall be paid  
9 as a lump sum in an actuarial equivalent amount.  
10 Receipt of the lump-sum payment by a member shall  
11 terminate any and all entitlement for the period of  
12 service covered of the said member under this chapter.

13 Sec. 17. Section 97B.48, subsection 3, Code 1989,  
14 is amended to read as follows:

15 3. If, after the first day of the month in which  
16 the member attains the age of fifty-five years and  
17 until the member's sixty-fifth birthday, a member who  
18 is retired under this chapter is in regular full-time  
19 employment, the member's retirement allowance shall be  
20 suspended for as long as the member remains in  
21 employment. However, effective January 1, ~~1989~~ 1990,  
22 employment is not full-time employment until the  
23 member receives remuneration in an amount in excess of  
24 six thousand one-hundred-twenty eight hundred forty  
25 dollars for a calendar year. Effective the first of  
26 the month in which a member attains the age of sixty-  
27 five years, a retired member may receive a retirement  
28 allowance after return to covered employment  
29 regardless of the amount of remuneration received.  
30 Effective January 1, 1991, a retired member of any age  
31 may receive a retirement allowance after return to  
32 covered employment, regardless of the amount of  
33 remuneration received, if the covered employment  
34 consists of holding an elective office. As of the  
35 first of the month in which the member attains the age  
36 of seventy years, the member may receive a retirement  
37 allowance determined under section 97B.49, regardless  
38 of the amount of remuneration received. Upon a  
39 retirement after reemployment, a retired member may  
40 have the retired member's retirement allowance  
41 redetermined under this section or section 97B.49 or  
42 97B.50, whichever is applicable, based upon the  
43 addition of credit for the years of membership service  
44 of the employee after reemployment, the covered wage  
45 during reemployment, and the age of the employee after  
46 reemployment. The retired member shall not receive a  
47 retirement allowance based upon more than a total of  
48 thirty years of service.

49 Sec. 18. Section 97B.49, subsection 5, Code 1989,  
50 is amended to read as follows:

H-6026

Page 10

1 5. a. For each active member retiring on or after  
2 July 1, 1986, and before July 1, 1990, with four or  
3 more complete years of service, a monthly benefit  
4 shall be computed which is equal to one-twelfth of an  
5 amount equal to fifty percent of the three-year  
6 average covered wage multiplied by a fraction of years  
7 of service.

8 b. For each active member retiring on or after  
9 July 1, 1990, with four or more complete years of  
10 service, a monthly benefit shall be computed which is  
11 equal to one-twelfth of an amount equal to fifty-two  
12 percent of the three-year average covered wage  
13 multiplied by a fraction of years of service.

14 Commencing July 1, 1991, the department shall  
15 increase the percentage multiplier of the three-year  
16 average covered wage by an additional two percent each  
17 July 1 until reaching sixty percent of the three-year  
18 average covered wage if the annual actuarial valuation  
19 of the retirement system indicates for that year that  
20 the cost of this increase in the percentage of the  
21 three-year average covered wage used in computing  
22 retirement benefits can be absorbed within the  
23 employer and employee contribution rates in effect  
24 under section 97B.11.

25 c. For the purposes of this subsection, "fraction  
26 of years of service" means a number, not to exceed  
27 one, equal to the sum of the years of membership  
28 service and the number of years of prior service  
29 divided by thirty years.

30 d. If benefits under this subsection commence on  
31 an early retirement date, the amount of benefit shall  
32 be reduced in accordance with section 97B.50.

33 Sec. 19. Section 97B.49, subsection 13, paragraphs  
34 a and b, Code 1989, are amended to read as follows:

35 a. A member who retired from the system between  
36 January 1, 1976, and June 30, 1982, or a contingent  
37 annuitant or beneficiary of such a member, shall  
38 receive with the November ~~1988~~ 1990 and the November  
39 ~~1989~~ 1991 monthly benefit payments a retirement  
40 dividend equal to ~~eighty one~~ eighty one hundred forty percent of  
41 the monthly benefit payment the member received for  
42 the preceding June, or the most recently received  
43 benefit payment, whichever is greater. The retirement  
44 dividend does not affect the amount of a monthly  
45 benefit payment.

46 b. Each member who retired from the system between  
47 July 4, 1953, and December 31, 1975, or a contingent  
48 annuitant or beneficiary of such a member, shall  
49 receive with the November ~~1988~~ 1990 and the November  
50 ~~1989~~ 1991 monthly benefit payments a retirement

H-6026

Page 11

1 dividend equal to one hundred twenty eighty percent of  
2 the monthly benefit payment the member received for  
3 the preceding June, or the most recently received  
4 benefit payment, whichever is greater. The retirement  
5 dividend does not affect the amount of a monthly  
6 benefit payment.

7 Sec. 20. Section 97B.49, subsection 13, paragraph  
8 c, Code 1989, is amended to read as follows:

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

13 Sec. 21. Section 97B.49, subsection 13, Code 1989,  
14 is amended by adding the following new paragraph after  
15 paragraph c and relettering the subsequent paragraphs:

16 NEW PARAGRAPH. d. A member who retired from the  
17 system between July 1, 1982, and June 30, 1986, or a  
18 contingent annuitant or beneficiary of such a member,  
19 shall receive with the November 1990 and the November  
20 1991 monthly benefit payments a retirement dividend  
21 equal to twenty-four percent of the monthly benefit  
22 payment the member received for the preceding June, or  
23 the most recently received benefit payment, whichever  
24 is greater. The retirement dividend does not affect  
25 the amount of a monthly benefit payment.

26 Sec. 22. Section 97B.49, subsection 15, Code 1989,  
27 is amended to read as follows:

28 15. In lieu of the monthly benefit computed under  
29 subsections 1 and 3 as applicable, or subsection 5  
30 for:

31 a. For each active member retiring on or after  
32 July 1, 1988, and before July 1, 1990, who is at least  
33 fifty-five years of age ~~and has completed at least~~  
34 ~~thirty years of membership service and prior service,~~  
35 and for which the sum of the number of years of  
36 membership service and prior service and the member's  
37 age in years as of the member's last birthday equals  
38 or exceeds ninety-two, a monthly benefit shall be  
39 computed which is equal to one-twelfth of fifty  
40 percent of the three-year average covered wage of the  
41 member.

42 b. For each active member retiring on or after  
43 July 1, 1990, who is at least fifty-five years of age  
44 and for which the sum of the number of years of  
45 membership service and prior service and the member's  
46 age in years as of the member's last birthday exceeds  
47 ninety-two, a monthly benefit shall be computed which  
48 is equal to one-twelfth of the same percentage of the  
49 three-year average covered wage of the member as is  
50 provided in subsection 5.

H-6026

Page 12

1 Sec. 23. Section 97B.49, subsection 16, paragraphs  
2 a, b, and c, Code 1989, are amended to read as  
3 follows:

4 a. Notwithstanding other provisions of this  
5 chapter, ~~7-a:~~

6 (1) A member who is or has been employed in a  
7 protection occupation who retires on or after July 1,  
8 1988, and before July 1, 1990, and at the time of  
9 retirement is at least fifty-five years of age and has  
10 completed at least twenty-five years of membership  
11 service in a protection occupation, may elect to  
12 receive in lieu of the receipt of any benefits under  
13 subsection 5 or 15, a monthly retirement allowance  
14 equal to one-twelfth of fifty percent of the member's  
15 three-year average covered wage as a member who has  
16 been employed in a protection occupation, with  
17 benefits payable during the member's lifetime.

18 (2) A member who is or has been employed in a  
19 protection occupation who retires on or after July 1,  
20 1990, and at the time of retirement is at least fifty-  
21 five years of age and has completed at least twenty-  
22 five years of membership service in a protection  
23 occupation, may elect to receive in lieu of the  
24 receipt of any benefits under subsection 5 or 15, a  
25 monthly retirement allowance equal to one-twelfth of  
26 fifty-two percent of the member's three-year average  
27 covered wage as a member who has been employed in a  
28 protection occupation, with benefits payable during  
29 the member's lifetime.

30 (3) Commencing July 1, 1991, the department shall  
31 increase the percentage multiplier of the three-year  
32 average covered wage by an additional two percent each  
33 July 1 until reaching sixty percent of the three-year  
34 average covered wage if the annual actuarial valuation  
35 of the retirement system indicates for that year that  
36 the cost of this increase in the percentage of the  
37 three-year average covered wage used in computing  
38 retirement benefits can be absorbed within the  
39 employer and employee contribution rates in effect  
40 under section 97B.11 and this section.

41 b. Notwithstanding other provisions of this  
42 chapter, ~~7-a:~~

43 (1) A member who retires from employment as a  
44 county sheriff or deputy sheriff who retires on or  
45 after July 1, 1988, and before July 1, 1990, and at  
46 the time of retirement is at least fifty-five years of  
47 age and has completed at least twenty-two years of  
48 membership service, may elect to receive in lieu of  
49 the receipt of any benefits under subsection 5 or 15,  
50 a monthly retirement allowance equal to one-twelfth of



H-6026

Page 13

1. fifty percent of the member's three-year average  
2. covered wage as a member, with benefits payable during  
3 the member's lifetime.

4 (2) A member who retires from employment as a  
5 county sheriff or deputy sheriff who retires on or  
6 after July 1, 1990, and at the time of retirement is  
7 at least fifty-five years of age and has completed at  
8 least twenty-two years of membership service, may  
9 elect to receive in lieu of the receipt of any  
10 benefits under subsection 5 or 15, a monthly  
11 retirement allowance equal to one-twelfth of the same  
12 percentage of the member's three-year average covered  
13 wage as is provided in paragraph "a", with benefits  
14 payable during the member's lifetime.

15 (3) The years of membership service required under  
16 this paragraph shall include membership service as a  
17 sheriff or deputy sheriff and membership service under  
18 employment in a protection occupation included in  
19 paragraph "d", subparagraph (2).

20 (4) For the purposes of this subsection, sheriff  
21 means a county sheriff as defined in section 39.17 and  
22 deputy sheriff means a deputy sheriff appointed  
23 pursuant to section 341.1 prior to July 1, 1981, or  
24 section 331.903 on or after July 1, 1981.

25 c. A member covered under this subsection who  
26 retires on or after July 1, 1988, and before July 1,  
27 1990, and has not completed the twenty-five years of  
28 membership service required under paragraph "a", or  
29 twenty-two years of membership service required under  
30 paragraph "b", is eligible to receive a monthly  
31 retirement allowance equal to one-twelfth of fifty  
32 percent of the member's three-year average covered  
33 wage as a member employed in a protection occupation,  
34 or as a sheriff or deputy sheriff, multiplied by a  
35 fraction of years of service.

36 A member covered under this subsection who retires  
37 on or after July 1, 1990, and has not completed the  
38 twenty-five years of membership service required under  
39 paragraph "a", or twenty-two years of membership  
40 service required under paragraph "b", is eligible to  
41 receive a monthly retirement allowance equal to one-  
42 twelfth of the same percentage of the member's three-  
43 year average covered wage as is provided in paragraph  
44 "a", multiplied by a fraction of years of service.

45 PARAGRAPH DIVIDED. For the purpose of this  
46 subsection, "fraction of years of service" means a  
47 number, not to exceed one, equal to the sum of the  
48 years of membership service for a member retiring in a  
49 protection occupation, divided by twenty-five years,  
50 or the sum of the years of membership service for a

H-6026

Page 14

1 member retiring as a sheriff or deputy sheriff divided  
2 by twenty-two years.

3 Sec. 24. Section 97B.49, subsection 16, paragraph  
4 d, subparagraph (3), Code 1989, is amended to read as  
5 follows:

6 (3) A correctional officer or correctional  
7 supervisor employed by the Iowa department of  
8 corrections, ~~in-an-applicable-job-classification and~~  
9 any other employee of that department who has ongoing,  
10 direct contact with inmates. ~~The department of~~  
11 ~~corrections and the department of personnel shall~~  
12 ~~jointly determine the applicable merit system job~~  
13 ~~classifications of correctional officers.~~

14 Sec. 25. Section 97B.49, subsection 16, paragraph  
15 d, Code 1989, is amended by adding the following new  
16 subparagraph:

17 NEW SUBPARAGRAPH. (7) An employee of the state  
18 department of transportation who is designated as a  
19 "peace officer" by resolution under section 321.477,  
20 but only if the employee retires on or after July 1,  
21 1990. For purposes of this subparagraph, service as a  
22 traffic weight officer employed by the highway  
23 commission prior to the creation of the state  
24 department of transportation or as a peace officer  
25 employed by the Iowa state commerce commission prior  
26 to the creation of the state department of  
27 transportation shall be included in computing the  
28 employee's years of membership service.

29 Sec. 26. Section 97B.49, subsection 16, Code 1989,  
30 is amended by adding the following new paragraph:

31 NEW PARAGRAPH. k. For the fiscal year commencing  
32 July 1, 1990, and each succeeding fiscal year, the  
33 state department of transportation shall pay to the  
34 department of personnel, from funds appropriated to  
35 the state department of transportation from the road  
36 use tax fund and the primary road fund, the amount  
37 necessary to pay the employer share of the cost of the  
38 additional benefits provided to employees covered  
39 under paragraph "d", subparagraph (7).

40 Sec. 27. Section 97B.50, subsection 2, Code 1989,  
41 is amended to read as follows:

42 2. a. A member who retires from the system due to  
43 disability and commences receiving disability benefits  
44 pursuant to the United States Social Security Act (42  
45 U.S.C.), as amended to July 1, 1978, who is eligible  
46 for early retirement, but has not reached the normal  
47 retirement date, shall receive full benefits under  
48 section 97B.49 and shall not have benefits reduced  
49 upon retirement as required under subsection 1  
50 regardless of whether the member has completed thirty

H-6026

Page 15

1 or more years of membership service. This section  
2 takes effect July 1, 1987 for a member meeting the  
3 requirements of this subsection paragraph who retired  
4 from the system at any time between July 4, 1953 and  
5 June 30, 1987.

6 b. A member who retires from the system due to  
7 disability and commences receiving disability benefits  
8 pursuant to the United States Railroad Retirement Act  
9 (45 U.S.C. § 231 et seq.) who is eligible for early  
10 retirement but has not reached the normal retirement  
11 date, shall receive full benefits under section 97B.49  
12 and shall not have benefits reduced upon retirement as  
13 required under subsection 1 regardless of whether the  
14 member has completed thirty or more years of  
15 membership service. This section takes effect July 1,  
16 1990, for a member meeting the requirements of this  
17 paragraph who retired from the system at any time  
18 since July 4, 1953. However, eligible members are  
19 entitled to receipt of retroactive adjustment payments  
20 for no more than six months immediately preceding the  
21 month after July 1, 1990, in which written notice was  
22 submitted to the department.

23 Sec. 28. Section 97B.52, subsection 3, Code 1989,  
24 is amended to read as follows:

25 3. a. Other than as provided above in subsections  
26 1 and 2 of this section, or section 97B.51, all rights  
27 to any benefits under the retirement system ~~will~~ shall  
28 cease upon the death of a member.

29 b. If a death benefit is due and payable, interest  
30 shall continue to accumulate through the month  
31 preceding the month in which payment is made to the  
32 designated beneficiary, heirs at law, or to the estate  
33 unless the payment of the death benefit is delayed  
34 because of a dispute between alleged heirs, in which  
35 case the benefit due and payable shall be placed in a  
36 noninterest bearing escrow account until the  
37 beneficiary is determined in accordance with this  
38 section.

39 Sec. 29. Section 97B.73, Code 1989, is amended to  
40 read as follows:

41 97B.73 MEMBERS FROM OTHER PUBLIC SYSTEMS.

42 A vested or retired member who was ~~a member of a~~  
43 public retirement system in public employment in  
44 another state ~~but was not vested or retired under that~~  
45 system may or in the federal government, or who was a  
46 member of another public retirement system in this  
47 state, including but not limited to the teachers  
48 insurance annuity association college retirement  
49 equities fund, but who was not retired under that  
50 system, upon submitting verification of membership and

H-6026

Page 16

1 service in the other public retirement system to the  
2 department, including proof that the member has no  
3 further claim upon a retirement benefit from that  
4 other public system, may make employer and employee  
5 contributions to the system for the period of service  
6 in the other public retirement system and receive  
7 credit for membership service in this system  
8 equivalent to the number of years of service in the  
9 other public retirement system. The contributions  
10 paid by the vested or retired member for service in  
11 the other public retirement system shall be equal to  
12 the accumulated contributions as defined in section  
13 97B.41, subsection 12, by the member for that period  
14 of service and the employer contribution for that  
15 period of service that would have been contributed by  
16 the vested or retired member and the employer plus  
17 interest on the contributions that would have accrued  
18 if the member had been a member of this system earning  
19 the same wages earned under the other system for the  
20 period from the date of service of the member in the  
21 other public retirement system to the date of payment  
22 of the contributions by the member equal to two  
23 percent plus the interest dividend rate applicable for  
24 each year contribution payable shall be based upon the  
25 member's covered wages for the most recent full  
26 calendar year at the applicable rates in effect for  
27 that calendar year under sections 97B.11 and 97B.49  
28 and multiplied by the member's years of service in  
29 other public employment.

30 This section is applicable to a vested or retired  
31 member who was a member of a public retirement system  
32 established in sections 294.8, 294.9, and 294.10 but  
33 was not vested or retired under that system.

34 A member vested under another public system must  
35 wave, on a form provided by the Iowa public  
36 employees' retirement system, all rights to a  
37 retirement benefit under that other public system  
38 before receiving credit in this system for those years  
39 of service in the other public system.

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

46 Sec. 30. Section 97B.74, unnumbered paragraphs 1  
47 and 2, Code 1989, are amended to read as follows:

48 An Effective January 1, 1991, an active, vested, or  
49 retired member who at any time between July 4, 1953  
50 and July 1, 1973 was a member of the system at any

H-6026

Page 17

1 time on or after July 4, 1953, but who did not meet  
2 the requirements to be a vested member for that period  
3 of membership service, and who received a refund of  
4 the member's contributions for that period of  
5 membership service, may elect in writing to the  
6 department to make contributions to the system for  
7 that period of membership service for which a refund  
8 of contributions was made. The contributions repaid  
9 by the member for such service shall be equal to the  
10 accumulated contributions, as defined in section  
11 97B.41, subsection 12, received by the member for that  
12 period of membership service plus interest on the  
13 accumulated contributions for the period from the date  
14 of receipt by the member to the date of repayment  
15 equal to two percent plus the interest dividend rate  
16 applicable for each year compounded annually.

17 ~~The provisions of this section are only available~~  
18 ~~to a member if that member's total years of membership~~  
19 ~~and prior service, with the addition of service for~~  
20 ~~that period of membership service for which~~  
21 ~~contributions are repaid, equals or exceeds fifteen~~  
22 ~~years. An active member must have at least one~~  
23 ~~quarter's reportable wages on file and have membership~~  
24 ~~service, including that period of membership service~~  
25 ~~for which a refund of contributions was made,~~  
26 ~~sufficient to give the member vested status.~~

27 Sec. 31. Section 97B.80, Code 1989, is amended to  
28 read as follows:

29 97B.80 VETERAN'S CREDIT.

30 ~~An active member in service on July 1, 1987, who at~~  
31 ~~any time served on active duty in the armed forces of~~  
32 ~~the United States, upon submitting verification of the~~  
33 ~~dates of the active duty service in the armed forces~~  
34 ~~to the department, may make employer and employee~~  
35 ~~contributions to the system based upon the member's~~  
36 ~~covered wages for the calendar year beginning January~~  
37 ~~1, 1987, at the rates in effect under section 97B.11~~  
38 ~~on January 1, 1987, for the period of time of the~~  
39 ~~active duty service, not to exceed four years, and~~  
40 ~~receive credit for membership service and prior~~  
41 ~~service for the period of time for which the~~  
42 ~~contributions are made. Effective July 1, 1990, a~~  
43 ~~vested or retired member with reportable wages in the~~  
44 ~~most recent calendar year, who at any time served on~~  
45 ~~active duty in the armed forces of the United States,~~  
46 ~~upon submitting verification of the dates of the~~  
47 ~~active duty service, may make employer and employee~~  
48 ~~contributions to the system based upon the member's~~  
49 ~~covered wages for the most recent full calendar year~~  
50 ~~at the applicable rates in effect for that year under~~

H-6026

Page 18

1 sections 97B.11 and 97B.49, for the period of time of  
2 the active duty service, in one-year increments but  
3 not to exceed four years, and receive credit for  
4 membership service and prior service for the period of  
5 time for which the contributions are made.

6 Verification of active duty service and payment of  
7 contributions shall be made to the department.

8 However, a member is not eligible to make  
9 contributions under this section if the member is  
10 receiving or is eligible to receive retirement pay  
11 from the United States government for active duty in  
12 the armed forces.

13 Sec. 32. NEW SECTION. 97B.81 WAIVER RIGHTS.

14 A person receiving, or eligible to receive, an  
15 allowance or benefit, or an increase to an allowance  
16 or benefit, under this chapter, may at any time waive  
17 the person's rights to all or part of the allowance or  
18 benefit, by filing a written and notarized notice of  
19 waiver with the public employees' retirement system on  
20 a form provided by the system. The waiver shall  
21 remain in effect until the first day of the month  
22 following the person's death or the filing of a  
23 written and notarized cancellation of the waiver with  
24 the retirement system. The amount waived is forever  
25 forfeited.

26 Sec. 33. NEW SECTION. 97D.1 GUIDING GOALS FOR  
27 FUTURE CHANGES IN PUBLIC RETIREMENT SYSTEMS -- SOCIAL  
28 SECURITY -- PORTABILITY.

29 1. The general assembly declares that legislative  
30 proposals for changes in specific public retirement  
31 systems should be considered within the context of all  
32 public retirement systems within the state, with  
33 emphasis on equity and equality between and among the  
34 systems. The following list of guiding goals shall  
35 apply to the consideration of proposed changes:

36 a. Select those benefit enhancement options which  
37 most successfully deliver the greatest good to the  
38 greatest number of employees.

39 b. Choose those options which best correct  
40 existing inequities between and among the various  
41 retirement groups in the state.

42 c. Determine those options which most ably serve  
43 the twin objectives of attracting and retaining  
44 quality employees.

45 d. Avoid enacting further incentives toward  
46 earlier retirement with full benefits.

47 e. Avoid further splintering of benefits by  
48 disproportionate enhancement of benefits for one group  
49 over and beyond those available to the other.

50 2. The public retirement systems committee

H-6026

Page 19

1 established by section 97B.76 shall periodically weigh  
2 the advantages and disadvantages of establishing  
3 participation in the federal social security system  
4 for the members of public retirement systems operating  
5 under chapters 97A and 411 and the impact of such a  
6 change on total contributions and benefits.

7 3. The public retirement systems committee estab-  
8 lished by section 97B.76 shall consider proposals to  
9 achieve greater portability of pension benefits  
10 between the various public retirement systems in the  
11 state. Special attention should be given to the  
12 actuarial cost of transfers of value from one system  
13 to another.

14 Sec. 34. NEW SECTION. 97D.2 ANALYSIS OF COST OF  
15 PROPOSED CHANGES.

16 When the public retirement systems committee estab-  
17 lished by section 97B.76 or a standing committee of  
18 the senate or house of representatives receives a  
19 proposal for a change in a public retirement system  
20 within this state, the committee may require the  
21 development of actuarial information concerning the  
22 costs of the proposed change. If the proposal affects  
23 police and fire retirement systems under chapter 411,  
24 the committee may arrange for the services of an  
25 actuarial consultant to assist in developing the  
26 information on a consolidated basis for all the  
27 systems.

28 Sec. 35. Section 280A.23, Code 1989, is amended by  
29 adding the following new subsections:

30 NEW SUBSECTION. 15. Provide for an alternative  
31 retirement benefits system, which is issued by or  
32 through a nonprofit corporation issuing retirement  
33 annuities exclusively to educational institutions and  
34 their employees, for persons employed by the area  
35 vocational school or area community college who are  
36 members of the Iowa public employees' retirement  
37 system on the effective date of this Act and who elect  
38 coverage under the alternative retirement benefits  
39 system pursuant to section 97B.42, in lieu of  
40 continuing contributions to the Iowa public employees'  
41 retirement system. The system for employee and  
42 employer contributions under the alternative system  
43 shall be substantially the same as provided by the  
44 state board of regents under the teachers insurance  
45 annuity association-college retirement equities fund,  
46 and the employer's contribution shall not exceed the  
47 employer's contribution rate established for employees  
48 of the state board of regents who are under that  
49 system.

50 NEW SUBSECTION. 16. Provide for an alternative

H-6026

Page 20

1 retirement benefits system, which is issued by or  
2 through a nonprofit corporation issuing retirement  
3 annuities exclusively to educational institutions and  
4 their employees, for persons newly employed after the  
5 effective date of this Act who elect coverage under  
6 that system pursuant to section 97B.42, in lieu of  
7 coverage under the Iowa public employees' retirement  
8 system. The system for employee and employer  
9 contributions under the alternative system shall be  
10 substantially the same as provided by the state board  
11 of regents under the teachers insurance annuity  
12 association-college retirement equities fund, and the  
13 employer's contribution rate shall not exceed the  
14 employer's contribution rate established for employees  
15 of the state board of regents who are under that  
16 system.

17 Sec. 36. Section 411.5, subsection 9, Code 1989,  
18 is amended to read as follows:

19 9. MEDICAL BOARD. The board of fire trustees and  
20 the board of police trustees jointly shall designate a  
21 medical board to be composed of three physicians who  
22 shall arrange for and pass upon all medical  
23 examinations required under the provisions of this  
24 chapter, ~~except that for examinations required because~~  
25 ~~of disability three physicians from the University of~~  
26 ~~Iowa hospitals and clinics who shall pass upon the~~  
27 ~~medical examinations required for disability~~  
28 ~~retirements~~, and shall report in writing to each board  
29 of trustees, respectively, its conclusions and  
30 recommendations upon all matters duly referred to it.

31 Sec. 37. Section 411.6, subsections 2 and 6, Code  
32 1989, are amended to read as follows:

33 2. ALLOWANCE ON SERVICE RETIREMENT.

34 a. Upon retirement from service, prior to July 1,  
35 1990, a member shall receive a service retirement  
36 allowance which shall consist of a pension given by  
37 the city which shall equal one-half equals fifty  
38 percent of the member's average final compensation.

39 b. Upon retirement from service on or after July  
40 1, 1990, a member shall receive a service retirement  
41 allowance which shall consist of a pension given by  
42 the city which equals fifty-two percent of the  
43 member's average final compensation.

44 c. Commencing July 1, 1991, each board of trustees  
45 shall increase the percentage multiplier of the  
46 member's average final compensation by an additional  
47 two percent each July 1 until reaching sixty percent  
48 of the member's average final compensation if the  
49 annual actuarial valuation of the board's retirement  
50 system indicates for that year that the cost of this



H-6026

Page 21

1 increase in the percentage of the member's average  
2 final compensation used in computing retirement  
3 benefits can be absorbed within the employer and  
4 employee contribution rates in effect pursuant to  
5 section 411.8.

6 d. Commencing July 1, 1990, if the member has  
7 completed more than twenty-two years of creditable  
8 service, the service retirement allowance shall  
9 consist of a pension which equals the amount provided  
10 in paragraphs "b" and "c", plus an additional  
11 percentage as set forth below:

12 (1) For a member who terminates service, other  
13 than by death or disability, on or after July 1, 1990,  
14 but before July 1, 1991, and who does not withdraw the  
15 member's contributions pursuant to section 411.23,  
16 upon the member's retirement there shall be added  
17 three-tenths percent of the member's average final  
18 compensation for each year of service over twenty-two  
19 years, excluding years of service after the member's  
20 fifty-fifth birthday. However, this subparagraph does  
21 not apply to more than eight additional years of  
22 service.

23 (2) For a member who terminates service, other  
24 than by death or disability, on or after July 1, 1991,  
25 but before July 1, 1992, and who does not withdraw the  
26 member's contributions pursuant to section 411.23,  
27 upon the member's retirement there shall be added six-  
28 tenths percent of the member's average final  
29 compensation for each year of service over twenty-two  
30 years, excluding years of service after the member's  
31 fifty-fifth birthday. However, this subparagraph does  
32 not apply to more than eight additional years of  
33 service.

34 (3) For a member who terminates service, other  
35 than by death or disability, on or after July 1, 1992,  
36 but before July 1, 1993, and who does not withdraw the  
37 member's contributions pursuant to section 411.23,  
38 upon the member's retirement there shall be added  
39 nine-tenths percent of the member's average final  
40 compensation for each year of service over twenty-two  
41 years, excluding years of service after the member's  
42 fifty-fifth birthday. However, this subparagraph does  
43 not apply to more than eight additional years of  
44 service.

45 (4) For a member who terminates service, other  
46 than by death or disability, on or after July 1, 1993,  
47 but before July 1, 1994, and who does not withdraw the  
48 member's contributions pursuant to section 411.23,  
49 upon the member's retirement there shall be added one  
50 and two-tenths percent of the member's average final

H-6026

Page 22

1 compensation for each year of service over twenty-two  
2 years, excluding years of service after the member's  
3 fifty-fifth birthday. However, this subparagraph does  
4 not apply to more than eight additional years of  
5 service.

6 (5) For a member who terminates service, other  
7 than by death or disability, on or after July 1, 1994,  
8 and who does not withdraw the member's contributions  
9 pursuant to section 411.23, upon the member's  
10 retirement there shall be added one and five-tenths  
11 percent of the member's average final compensation for  
12 each year of service over twenty-two years, excluding  
13 years of service after the member's fifty-fifth  
14 birthday. However, this subparagraph does not apply  
15 to more than eight additional years of service.

16 6. RETIREMENT AFTER ACCIDENT.

17 a. Upon retirement for accidental disability prior  
18 to July 1, 1990, a member shall receive an accidental  
19 disability retirement allowance which shall consist of  
20 a pension equal to  $66\frac{2}{3}$  sixty-six and two-thirds  
21 percent of the member's average final compensation.

22 b. Upon retirement for accidental disability on or  
23 after July 1, 1990, a member shall receive an  
24 accidental disability retirement allowance which shall  
25 consist of a pension equal to sixty percent of the  
26 member's average final compensation.

27 Sec. 38. Section 411.6, subsection 12, paragraph  
28 a, subparagraphs (1) through (4), Code 1989, are  
29 amended to read as follows:

30 (1) Twenty-five percent for members receiving a  
31 service retirement allowance and for beneficiaries  
32 receiving a pension under subsection 9 of this  
33 section. However, effective July 1, 1990, for members  
34 who retired before that date, thirty percent shall be  
35 the applicable percentage for members and  
36 beneficiaries under this subparagraph.

37 (2) ~~Twenty~~ Twenty-five percent for members with  
38 five or more years of membership service who are  
39 receiving an ordinary disability retirement allowance.  
40 ~~However, effective July 1, 1984, for members who~~  
41 ~~retired before July 1, 1979, and effective July 1,~~  
42 ~~1988, for members who retire on or after July 1, 1988,~~  
43 ~~twenty-five percent shall be used for members who are~~  
44 ~~receiving an ordinary disability allowance. However,~~  
45 ~~effective July 1, 1990, for members who retired before~~  
46 ~~that date, thirty percent shall be the applicable~~  
47 ~~percentage for members under this subparagraph.~~

48 (3) Twelve and one-half percent for members with  
49 less than five years of membership service who are  
50 receiving an ordinary disability retirement allowance,

H-6026

Page 23

and for beneficiaries receiving a pension under subsection 8 of this section. However, effective July 1, 1990, for members who retired before that date, fifteen percent shall be the applicable percentage for members and beneficiaries under this subparagraph.

(4) Thirty-three and one-third percent for members receiving an accidental disability allowance.

However, effective July 1, 1990, for members who retired before that date, thirty percent shall be the applicable percentage for members under this subparagraph.

Sec. 39. Section 411.6, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 13. REMARRIAGE OF SURVIVING SPOUSE. Effective July 1, 1990, for a member who died prior to July 1, 1988, if the member's surviving spouse remarried prior to July 1, 1988, the remarriage does not make the spouse ineligible under subsection 8, paragraph "c", subparagraphs (1) and (2), to receive benefits under subsections 8, 9, 11, and 12.

Sec. 40. Section 411.8, subsection 1, paragraph f, Code 1989, is amended to read as follows:

f. Except as otherwise provided in paragraph "h":

(1) An amount equal to three and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund for the fiscal year beginning July 1, 1989.

(2) An amount equal to four and forty-six hundredths percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund for the fiscal year beginning July 1, 1990.

(3) An amount equal to five and eighty-two hundredths percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund for the fiscal year beginning July 1, 1991.

(4) An amount equal to seven and eighteen hundredths percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund for the fiscal year beginning July 1, 1992.

(5) An amount equal to eight and fifty-four hundredths percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund for the fiscal year beginning July 1, 1993.

(6) An amount equal to nine and nine-tenths percent of each member's compensation from the

H-6026

Page 24

1 earnable compensation of the member shall be paid to  
2 the pension accumulation fund for the fiscal year  
3 beginning July 1, 1994, and each fiscal year  
4 thereafter.

5 Sec. 41. Section 411.8, subsection 1, Code 1989,  
6 is amended by adding the following new paragraph:

7 NEW PARAGRAPH. h. Notwithstanding the provisions  
8 of paragraph "f", the following transition percentages  
9 apply to members' contributions as specified:

10 (1) For members who on July 1, 1990, have attained  
11 the age of forty-nine years or more, an amount equal  
12 to nine and nine-tenths percent of each member's  
13 compensation from the earnable compensation of the  
14 member shall be paid to the fund for the fiscal year  
15 beginning July 1, 1990, and each subsequent fiscal  
16 year.

17 (2) For members who on July 1, 1990, have attained  
18 the age of forty-eight years but have not attained the  
19 age of forty-nine years, an amount equal to eight and  
20 fifty-four hundredths percent shall be paid for the  
21 fiscal year beginning July 1, 1990, and an amount  
22 equal to nine and nine-tenths percent shall be paid  
23 for the fiscal year beginning July 1, 1991, and each  
24 subsequent fiscal year thereafter.

25 (3) For members who on July 1, 1990, have attained  
26 the age of forty-seven years but have not attained the  
27 age of forty-eight years, an amount equal to seven and  
28 eighteen hundredths percent shall be paid for the  
29 fiscal year beginning July 1, 1990, an amount equal to  
30 eight and fifty-four hundredths percent shall be paid  
31 for the fiscal year beginning July 1, 1991, and an  
32 amount equal to nine and nine-tenths percent shall be  
33 paid for the fiscal year beginning July 1, 1992, and  
34 each subsequent fiscal year.

35 (4) For members who on July 1, 1990, have attained  
36 the age of forty-six years but have not attained the  
37 age of forty-seven years, an amount equal to five and  
38 eighty-two hundredths percent shall be paid for the  
39 fiscal year beginning July 1, 1990, an amount equal to  
40 seven and eighteen hundredths percent shall be paid  
41 for the fiscal year beginning July 1, 1991, an amount  
42 equal to eight and fifty-four hundredths percent shall  
43 be paid for the fiscal year beginning July 1, 1992,  
44 and an amount equal to nine and nine-tenths percent  
45 shall be paid for the fiscal year beginning July 1,  
46 1993, and each subsequent fiscal year.

47 (5) For members who on July 1, 1990, have attained  
48 the age of forty-five years but have not attained the  
49 age of forty-six years, an amount equal to four and  
50 forty-six hundredths percent shall be paid for the

H-6026

Page 25

1 fiscal year beginning July 1, 1990, an amount equal to  
2 five and eighty-two hundredths percent shall be paid  
3 for the fiscal year beginning July 1, 1991, an amount  
4 equal to seven and eighteen hundredths percent shall  
5 be paid for the fiscal year beginning July 1, 1992, an  
6 amount equal to eight and fifty-four hundredths  
7 percent shall be paid for the fiscal year beginning  
8 July 1, 1993, and an amount equal to nine and nine-  
9 tenths percent shall be paid for the fiscal year  
10 beginning July 1, 1994, and each subsequent fiscal  
11 year.

12 Sec. 42. NEW SECTION. 411.31 REPORTING.

13 Each board of trustees shall submit annually to the  
14 auditor of state its most recent actuarial valuation  
15 and a pension status report, which shall be in the  
16 form prescribed by the auditor of state and shall  
17 provide statistical and financial information as  
18 required by the auditor of state, including  
19 information about benefits, contribution rates,  
20 assets, liabilities, and social security coverage.  
21 The auditor of state shall consult with the director  
22 of the legislative fiscal bureau for the purpose of  
23 determining the information to be included in the  
24 pension status reports.

25 Sec. 43. NEW SECTION. 411.32 EVALUATION OF  
26 FINANCIAL STATUS OF SYSTEMS.

27 The legislative fiscal bureau shall review the  
28 actuarial reports and pension status reports submitted  
29 in accordance with section 411.31 and shall  
30 periodically prepare an evaluation of the financial  
31 status of police and fire retirement systems operating  
32 under this chapter. The evaluation shall be submitted  
33 to the secretary of the senate and the chief clerk of  
34 the house of representatives for distribution to the  
35 members of the general assembly.

36 The legislative fiscal bureau may arrange for the  
37 services of an actuarial consultant to assist in  
38 performing the duties assigned by this section.

39 Sec. 44. NEW SECTION. 411.33 FUNDING REQUIRE-  
40 MENTS.

41 Each retirement system operating under this chapter  
42 shall have sufficient assets, evaluated at cost, to  
43 cover the system's currently accrued liabilities. A  
44 retirement system whose assets are not sufficient to  
45 provide this coverage on the effective date of this  
46 Act shall establish the necessary asset level on or  
47 before June 30, 1995. The system shall report to the  
48 auditor of state in the annual pension status report  
49 its plan for and progress toward achieving the  
50 required coverage.

H-6026

Page 26

1 Sec. 45. STUDY.

2 1. The Iowa public employees' retirement system  
3 shall conduct a study of the feasibility of initiating  
4 an optional, supplemental defined contribution  
5 retirement plan which would be available to all  
6 members in addition to their basic coverage under the  
7 existing system. Under the proposed plan, employees  
8 electing to participate would be eligible to  
9 contribute up to five percent of their total salary  
10 per year at their option and this would accumulate  
11 interest at the rate credited to members' accounts  
12 under basic Iowa public employees' retirement system  
13 coverage, less management expenses and administrative  
14 costs. The funds in the employee's account would be  
15 available to the employee either upon termination of  
16 public employment or at retirement.

17 2. The Iowa public employees' retirement system  
18 shall provide a preliminary report concerning the  
19 study on or after November 1, 1990, and a final report  
20 on or after November 1, 1991. The reports shall be  
21 transmitted to the chief clerk of the house of  
22 representatives and the secretary of the senate for  
23 distribution to the general assembly.

24 Sec. 46. TRANSFER OF SECTION.

25 The Code editor shall transfer section 97B.76 to  
26 chapter 97D, created by this Act.

27 Sec. 47. APPLICABILITY.

28 Section 12 of this Act is applicable to  
29 computations of years of prior service made on or  
30 after the effective date of this Act."

RECEIVED FROM THE SENATE

H-6026 FILED MARCH 30, 1990

*House refused to concur 4/2 (p. 1714)*

*Senate insisted 4/2 (p. 1466)*

REPORT OF THE CONFERENCE COMMITTEE  
ON HOUSE FILE 2543

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 Senate on House File 2543, a bill for An Act relating to the administration and benefits for certain public retirement systems, and providing effective dates and for the applicability of the Act, respectfully make the following report:

1. That the Senate recedes from its amendment, H-6026.

2. That House File 2543, as amended, passed, and reprinted by the House, is amended as follows:

1. Page 2, line 10, by inserting after the figure "1990," the following: "but before July 1, 1992,".

2. Page 2, line 12, by striking the word "fifty-two" and inserting the following: "fifty-four".

3. Page 2, by striking lines 14 through 21 and inserting the following:

"c. Commencing July 1, 1992, the board of trustees shall increase the percentage multiplier of the member's average final compensation by an additional two percent each July 1 until reaching sixty percent of the member's average final compensation."

4. Page 2, by striking lines 25 through 28 and inserting the following: "the amount provided in paragraphs "b" and "c", plus an additional percentage as set forth below:".

5. Page 2, lines 32 and 33, by striking the words "attaining the age of sixty-five years" and inserting the

CCR-2543

Page 2

following: "retirement".

6. Page 3, lines 5 and 6, by striking the words "but before July 1, 1992,".

7. Page 3, lines 7 and 8, by striking the words "attaining the age of sixty-five years" and inserting the following: "retirement".

8. By striking page 3, line 14, through page 4, line 7.

9. Page 4, by inserting after line 34 the following:

"Sec. 1001. Section 97A.6, subsection 8, paragraph b, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 97A.6, subsection 8, Code 1985, effective July 1, 1990, for a member's surviving spouse who, prior to July 1, 1986, elected to receive pension benefits under this paragraph, the monthly pension benefit shall be equal to one-twelfth of forty percent of the average final compensation of the member."

10. By striking page 5, line 35, through page 6, line 35.

11. By striking page 7, line 1, through page 8, line 11, and inserting the following:

"Sec. 1002. NEW SECTION. 97A.6A OPTIONAL RETIREMENT BENEFITS.

In lieu of the retirement benefits otherwise provided upon service retirement for members of the system and the members' beneficiaries, members may elect to receive an optional retirement benefit during the member's lifetime and have the optional retirement benefit, or a designated fraction of the optional retirement benefit, continued and paid to the member's beneficiary after the member's death and during the lifetime of the beneficiary.

The member shall make the election request in writing to the board of trustees at the time of the member's service retirement. The election is subject to the approval of the board of trustees. If the member is married, the election of an option under this section requires the written acknowledgement of the member's spouse.



CCR-2543

Page 3

A member's optional retirement benefits shall be the actuarial equivalent of the amount of the retirement benefits payable to the member and the member's beneficiaries under the service retirement provisions of this chapter. The actuarial equivalent shall be based on the mortality and interest assumptions set out in section 97A.5.

If the member dies without a beneficiary prior to receipt in benefits of an amount equal to the total amount remaining to the member's credit at the time of separation from service, the election is void.

If the member dies with a beneficiary and the beneficiary subsequently dies prior to receipt in retirement benefits by both the member and the beneficiary of an amount equal to the total amount remaining to the member's credit at the time of separation from service, the election remains valid.

For the purpose of this section, "beneficiary" means a spouse, child, or a dependent parent."

12. Page 8, line 30, by striking the words "and five hundredths".

13. Page 9, by striking lines 2 through 4 and inserting the following: "provided, however, that, --However, the aggregate payment by".

14. Page 9, line 25, by striking the word "four-tenths" and inserting the following: "one-tenth".

15. Page 9, line 29, by striking the word "seven-tenths" and inserting the following: "one-tenth".

16. Page 9, line 33, by striking the word "seven" and inserting the following: "six and one-tenth".

17. Page 10, line 2, by striking the words "eight and three-tenths" and inserting the following: "seven and one-tenth".

18. Page 10, line 6, by striking the words "nine and six-tenths" and inserting the following: "eight and one-tenth".

19. Page 10, line 10, by striking the words "ten and nine-tenths" and inserting the following: "nine and one-tenth".

CCR-2543

Page 4

20. Page 10, lines 26 and 27, by striking the words "ten and nine-tenths" and inserting the following: "nine and one-tenth".

21. Page 10, line 33, by striking the words "nine and six-tenths" and inserting the following: "eight and one-tenth".

22. Page 10, line 35, by striking the words "ten and nine-tenths" and inserting the following: "nine and one-tenth".

23. Page 11, line 5, by striking the words "eight and three-tenths" and inserting the following: "seven and one-tenth".

24. Page 11, line 7, by striking the words "nine and six-tenths" and inserting the following: "eight and one-tenth".

25. Page 11, line 9, by striking the words "ten and nine-tenths" and inserting the following: "nine and one-tenth".

26. Page 11, line 13, by striking the words "seven percent" and inserting the following: "six and one-tenth percent".

27. Page 11, line 15, by striking the words "eight and three-tenths" and inserting the following: "seven and one-tenth".

28. Page 11, lines 16 and 17, by striking the words "nine and six-tenths" and inserting the following: "eight and one-tenth".

29. Page 11, line 18, by striking the words "ten and nine-tenths" and inserting the following: "nine and one-tenth".

30. Page 11, line 23, by striking the word "seven-tenths" and inserting the following: "one-tenth".

31. Page 11, line 25, by striking the word "seven" and inserting the following: "six and one-tenth".

32. Page 11, lines 26 and 27, by striking the words "eight and three-tenths" and inserting the following: "seven and one-tenth".

33. Page 11, line 28, by striking the words "nine and

CCR-2543

Page 5

six-tenths" and inserting the following: "eight and one-tenth".

34. Page 11, line 30, by striking the words "ten and nine-tenths" and inserting the following: "nine and one-tenth".

35. By striking page 11, line 33, through page 12, line 19.

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

"Sec. 1003. Section 97B.41, subsection 1, paragraph a, unnumbered paragraph 2, Code 1989, is amended to read as follows:

Wages for a member of the general assembly means the total compensation received by a member of the general assembly, whether paid in the form of per diem or annual salary, exclusive of expense and travel allowances paid to a member of the general assembly except as otherwise provided in this paragraph. Wages includes per diem payments paid to members of the general assembly during interim periods between sessions of the general assembly. Wages also includes daily allowances to members of the general assembly for nontravel expenses of office during a session of the general assembly, but does not include the portion of the daily allowance which exceeds the maximum established by law for members from Polk county."

37. Page 14, line 4, by striking the word "forty" and inserting the following: "fifty-five".

38. Page 14, by inserting after line 4 the following:

"If the annual actuarial valuation of the retirement system in any year indicates that the cost of the increase provided under this subparagraph and the increase in the monthly benefit formula provided in section 97B.49, subsection 5, paragraph "b", cannot be absorbed within the employer and employee contribution rates in effect under section 97B.11, the department shall reduce the increase provided in this subparagraph by an amount sufficient to pay for the increase in the benefit percent."

CCR-2543

Page 6

39. Page 14, by inserting after line 23 the following:

"Sec. 1004. Section 97B.41, subsection 3, paragraph b, Code 1989, is amended by adding the following new subparagraph:

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

40. Page 15, line 25, by inserting after the word "employment" the following: "for".

41. Page 15, by inserting after line 27 the following:

"Sec. 1005. Section 97B.42, Code 1989, is amended by adding the following new unnumbered paragraphs:

NEW UNNUMBERED PARAGRAPH. Notwithstanding any other provision of this section, commencing July 1, 1994, a member who is employed by an area vocational school or an area community college may elect coverage under an alternative retirement benefits system, which is issued by or through a nonprofit corporation issuing retirement annuities exclusively to educational institutions and their employees, in lieu of continuing or commencing contributions to the Iowa public employees' retirement system, if the board of directors of the area vocational school or area community college has approved the alternative system pursuant to section 280A.23. However, a vested member who elects to participate in the alternative benefits system does not have a right to withdraw funds from the member's Iowa public employees' retirement system account prior to retirement or termination of covered employment. The department shall cooperate with the boards of directors of the area vocational schools and area community colleges to facilitate the implementation of this unnumbered paragraph.

NEW UNNUMBERED PARAGRAPH. Notwithstanding any other provision of this section, a person newly entering employment with an area vocational school or area community college on or after the effective date of this Act may elect coverage under

CCR-2543

Page 7

an alternative retirement benefits system, which is issued by or through a nonprofit corporation issuing retirement annuities exclusively to educational institutions and their employees, in lieu of coverage under the Iowa public employees' retirement system, but only if the person is already a member of the alternative system. An election to participate in the alternative retirement benefits system is irrevocable as to the person's employment with that area vocational school or area community college and any other area vocational school or area community college in this state."

42. Page 17, line 35, by inserting after the word "received." the following: "Effective January 1, 1991, a retired member of any age may receive a retirement allowance after return to covered employment, regardless of the amount of remuneration received, if the covered employment consists of holding an elective office."

43. Page 18, line 15, by inserting after the word "active" the following: "or inactive vested".

44. Page 18, line 21, by inserting after the word "active" the following: "or inactive vested".

45. Page 18, by inserting after line 34 the following: "If the annual actuarial valuation of the retirement system in any year indicates that the full cost of the increase provided under this paragraph cannot be absorbed within the employer and employee contribution rates in effect under section 97B.11, the department shall reduce the increase to a level which the department determines can be so absorbed."

46. Page 20, line 14, by inserting after the word "active" the following: "or inactive vested".

47. Page 20, line 23, by inserting after the word "active" the following: "or inactive vested".

48. Page 20, lines 24 through 26, by striking the words "and has completed at least thirty years of membership service and prior service,".

49. Page 20, line 28, by inserting after the word "birthday" the following: "equals or".

CCR-2543

Page 8

50. Page 23, by inserting after line 10 the following:

"Sec. 1006. Section 97B.49, subsection 16, paragraph d, subparagraph (3), Code 1989, is amended to read as follows:

(3) A correctional officer or correctional supervisor employed by the Iowa department of corrections, ~~in an applicable-job-classification and any other employee of that department whose primary purpose is, through ongoing direct inmate contact, to enforce and maintain discipline, safety, and security within a correctional facility. The department of corrections and the department of personnel shall jointly determine the applicable merit system job classifications of correctional officers.~~

Sec. 1007. Section 97B.49, subsection 16, paragraph d, Code 1989, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (7) An employee of the state department of transportation who is designated as a "peace officer" by resolution under section 321.477, but only if the employee retires on or after July 1, 1990. For purposes of this subparagraph, service as a traffic weight officer employed by the highway commission prior to the creation of the state department of transportation or as a peace officer employed by the Iowa state commerce commission prior to the creation of the state department of transportation shall be included in computing the employee's years of membership service.

Sec. 1008. Section 97B.49, subsection 16, Code 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. k. For the fiscal year commencing July 1, 1990, and each succeeding fiscal year, the state department of transportation shall pay to the department of personnel, from funds appropriated to the state department of transportation from the road use tax fund and the primary road fund, the amount necessary to pay the employer share of the cost of the additional benefits provided to employees covered under paragraph "d", subparagraph (7)."

51. Page 25, line 29, by inserting after the word

CCR-2543

Page 9

"state," the following: "including but not limited to the teachers insurance annuity association-college retirement equities fund,".

52. Page 27, by inserting after line 28 the following:

"Sec. 1009. Section 97B.80, Code 1989, is amended to read as follows:

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.~~ Effective July 1, 1990, a vested or retired member with reportable wages in the most recent calendar year, 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, may make employer and employee contributions to the system based upon the member's covered wages for the most recent full calendar year at the applicable rates in effect for that year under sections 97B.11 and 97B.49, for the period of time of the active duty service, in one-year increments but 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."

53. Page 28, line 32, by striking the word "receives" and

CCR-2543

Page 10

inserting the following: "recommends".

54. Page 29, by striking lines 5 and 6 and inserting the following: "POLICE OFFICERS, AND FIRE FIGHTERS -- REFERENDUM.

1. As soon as possible after the effective date of this section, the department of personnel, in cooperation with the board of trustees of the public safety peace officers' retirement system and the board of trustees for the statewide fire and police retirement system created in section 411.36, shall submit to the members of retirement systems under chapters 97A and 411 in a referendum the question of requiring federal social security coverage for all persons newly hired as peace officers, as defined in section 97A.1, police officers, and fire fighters. The referendum shall be conducted before January 1, 1991. The referendum procedures shall comply with the requirements of federal law and regulations. If there is a favorable vote of a majority of the persons eligible to vote in the referendum, subsection 2 applies.

2. Upon a favorable vote in the referendum and notwithstanding sections 97A.3 and 411.3, all persons newly".

55. Page 29, by inserting before line 16 the following:

"Sec. 1010. Section 280A.23, Code 1989, is amended by adding the following new subsections:

NEW SUBSECTION. 15. Commencing July 1, 1994, provide for an alternative retirement benefits system, which is issued by or through a nonprofit corporation issuing retirement annuities exclusively to educational institutions and their employees, for persons employed by the area vocational school or area community college who are members of the Iowa public employees' retirement system on July 1, 1994, or who are new employees, and who elect coverage under the alternative retirement benefits system pursuant to section 97B.42, in lieu of continuing or commencing contributions to the Iowa public employees' retirement system. The system for employee and employer contributions under the alternative system shall be substantially the same as provided by the state board of



CCR-2543

Page 11

regents under the teachers insurance annuity association-college retirement equities fund, and the employer's contribution shall not exceed the employer's contribution rate established for employees of the state board of regents who are under that system.

NEW SUBSECTION. 16. Provide for an alternative retirement benefits system, which is issued by or through a nonprofit corporation issuing retirement annuities exclusively to educational institutions and their employees, for persons newly employed after the effective date of this Act who are already members of the alternative system and who elect coverage under that system pursuant to section 97B.42, in lieu of coverage under the Iowa public employees' retirement system. The system for employee and employer contributions under the alternative system shall be substantially the same as provided by the state board of regents under the teachers insurance annuity association-college retirement equities fund, and the employer's contribution rate shall not exceed the employer's contribution rate established for employees of the state board of regents who are under that system."

56. Page 38, line 27, by inserting after the figure "1990," the following: "but before July 1, 1992,".

57. Page 38, line 29, by striking the word "fifty-two" and inserting the following: "fifty-four".

58. By striking page 38, line 31, through page 39, line 3, and inserting the following:

"c. Commencing July 1, 1992, the system shall increase the percentage multiplier of the member's average final compensation by an additional two percent each July 1 until reaching sixty percent of the member's average final compensation."

59. Page 39, by striking lines 7 through 10 and inserting the following: "the amount provided in paragraphs "b" and "c", plus an additional percentage as set forth below:".

60. Page 39, lines 14 and 15, by striking the words "attaining the age of sixty-five years" and inserting the

CCR-2543

Page 12

following: "retirement".

61. Page 39, lines 22 and 23, by striking the words "but before July 1, 1992,".

62. Page 39, lines 24 and 25, by striking the words "attaining the age of sixty-five years" and inserting the following: "retirement".

63. By striking page 39, line 31, through page 40, line 24.

64. Page 43, by inserting after line 15 the following:

"Sec. 1011. Section 411.6, subsection 8, paragraph b, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 411.6, subsection 8, Code 1985, effective July 1, 1990, for a member's surviving spouse who, prior to July 1, 1986, elected to receive pension benefits under this paragraph, the monthly pension benefit shall be equal to one-twelfth of forty percent of the average final compensation of the member."

65. By striking page 45, line 15, through page 46, line 15.

66. By striking page 46, line 16, through page 47, line 26, and inserting the following:

"Sec. 1012. NEW SECTION. 411.6A OPTIONAL RETIREMENT BENEFITS.

In lieu of the retirement benefits otherwise provided upon service retirement for members of the system and the members' beneficiaries, members may elect to receive an optional retirement benefit during the member's lifetime and have the optional retirement benefit, or a designated fraction of the optional retirement benefit, continued and paid to the member's beneficiary after the member's death and during the lifetime of the beneficiary.

The member shall make the election request in writing to the board of trustees at the time of the member's service retirement. The election is subject to the approval of the board of trustees. If the member is married, the election of

CCR-2543

Page 13

an option under this section requires the written acknowledgement of the member's spouse.

A member's optional retirement benefits shall be the actuarial equivalent of the amount of the retirement benefits payable to the member and the member's beneficiaries under the service retirement provisions of this chapter. The actuarial equivalent shall be based on the mortality and interest assumptions set out in section 411.5.

If the member dies without a beneficiary prior to receipt in benefits of an amount equal to the total amount remaining to the member's credit at the time of separation from service, the election is void.

If the member dies with a beneficiary and the beneficiary subsequently dies prior to receipt in retirement benefits by both the member and the beneficiary of an amount equal to the total amount remaining to the member's credit at the time of separation from service, the election remains valid.

For the purpose of this section, "beneficiary" means a spouse, child, or a dependent parent."

67. Page 51, lines 5 and 6, by striking the words "and five hundredths".

68. Page 51, line 15, by striking the words "and five hundredths".

69. Page 51, by striking lines 17 through 25.

70. Page 51, by striking lines 26 and 27 and inserting the following:

"PARAGRAPH DIVIDED. The normal rate of contribution shall be determined".

71. Page 52, line 19, by striking the word "four-tenths" and inserting the following: "one-tenth".

72. Page 52, line 23, by striking the word "seven-tenths" and inserting the following: "one-tenth".

73. Page 52, line 27, by striking the word "seven" and inserting the following: "six and one-tenth".

74. Page 52, line 31, by striking the words "eight and three-tenths" and inserting the following: "seven and one-

CCR-2543

Page 14

tenth".

75. Page 52, line 35, by striking the words "nine and six-tenths" and inserting the following: "eight and one-tenth".

76. Page 53, line 4, by striking the words "ten and nine-tenths" and inserting the following: "nine and one-tenth".

77. Page 53, by striking lines 16 and 17 and inserting the following: "tables adopted, multiplied by four-tenths, or nine and one-tenth percent, whichever is greater. However, the system shall increase this percentage for its members as necessary to cover any increase in cost to the system resulting from statutory changes which are enacted by any session of the general assembly meeting after January 1, 1991, if the increase cannot be absorbed within the contribution rates otherwise established pursuant to this paragraph, but subject to a maximum employee contribution rate of eleven and three-tenths percent. After the employee contribution reaches the maximum rate specified in this subparagraph, sixty percent of the additional cost of such statutory changes shall be paid by employers under paragraph "c" and forty percent of the additional cost shall be paid by employees under this paragraph."

78. Page 53, by striking lines 21 through 29 and inserting the following: "earnable compensation of the member."

79. Page 54, lines 18 and 19, by striking the words "ten and nine-tenths" and inserting the following: "nine and one-tenth".

80. Page 54, line 26, by striking the words "nine and six-tenths" and inserting the following: "eight and one-tenth".

81. Page 54, line 28, by striking the words "ten and nine-tenths" and inserting the following: "nine and one-tenth".

82. Page 54, line 35, by striking the words "eight and three-tenths" and inserting the following: "seven and one-

CCR-2543

Page 15

tenth".

83. Page 55, line 2, by striking the words "nine and six-tenths" and inserting the following: "eight and one-tenth".

84. Page 55, line 4, by striking the words "ten and nine-tenths" and inserting the following: "nine and one-tenth".

85. Page 55, line 10, by striking the words "seven percent" and inserting the following: "six and one-tenth percent".

86. Page 55, line 12, by striking the words "eight and three-tenths" and inserting the following: "seven and one-tenth".

87. Page 55, lines 13 and 14, by striking the words "nine and six-tenths" and inserting the following: "eight and one-tenth".

88. Page 55, line 15, by striking the words "ten and nine-tenths" and inserting the following: "nine and one-tenth".

89. Page 55, line 22, by striking the word "seven-tenths" and inserting the following: "one-tenth".

90. Page 55, line 24, by striking the word "seven" and inserting the following: "six and one-tenth".

91. Page 55, lines 25 and 26, by striking the words "eight and three-tenths" and inserting the following: "seven and one-tenth".

92. Page 55, line 27, by striking the words "nine and six-tenths" and inserting the following: "eight and one-tenth".

93. Page 55, line 29, by striking the words "ten and nine-tenths" and inserting the following: "nine and one-tenth".

94. By striking page 55, line 33, through page 56, line 19.

95. Page 59, line 3, by striking the words "and five hundredths".

96. Page 59, line 24, by striking the word and figures "July 1, 1991," and inserting the following: "January 1,

CCR-2543

Page 16

1992,".

97. Page 59, line 29, by striking the word and figures "July 1, 1991," and inserting the following: "January 1, 1992,".

98. Page 59, line 31, by striking the word and figures "July 1, 1991," and inserting the following: "January 1, 1992,".

99. Page 60, line 5, by striking the word "nine" and inserting the following: "thirteen".

100. Page 60, by striking line 6 and inserting the following: "members, including nine voting members and four nonvoting".

101. Page 60, by striking lines 8 and 9 and inserting the following:

"a. Two fire fighters from different participating cities, one of whom is an active member of the retirement system and one of whom is a retired member. The fire fighters shall be".

102. Page 60, by striking lines 12 and 13 and inserting the following:

"b. Two police officers from different participating cities, one of whom is an active member of the retirement system and one of whom is a retired member. The police officers shall be".

103. Page 60, by striking line 16 and inserting the following:

"c. The city treasurers of four participating cities, one of whom is from a city having a population of less than forty thousand, and three of whom are from cities having a population of forty thousand or more. The".

104. Page 60, by striking lines 19 through 25 and inserting the following:

"d. One citizen who does not hold another public office. The citizen shall be appointed by the other members of the board.

The nonvoting members of the board shall be two state representatives, one appointed by the speaker of the house of

CCR-2543

Page 17

representatives and one by the minority leader of the house, and two state senators, one appointed by the majority leader of the senate and one by the minority leader of the senate."

105. Page 60, line 27, by striking the word "members" and inserting the following: "voting members".

106. Page 60, line 28, by striking the word "beginning" and inserting the following: ", and the nonvoting members shall be appointed for two-year terms. Terms begin".

107. Page 60, line 29, by striking the word "expiring" and inserting the following: "expire".

108. Page 62, by inserting after line 8 the following:

"It is the intent of the general assembly that a terminated city fire or police retirement system shall not subsidize any portion of any other system's unfunded liabilities in connection with the transition to the statewide system."

109. Page 62, line 11, by inserting after the word "system" the following: ", except the nonvoting members,".

110. Page 62, by striking lines 16 through 24 and inserting the following:

"a. One fire fighter shall be appointed for a term of four years and one for a term of two years.

b. One police officer shall be appointed for a term of three years and one for a term of one year.

c. One city treasurer shall be appointed for a term of four years, one for a term of three years, one for a term of two years, and one for a term of one year.

d. The citizen member shall be appointed for a term of four years.

e. The state representatives and state senators shall each be appointed for a term of two years."

111. Page 62, line 30, by striking the word "four" and inserting the following: "eight".

112. Page 62, line 33, by striking the word "members" and inserting the following: "member".

113. Page 65, line 15, by striking the words "July 1, 1991" and inserting the following: "January 1, 1992".

CCR-2543

Page 18

114. Page 65, by inserting after line 15 the following:  
"\_\_\_\_\_. Section 1003 of this Act takes effect January 14,  
1991."  
115. By numbering and renumbering as necessary.

**ON THE PART OF THE HOUSE:**

EUGENE BLANSHAN, Chairperson  
JOHN CONNORS  
STEVEN HANSEN

**ON THE PART OF THE SENATE:**

JOHN P. KIBBIE, Chairperson  
BILL HUTCHINS  
WALLY HORN  
JACK NYSTROM  
JACK RIFE

CCR-2543 FILED APRIL 6, 1990  
REPORT ADOPTED. (p. 2168)



STATE GOVERNMENT

HOUSE FILE 2543

BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL  
BY CHAIRPERSON BLANSHAN)

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, and providing for the applicability  
3 of the Act.

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

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1 Section 1. Section 97A.6, subsection 1, paragraph b, Code  
2 1989, is amended to read as follows:

3 b. Any member in service who has been a member of the  
4 retirement system ~~fifteen~~ four or more years and whose  
5 employment is terminated prior to the member's retirement,  
6 other than by death or disability, shall upon attaining  
7 retirement age, receive a service retirement allowance of  
8 ~~fifteen~~ four twenty-seconds of the retirement allowance the  
9 member would receive at retirement if the member's employment  
10 had not been terminated, and an additional one twenty-second  
11 of such retirement allowance for each additional year of  
12 service not exceeding twenty-two years of service. The amount  
13 of the retirement allowance shall be calculated in the manner  
14 provided in this paragraph using the average final  
15 compensation at the time of termination of employment.

16 Sec. 2. Section 97A.5, subsection 8, Code 1989, is amended  
17 to read as follows:

18 8. MEDICAL BOARD. The board of trustees shall designate a  
19 medical board to be composed of three physicians who shall  
20 arrange for and pass upon the medical examinations required  
21 under the provisions of this chapter and shall report in  
22 writing to the board of trustees, its conclusions and  
23 recommendations upon all matters duly referred to it. Each  
24 report of a medical examination under section 97A.6,  
25 subsections 3 and 5, shall include the medical board's rating  
26 as to the extent of the member's disability.

27 Sec. 3. Section 97A.6, subsection 2, Code 1989, is amended  
28 to read as follows:

29 2. ALLOWANCE ON SERVICE RETIREMENT.

30 a. Upon retirement from service prior to July 1, 1990, a  
31 member shall receive a service retirement allowance which  
32 shall consist of a pension which ~~shall equal one-half~~ equals  
33 fifty percent of the member's average final compensation.

34 b. Upon retirement from service on or after July 1, 1990,  
35 a member shall receive a service retirement allowance which

1 shall consist of a pension which equals fifty-two percent of  
2 the member's average final compensation.

3 c. Commencing July 1, 1991, the board of trustees shall  
4 increase the percentage multiplier of the member's average  
5 final compensation by an additional two percent each July 1  
6 until reaching sixty percent of the member's average final  
7 compensation if the annual actuarial valuation of the  
8 retirement system indicates for that year that the cost of  
9 this increase in the percentage of the member's average final  
10 compensation used in computing retirement benefits can be  
11 absorbed within the employer and employee contribution rates  
12 in effect pursuant to section 97A.8.

13 Sec. 4. Section 97A.6, subsection 8, paragraph a, Code  
14 1989, is amended to read as follows:

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

28 Sec. 5. Section 97A.6, subsection 14, paragraph a,  
29 subparagraph (1), Code 1989, is amended to read as follows:

30 (1) ~~Twenty-five~~ Thirty percent for members receiving a  
31 service retirement allowance and for beneficiaries receiving a  
32 pension under subsection 9 of this section. However,  
33 commencing July 1, 1991, each board of trustees shall set the  
34 percentage at one-half the percentage established pursuant to  
35 subsection 2, paragraph "c".

1     Sec. 6. Section 97A.8, subsection 1, paragraphs c and f,  
2 Code 1989, are amended to read as follows:

3     c. The total amount payable in each year to the pension  
4 accumulation fund shall not be less than the rate percent  
5 known as the normal contribution rate of the total  
6 compensation earnable by all members during the year  
7 provided, however, that or eighteen and two-tenths percent of  
8 such total compensation earnable by all members during the  
9 year, whichever is greater. However, the aggregate payment by  
10 the state shall be sufficient when combined with the amount in  
11 the fund to provide the pensions and other benefits payable  
12 out of the fund during the then current year.

13     The state shall pay one hundred percent of the costs  
14 attributable to any adjustments, under section 97A.6,  
15 subsection 14, paragraph "a", subparagraph (1), to the  
16 pensions of members who retired prior to the effective date of  
17 this Act which take effect on or after the effective date of  
18 this Act.

19     f. An amount equal to three and one-tenth percent of each  
20 member's compensation from the earnable compensation of the  
21 member shall be paid to the pension accumulation fund.  
22 However, the board of trustees shall increase this percentage  
23 as necessary to cover any increase in cost to the system  
24 resulting from statutory changes which take effect on or after  
25 the effective date of this Act, if the increase cannot be  
26 absorbed within the contribution rates in effect on the  
27 effective date of this Act, but subject to a maximum employee  
28 contribution of thirteen and seven-hundredths percent.

29     The board of trustees shall not increase the percentage in  
30 order to cover costs attributable to any adjustments, under  
31 section 97A.6, subsection 14, paragraph "a", subparagraph (1),  
32 to the pensions of members who retired prior to the effective  
33 date of this Act which take effect on or after the effective  
34 date of this Act.

35     Sec. 7. Section 97A.15, subsection 2, paragraph g, Code

1 1989, is amended to read as follows:

2 g. "Member who became vested" and "vested member" mean a  
3 member who has been a member of the retirement system ~~fifteen~~  
4 four or more years and is entitled to benefits under this  
5 chapter.

6 Sec. 8. NEW SECTION. 97A.16 TERMINATION BEFORE VESTING -  
7 - WITHDRAWAL OF CONTRIBUTIONS.

8 Commencing July 1, 1990, if a member terminates service,  
9 other than by death or disability, before the member completes  
10 an aggregate of four years of service, the member may elect to  
11 withdraw the member's contributions under section 97A.8,  
12 subsection 1, paragraph "f", together with interest thereon at  
13 a rate determined by the board of trustees. If a member  
14 withdraws contributions as provided in this section, the  
15 member shall be deemed to have waived all claims for other  
16 benefits from the system for the period of membership service  
17 for which the contributions are withdrawn.

18 Sec. 9. Section 97B.15, Code 1989, is amended to read as  
19 follows:

20 97B.15 RULES.

21 The department may make adopt rules under chapter 17A and  
22 establish procedures, not inconsistent with this chapter,  
23 which are necessary or appropriate to implement this chapter  
24 and shall adopt reasonable and proper rules to regulate and  
25 provide for the nature and extent of the proofs and evidence  
26 and the method of taking and furnishing the proofs and  
27 evidence in order to establish the right to benefits under  
28 this chapter. The department may adopt rules to conform the  
29 requirements for receipt of retirement benefits under this  
30 chapter to the mandates of applicable federal statutes and  
31 regulations ~~governing-age-discrimination-or-the-taxation-of~~  
32 distributions.

33 Sec. 10. Section 97B.41, subsection 1, paragraph b,  
34 subparagraph (9), Code 1989, is amended by striking the  
35 subparagraph and inserting in lieu thereof the following:

1 (9) For the calendar year beginning January 1, 1989, and  
2 ending December 31, 1989, wages not in excess of twenty-six  
3 thousand dollars.

4 Sec. 11. Section 97B.41, subsection 1, paragraph b, Code  
5 1989, is amended by adding the following new subparagraphs  
6 after subparagraph (9) and renumbering the subsequent  
7 subparagraphs:

8 NEW SUBPARAGRAPH. (10) For the calendar year beginning  
9 January 1, 1990, and ending December 31, 1990, wages not in  
10 excess of twenty-eight thousand dollars.

11 NEW SUBPARAGRAPH. (11) Commencing January 1, 1991, for  
12 each calendar year, the department shall increase the covered  
13 wages limitation from the previous calendar year by three  
14 thousand dollars if the annual actuarial valuation of the  
15 assets and liabilities of the retirement system indicates that  
16 the cost of the increase in covered wages can be absorbed  
17 within the employer and employee contribution rates in effect  
18 under section 97B.11. However, covered wages shall not exceed  
19 forty thousand dollars for a calendar year.

20 Sec. 12. Section 97B.41, subsection 10, Code 1989, is  
21 amended to read as follows:

22 10. a. "Vested member" means a member who terminated  
23 ~~employment-in-accordance-with-one-of-the-following-paragraphs~~  
24 meets one of the following requirements:

25 a- (1) Prior to July 1, 1965, after-having had attained  
26 the age of forty-eight and completed at least eight years of  
27 service.

28 b- (2) Between July 1, 1965 and June 30, 1973, after  
29 having had completed at least eight years of service.

30 c- (3) On or after July 1, 1973, after-having has  
31 completed at least four years of service.

32 d- (4) After-having Has attained the age of fifty-five.

33 e- (5) On or after July 1, 1988, an inactive member who  
34 had accumulated, as of the date of the member's last  
35 termination of employment, years of membership service equal

1 to or exceeding the years of membership service specified in  
2 this subsection for qualifying as a vested member on that date  
3 of termination.

4 b. "Active vested member" means an active vested member  
5 who has attained sufficient membership service to achieve  
6 vested status.

7 c. "Inactive vested member" means an inactive member who  
8 was a vested member at the time of termination of employment.

9 Sec. 13. Section 97B.41, subsection 15, Code 1989, is  
10 amended to read as follows:

11 15. "Years of prior service" means the total of all  
12 periods of prior service of a member. ~~In the determination of~~  
13 ~~such total years of prior service any fraction of the total in~~  
14 ~~excess of an integral number of years which is at least six~~  
15 ~~months shall be deemed to be a complete year and any smaller~~  
16 ~~fraction shall be disregarded.~~ In computing credit for prior  
17 service, service of less than a full quarter shall be rounded  
18 up to a full quarter. Where a member had prior service as a  
19 teacher, a full year of service shall be granted that member  
20 if the member had three quarters of service and a contract for  
21 employment the following school year.

22 Sec. 14. Section 97B.41, subsection 21, Code 1989, is  
23 amended by striking the subsection.

24 Sec. 15. Section 97B.43, unnumbered paragraph 3, Code  
25 1989, is amended to read as follows:

26 Each individual who ~~as of~~ on or after July 1, 1978, was an  
27 active, vested, or retired member and who (1) made application  
28 for and received a refund of contributions made under the  
29 abolished system or (2) has on deposit with the retirement  
30 fund contributions made under the abolished system shall be  
31 entitled to credit for years of prior service in the  
32 determination of retirement allowance payments by filing a  
33 written election with the department on or after July 1, 1978,  
34 and by redepositing any withdrawn contributions under the  
35 abolished system together with interest as stated in this

1 paragraph. Any individual who ~~as-of~~ on or after July 1, 1978,  
2 is a retired member and who made application for and received  
3 a refund of contributions made under the abolished system,  
4 may, by filing a written election with the department on or  
5 after July 1, 1978, have the department retain fifty percent  
6 of the monthly increase in retiree benefits that will accrue  
7 to the individual because of prior service. If the monthly  
8 increase in retirement benefits is less than ten dollars, the  
9 department shall retain five dollars of the scheduled  
10 increase, and if the monthly increase is less than five  
11 dollars, the provisions of this paragraph shall not apply.  
12 The department shall continue to retain such funds until the  
13 withdrawn contributions, together with interest accrued to the  
14 month in which the written election is filed, have been  
15 repaid. Due notice of this provision shall be sent to all  
16 retired members ~~as-of~~ on or after July 1, 1978. However, this  
17 paragraph shall not apply to any person who received a refund  
18 of any membership service contributions unless the person  
19 repaid the membership service contributions pursuant to  
20 section 97B.74; ~~provided, however, that~~ but a refund of  
21 contributions remitted for the calendar quarter ending  
22 September 30, 1953 which was based entirely upon employment  
23 which terminated prior to July 4, 1953 shall not be considered  
24 as a refund of membership service contributions. The interest  
25 to be paid into the fund shall be compounded at the rates  
26 credited to member accounts from the date of payment of the  
27 refund of contributions under the abolished system to the date  
28 the member redeposits the refunded amount. The provisions of  
29 the first paragraph of this section relating to the  
30 consideration given to credited amounts shall apply to the  
31 redeposited amounts or to amounts left on deposit. Effective  
32 July 1, 1978, the provisions of this paragraph shall apply to  
33 each individual who ~~as-of~~ on or after July 1, 1978, was an  
34 active, vested, or retired member, but who was not in service  
35 on July 4, 1953. The period for filing the written election



1 with the department and redepositing any withdrawn  
2 contributions together with interest accrued shall commence  
3 July 1, 1978. A member who is a retired member as-of on or  
4 after July 1, 1978 may file written election with the  
5 department on or after July 1, 1978 to have the department  
6 retain fifty percent of the monthly increase as provided in  
7 this paragraph.

8 Sec. 16. Section 97B.48, subsection 1, Code 1989, is  
9 amended to read as follows:

10 1. Retirement allowances shall be paid monthly, except  
11 that an allowance of less than one-hundred-twenty two hundred  
12 forty dollars a year ~~shall~~ may, at the member's option, be  
13 paid as a lump sum in an actuarial equivalent amount. Receipt  
14 of the lump-sum payment by a member shall terminate any and  
15 all entitlement for the period of service covered of the said  
16 member under this chapter.

17 Sec. 17. Section 97B.48, subsection 3, Code 1989, is  
18 amended to read as follows:

19 3. If, after the first day of the month in which the  
20 member attains the age of fifty-five years and until the  
21 member's sixty-fifth birthday, a member who is retired under  
22 this chapter is in regular full-time employment, the member's  
23 retirement allowance shall be suspended for as long as the  
24 member remains in employment. However, effective January 1,  
25 1989, employment is not full-time employment until the member  
26 receives remuneration in an amount in excess of six thousand  
27 one-hundred-twenty eight hundred forty dollars for a calendar  
28 year. Effective the first of the month in which a member  
29 attains the age of sixty-five years, a retired member may  
30 receive a retirement allowance after return to covered  
31 employment regardless of the amount of remuneration received.  
32 As of the first of the month in which the member attains the  
33 age of seventy years, the member may receive a retirement  
34 allowance determined under section 97B.49, regardless of the  
35 amount of remuneration received. Upon a retirement after

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

9 Sec. 18. Section 97B.49, subsection 5, Code 1989, is  
10 amended to read as follows:

11 5. a. For each active member retiring on or after July 1,  
12 1986, and before July 1, 1990, with four or more complete  
13 years of service, a monthly benefit shall be computed which is  
14 equal to one-twelfth of an amount equal to fifty percent of  
15 the three-year average covered wage multiplied by a fraction  
16 of years of service.

17 b. For each active member retiring on or after July 1,  
18 1990, with four or more complete years of service, a monthly  
19 benefit shall be computed which is equal to one-twelfth of an  
20 amount equal to fifty-two percent of the three-year average  
21 covered wage multiplied by a fraction of years of service.

22 Commencing July 1, 1991, the department shall increase the  
23 percentage multiplier of the three-year average covered wage  
24 by an additional two percent each July 1 until reaching sixty  
25 percent of the three-year average covered wage if the annual  
26 actuarial valuation of the retirement system indicates for  
27 that year that the cost of this increase in the percentage of  
28 the three-year average covered wage used in computing  
29 retirement benefits can be absorbed within the employer and  
30 employee contribution rates in effect under section 97B.11.

31 c. For the purposes of this subsection, "fraction of years  
32 of service" means a number, not to exceed one, equal to the  
33 sum of the years of membership service and the number of years  
34 of prior service divided by thirty years.

35 d. If benefits under this subsection commence on an early

1 retirement date, the amount of benefit shall be reduced in  
2 accordance with section 97B.50.

3 Sec. 19. Section 97B.49, subsection 13, paragraphs a and  
4 b, Code 1989, are amended to read as follows:

5 a. A member who retired from the system between January 1,  
6 1976, and June 30, 1982, or a contingent annuitant or  
7 beneficiary of such a member, shall receive with the November  
8 ~~1988~~ 1990 and the November ~~1989~~ 1991 monthly benefit payments  
9 a retirement dividend equal to eighty one hundred forty  
10 percent of the monthly benefit payment the member received for  
11 the preceding June, or the most recently received benefit pay-  
12 ment, whichever is greater. The retirement dividend does not  
13 affect the amount of a monthly benefit payment.

14 b. Each member who retired from the system between July 4,  
15 1953, and December 31, 1975, or a contingent annuitant or  
16 beneficiary of such a member, shall receive with the November  
17 ~~1988~~ 1990 and the November ~~1989~~ 1991 monthly benefit payments  
18 a retirement dividend equal to one hundred twenty eighty  
19 percent of the monthly benefit payment the member received for  
20 the preceding June, or the most recently received benefit pay-  
21 ment, whichever is greater. The retirement dividend does not  
22 affect the amount of a monthly benefit payment.

23 Sec. 20. Section 97B.49, subsection 13, paragraph c, Code  
24 1989, is amended to read as follows:

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

29 Sec. 21. Section 97B.49, subsection 13, Code 1989, is  
30 amended by adding the following new paragraph after paragraph  
31 c and relettering the subsequent paragraphs:

32 NEW PARAGRAPH. d. A member who retired from the system  
33 between July 1, 1982, and June 30, 1986, or a contingent  
34 annuitant or beneficiary of such a member, shall receive with  
35 the November 1990 and the November 1991 monthly benefit

1 payments a retirement dividend equal to twenty-four percent of  
2 the monthly benefit payment the member received for the  
3 preceding June, or the most recently received benefit payment,  
4 whichever is greater. The retirement dividend does not affect  
5 the amount of a monthly benefit payment.

6 Sec. 22. Section 97B.49, subsection 15, Code 1989, is  
7 amended to read as follows:

8 15. In lieu of the monthly benefit computed under  
9 subsections 1 and 3 as applicable, or subsection 5~~7~~-for:

10 a. For each active member retiring on or after July 1,  
11 1988, and before July 1, 1990, who is at least fifty-five  
12 years of age and has completed at least thirty years of  
13 membership service and prior service, and for which the sum of  
14 the number of years of membership service and prior service  
15 and the member's age in years as of the member's last birthday  
16 equals or exceeds ninety-two, a monthly benefit shall be  
17 computed which is equal to one-twelfth of fifty percent of the  
18 three-year average covered wage of the member.

19 b. For each active member retiring on or after July 1,  
20 1990, who is at least fifty-five years of age and for which  
21 the sum of the number of years of membership service and prior  
22 service and the member's age in years as of the member's last  
23 birthday exceeds ninety-two, a monthly benefit shall be  
24 computed which is equal to one-twelfth of the same percentage  
25 of the three-year average covered wage of the member as is  
26 provided in subsection 5.

27 Sec. 23. Section 97B.49, subsection 16, paragraphs a, b,  
28 and c, Code 1989, are amended to read as follows:

29 16. a. Notwithstanding other provisions of this chapter,  
30 a:

31 (1) A member who is or has been employed in a protection  
32 occupation who retires on or after July 1, 1988, and before  
33 July 1, 1990, and at the time of retirement is at least fifty-  
34 five years of age and has completed at least twenty-five years  
35 of membership service in a protection occupation, may elect to

1 receive in lieu of the receipt of any benefits under  
2 subsection 5 or 15, a monthly retirement allowance equal to  
3 one-twelfth of fifty percent of the member's three-year  
4 average covered wage as a member who has been employed in a  
5 protection occupation, with benefits payable during the  
6 member's lifetime.

7 (2) A member who is or has been employed in a protection  
8 occupation who retires on or after July 1, 1990, and at the  
9 time of retirement is at least fifty-five years of age and has  
10 completed at least twenty-five years of membership service in  
11 a protection occupation, may elect to receive in lieu of the  
12 receipt of any benefits under subsection 5 or 15, a monthly  
13 retirement allowance equal to one-twelfth of fifty-two percent  
14 of the member's three-year average covered wage as a member  
15 who has been employed in a protection occupation, with  
16 benefits payable during the member's lifetime.

17 (3) Commencing July 1, 1991, the department shall increase  
18 the percentage multiplier of the three-year average covered  
19 wage by an additional two percent each July 1 until reaching  
20 sixty percent of the three-year average covered wage if the  
21 annual actuarial valuation of the retirement system indicates  
22 for that year that the cost of this increase in the percentage  
23 of the three-year average covered wage used in computing  
24 retirement benefits can be absorbed within the employer and  
25 employee contribution rates in effect under section 97B.11 and  
26 this section.

27 b. Notwithstanding other provisions of this chapter, a:

28 (1) A member who retires from employment as a county  
29 sheriff or deputy sheriff who retires on or after July 1,  
30 1988, and before July 1, 1990, and at the time of retirement  
31 is at least fifty-five years of age and has completed at least  
32 twenty-two years of membership service, may elect to receive  
33 in lieu of the receipt of any benefits under subsection 5 or  
34 15, a monthly retirement allowance equal to one-twelfth of  
35 fifty percent of the member's three-year average covered wage

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

3 (2) A member who retires from employment as a county  
4 sheriff or deputy sheriff who retires on or after July 1,  
5 1990, and at the time of retirement is at least fifty-five  
6 years of age and has completed at least twenty-two years of  
7 membership service, may elect to receive in lieu of the  
8 receipt of any benefits under subsection 5 or 15, a monthly  
9 retirement allowance equal to one-twelfth of the same  
10 percentage of the member's three-year average covered wage as  
11 is provided in paragraph "a", with benefits payable during the  
12 member's lifetime.

13 (3) The years of membership service required under this  
14 paragraph shall include membership service as a sheriff or  
15 deputy sheriff and membership service under employment in a  
16 protection occupation included in paragraph "d", subparagraph  
17 (2).

18 (4) For the purposes of this subsection, sheriff means a  
19 county sheriff as defined in section 39.17 and deputy sheriff  
20 means a deputy sheriff appointed pursuant to section 341.1  
21 prior to July 1, 1981, or section 331.903 on or after July 1,  
22 1981.

23 c. A member covered under this subsection who retires on  
24 or after July 1, 1988, and before July 1, 1990, and has not  
25 completed the twenty-five years of membership service required  
26 under paragraph "a", or twenty-two years of membership service  
27 required under paragraph "b", is eligible to receive a monthly  
28 retirement allowance equal to one-twelfth of fifty percent of  
29 the member's three-year average covered wage as a member  
30 employed in a protection occupation, or as a sheriff or deputy  
31 sheriff, multiplied by a fraction of years of service.

32 A member covered under this subsection who retires on or  
33 after July 1, 1990, and has not completed the twenty-five  
34 years of membership service required under paragraph "a", or  
35 twenty-two years of membership service required under para-

1 graph "b", is eligible to receive a monthly retirement  
2 allowance equal to one-twelfth of the same percentage of the  
3 member's three-year average covered wage as is provided in  
4 paragraph "a", multiplied by a fraction of years of service.

5 PARAGRAPH DIVIDED. For the purpose of this subsection,  
6 "fraction of years of service" means a number, not to exceed  
7 one, equal to the sum of the years of membership service for a  
8 member retiring in a protection occupation, divided by twenty-  
9 five years, or the sum of the years of membership service for  
10 a member retiring as a sheriff or deputy sheriff divided by  
11 twenty-two years.

12 Sec. 24. Section 97B.50, subsection 2, Code 1989, is  
13 amended to read as follows:

14 2. a. A member who retires from the system due to  
15 disability and commences receiving disability benefits  
16 pursuant to the United States Social Security Act (42 U.S.C.),  
17 as amended to July 1, 1978, who is eligible for early  
18 retirement, but has not reached the normal retirement date,  
19 shall receive full benefits under section 97B.49 and shall not  
20 have benefits reduced upon retirement as required under  
21 subsection 1 regardless of whether the member has completed  
22 thirty or more years of membership service. This section  
23 takes effect July 1, 1987 for a member meeting the  
24 requirements of this subsection paragraph who retired from the  
25 system at any time between July 4, 1953 and June 30, 1987.

26 b. A member who retires from the system due to disability  
27 and commences receiving disability benefits pursuant to the  
28 United States Railroad Retirement Act (45 U.S.C. § 231 et  
29 seq.) who is eligible for early retirement but has not reached  
30 the normal retirement date, shall receive full benefits under  
31 section 97B.49 and shall not have benefits reduced upon  
32 retirement as required under subsection 1 regardless of  
33 whether the member has completed thirty or more years of  
34 membership service. This section takes effect July 1, 1990,  
35 for a member meeting the requirements of this paragraph who

1 retired from the system at any time since July 4, 1953.  
2 However, eligible members are entitled to receipt of  
3 retroactive adjustment payments for no more than six months  
4 immediately preceding the month after July 1, 1990, in which  
5 written notice was submitted to the department.

6 Sec. 25. Section 97B.52, subsection 3, Code 1989, is  
7 amended to read as follows:

8 3. a. Other than as provided above in subsections 1 and 2  
9 of this section, or section 97B.51, all rights to any benefits  
10 under the retirement system ~~will~~ shall cease upon the death of  
11 a member.

12 b. If a death benefit is due and payable, interest shall  
13 continue to accumulate through the month preceding the month  
14 in which payment is made to the designated beneficiary, heirs  
15 at law, or to the estate unless the payment of the death  
16 benefit is delayed because of a dispute between alleged heirs,  
17 in which case the benefit due and payable shall be placed in a  
18 noninterest bearing escrow account until the beneficiary is  
19 determined in accordance with this section.

20 Sec. 26. Section 97B.73, Code 1989, is amended to read as  
21 follows:

22 97B.73 MEMBERS FROM OTHER PUBLIC SYSTEMS.

23 A vested or retired member who was ~~a-member-of-a-public~~  
24 retirement-system in public employment in another state but  
25 ~~was-not-vested-or-retired-under-that-system-may~~ or in the  
26 federal government but who was not retired under that system,  
27 upon submitting verification of membership and service in the  
28 other public retirement system to the department, including  
29 proof that the member has no further claim upon a retirement  
30 benefit from that other public system, may make employer and  
31 employee contributions to the system for the period of service  
32 in the other public retirement system and receive credit for  
33 membership service in this system equivalent to the number of  
34 years of service in the other public retirement system. The  
35 contributions-paid-by-the-vested-or-retired-member-for-service



1 in-the-other-public-retirement-system-shall-be-equal-to-the  
2 accumulated-contributions-as-defined-in-section-97B.41,  
3 subsection-127-by-the-member-for-that-period-of-service-and  
4 the-employer-contribution-for-that-period-of-service-that  
5 would-have-been-contributed-by-the-vested-or-retired-member  
6 and-the-employer-plus-interest-on-the-contributions-that-would  
7 have-accrued-if-the-member-had-been-a-member-of-this-system  
8 earning-the-same-wages-earned-under-the-other-system-for-the  
9 period-from-the-date-of-service-of-the-member-in-the-other  
10 public-retirement-system-to-the-date-of-payment-of-the  
11 contributions-by-the-member-equal-to-two-percent-plus-the  
12 interest-dividend-rate-applicable-for-each-year contribution  
13 payable shall be based upon the member's covered wages for the  
14 most recent full calendar year at the applicable rates in  
15 effect for that calendar year under sections 97B.11 and 97B.49  
16 and multiplied by the member's years of service in other  
17 public employment.

18 This section is applicable to a vested or retired member  
19 who was a member of a public retirement system established in  
20 sections 294.8, 294.9, and 294.10 but was not vested-or  
21 retired under that system.

22 A member vested under another public system must waive, on  
23 a form provided by the Iowa public employees' retirement  
24 system, all rights to a retirement benefit under that other  
25 public system before receiving credit in this system for those  
26 years of service in the other public system.

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

33 Sec. 27. Section 97B.74, unnumbered paragraphs 1 and 2,  
34 Code 1989, are amended to read as follows:

35 An Effective January 1, 1991, an active, vested, or retired

1 member who ~~at any time between July 4, 1953 and July 17, 1973~~  
2 was a member of the system at any time on or after July 4,  
3 1953, but who did not meet the requirements to be a vested  
4 member for that period of membership service, and who received  
5 a refund of the member's contributions for that period of  
6 membership service, may elect in writing to the department to  
7 make contributions to the system for that period of membership  
8 service for which a refund of contributions was made. The  
9 contributions repaid by the member for such service shall be  
10 equal to the accumulated contributions, as defined in section  
11 97B.41, subsection 12, received by the member for that period  
12 of membership service plus interest on the accumulated  
13 contributions for the period from the date of receipt by the  
14 member to the date of repayment equal to two percent plus the  
15 interest dividend rate applicable for each year compounded  
16 annually.

17 ~~The provisions of this section are only available to a~~  
18 ~~member if that member's total years of membership and prior~~  
19 ~~service, with the addition of service for that period of~~  
20 ~~membership service for which contributions are repaid, equals~~  
21 ~~or exceeds fifteen years. An active member must have at least~~  
22 one quarter's reportable wages on file and have membership  
23 service, including that period of membership service for which  
24 a refund of contributions was made, sufficient to give the  
25 member vested status.

26 Sec. 28. NEW SECTION. 97D.1 GUIDING GOALS FOR FUTURE  
27 CHANGES IN PUBLIC RETIREMENT SYSTEMS -- SOCIAL SECURITY --  
28 PORTABILITY.

29 1. The general assembly declares that legislative  
30 proposals for changes in specific public retirement systems  
31 should be considered within the context of all public retire-  
32 ment systems within the state, with emphasis on equity and  
33 equality between and among the systems. The following list of  
34 guiding goals shall apply to the consideration of proposed  
35 changes:

1 a. Select those benefit enhancement options which most  
2 successfully deliver the greatest good to the greatest number  
3 of employees.

4 b. Choose those options which best correct existing  
5 inequities between and among the various retirement groups in  
6 the state.

7 c. Determine those options which most ably serve the twin  
8 objectives of attracting and retaining quality employees.

9 d. Avoid enacting further incentives toward earlier  
10 retirement with full benefits.

11 e. Avoid further splintering of benefits by dispropor-  
12 tionate enhancement of benefits for one group over and beyond  
13 those available to the other.

14 2. The public retirement systems committee established by  
15 section 97B.76 shall periodically weigh the advantages and  
16 disadvantages of establishing participation in the federal  
17 social security system for the members of public retirement  
18 systems operating under chapters 97A and 411 and the impact of  
19 such a change on total contributions and benefits.

20 3. The public retirement systems committee established by  
21 section 97B.76 shall consider proposals to achieve greater  
22 portability of pension benefits between the various public  
23 retirement systems in the state. Special attention should be  
24 given to the actuarial cost of transfers of value from one  
25 system to another.

26 Sec. 29. NEW SECTION. 97D.2 ANALYSIS OF COST OF PROPOSED  
27 CHANGES.

28 When the public retirement systems committee established by  
29 section 97B.76 or a standing committee of the senate or house  
30 of representatives receives a proposal for a change in a  
31 public retirement system within this state, the committee may  
32 require the development of actuarial information concerning  
33 the costs of the proposed change. If the proposal affects  
34 police and fire retirement systems under chapter 411, the  
35 committee may arrange for the services of an actuarial

1 consultant to assist in developing the information on a  
2 consolidated basis for all the systems.

3 Sec. 30. NEW SECTION. 97D.3 NEWLY HIRED PEACE OFFICERS,  
4 POLICE OFFICERS, AND FIRE FIGHTERS AFTER JULY 1, 1991.

5 All persons newly hired as peace officers, police officers,  
6 and fire fighters after July 1, 1991, shall be members of the  
7 Iowa public employees' retirement system under chapter 97B,  
8 rather than members of retirement systems under chapters 97A  
9 and 411. Such members shall have federal social security  
10 coverage in addition to coverage under the Iowa public  
11 employees' retirement system and shall have the same benefits  
12 as county sheriffs and deputy sheriffs under section 97B.49,  
13 subsection 16, paragraph "b".

14 Sec. 31. Section 411.2, Code 1989, is amended to read as  
15 follows:

16 411.2 NAME AND DATE OF ESTABLISHMENT.

17 1. In Except as provided in subsection 2, in any city in  
18 which the fire fighters or police officers are or shall be  
19 appointed under the civil service law of this state, there are  
20 hereby created and established two separate retirement or  
21 pension systems for the purpose of providing retirement  
22 allowances only for fire fighters or police officers of said  
23 cities who shall be so appointed after the date this chapter  
24 takes effect, or benefits to their dependents. Each such  
25 system shall be under the management of a board of trustees  
26 hereinafter described, and shall be known as the "fire  
27 retirement system of ..... (name of city)", and the  
28 "police retirement system of ..... (name of city)", and  
29 by such names all of their business shall be transacted, all  
30 funds invested, and all cash and securities and other property  
31 held. The retirement systems so created shall begin operation  
32 as of the first day of the month in which said systems are  
33 there established by this chapter.

34 2. A city whose population was under eight thousand prior  
35 to the results of the federal census conducted in 1990 is not

1 required to establish retirement systems under this chapter  
2 upon attaining a population of eight thousand or more.

3 Sec. 32. Section 411.5, subsection 9, Code 1989, is  
4 amended to read as follows:

5 9. MEDICAL BOARD. The board of fire trustees and the  
6 board of police trustees jointly shall designate a medical  
7 board to be composed of three physicians who shall arrange for  
8 and pass upon all medical examinations required under the  
9 provisions of this chapter, except that for examinations  
10 required because of disability three physicians from the  
11 University of Iowa hospitals and clinics who shall pass upon  
12 the medical examinations required for disability retirements,  
13 and shall report in writing to each board of trustees,  
14 respectively, its conclusions and recommendations upon all  
15 matters duly referred to it. Each report of a medical  
16 examination under section 411.6, subsections 3 and 5, shall  
17 include the medical board's rating as to the extent of the  
18 member's disability.

19 Sec. 33. Section 411.6, subsection 1, paragraph b, Code  
20 1989, is amended to read as follows: .

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

34 Sec. 34. Section 411.6, subsection 2, Code 1989, are  
35 amended to read as follows:

1 2. ALLOWANCE ON SERVICE RETIREMENT.

2 a. Upon retirement from service, prior to July 1, 1990, a  
3 member shall receive a service retirement allowance which  
4 shall consist of a pension given by the city which ~~shall equal~~  
5 one-half equals fifty percent of the member's average final  
6 compensation.

7 b. Upon retirement from service on or after July 1, 1990,  
8 a member shall receive a service retirement allowance which  
9 shall consist of a pension given by the city which equals  
10 fifty-two percent of the member's average final compensation.

11 c. Commencing July 1, 1991, each board of trustees shall  
12 increase the percentage multiplier of the member's average  
13 final compensation by an additional two percent each July 1  
14 until reaching sixty percent of the member's average final  
15 compensation if the annual actuarial valuation of the board's  
16 retirement system indicates for that year that the cost of  
17 this increase in the percentage of the member's average final  
18 compensation used in computing retirement benefits can be  
19 absorbed within the employer and employee contribution rates  
20 in effect pursuant to section 411.8.

21 Sec. 35. Section 411.6, subsection 8, paragraph a, Code  
22 1989, is amended to read as follows:

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

1     Sec. 36. Section 411.6, subsection 12, paragraph a,  
2 subparagraph (1), Code 1989, is amended to read as follows:

3     (1) ~~Twenty-five~~ Thirty percent for members receiving a  
4 service retirement allowance and for beneficiaries receiving a  
5 pension under subsection 9 of this section. However,  
6 commencing July 1, 1991, each board of trustees shall set the  
7 percentage at one-half the percentage established pursuant to  
8 subsection 2, paragraph "c".

9     Sec. 37. Section 411.8, subsection 1, paragraph f, Code  
10 1989, is amended to read as follows:

11     f. An amount equal to three and one-tenth percent of each  
12 member's compensation from the earnable compensation of the  
13 member shall be paid to the pension accumulation fund.  
14 However, each board of trustees shall increase this percentage  
15 for its members as necessary to cover any increase in cost to  
16 the system resulting from statutory changes which take effect  
17 on or after the effective date of this Act, if the increase  
18 cannot be absorbed within the contribution rates in effect on  
19 the effective date of this Act, but subject to a maximum  
20 employee contribution of thirteen and seven-hundredths  
21 percent. After the employee contribution reaches the maximum  
22 sixty percent of the cost of such increases shall be paid by  
23 employers and forty percent shall be paid by employees.

24     The board of trustees shall not increase the percentage in  
25 order to cover costs attributable to any adjustments, under  
26 section 411.6, subsection 12, paragraph "a", subsection (1),  
27 to the pensions of members who retired prior to the effective  
28 date of this Act which take effect on or after the effective  
29 date of this Act.

30     Sec. 38. Section 411.20, Code 1989, is amended by adding  
31 the following new subsection:

32     NEW SUBSECTION. 4. In addition to any other amounts  
33 distributed to cities as provided in this section, the state  
34 shall pay one hundred percent of the costs attributable to any  
35 adjustments, under section 411.6, subsection 12, paragraph

1 "a", subparagraph (1), to the pensions of members who retired  
2 prior to the effective date of this Act which take effect on  
3 or after the effective date of this Act.

4 Sec. 39. Section 411.21, subsection 2, paragraph g, Code  
5 1989, is amended to read as follows:

6 g. "Member who became vested" and "vested member" mean a  
7 member who has been a member of the retirement system fifteen  
8 four or more years and is entitled to benefits under this  
9 chapter.

10 Sec. 40. NEW SECTION. 411.23 TERMINATION BEFORE VESTING  
11 -- WITHDRAWAL OF CONTRIBUTIONS.

12 Commencing July 1, 1990, if a member terminates service,  
13 other than by death or disability, before the member completes  
14 an aggregate of four years of service, the member may elect to  
15 withdraw the member's contributions under section 411.8,  
16 subsection 1, paragraph "f", together with interest thereon at  
17 a rate determined by the board of trustees. If a member  
18 withdraws contributions as provided in this section, the  
19 member shall be deemed to have waived all claims for other  
20 benefits from the system for the period of membership service  
21 for which the contributions are withdrawn.

22 Sec. 41. NEW SECTION. 411.31 REPORTING.

23 Each board of trustees shall submit annually to the auditor  
24 of state its most recent actuarial valuation and a pension  
25 status report, which shall be in the form prescribed by the  
26 auditor of state and shall provide statistical and financial  
27 information as required by the auditor of state, including  
28 information about benefits, contribution rates, assets, lia-  
29 bilities, and social security coverage. The auditor of state  
30 shall consult with the director of the legislative fiscal  
31 bureau for the purpose of determining the information to be  
32 included in the pension status reports.

33 Sec. 42. NEW SECTION. 411.32 EVALUATION OF FINANCIAL  
34 STATUS OF SYSTEMS.

35 The legislative fiscal bureau shall review the actuarial



1 reports and pension status reports submitted in accordance  
2 with section 411.31 and shall periodically prepare an  
3 evaluation of the financial status of police and fire  
4 retirement systems operating under this chapter. The evalua-  
5 tion shall be submitted to the secretary of the senate and the  
6 chief clerk of the house of representatives for distribution  
7 to the members of the general assembly.

8 The legislative fiscal bureau may arrange for the services  
9 of an actuarial consultant to assist in performing the duties  
10 assigned by this section.

11 Sec. 43. NEW SECTION. 411.33 FUNDING REQUIREMENTS.

12 Each retirement system operating under this chapter shall  
13 have sufficient assets, evaluated at cost, to cover the  
14 system's currently accrued liabilities. A retirement system  
15 whose assets are not sufficient to provide this coverage on  
16 the effective date of this Act shall establish the necessary  
17 asset level on or before June 30, 1995. The system shall  
18 report to the auditor of state in the annual pension status  
19 report its plan for and progress toward achieving the required  
20 coverage.

21 Sec. 44. Section 602.9107, subsection 1, Code 1989, is  
22 amended to read as follows:

23 1. The annual annuity of a judge under this system is an  
24 amount equal to three percent of the judge's average annual  
25 basic salary for the judge's last three years as a judge of  
26 one or more of the courts included in this article, multiplied  
27 by the judge's years of service as a judge of one or more of  
28 the courts for which contributions were made to the system.

29 PARAGRAPH DIVIDED. However, an annual annuity for a judge  
30 whose separation from service occurs before July 1, 1990,  
31 shall not exceed an amount equal to fifty percent of the basic  
32 annual salary which the judge is receiving at the time the  
33 judge becomes separated from service. An annual annuity for a  
34 judge whose separation from service occurs on or after July 1,  
35 1990, shall not exceed an amount equal to fifty-two percent of

1 the basic annual salary which the judge is receiving at the  
2 time the judge becomes separated from service. Commencing  
3 July 1, 1991, the court administrator shall increase the  
4 percentage multiplier of the judge's basic annual salary by an  
5 additional two percent each July 1 until reaching sixty  
6 percent of the basic annual salary if the annual actuarial  
7 valuation of the judicial retirement system indicates for that  
8 year that the cost of this increase in the percentage of the  
9 judge's basic annual salary used in computing retirement  
10 benefits can be absorbed within the employer and employee  
11 contribution rates in effect pursuant to section 602.9104.

12 PARAGRAPH DIVIDED. Forfeitures shall not be used to  
13 increase the annuities a judge or survivor would otherwise  
14 receive under the system.

15 Sec. 45. 1988 Iowa Acts, chapter 1242, section 64, is  
16 amended to read as follows:

17 SEC. 64. Sections 3, 5, 56, and 58 of this Act apply,  
18 beginning on the effective date of those sections, to persons  
19 who are beneficiaries on that date as well as those who become  
20 beneficiaries on or after that date.

21 The portions of sections 5 and 58 of this Act that relate  
22 to the definition of child are retroactive to January 1, 1987.

23 Sections 4 and 57 of this Act apply, beginning on July 1,  
24 1990, to persons who are beneficiaries on that date as well as  
25 those who become beneficiaries on or after that date.

26 Sec. 46. STUDY.

27 The legislative service bureau, in consultation with the  
28 legislative fiscal bureau and the staff of the Iowa public  
29 employees' retirement system, shall study possible courses of  
30 action with respect to the retirement systems for public  
31 safety peace officers, police officers, and fire fighters now  
32 under chapters 97A and 411.

33 The examination of possible courses of action shall  
34 include:

35 1. Extending the Iowa public employees' retirement system

1 and the federal social security system to peace officers,  
2 police officers, and fire fighters, with the same benefits as  
3 county sheriffs and deputy sheriffs under section 97B.49,  
4 subsection 16, paragraph "b".

5 2. Establishing a system for rating the degree of  
6 disability under the retirement systems established by  
7 chapters 97A and 411.

8 3. Providing a statewide integrated retirement system for  
9 city police officers and fire fighters.

10 4. Eliminate state oversight and mandates for police and  
11 fire retirement systems operating under chapter 411.

12 5. Determining methods of enhancing benefits for current  
13 retirees and their survivors.

14 The study shall consider each of the possible courses of  
15 action with respect to (a) persons currently under the  
16 retirement systems established by chapters 97A and 411, and  
17 (b) persons newly hired as peace officers, police officers,  
18 and fire fighters.

19 The study shall be completed and a report submitted to the  
20 general assembly not later than December 1, 1991.

21 Sec. 47. TRANSFER OF SECTION.

22 The Code editor shall transfer section 97B.76 to chapter  
23 97D, created by this Act.

24 Sec. 48. APPLICABILITY -- EFFECTIVE DATE.

25 1. Sections 1, 4, 7, 33, 35, and 39 of this Act apply to  
26 members of the Iowa department of public safety peace  
27 officers' retirement, accident, and disability system and  
28 members of police and fire retirement systems who are in  
29 active service on or after the effective date of this Act.

30 2. Sections 5 and 36 of this Act take effect July 1, 1990,  
31 for members of the Iowa department of public safety peace  
32 officers' retirement system and members of police and fire re-  
33 tirement systems who retired before that date and members who  
34 retire on or after that date.

35 3. Section 13 of this Act is applicable to computations of

1 years of prior service made on or after the effective date of  
2 this Act.

3

EXPLANATION

4 The bill makes the following changes in the Iowa public  
5 employees' retirement system:

6 1. Increases the covered wage by \$3,000 per year.  
7 2. Increases benefits to 60 percent in 5 years, including  
8 protection occupations.

9 3. Provides unrestricted buy-backs.

10 4. Provides a 5 percent increase in the bonus for pre-1976  
11 and 1976-1982 retirees and provides a 2 percent bonus for  
12 1982-1986 retirees.

13 5. Provides several technical and substantive changes  
14 suggested by IPERS.

15 The bill also contains provisions relating to retirement  
16 systems under chapters 97A and 411, as follows:

17 1. Brings service retirement from 50 to 60 percent at 2  
18 percent per year.

19 2. Provides 4-year vesting.

20 3. Provides refund of employee contributions for persons  
21 who quit before vesting.

22 4. Increases the service retirement escalator for current  
23 retirees and future retirees from 25 percent to 30 percent  
24 with the state paying the members' share for current retirees.

25 5. Provides that newly hired peace officers, police  
26 officers, and fire fighters after July 1, 1991, must be  
27 members of IPERS with the same benefits as sheriffs and  
28 deputies. They would also be covered by social security.

29 6. Requires medical boards to report their determinations  
30 as to the extent of a member's disability.

31 7. Requires an increase in the state contribution to the  
32 peace officer retirement system from 16 percent to 18.2  
33 percent.

34 8. Provides that increased benefits are paid for by 100  
35 percent members' contributions until a maximum of 13.07

1 percent is reached.

2 9. Provides that cities which attain 8,000 population in  
3 the 1990 census need not come under chapter 411.

4 10. Provides for a study of possible courses of action  
5 with respect to chapter 97A and 411 systems.

6 11. Codifies the recommendations from the IPERS study of  
7 public pension systems within Iowa, January 1990.

8 The bill brings judicial pensions from 50 to 60 percent at  
9 2 percent per year.

10 The bill may contain a state mandate under chapter 25B.

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## HOUSE FILE 2543

## AN ACT

RELATING TO THE ADMINISTRATION AND BENEFITS FOR CERTAIN PUBLIC RETIREMENT SYSTEMS, AND PROVIDING EFFECTIVE DATES AND FOR THE APPLICABILITY OF THE ACT.

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

Section 1. Section 97A.4, unnumbered paragraph 1, Code 1989, is amended to read as follows:

~~The board of trustees shall fix and determine by proper rules how much service in any year shall be~~ Service for fewer than six months of a year is not creditable as service. Service of six months or more of a year is equivalent to one year of service, but in no case shall more than one year of service be creditable for all service in one calendar year, nor shall the board of trustees allow credit as service for any period of more than one month duration during which the member was absent without pay.

Sec. 2. Section 97A.5, subsection 8, Code 1989, is amended to read as follows:

8. MEDICAL BOARD. The board of trustees shall designate a medical board to be composed of three physicians who shall arrange for and pass upon the medical examinations required under the provisions of this chapter and shall report in writing to the board of trustees, its conclusions and recommendations upon all matters duly referred to it. Each report of a medical examination under section 97A.6, subsections 3 and 5, shall include the medical board's rating as to the extent of the member's physical impairment.

Sec. 3. Section 97A.6, subsection 1, paragraph b, Code 1989, is amended to read as follows:

b. Any member in service who has been a member of the retirement system ~~fifteen~~ four or more years and whose

employment is terminated prior to the member's retirement, other than by death or disability, shall upon attaining retirement age, receive a service retirement allowance of ~~fifteen~~ four ~~twenty~~-seconds of the retirement allowance the member would receive at retirement if the member's employment had not been terminated, and an additional one twenty-second of such retirement allowance for each additional year of service not exceeding twenty-two years of service. The amount of the retirement allowance shall be calculated in the manner provided in this paragraph using the average final compensation at the time of termination of employment.

Sec. 4. Section 97A.6, subsection 2, Code 1989, is amended to read as follows:

2. ALLOWANCE ON SERVICE RETIREMENT.

a. Upon retirement from service prior to July 1, 1990, a member shall receive a service retirement allowance which shall consist of a pension which shall equal one-half equals fifty percent of the member's average final compensation.

b. Upon retirement from service on or after July 1, 1990, but before July 1, 1992, a member shall receive a service retirement allowance which shall consist of a pension which equals fifty-four percent of the member's average final compensation.

c. Commencing July 1, 1992, the board of trustees shall increase the percentage multiplier of the member's average final compensation by an additional two percent each July 1 until reaching sixty percent of the member's average final compensation.

d. Commencing July 1, 1990, if the member has completed more than twenty-two years of creditable service, the service retirement allowance shall consist of a pension which equals the amount provided in paragraphs "b" and "c", plus an additional percentage as set forth below:

(1) For a member who terminates service, other than by death or disability, on or after July 1, 1990, but before July 1, 1991, and who does not withdraw the member's contributions

pursuant to section 97A.16, upon the member's retirement there shall be added three-tenths percent of the member's average final compensation for each year of service over twenty-two years, excluding years of service after the member's fifty-fifth birthday. However, this subparagraph does not apply to more than eight additional years of service.

(2) For a member who terminates service, other than by death or disability, on or after July 1, 1991, and who does not withdraw the member's contributions pursuant to section 97A.16, upon the member's retirement there shall be added six-tenths percent of the member's average final compensation for each year of service over twenty-two years, excluding years of service after the member's fifty-fifth birthday. However, this subparagraph does not apply to more than eight additional years of service.

Sec. 5. Section 97A.6, subsection 6, Code 1989, is amended to read as follows:

6. RETIREMENT AFTER ACCIDENT.

a. Upon retirement for accidental disability prior to July 1, 1990, a member shall receive an accidental disability retirement allowance which shall consist of a pension equal to sixty-six and two-thirds percent of the member's average final compensation.

b. Upon retirement for accidental disability on or after July 1, 1990, a member shall receive an accidental disability retirement allowance which shall consist of a pension equal to sixty percent of the member's average final compensation.

Sec. 6. Section 97A.6, subsection 8, paragraph a, Code 1989, is amended to read as follows:

a. Upon the receipt of proof of the death of a member in service, or a member not in service who has completed fifteen four or more years of service as provided in subsection 1, paragraph "b", there shall be paid to the person designated by the member to the board of trustees as the member's beneficiary if the member has had one or more years of membership service and no pension is payable under subsection

9, an amount equal to fifty percent of the compensation earned by the member during the year immediately preceding the member's death if the member is in service, or an amount equal to fifty percent of the compensation earned by the member during the member's last year of service if the member is not in service.

Sec. 7. Section 97A.6, subsection 8, paragraph b, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 97A.6, subsection 8, Code 1985, effective July 1, 1990, for a member's surviving spouse who, prior to July 1, 1986, elected to receive pension benefits under this paragraph, the monthly pension benefit shall be equal to one-twelfth of forty percent of the average final compensation of the member.

Sec. 8. Section 97A.6, subsection 14, paragraph a, subparagraphs (1), (2), and (3), Code 1989, are amended to read as follows:

(1) Twenty-five percent for members receiving a service retirement allowance and for beneficiaries receiving a pension under subsection 9 of this section. However, effective July 1, 1990, for members who retired before that date, thirty percent shall be the applicable percentage for members and beneficiaries under this subparagraph.

(2) Twenty Twenty-five 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. However, effective July 1, 1990, for members who retired before that date, thirty percent shall be the applicable percentage for members under this subparagraph.

(3) Twelve and one-half percent for members with less than five years of membership service who are receiving an ordinary

disability retirement allowance, and for beneficiaries receiving a pension under subsection 8 of this section. However, effective July 1, 1990, for members who retired before that date, fifteen percent shall be the applicable percentage for members and beneficiaries under this subparagraph.

Sec. 9. Section 97A.6, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 15. REMARRIAGE OF SURVIVING SPOUSE.

Effective July 1, 1990, for a member who died prior to July 1, 1988, if the member's surviving spouse remarried prior to July 1, 1988, the remarriage does not make the spouse ineligible under subsection 8, paragraph "c", subparagraphs (1) and (2), to receive benefits under subsections 8, 9, 12, and 14.

Sec. 10. NEW SECTION. 97A.6A OPTIONAL RETIREMENT BENEFITS.

In lieu of the retirement benefits otherwise provided upon service retirement for members of the system and the members' beneficiaries, members may elect to receive an optional retirement benefit during the member's lifetime and have the optional retirement benefit, or a designated fraction of the optional retirement benefit, continued and paid to the member's beneficiary after the member's death and during the lifetime of the beneficiary.

The member shall make the election request in writing to the board of trustees at the time of the member's service retirement. The election is subject to the approval of the board of trustees. If the member is married, the election of an option under this section requires the written acknowledgement of the member's spouse.

A member's optional retirement benefits shall be the actuarial equivalent of the amount of the retirement benefits payable to the member and the member's beneficiaries under the service retirement provisions of this chapter. The actuarial equivalent shall be based on the mortality and interest assumptions set out in section 97A.5.

If the member dies without a beneficiary prior to receipt in benefits of an amount equal to the total amount remaining to the member's credit at the time of separation from service, the election is void.

If the member dies with a beneficiary and the beneficiary subsequently dies prior to receipt in retirement benefits by both the member and the beneficiary of an amount equal to the total amount remaining to the member's credit at the time of separation from service, the election remains valid.

For the purpose of this section, "beneficiary" means a spouse, child, or a dependent parent.

Sec. 11. Section 97A.8, subsection 1, paragraphs b, c, and f, Code 1989, are amended to read as follows:

b. On the basis of the rate of interest and of such the mortality, interest, and other tables ~~as shall be~~ adopted by the board of trustees, the state commissioner of insurance shall make each valuation required by this chapter and shall immediately after making such valuation, determine the "normal contribution rate". The normal contribution rate shall be the rate percent of the earnable compensation of all members obtained by deducting from the total liabilities of the fund the sum of the amount of the funds in hand to the credit of the fund and dividing the remainder by one percent of the present value of the prospective future compensation of all members as computed on the basis of the rate of interest and of mortality and service tables adopted by the board of trustees, all reduced by the employee contribution made pursuant to paragraph "f" of this subsection. However, the normal rate of contribution shall not be less than seventeen percent. The normal rate of contribution shall be determined by the state commissioner of insurance after each valuation.

c. The total amount payable in each year to the pension accumulation fund shall not be less than the rate percent known as the normal contribution rate of the total compensation earnable by all members during the year, ~~provided, however, that.~~ However, the aggregate payment by



the state shall be sufficient when combined with the amount in the fund to provide the pensions and other benefits payable out of the fund during the then current year.

The system shall develop a financial plan for making the system actuarially sound on or before June 30, 1996. The plan shall be submitted to the general assembly on or before January 1, 1991. As used in this paragraph, "actuarially sound" means that the accrued assets equal the accrued benefits.

Notwithstanding any other provision of this chapter, beginning July 1, 1996, and each fiscal year thereafter, the normal contribution rate shall be equivalent to the employer contribution rate provided under section 411.8, subsection 1, paragraph "b", for the statewide fire and police retirement system for the applicable fiscal year.

f. Except as otherwise provided in paragraph "h":

(1) An amount equal to three and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund for the fiscal year beginning July 1, 1989.

(2) An amount equal to four and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund for the fiscal year beginning July 1, 1990.

(3) An amount equal to five and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund for the fiscal year beginning July 1, 1991.

(4) An amount equal to six and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund for the fiscal year beginning July 1, 1992.

(5) An amount equal to seven and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund for the fiscal year beginning July 1, 1993.

(6) An amount equal to eight and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund for the fiscal year beginning July 1, 1994.

(7) An amount equal to nine and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund for the fiscal year beginning July 1, 1995.

(8) Notwithstanding any other provision of this chapter, beginning July 1, 1996, and each fiscal year thereafter, the member's contribution rate shall be equivalent to the member's contribution rate provided under section 411.8, subsection 1, paragraph "f", for the statewide fire and police retirement system for the applicable fiscal year.

Sec. 12. Section 97A.8, subsection 1, Code 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. h. Notwithstanding the provisions of paragraph "f", the following transition percentages apply to members' contributions as specified:

(1) For members who on July 1, 1990, have attained the age of forty-nine years or more, an amount equal to nine and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the pension accumulation fund for the fiscal year beginning July 1, 1990, and each fiscal year thereafter.

(2) For members who on July 1, 1990, have attained the age of forty-eight years but have not attained the age of forty-nine years, an amount equal to eight and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, and an amount equal to nine and one-tenth percent shall be paid for the fiscal year beginning July 1, 1991, and each fiscal year thereafter.

(3) For members who on July 1, 1990, have attained the age of forty-seven years but have not attained the age of forty-eight years, an amount equal to seven and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, an

amount equal to eight and one-tenth percent shall be paid for the fiscal year beginning July 1, 1991, and an amount equal to nine and one-tenth percent shall be paid for the fiscal year beginning July 1, 1992, and each fiscal year thereafter.

(4) For members who on July 1, 1990, have attained the age of forty-six years but have not attained the age of forty-seven years, an amount equal to six and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, an amount equal to seven and one-tenth percent shall be paid for the fiscal year beginning July 1, 1991, an amount equal to eight and one-tenth percent shall be paid for the fiscal year beginning July 1, 1992, and an amount equal to nine and one-tenth percent shall be paid for the fiscal year beginning July 1, 1993, and each fiscal year thereafter.

(5) For members who on July 1, 1990, have attained the age of forty-five years but have not attained the age of forty-six years, an amount equal to five and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, an amount equal to six and one-tenth percent shall be paid for the fiscal year beginning July 1, 1991, an amount equal to seven and one-tenth percent shall be paid for the fiscal year beginning July 1, 1992, an amount equal to eight and one-tenth percent shall be paid for the fiscal year beginning July 1, 1993, and an amount equal to nine and one-tenth percent shall be paid for the fiscal year beginning July 1, 1994, and each fiscal year thereafter.

Sec. 13. Section 97A.15, subsection 2, paragraph g, Code 1989, is amended to read as follows:

g. "Member who became vested" and "vested member" mean a member who has been a member of the retirement system fifteen four or more years and is entitled to benefits under this chapter.

Sec. 14. NEW SECTION. 97A.16 WITHDRAWAL OF CONTRIBUTIONS.

Commencing July 1, 1990, if an active member, in service on or after that date, terminates service, other than by death or

disability, the member may elect to withdraw the member's contributions under section 97A.8, subsection 1, paragraphs "f" and "h", together with interest thereon at a rate determined by the board of trustees. If a member withdraws contributions as provided in this section, the member shall be deemed to have waived all claims for other benefits from the system for the period of membership service for which the contributions are withdrawn.

Sec. 15. Section 97B.15, Code 1989, is amended to read as follows:

97B.15 RULES.

The department may make adopt rules under chapter 17A and establish procedures, not inconsistent with this chapter, which are necessary or appropriate to 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 proofs and evidence in order to establish the right to benefits 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. 16. Section 97B.41, subsection 1, paragraph a, unnumbered paragraph 2, Code 1989, is amended to read as follows:

Wages for a member of the general assembly means the total compensation received by a member of the general assembly, whether paid in the form of per diem or annual salary, exclusive of expense and travel allowances paid to a member of the general assembly except as otherwise provided in this paragraph. Wages includes per diem payments paid to members of the general assembly during interim periods between sessions of the general assembly. Wages also includes daily allowances to members of the general assembly for nontravel expenses of office during a session of the general assembly,

but does not include the portion of the daily allowance which exceeds the maximum established by law for members from Polk county.

Sec. 17. Section 97B.41, subsection 1, paragraph b, subparagraph (9), Code 1989, is amended by striking the subparagraph and inserting in lieu thereof the following:

(9) For the calendar year beginning January 1, 1989, and ending December 31, 1989, wages not in excess of twenty-six thousand dollars.

Sec. 18. Section 97B.41, subsection 1, paragraph b, Code 1989, is amended by adding the following new subparagraphs after subparagraph (9) and renumbering the subsequent subparagraphs:

NEW SUBPARAGRAPH. (10) For the calendar year beginning January 1, 1990, and ending December 31, 1990, wages not in excess of twenty-eight thousand dollars.

NEW SUBPARAGRAPH. (11) Commencing January 1, 1991, for each calendar year, the department shall increase the covered wages limitation from the previous calendar year by three 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 fifty-five thousand dollars for a calendar year.

If the annual actuarial valuation of the retirement system in any year indicates that the cost of the increase provided under this subparagraph and the increase in the monthly benefit formula provided in section 97B.49, subsection 5, paragraph "b", cannot be absorbed within the employer and employee contribution rates in effect under section 97B.11, the department shall reduce the increase provided in this subparagraph by an amount sufficient to pay for the increase in the benefit percent.

Sec. 19. Section 97B.41, subsection 3, paragraph b, subparagraph (1), Code 1989, is amended by striking the subparagraph and inserting in lieu thereof the following:

(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, unless the elective official makes an application to the department to be covered under this chapter. An elective official who made an application to the department to be covered under this chapter may terminate membership under this chapter by informing the department in writing of the member's termination. A county attorney is an employee for purposes of this chapter whether that county attorney is employed on a full-time or part-time basis.

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 8.

Sec. 20. Section 97B.41, subsection 3, paragraph b, Code 1989, is amended by adding the following new subparagraph:

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

Sec. 21. Section 97B.41, subsection 10, Code 1989, is amended to read as follows:

10. a. "Vested member" means a member who terminated ~~employment-in-accordance-with-one-of-the-following-paragraphs~~ meets one of the following requirements:

or (1) Prior to July 1, 1965, after-having had attained the age of forty-eight and completed at least eight years of service.

or (2) Between July 1, 1965 and June 30, 1973, after having had completed at least eight years of service.

or (3) On or after July 1, 1973, after-having has completed at least four years of service.

or (4) After-having Has attained the age of fifty-five.

e- (5) 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.

b. "Active vested member" means an active member who has attained sufficient membership service to achieve vested status.

c. "Inactive vested member" means an inactive member who was a vested member at the time of termination of employment.

Sec. 22. Section 97B.41, subsection 15, Code 1989, is amended to read as follows:

15. "Years of prior service" means the total of all periods of prior service of a member. ~~in-the-determination-of such-total-years-of-prior-service-any-fraction-of-the-total-in excess-of-an-integral-number-of-years-which-is-at-least-six months-shall-be-deemed-to-be-a-complete-year-and-any-smaller fraction-shall-be-disregarded.~~ In computing credit for prior service, service of less than a full quarter shall be rounded up to a full quarter. Where a member had prior service as a teacher, a full year of service shall be granted that member if the member had three quarters of service and a contract for employment for the following school year.

Sec. 23. Section 97B.41, subsection 21, Code 1989, is amended by striking the subsection.

Sec. 24. Section 97B.42, Code 1989, is amended by adding the following new unnumbered paragraphs:

NEW UNNUMBERED PARAGRAPH. Notwithstanding any other provision of this section, commencing July 1, 1994, a member who is employed by an area vocational school or an area community college may elect coverage under an alternative retirement benefits system, which is issued by or through a nonprofit corporation issuing retirement annuities exclusively to educational institutions and their employees, in lieu of continuing or commencing contributions to the Iowa public

employees' retirement system, if the board of directors of the area vocational school or area community college has approved the alternative system pursuant to section 280A.23. However, a vested member who elects to participate in the alternative benefits system does not have a right to withdraw funds from the member's Iowa public employees' retirement system account prior to retirement or termination of covered employment. The department shall cooperate with the boards of directors of the area vocational schools and area community colleges to facilitate the implementation of this unnumbered paragraph.

NEW UNNUMBERED PARAGRAPH. Notwithstanding any other provision of this section, a person newly entering employment with an area vocational school or area community college on or after the effective date of this Act may elect coverage under an alternative retirement benefits system, which is issued by or through a nonprofit corporation issuing retirement annuities exclusively to educational institutions and their employees, in lieu of coverage under the Iowa public employees' retirement system, but only if the person is already a member of the alternative system. An election to participate in the alternative retirement benefits system is irrevocable as to the person's employment with that area vocational school or area community college and any other area vocational school or area community college in this state.

Sec. 25. Section 97B.43, unnumbered paragraph 3, Code 1989, is amended to read as follows:

Each individual who ~~as-of~~ on or after July 1, 1978, was an active, vested, or retired member and who (1) made application for and received a refund of contributions made under the abolished system or (2) has on deposit with the retirement fund contributions made under the abolished system shall be entitled to credit for years of prior service in the determination of retirement allowance payments by filing a written election with the department on or after July 1, 1978, and by redepositing any withdrawn contributions under the abolished system together with interest as stated in this

paragraph. Any individual who ~~as-of~~ on or after July 1, 1978, is a retired member and who made application for and received a refund of contributions made under the abolished system, may, by filing a written election with the department on or after July 1, 1978, have the department retain fifty percent of the monthly increase in retiree benefits that will accrue to the individual because of prior service. If the monthly increase in retirement benefits is less than ten dollars, the department shall retain five dollars of the scheduled increase, and if the monthly increase is less than five dollars, the provisions of this paragraph shall not apply. The department shall continue to retain such funds until the withdrawn contributions, together with interest accrued to the month in which the written election is filed, have been repaid. Due notice of this provision shall be sent to all retired members ~~as-of~~ on or after July 1, 1978. However, this paragraph shall not apply to any person who received a refund of any membership service contributions unless the person repaid the membership service contributions pursuant to section 97B.74; ~~provided-however-that~~ but a refund of contributions remitted for the calendar quarter ending September 30, 1953 which was based entirely upon employment which terminated prior to July 4, 1953 shall not be considered as a refund of membership service contributions. The interest to be paid into the fund shall be compounded at the rates credited to member accounts from the date of payment of the refund of contributions under the abolished system to the date the member redeposits the refunded amount. The provisions of the first paragraph of this section relating to the consideration given to credited amounts shall apply to the redeposited amounts or to amounts left on deposit. Effective July 1, 1978, the provisions of this paragraph shall apply to each individual who ~~as-of~~ on or after July 1, 1978, was an active, vested, or retired member, but who was not in service on July 4, 1953. The period for filing the written election with the department and redepositing any withdrawn

contributions together with interest accrued shall commence July 1, 1978. A member who is a retired member ~~as-of~~ on or after July 1, 1978 may file written election with the department on or after July 1, 1978 to have the department retain fifty percent of the monthly increase as provided in this paragraph.

Sec. 26. Section 97B.48, subsection 1, Code 1989, is amended to read as follows:

1. Retirement allowances shall be paid monthly, except that an allowance of less than one-hundred-twenty two hundred forty dollars a year shall ~~may~~, at the member's option, be paid as a lump sum in an actuarial equivalent amount. Receipt of the lump-sum payment by a member shall terminate any and all entitlement for the period of service covered of the said member under this chapter.

Sec. 27. Section 97B.48, subsection 3, Code 1989, 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~~ 1991, employment is not full-time employment until the member receives remuneration in an amount in excess of six thousand one-hundred-twenty eight hundred forty 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. Effective January 1, 1991, a retired member of any age may receive a retirement allowance after return to covered employment, regardless of the amount of remuneration received, if the covered employment consists of holding an elective office. 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 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 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. 28. Section 97B.49, subsection 5, Code 1989, is amended to read as follows:

5. a. For each active or inactive vested member retiring on or after July 1, 1986, and before July 1, 1990, with four or more complete years of service, a monthly benefit shall be computed which is equal to one-twelfth of an amount equal to fifty percent of the three-year average covered wage multiplied by a fraction of years of service.

b. For each active or inactive vested member retiring on or after July 1, 1990, with four or more complete years of service, a monthly benefit shall be computed which is equal to one-twelfth of an amount equal to fifty-two percent of the three-year average covered wage multiplied by a fraction of years of service.

Commencing July 1, 1991, the department shall increase the percentage multiplier of the three-year average covered wage by an additional two percent each July 1 until reaching sixty percent of the three-year average covered wage if the annual actuarial valuation of the retirement system indicates for that year that the cost of this increase in the percentage of the three-year average covered wage used in computing retirement benefits can be absorbed within the employer and employee contribution rates in effect under section 97B.11.

If the annual actuarial valuation of the retirement system in any year indicates that the full cost of the increase

provided under this paragraph cannot be absorbed within the employer and employee contribution rates in effect under section 97B.11, the department shall reduce the increase to a level which the department determines can be so absorbed.

c. For the purposes of this subsection, "fraction of years of service" means a number, not to exceed one, equal to the sum of the years of membership service and the number of years of prior service divided by thirty years.

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

Sec. 29. Section 97B.49, subsection 13, paragraphs a and b, Code 1989, are amended to read as follows:

a. 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 ~~1988~~ 1990 and the November ~~1989~~ 1991 monthly benefit payments a retirement dividend equal to eighty one hundred forty percent of the monthly benefit payment the member received for the preceding June, or the most recently received benefit payment, whichever is greater. 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 ~~1988~~ 1990 and the November ~~1989~~ 1991 monthly benefit payments a retirement dividend equal to one hundred twenty eighty percent of the monthly benefit payment the member received for the preceding June, or the most recently received benefit payment, whichever is greater. The retirement dividend does not affect the amount of a monthly benefit payment.

Sec. 30. Section 97B.49, subsection 13, paragraph c, Code 1989, is amended to read as follows:

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

Sec. 31. Section 97B.49, subsection 13, Code 1989, is amended by adding the following new paragraph after paragraph c and relettering the subsequent paragraphs:

NEW PARAGRAPH. d. A member who retired from the system between July 1, 1982, and June 30, 1986, or a contingent annuitant or beneficiary of such a member, shall receive with the November 1990 and the November 1991 monthly benefit payments a retirement dividend equal to twenty-four percent of the monthly benefit payment the member received for the preceding June, or the most recently received benefit payment, whichever is greater. The retirement dividend does not affect the amount of a monthly benefit payment.

Sec. 32. Section 97B.49, subsection 15, Code 1989, is amended to read as follows:

15. In lieu of the monthly benefit computed under subsections 1 and 3 as applicable, or subsection 5, for:

a. For each active or inactive vested member retiring on or after July 1, 1988, and before July 1, 1990, 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 one-twelfth of fifty percent of the three-year average covered wage of the member.

b. For each active or inactive vested member retiring on or after July 1, 1990, who is at least fifty-five years of age 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 one-twelfth of the same percentage of the three-year average covered wage of the member as is provided in subsection 5.

Sec. 33. Section 97B.49, subsection 16, paragraphs a, b, and c, Code 1989, are amended to read as follows:

16. a. Notwithstanding other provisions of this chapter:

(1) A member who is or has been employed in a protection occupation who retires on or after July 1, 1988, and before July 1, 1990, 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.

(2) A member who is or has been employed in a protection occupation who retires on or after July 1, 1990, 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-two 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.

(3) Commencing July 1, 1991, the department shall increase the percentage multiplier of the three-year average covered wage by an additional two percent each July 1 until reaching sixty percent of the three-year average covered wage.

b. Notwithstanding other provisions of this chapter:

(1) A member who retires from employment as a county sheriff or deputy sheriff who retires on or after July 1, 1988, and before July 1, 1990, 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.

(2) A member who retires from employment as a county sheriff or deputy sheriff who retires on or after July 1, 1990, 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 the same percentage of the member's three-year average covered wage as is provided in paragraph "a", with benefits payable during the member's lifetime.

(3) 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).

(4) 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 before July 1, 1990, 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.

A member covered under this subsection who retires on or after July 1, 1990, 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 the same percentage of the member's three-year average covered wage as is provided in paragraph "a", multiplied by a fraction of years of service.

PARAGRAPH DIVIDED. 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.

Sec. 34. Section 97B.49, subsection 16, paragraph d, subparagraph (3), Code 1989, is amended to read as follows:

(3) A correctional officer or correctional supervisor employed by the Iowa department of corrections, in an applicable job classification and any other employee of that department whose primary purpose is, through ongoing direct inmate contact, to enforce and maintain discipline, safety, and security within a correctional facility. The department of corrections and the department of personnel shall jointly determine the applicable merit system job classifications of correctional officers.

Sec. 35. Section 97B.49, subsection 16, paragraph d, Code 1989, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (7) An employee of the state department of transportation who is designated as a "peace officer" by resolution under section 321.477, but only if the employee retires on or after July 1, 1990. For purposes of this subparagraph, service as a traffic weight officer employed by the highway commission prior to the creation of the state department of transportation or as a peace officer employed by the Iowa state commerce commission prior to the creation of the state department of transportation shall be included in computing the employee's years of membership service.

Sec. 36. Section 97B.49, subsection 16, Code 1989, is amended by adding the following new paragraph:



**NEW PARAGRAPH.** k. For the fiscal year commencing July 1, 1990, and each succeeding fiscal year, the state department of transportation shall pay to the department of personnel, from funds appropriated to the state department of transportation from the road use tax fund and the primary road fund, the amount necessary to pay the employer share of the cost of the additional benefits provided to employees covered under paragraph "d", subparagraph (7).

Sec. 37. Section 97B.50, subsection 2, Code 1989, is amended to read as follows:

2. a. A member who retires from the system due to disability and commences receiving disability benefits pursuant to the United States Social Security Act (42 U.S.C.), as amended to July 1, 1978, who is eligible for early retirement, but has not reached the normal retirement date, shall receive full benefits under section 97B.49 and shall not have benefits reduced upon retirement as required under subsection 1 regardless of whether the member has completed thirty or more years of membership service. This section takes effect July 1, 1987 for a member meeting the requirements of this subsection paragraph who retired from the system at any time between July 4, 1953 and June 30, 1987.

Effective July 1, 1990, for members terminating on or after July 4, 1953, a member who terminates covered employment due to disability and commences receiving disability benefits pursuant to the United States Social Security Act (42 U.S.C.), who has not attained the age of fifty-five years, is eligible to receive benefits under section 97B.49, reduced by twenty-five hundredths of one percent for each month that the retirement date precedes the first day of the month in which the member attains the age of fifty-five. However, the benefits shall be suspended during any period in which the member returns to covered employment. Eligible members are entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month after July 1, 1990, in which written notice was submitted to the department.

b. A member who retires from the system due to disability and commences receiving disability benefits pursuant to the United States Railroad Retirement Act (45 U.S.C. § 231 et seq.) who is eligible for early retirement but has not reached the normal retirement date, shall receive full benefits under section 97B.49 and shall not have benefits reduced upon retirement as required under subsection 1 regardless of whether the member has completed thirty or more years of membership service. This section takes effect July 1, 1990, for a member meeting the requirements of this paragraph who retired from the system at any time since July 4, 1953. However, eligible members are entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month after July 1, 1990, in which written notice was submitted to the department.

Effective July 1, 1990, for members terminating on or after July 4, 1953, a member who terminates covered employment due to disability and commences receiving disability benefits pursuant to the United States Railroad Retirement Act (45 U.S.C. § 231 et seq.), who has not attained the age of fifty-five years, is eligible to receive benefits under section 97B.49, reduced by twenty-five hundredths of one percent for each month that the retirement date precedes the first day of the month in which the member attains the age of fifty-five. However, the benefits shall be suspended during any period in which the member returns to covered employment. Eligible members are entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month after July 1, 1990, in which written notice was submitted to the department.

Sec. 38. Section 97B.52, subsection 3, Code 1989, is amended to read as follows:

3. a. Other than as provided above in subsections 1 and 2 of this section, or section 97B.51, all rights to any benefits under the retirement system will shall cease upon the death of a member.

b. If a death benefit is due and payable, interest shall continue to accumulate through the month preceding the month in which payment is made to the designated beneficiary, heirs at law, or to the estate unless the payment of the death benefit is delayed because of a dispute between alleged heirs, in which case the benefit due and payable shall be placed in a noninterest bearing escrow account until the beneficiary is determined in accordance with this section.

Sec. 39. NEW SECTION. 97B.53A DUTY OF DEPARTMENT.

Effective July 1, 1991, upon a member's termination of covered employment prior to the member's retirement, the department shall send the member by first class mail, to the member's last known mailing address, a notice setting forth the balance and status of the member's account and an explanation of the courses of action available to the member under this chapter.

Sec. 40. Section 97B.73, Code 1989, is amended to read as follows:

97B.73 MEMBERS FROM OTHER PUBLIC SYSTEMS.

A vested or retired member who was a member of a public retirement system in public employment in another state but was not vested or retired under that system may or in the federal government, or who was a member of another public retirement system in this state, including but not limited to the teachers insurance annuity association-college retirement equities fund, but who was not retired under that system, upon submitting verification of membership and service in the other public retirement system to the department, including proof that the member has no further claim upon a retirement benefit from that other public system, may make employer and employee contributions to the system for the period of service in the other public retirement system and receive credit for membership service in this system equivalent to the number of years of service in the other public retirement system. The contributions paid by the vested or retired member for service in the other public retirement system shall be equal to the

accumulated contributions as defined in section 97B.417 subsection 12, by the member for that period of service and the employer contribution for that period of service that would have been contributed by the vested or retired member and the employer plus interest on the contributions that would have accrued if the member had been a member of this system earning the same wages earned under the other system for the period from the date of service of the member in the other public retirement system to the date of payment of the contributions by the member equal to two percent plus the interest dividend rate applicable for each year contribution payable shall be based upon the member's covered wages for the most recent full calendar year at the applicable rates in effect for that calendar year under sections 97B.11 and 97B.49 and multiplied by the member's years of service in other public employment.

This section is applicable to a vested or retired member who was a member of a public retirement system established in sections 294.8, 294.9, and 294.10 but was not vested or retired under that system.

A member vested under another public system must waive, on a form provided by the Iowa public employees' retirement system, all rights to a retirement benefit under that other public system before receiving credit in this system for those years of service in the other public system.

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. 41. Section 97B.74, unnumbered paragraphs 1 and 2, Code 1989, are amended to read as follows:

An Effective January 1, 1991, an active, vested, or retired member who at any time between July 4, 1953 and July 1, 1973 was a member of the system at any time on or after July 4,

~~1953, but who did not meet the requirements to be a vested member for that period of membership service, and who received a refund of the member's contributions for that period of membership service, may elect in writing to the department to make contributions to the system for that period of membership service for which a refund of contributions was made. The contributions repaid by the member for such service shall be equal to the accumulated contributions, as defined in section 97B.41, subsection 12, received by the member for that period of membership service plus interest on the accumulated contributions for the period from the date of receipt by the member to the date of repayment equal to two percent plus the interest dividend rate applicable for each year compounded annually.~~

~~The provisions of this section are only available to a member if that member's total years of membership and prior service, with the addition of service for that period of membership service for which contributions are repaid, equals or exceeds fifteen years. An active member must have at least one quarter's reportable wages on file and have membership service, including that period of membership service for which a refund of contributions was made, sufficient to give the member vested status.~~

Sec. 42. Section 97B.80, Code 1989, is amended to read as follows:

97B.80 VETERAN'S CREDIT.

~~An active member in service on July 17, 1987, 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 17, 1987, at the rates in effect under section 97B.11 on January 17, 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. Effective July 1, 1990, a vested or retired member with reportable wages in the most recent calendar year, 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, may make employer and employee contributions to the system based upon the member's covered wages for the most recent full calendar year at the applicable rates in effect for that year under sections 97B.11 and 97B.49, for the period of time of the active duty service, in one-year increments but 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. 43. NEW SECTION. 97D.1 GUIDING GOALS FOR FUTURE CHANGES IN PUBLIC RETIREMENT SYSTEMS -- SOCIAL SECURITY -- PORTABILITY.

1. The general assembly declares that legislative proposals for changes in specific public retirement systems should be considered within the context of all public retirement systems within the state, with emphasis on equity and equality among the systems. The following list of guiding goals shall apply to the consideration of proposed changes:

a. Select those benefit enhancement options which most successfully deliver the greatest good to the greatest number of employees.

b. Choose those options which best correct existing inequities between and among the various retirement groups in the state.

c. Determine those options which most ably serve the twin objectives of attracting and retaining quality employees.

d. Avoid enacting further incentives toward earlier retirement with full benefits.

e. Avoid further splintering of benefits by disproportionate enhancement of benefits for one group beyond those available to another.

2. The public retirement systems committee established by section 97B.76 shall periodically weigh the advantages and disadvantages of establishing participation in the federal social security system for the members of public retirement systems operating under chapters 97A and 411 and the impact of such a change on total contributions and benefits.

3. The public retirement systems committee established by section 97B.76 shall consider proposals to achieve greater portability of pension benefits between the various public retirement systems in the state. Special attention should be given to the actuarial cost of transfers of value from one system to another.

**Sec. 44. NEW SECTION. 97D.2 ANALYSIS OF COST OF PROPOSED CHANGES.**

When the public retirement systems committee established by section 97B.76 or a standing committee of the senate or house of representatives recommends a proposal for a change in a public retirement system within this state, the committee shall require the development of actuarial information concerning the costs of the proposed change. If the proposal affects police and fire retirement under chapter 411, the committee shall arrange for the services of an actuarial consultant to assist in developing the information.

**Sec. 45. NEW SECTION. 97D.3 NEWLY HIRED PEACE OFFICERS, POLICE OFFICERS, AND FIRE FIGHTERS -- REFERENDUM.**

1. As soon as possible after the effective date of this section, the department of personnel, in cooperation with the board of trustees of the public safety peace officers' retirement system and the board of trustees for the statewide fire and police retirement system created in section 411.36, shall submit to the members of retirement systems under

chapters 97A and 411 in a referendum the question of requiring federal social security coverage for all persons newly hired as peace officers, as defined in section 97A.1, police officers, and fire fighters. The referendum shall be conducted before January 1, 1991. The referendum procedures shall comply with the requirements of federal law and regulations. If there is a favorable vote of a majority of the persons eligible to vote in the referendum, subsection 2 applies.

2. Upon a favorable vote in the referendum and notwithstanding sections 97A.3 and 411.3, all persons newly hired as peace officers, as defined in section 97A.1, police officers, and fire fighters after July 1, 1991, shall be members of the Iowa public employees' retirement system under chapter 97B, rather than members of retirement systems under chapters 97A and 411. Such members shall have federal social security coverage in addition to coverage under the Iowa public employees' retirement system and shall have the same benefits as county sheriffs and deputy sheriffs under section 97B.49, subsection 16, paragraph "b".

Sec. 46. Section 280A.23, Code 1989, is amended by adding the following new subsections:

**NEW SUBSECTION. 15.** Commencing July 1, 1994, provide for an alternative retirement benefits system, which is issued by or through a nonprofit corporation issuing retirement annuities exclusively to educational institutions and their employees, for persons employed by the area vocational school or area community college who are members of the Iowa public employees' retirement system on July 1, 1994, or who are new employees, and who elect coverage under the alternative retirement benefits system pursuant to section 97B.42, in lieu of continuing or commencing contributions to the Iowa public employees' retirement system. The system for employee and employer contributions under the alternative system shall be substantially the same as provided by the state board of regents under the teachers insurance annuity association-

college retirement equities fund, and the employer's contribution shall not exceed the employer's contribution rate established for employees of the state board of regents who are under that system.

**NEW SUBSECTION. 16.** Provide for an alternative retirement benefits system, which is issued by or through a nonprofit corporation issuing retirement annuities exclusively to educational institutions and their employees, for persons newly employed after the effective date of this Act who are already members of the alternative system and who elect coverage under that system pursuant to section 97B.42, in lieu of coverage under the Iowa public employees' retirement system. The system for employee and employer contributions under the alternative system shall be substantially the same as provided by the state board of regents under the teachers insurance annuity association-college retirement equities fund, and the employer's contribution rate shall not exceed the employer's contribution rate established for employees of the state board of regents who are under that system.

Sec. 47. Section 410.6, unnumbered paragraph 2, Code 1989, is amended to read as follows:

Upon the adoption of any increase in pension benefits effective subsequent to the date of a member's retirement, the amount payable to each member as regular pension shall be increased by an amount equal to fifty sixty percent of any increase in the pension benefits for the rank at which the member retired.

Sec. 48. Section 411.1, subsections 1, 4, 5, 14, 16, 17, and 18, Code 1989, are amended to read as follows:

1. "Retirement system" or "system" shall-mean-either means the statewide fire or-the and police retirement system established by this chapter for the fire fighters and police officers of the said cities as-defined described in section 411.2, its board of trustees, and its appointed representatives.

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

5. "Board of fire trustees" and-"board-of-police-trustees" shall-mean means the boards board provided-in-section-411-5 created by section 411.36 to administer direct the establishment and administration of the fire retirement system and-the-police-retirement-system-respectively.

14. "Pensions" shall-mean means annual payments for life derived from appropriations provided by the said participating cities and the state and from contributions of the members which are deposited in the pension-accumulation fire and police retirement fund. All pensions shall be paid in equal monthly installments.

16. "Pension reserve" shall-mean means the present value of all payments to be made on account of any pension, or benefit in lieu of a pension, granted under the provisions of this chapter, upon the basis of such mortality tables as-shall be adopted by the boards-of-trustees system, and interest computed at rates the rate adopted established by the boards upon-the-recommendation-of-the actuary.

17. "Actuarial equivalent" shall-mean means a benefit of equal value, when computed upon the basis of mortality tables adopted by the boards-of-trustees system, and interest computed at rates the rate adopted established by the boards upon-the-recommendation-of-the actuary.

18. "City" or "cities" shall-mean means any city or cities in-which-fire-or-police-retirement-systems-are-established participating in the statewide fire and police retirement system as required by this chapter.

Sec. 49. Section 411.2, Code 1989, is amended to read as follows:

411.2 ~~NAME-AND-DATE-OF-ESTABLISHMENT~~ PARTICIPATION IN RETIREMENT SYSTEM.

1. In-any Except as provided in subsections 2 through 5, each city in which the fire fighters or police officers are or shall-be appointed under the civil service law of this state,

~~there are hereby created and established two separate retirement or pension systems shall participate in the retirement system established by this chapter for the purpose of providing retirement allowances only for fire fighters or police officers, or both, of said the cities who shall be are so appointed after the date this chapter takes effect the city comes under the retirement system, or benefits to their dependents. Each such system shall be under the management of a board of trustees hereinafter described, and shall be known as the "fire retirement system of \_\_\_\_\_ (name of city)", and the "police retirement system of \_\_\_\_\_ (name of city)", and by such names all of their business shall be transacted, all funds invested, and all cash and securities and other property held. The retirement systems so created shall begin operation as of the first day of the month in which said systems are there established by this chapter.~~

2. A city whose population was under eight thousand prior to the results of the federal census conducted in 1990 is not required to come under the retirement system established by this chapter upon attaining a population of eight thousand or more.

3. A city which did not have a paid fire department on the effective date of this Act is not required to come under the retirement system established by this chapter upon establishing a paid fire department.

4. A city which did not have a paid police department on the effective date of this Act is not required to come under the retirement system established by this chapter upon establishing a paid police department.

5. If a city's fire fighters or police officers, or both, are appointed under the civil service law of this state but the city is not operating a city fire or police retirement system, or both, under this chapter on the effective date of this Act, the city is not required to come under the statewide fire and police retirement system established by this chapter.

Sec. 50. Section 411.3, subsection 1, Code 1989, is amended to read as follows:

1. All persons who become police officers or fire fighters after the date the city is required to come under the retirement systems are established by this chapter system, shall become members thereof of the retirement system as a condition of their employment, except that a police chief or a fire chief who would not complete twenty-two years of service under this chapter by the time the chief attains fifty-five years of age shall, upon written request to the board of trustees system, be exempt from this chapter. Notwithstanding section 97B.41, a police chief or fire chief who is exempt from this chapter is exempt from chapter 97B. Members of the system established in this chapter shall not be required to make contributions under any other pension or retirement system of a city, county, or the state of Iowa, anything to the contrary notwithstanding.

Sec. 51. Section 411.4, Code 1989, is amended to read as follows:

#### 411.4 SERVICE CREDITABLE.

~~The board of trustees shall fix and determine by proper rules and regulations how much service in any year shall be Service for fewer than six months of a year is not creditable as service. Service of six months or more of a year is equivalent to one year of service, but in no case shall more than one year of service be creditable for all service in one calendar year, nor shall the board of trustees system allow credit as service for any period of more than one month duration during which the member was absent without pay.~~

The board of trustees system shall credit as service for a member of the system a previous period of service for which the member had withdrawn the member's accumulated contributions, as defined in section 411.21.

Sec. 52. Section 411.5, Code 1989, is amended to read as follows:

#### 411.5 ADMINISTRATION.

1. BOARDS BOARD. The general administration and the responsibility for the establishment and proper operation of the retirement systems and for making effective the provisions of this chapter are hereby system is vested in a the board of fire trustees to administer the system relating to fire fighters and a board of police trustees to administer the system relating to police officers created by section 411.36. The said boards shall be constituted as follows: The system shall be administered under the direction of the board.

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

b. The chief officer of the police department, the city treasurer, two police officers elected by secret ballot by the members of the department who are entitled to participate in a police retirement system established by law, and three citizens who do not hold another public office, who shall be appointed by the mayor with the approval of the city council, shall serve as the members of the board of trustees of the police retirement system.

c. The three citizens appointed by the mayor shall serve on both of the boards.

d. Upon the taking effect of this chapter, such members of each said department in said cities shall elect by secret ballot two active members of each such department to serve as members of said respective boards, one of whom shall serve until the first Monday in April of the second year, and one until the first Monday in April of the fourth year. Thereafter each such department shall, every second year, on such date and in such manner as shall be prescribed by said board of trustees, elect by ballot one such member to serve for a term of four years.

e. Beginning July 1, 1986, upon the taking effect of this chapter, the mayor with the approval of the city council shall appoint three citizens who do not hold any other public office, to serve as members of the boards of trustees, one of whom shall serve until the first Monday in April of the second year, one until the first Monday in April of the third year, and one until the first Monday in April of the fourth year. Thereafter, appointments shall be made for four-year terms.

f. If a vacancy occurs in the office of trustee, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled.

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

3. 2. COMPENSATION. The trustees, other than the secretary, shall serve as such without compensation, but they shall be reimbursed from the expense fire and police retirement fund for all necessary expenses which they may incur through service on the board.

4. 3. RULES. Subject to the limitations of this chapter, each the board of trustees shall, from time to time, establish adopt rules and regulations for the establishment and administration of funds the system and the fire and police retirement fund created by this chapter, and for the transaction of its business.

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

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

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

8 7. LEGAL ADVISER ADVISOR. ~~The city attorney or solicitor of a city shall serve as the legal adviser of the board of trustees at the request of the board or the board of trustees~~ system may employ or retain an attorney on a per-diem basis to serve as the system's legal advisor and to represent the board of trustees when ~~in the opinion of the board of trustees, there is a conflict of interest between the board of trustees and the city council~~ system. The costs of an attorney employed or retained by the board of trustees system shall be paid from the expense fire and police retirement fund created in section 411.8.

9 8. MEDICAL BOARD. ~~The board of fire trustees and the board of police trustees jointly~~ system shall designate a medical board to be composed of three physicians who shall arrange for and pass upon all medical examinations required under the provisions of this chapter, except that for examinations required because of disability three physicians from the University of Iowa hospitals and clinics who shall pass upon the medical examinations required for disability

retirements, and shall report to the system in writing to each board of trustees, respectively, its conclusions and recommendations upon all matters duty referred to it. Each report of a medical examination under section 411.6, subsections 3 and 5, shall include the medical board's rating as to the extent of the member's physical impairment.

10 9. DUTIES OF ACTUARY. The actuary shall be the technical adviser advisor of the board of trustees system on matters regarding the operation of the funds created by the provisions of this chapter fire and police retirement fund and shall perform such other duties as are required in connection therewith with the operation of the system.

11 ~~TABLES -- RATES, immediately after the establishment of each retirement system, the~~ The actuary shall make such investigation of anticipated interest earnings and of the mortality, service, and compensation experience of the members of the system as the actuary shall recommend recommends and the board of trustees shall authorize, and on the basis of such the investigation the actuary system shall recommend for adoption by the board of trustees adopt such tables and such rates as are required in subsection 12 of this section 11. ~~The board of trustees shall adopt the rate of interest and tables, and certify rates of contribution to be used by the system.~~

12 10. ACTUARIAL INVESTIGATION -- TABLES -- RATES. In the year 1938 and at At least once in each five-year period thereafter, the actuary shall make an actuarial investigation into the mortality, service, and compensation experience of the members and beneficiaries of the retirement system, and the interest and other earnings on the moneys and other assets of the retirement system, and shall make a valuation of the assets and liabilities of the funds of the system fire and police retirement fund, and taking into account on the basis of the results of such the investigation and valuation, the board of trustees system shall do all of the following:



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

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

c. Certify the rates of contributions payable by the members in accordance with section 411.8.

~~§ 11. VALUATION. On the basis of such the rate of interest and such tables as the boards of trustees shall adopt adopted, the actuary shall make an annual valuation of the assets and liabilities of the funds of the fire and police retirement systems fund created by this chapter.~~

~~§ 14. --COMMISSIONER OF INSURANCE. --Within five days following its submission to the city council, each board of trustees shall transmit to the commissioner of insurance a copy of the report submitted to the city council and the amount of contributions deposited in the pension accumulation fund by the city. --The commissioner of insurance shall review the report and the adequacy of the contribution of the city. --The commissioner of insurance shall inform the city council of each city in which the contribution of a city is deemed to be inadequate.~~

Sec. 53. Section 411.6, subsection 1, unnumbered paragraph 1 and paragraph a, Code 1989, are amended to read as follows:

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

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

Sec. 54. Section 411.6, subsection 1, paragraph b, Code 1989, is amended to read as follows:

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

Sec. 55. Section 411.6, subsection 2, Code 1989, are amended to read as follows:

2. ALLOWANCE ON SERVICE RETIREMENT.

a. Upon retirement from service, prior to July 1, 1990, a member shall receive a service retirement allowance which shall consist of a pension given by the city which shall equal one-half equals fifty percent of the member's average final compensation.

b. Upon retirement from service on or after July 1, 1990, but before July 1, 1992, a member shall receive a service retirement allowance which shall consist of a pension which equals fifty-four percent of the member's average final compensation.

c. Commencing July 1, 1992, the system shall increase the percentage multiplier of the member's average final compensation by an additional two percent each July 1 until reaching sixty percent of the member's average final compensation.

d. Commencing July 1, 1990, if the member has completed more than twenty-two years of creditable service, the service retirement allowance shall consist of a pension which equals

the amount provided in paragraphs "b" and "c", plus an additional percentage as set forth below:

(1) For a member who terminates service, other than by death or disability, on or after July 1, 1990, but before July 1, 1991, and who does not withdraw the member's contributions pursuant to section 411.23, upon the member's retirement there shall be added three-tenths percent of the member's average final compensation for each year of service over twenty-two years, excluding years of service after the member's fifty-fifth birthday. However, this subparagraph does not apply to more than eight additional years of service.

(2) For a member who terminates service, other than by death or disability, on or after July 1, 1991, and who does not withdraw the member's contributions pursuant to section 411.23, upon the member's retirement there shall be added six-tenths percent of the member's average final compensation for each year of service over twenty-two years, excluding years of service after the member's fifty-fifth birthday. However, this subparagraph does not apply to more than eight additional years of service.

Sec. 56. Section 411.6, subsection 3, Code 1989, is amended to read as follows:

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

Sec. 57. Section 411.6, subsection 5, unnumbered paragraphs 1 and 2, Code 1989, are amended to read as follows:

ACCIDENTAL DISABILITY BENEFIT. Upon application, to the system, of a member in service or of the chief of the police or fire departments, respectively, any member who has become totally and permanently incapacitated for duty as the natural and proximate result of an injury or disease incurred in or aggravated by the actual performance of duty at some definite time and place, or while acting pursuant to order, outside of the city by which the member is regularly employed, shall be retired by the respective-board-of-trustees system, provided, that if the medical board shall-certify certifies that such the member is mentally or physically incapacitated for further performance of duty, that such the incapacity is likely to be permanent, and that such the member should be retired.

Should if a member in service or the chief of the police or fire departments become becomes 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 a medical examination by-the-board of-trustees, be as directed by the system, is entitled to receive the member's full pay and allowances from the city's general fund until re-examined by-the-board as directed by the system and found to be fully recovered or permanently disabled.

Sec. 58. Section 411.6, subsection 6, Code 1989, is amended to read as follows:

6. RETIREMENT AFTER ACCIDENT.

a. Upon retirement for accidental disability prior to July 1, 1990, a member shall receive an accidental disability retirement allowance which shall consist of a pension equal to sixty-six and two-thirds percent of the member's average final compensation.

b. Upon retirement for accidental disability on or after July 1, 1990, a member shall receive an accidental disability

retirement allowance which shall consist of a pension equal to sixty percent of the member's average final compensation.

Sec. 59. Section 411.6, subsection 7, unnumbered paragraph 1, Code 1989, is amended to read as follows:

RE-EXAMINATION OF BENEFICIARIES RETIRED ON ACCOUNT OF DISABILITY. Once each year during the first five years following the retirement of a member on a disability retirement allowance, and once in every three-year period thereafter, the respective-board-of-trustees system may, and upon the member's application shall, require any disability beneficiary who has not yet attained age fifty-five to undergo a medical examination at a place designated by the medical board. Such The examination shall be made by the medical board or in special cases, by an additional physician or physicians designated by such board. Should If any disability beneficiary who has not attained the age of fifty-five refuse refuses to submit to such the medical examination, the member's allowance may be discontinued until withdrawal of such refusal, and should if the refusal continue continues for one year all rights in and to the member's pension may be revoked by the respective-board-of-trustees system.

Sec. 60. Section 411.6, subsection 7, paragraph a, unnumbered paragraph 2, Code 1989, is amended to read as follows:

A beneficiary retired under this paragraph, in order to be eligible for continued receipt of retirement benefits, shall no later than May 15 of each year submit to the board-of-trustees system a copy of the beneficiary's federal individual income tax return for the preceding year.

Sec. 61. Section 411.6, subsection 8, paragraph a, Code 1989, is amended to read as follows:

a. Upon the receipt of proof of the death of a member in service, or a member not in service who has completed four or more years of service as provided in subsection 1, paragraph "b", there shall be paid to the person designated by the member to the board-of-trustees system as the member's

beneficiary if the member has had one or more years of membership service and no pension is payable under subsection 9, an amount equal to fifty percent of the compensation earnable by the member during the year immediately preceding the member's death if the member is in service, or an amount equal to fifty percent of the compensation earned by the member during the member's last year of service if the member is not in service.

Sec. 62. Section 411.6, subsection 8, paragraph b, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 411.6, subsection 8, Code 1985, effective July 1, 1990, for a member's surviving spouse who, prior to July 1, 1986, elected to receive pension benefits under this paragraph, the monthly pension benefit shall be equal to one-twelfth of forty percent of the average final compensation of the member.

Sec. 63. Section 411.6, subsection 8, paragraph c, Code 1989, is amended to read as follows:

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

- (1) The spouse.
- (2) If there is no spouse, or if the spouse dies and there is a child of a member, then the guardian of the member's child or children, divided as the board-of-trustees system determines, to continue as a joint and survivor pension until every child of the member dies or attains the age of eighteen, or twenty-two if applicable.
- (3) If there is no surviving spouse or child, then the member's dependent father or mother, or both, as the board-of-trustees system determines, to continue until remarriage or death.

Sec. 64. Section 411.6, subsection 9, unnumbered paragraph 1, Code 1989, is amended to read as follows:

ACCIDENTAL DEATH BENEFIT. If, upon the receipt of evidence and proof from the chief of the police or fire department that

the death of a member in service or the chief of police or fire departments was the natural and proximate result of an injury or disease incurred in or aggravated by the actual performance of duty at some definite time and place, or while acting pursuant to order, outside of the city by which the member is regularly employed, the board of trustees shall decide system decides that death was so caused in the performance of duty there shall be paid, in lieu of the ordinary death benefit provided in subsection 8 of this section, to the member's estate or to such person having an insurable interest in the member's life as the member shall have has nominated by written designation duly executed and filed with the respective board of trustees system the benefits set forth in paragraphs "a" and "b" of this subsection:

Sec. 65. Section 411.6, subsection 12, paragraph a, subparagraphs (1), (2), and (3), Code 1989, are amended to read as follows:

(1) Twenty-five percent for members receiving a service retirement allowance and for beneficiaries receiving a pension under subsection 9 of this section. However, effective July 1, 1990, for members who retired before that date, thirty percent shall be the applicable percentage for members and beneficiaries under this subparagraph.

(2) ~~Twenty-five 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, 1987, for members who retire on or after July 1, 1987, twenty-five percent shall be used for members who are receiving an ordinary disability allowance. However, effective July 1, 1990, for members who retired before that date, thirty percent shall be the applicable percentage for members under this subparagraph.~~

(3) Twelve and one-half percent for members with less than five years of membership service who are receiving an ordinary

disability retirement allowance, and for beneficiaries receiving a pension under subsection 8 of this section. However, effective July 1, 1990, for members who retired before that date, fifteen percent shall be the applicable percentage for members and beneficiaries under this subparagraph.

Sec. 66. Section 411.6, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 13. REMARRIAGE OF SURVIVING SPOUSE. Effective July 1, 1990, for a member who died prior to July 1, 1988, if the member's surviving spouse remarried prior to July 1, 1988, the remarriage does not make the spouse ineligible under subsection 8, paragraph "c", subparagraphs (1) and (2), to receive benefits under subsections 8, 9, 11, and 12.

Sec. 67. NEW SECTION. 411.6A OPTIONAL RETIREMENT BENEFITS.

In lieu of the retirement benefits otherwise provided upon service retirement for members of the system and the members' beneficiaries, members may elect to receive an optional retirement benefit during the member's lifetime and have the optional retirement benefit, or a designated fraction of the optional retirement benefit, continued and paid to the member's beneficiary after the member's death and during the lifetime of the beneficiary.

The member shall make the election request in writing to the board of trustees at the time of the member's service retirement. The election is subject to the approval of the board of trustees. If the member is married, the election of an option under this section requires the written acknowledgement of the member's spouse.

A member's optional retirement benefits shall be the actuarial equivalent of the amount of the retirement benefits payable to the member and the member's beneficiaries under the service retirement provisions of this chapter. The actuarial equivalent shall be based on the mortality and interest assumptions set out in section 411.5.

If the member dies without a beneficiary prior to receipt in benefits of an amount equal to the total amount remaining to the member's credit at the time of separation from service, the election is void.

If the member dies with a beneficiary and the beneficiary subsequently dies prior to receipt in retirement benefits by both the member and the beneficiary of an amount equal to the total amount remaining to the member's credit at the time of separation from service, the election remains valid.

For the purpose of this section, "beneficiary" means a spouse, child, or a dependent parent.

Sec. 68. Section 411.7, Code 1989, is amended to read as follows:

411.7 MANAGEMENT OF FUNDS.

1. ~~The respective boards~~ board of trustees shall be ~~is the trustee of the several funds fire and police retirement fund created by this chapter as provided in section 411.8 and shall have full power to invest and reinvest such funds annually establish an investment policy to govern the investment and reinvestment of the moneys in the fund, subject to the terms, conditions, limitations and restrictions imposed by subsection 2 of this section and subject. Subject to like terms, conditions, limitations, and restrictions said trustees shall have~~ the system has full power to hold, purchase, sell, assign, transfer, or dispose of any of the securities and investments in which any of the funds created herein shall have fund has been invested, as well as of the proceeds of said the investments and any moneys belonging to said funds the fund.

2. ~~The city treasurer may~~ secretary of the board of trustees shall invest, at the direction of in accordance with the investment policy established by the respective boards board of trustees, a the portion of the funds fund established in section 411.8 which in the judgment of the respective boards are board is not needed for current payment of benefits under this chapter in investments authorized in section 97B.7,

subsection 2, paragraph "b", for moneys in the Iowa public employees' retirement fund.

~~The board of trustees may negotiate a joint agreement under chapter 288 with another board of trustees, a utility board, a city council, or all of these, that provides for the joint investment of moneys under the control of the boards of trustees, the utility board, and the city council. The investment of the moneys is subject to this section and section 452.10 and to the limitations stated in the joint agreement.~~

3. ~~The treasurer of the said cities shall be~~ secretary of the board of trustees is the custodian of the several funds fire and police retirement fund. All payments from said funds the fund shall be made by the treasurer secretary only upon vouchers signed by two persons designated by the respective board of trustees. A duly attested copy of the resolution of the respective board of trustees designating such persons and bearing on its face specimen signatures of such persons shall be filed with the treasurer as the treasurer's authority for making payments upon such vouchers. No voucher shall be drawn unless it shall previously have been allowed by resolution of the respective board of trustees. The system may select master custodian banks to provide custody of the assets of the retirement system.

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

5. ~~4. No trustee and no A member or employee of either the board of trustees shall not have any direct interest in the gains or profits of any investment made by the respective~~

boards board of trustees, other than as a member of the system. No A trustee shall not receive any pay or emolument for the trustee's services except as secretary. No-trustee A member or employee of either the board of trustees shall not directly or indirectly for the trustee or employee or as an agent in any manner use the assets of the retirement system except to make such current and necessary payments as are authorized by the board of trustees, nor shall any trustee or employee of the boards system become an endorser or surety or become in any manner an obligor for moneys loaned by or borrowed from the respective-board-of-trustees system.

Sec. 69. Section 411.8, unnumbered paragraph 1, Code 1989, is amended to read as follows:

All the assets of each the retirement system created and established by this chapter shall be credited according-to-the purpose-for-which-they-are-held-to-one-of-three-funds, namely, the-pension-accumulation-fund, the-pension-reserve-fund, and the-expense-fund to the fire and police retirement fund, which is hereby created. As used in this section, "fund" means the fire and police retirement fund.

Sec. 70. Section 411.8, subsection 1, unnumbered paragraph 1 and paragraph a, Code 1989, are amended to read as follows:

PENSION-ACCUMULATION-FUND--The-pension-accumulation-fund shall-be-the-fund-in-which-shall-be-accumulated-all All moneys for the payment of all pensions and other benefits payable from contributions made by the said participating cities, the state, and the members and-from-which-shall-be-paid-the-lump-sum-death shall be accumulated in the fund. The refunds and benefits for all members payable-from-the-said-contributions and beneficiaries shall be payable from the fund.

Contributions to and payments from the pension-accumulation fund shall be as follows:

a. On account of each member there shall be paid annually into the pension-accumulation fund by the said participating cities an amount equal to a certain percentage of the earnable compensation of the member to be known as the "normal

contribution". The rate percent of such contribution shall be fixed on the basis of the liabilities of the retirement system as shown by annual actuarial valuations.

Sec. 71. Section 411.8, subsection 1, paragraph b, Code 1989, is amended to read as follows:

b. On the basis of the rate of interest and of such the mortality, interest and other tables as-shall-be adopted by the boards-of-trustees system, the actuary engaged by the said boards system to make each valuation required by this chapter, shall immediately after making such valuation, determine the "normal contribution rate". The Except as otherwise provided in this lettered paragraph, the normal contribution rate shall be the rate percent of the earnable compensation of all members obtained by deducting from the total liabilities of the fund the amount of the funds in hand to the credit of the fund and dividing the remainder by one percent of the present value of the prospective future compensation of all members as computed on the basis of the rate of interest and of mortality and service tables adopted by-the-boards-of-trustees, all reduced by the employee contribution made pursuant to paragraph "f" of this subsection. However, the normal rate of contribution shall not be less than seventeen percent.

Beginning July 1, 1996, and each fiscal year thereafter, the normal contribution rate shall be the rate percent of the earnable compensation of all members obtained by deducting from the total liabilities of the fund the amount of the funds in hand to the credit of the fund and dividing the remainder by one percent of the present value of the prospective future compensation of all members as computed on the basis of the rate of interest and of mortality and service tables adopted, multiplied by six-tenths, or seventeen percent, whichever is greater.

PARAGRAPH DIVIDED. The normal rate of contribution shall be determined by the actuary after each valuation.

Sec. 72. Section 411.8, subsection 1, paragraphs c, d, and e, Code 1989, are amended to read as follows:

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

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

~~e. Upon the retirement or death of a member an amount equal to the pension reserve on any pension payable to the member or on account of the member's death shall be transferred from the pension-accumulation fund to the pension reserve fund.~~

Sec. 73. Section 411.8, subsection 1, paragraph f, Code 1989, is amended to read as follows:

f. Except as otherwise provided in paragraph "h":

(1) An amount equal to three and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the pension-accumulation fund for the fiscal year beginning July 1, 1989.

(2) An amount equal to four and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal year beginning July 1, 1990.

(3) An amount equal to five and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal year beginning July 1, 1991.

(4) An amount equal to six and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal year beginning July 1, 1992.

(5) An amount equal to seven and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal year beginning July 1, 1993.

(6) An amount equal to eight and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal year beginning July 1, 1994.

(7) An amount equal to nine and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal year beginning July 1, 1995.

(8) Beginning July 1, 1996, and each fiscal year thereafter, the member's contribution rate shall be the rate percent of the earnable compensation of all members obtained by deducting from the total liabilities of the fund the amount of the funds in hand to the credit of the fund and dividing the remainder by one percent of the present value of the prospective future compensation of all members as computed on the basis of the rate of interest and of mortality and service tables adopted, multiplied by four-tenths, or nine and one-tenth percent, whichever is greater. However, the system shall increase this percentage for its members as necessary to cover any increase in cost to the system resulting from statutory changes which are enacted by any session of the general assembly meeting after January 1, 1991, if the increase cannot be absorbed within the contribution rates otherwise established pursuant to this paragraph, but subject to a maximum employee contribution rate of eleven and three-tenths percent. After the employee contribution reaches the maximum rate specified in this subparagraph, sixty percent of the additional cost of such statutory changes shall be paid by employers under paragraph "c" and forty percent of the additional cost shall be paid by employees under this paragraph.

Beginning July 1, 1996, and each fiscal year thereafter, an amount equal to the member's contribution rate times each member's compensation shall be paid to the fund from the earnable compensation of the member.

The total amount to be contributed by the member shall be determined by the actuary after each valuation.

Sec. 74. Section 411.8, subsection 1, paragraph g, Code 1989, is amended to read as follows:

g. Each-board-of-trustees The system shall certify to the superintendent of public safety as defined in this chapter and the superintendent of public safety as defined in this chapter shall cause to be deducted from the earnable compensation of each member the contribution required under paragraph-"f"-of this subsection and shall forward the contributions to the board-of-trustees system for recording and for deposit in the pension-accumulation fund.

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

Sec. 75. Section 411.8, subsection 1, Code 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. h. Notwithstanding the provisions of paragraph "f", the following transition percentages apply to members' contributions as specified:

(1) For members who on July 1, 1990, have attained the age of forty-nine years or more, an amount equal to nine and one-tenth percent of each member's compensation from the earnable compensation of the member shall be paid to the fund for the fiscal year beginning July 1, 1990, and each subsequent fiscal year until the fiscal year beginning July 1, 1996, when paragraph "f", subparagraph (8), applies.

(2) For members who on July 1, 1990, have attained the age of forty-eight years but have not attained the age of forty-nine years, an amount equal to eight and one-tenth percent

shall be paid for the fiscal year beginning July 1, 1990, and an amount equal to nine and one-tenth percent shall be paid for the fiscal year beginning July 1, 1991, and each subsequent fiscal year thereafter until the fiscal year beginning July 1, 1996, when paragraph "f", subparagraph (8), applies.

(3) For members who on July 1, 1990, have attained the age of forty-seven years but have not attained the age of forty-eight years, an amount equal to seven and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, an amount equal to eight and one-tenth percent shall be paid for the fiscal year beginning July 1, 1991, and an amount equal to nine and one-tenth percent shall be paid for the fiscal year beginning July 1, 1992, and each subsequent fiscal year until the fiscal year beginning July 1, 1996, when paragraph "f", subparagraph (8), applies.

(4) For members who on July 1, 1990, have attained the age of forty-six years but have not attained the age of forty-seven years, an amount equal to six and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, an amount equal to seven and one-tenth percent shall be paid for the fiscal year beginning July 1, 1991, an amount equal to eight and one-tenth percent shall be paid for the fiscal year beginning July 1, 1992, and an amount equal to nine and one-tenth percent shall be paid for the fiscal year beginning July 1, 1993, and each subsequent fiscal year until the fiscal year beginning July 1, 1996, when paragraph "f", subparagraph (8), applies.

(5) For members who on July 1, 1990, have attained the age of forty-five years but have not attained the age of forty-six years, an amount equal to five and one-tenth percent shall be paid for the fiscal year beginning July 1, 1990, an amount equal to six and one-tenth percent shall be paid for the fiscal year beginning July 1, 1991, an amount equal to seven and one-tenth percent shall be paid for the fiscal year beginning July 1, 1992, an amount equal to eight and one-tenth



percent shall be paid for the fiscal year beginning July 1, 1993, and an amount equal to nine and one-tenth percent shall be paid for the fiscal years beginning July 1, 1994, and July 1, 1995. Beginning July 1, 1996, paragraph "f", subparagraph (8), applies.

Sec. 76. Section 411.8, subsection 2, Code 1989, is amended by striking the subsection.

Sec. 77. Section 411.8, subsection 3, Code 1989, is amended to read as follows:

3. ~~EXPENSE-FUND:--The expense fund shall be the fund to which shall be credited all money provided by the said cities to pay the administration expenses of the retirement system and from which shall be paid all the expenses necessary in connection with the administration and operation of the system.~~ Annually the boards board of trustees shall estimate budget the amount of money necessary to be paid into the expense fund during the ensuing year to provide for the expense of operation of the retirement system. The operating expenses shall be financed from the income derived from the system's investments. Investment management expenses shall be charged directly to the investment income of the system.

Sec. 78. Section 411.11, Code 1989, is amended to read as follows:

#### 411.11 CONTRIBUTIONS BY THE CITY.

On or before January 1 of each year the respective boards of trustees system shall certify to the superintendent of public safety of each participating city the amounts which will become due and payable during the year next following to the pension-accumulation fire and police retirement fund and the expense fund. The amounts so certified shall be included by the superintendent of public safety in the annual budget estimate. The amounts so certified shall be appropriated by the respective cities and transferred to the retirement system for the ensuing year. The cities shall annually levy a tax sufficient in amount to cover the appropriations.

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

Sec. 79. Section 411.12, Code 1989, is amended to read as follows:

#### 411.12 GUARANTY.

The creation and maintenance of moneys in the pension accumulation fire and police retirement fund and the maintenance of pension reserves as provided for the payment of all pensions and other benefits granted under the provisions of this chapter and all expenses in connection with the administration and operation of the retirement systems system are hereby made direct liability obligations of the said cities participating in the retirement system.

Sec. 80. Section 411.13, Code Supplement 1989, is amended to read as follows:

#### 411.13 EXEMPTION FROM EXECUTION.

The right of any person to a pension, annuity, or retirement allowance, to the return of contributions, the pension, annuity, or retirement allowance itself, any optional benefit or death benefit, any other right accrued or accruing to any person under this chapter, and the moneys in the various funds fire and police retirement fund created under this chapter, are not subject to execution, garnishment, attachment, or any other process whatsoever, and are unassignable except as in this chapter specifically provided.

Sec. 81. Section 411.14, Code 1989, is amended to read as follows:

#### 411.14 PROTECTION AGAINST FRAUD.

Any A person who shall knowingly make any makes a false statement, or shall falsify falsifies or permit permits to be falsified any record or records of such the retirement system in any an attempt to defraud such the system as a result of such act, shall be is guilty of a fraudulent practice. Should If any change or errors error in records result results in any

a member or beneficiary receiving from the retirement system more or less than the member or beneficiary would have been entitled to receive had the records been correct, the respective-board-of-trustees system shall correct such the error, and, as far as practicable, shall adjust the payments in such a manner that the actuarial equivalent of the benefit to which such the member or beneficiary was correctly entitled, shall be paid.

Sec. 82. Section 411.20, Code 1989, is amended by striking the section and inserting in lieu thereof the following:

411.20 STATE APPROPRIATION.

There is appropriated from the general fund of the state for each fiscal year an amount necessary to be distributed to the statewide fire and police retirement system, or to the cities participating in the system, to finance the cost of benefits provided in this chapter by amendments of the Acts of the Sixty-sixth General Assembly, chapter 1089. The method of distribution shall be determined by the board of trustees based on information provided by the actuary of the statewide retirement system.

Moneys appropriated by the state shall not be used to reduce the normal rate of contribution of any city below seventeen percent.

Sec. 83. Section 411.21, subsection 2, paragraph g, Code 1989, is amended to read as follows:

g. "Member who became vested" and "vested member" mean a member who has been a member of the retirement system fifteen four or more years and is entitled to benefits under this chapter.

Sec. 84. NEW SECTION. 411.23 WITHDRAWAL OF CONTRIBUTIONS.

Commencing July 1, 1990, if an active member, in service on or after that date, terminates service, other than by death or disability, the member may elect to withdraw the member's contributions under section 411.8, subsection 1, paragraphs "f" and "h", together with interest thereon at a rate

determined by the board of trustees. If a member withdraws contributions as provided in this section, the member shall be deemed to have waived all claims for other benefits from the system for the period of membership service for which the contributions are withdrawn.

Sec. 85. NEW SECTION. 411.35 STATEWIDE SYSTEM ESTABLISHED -- CITY SYSTEMS TERMINATED.

1. Effective January 1, 1992, a single statewide fire and police retirement system is established to replace the individual city fire retirement systems and police retirement systems operating under this chapter prior to that date. Each city fire retirement system and police retirement system operating under this chapter prior to January 1, 1992, shall participate in the statewide system.

2. Effective January 1, 1992, each city fire retirement system and police retirement system operating under this chapter prior to that date is terminated, and all membership, benefit rights, and financial obligations under the terminating systems shall be assumed by the statewide fire and police retirement system.

Sec. 86. NEW SECTION. 411.36 BOARD OF TRUSTEES FOR STATEWIDE SYSTEM.

1. A board of trustees for the statewide fire and police retirement system is created. The board shall consist of thirteen members, including nine voting members and four nonvoting members. The voting members shall be as follows:

a. Two fire fighters from different participating cities, one of whom is an active member of the retirement system and one of whom is a retired member. The fire fighters shall be appointed by the governing body of the Iowa association of professional fire fighters.

b. Two police officers from different participating cities, one of whom is an active member of the retirement system and one of whom is a retired member. The police officers shall be appointed by the governing body of the Iowa state police association.

c. The city treasurers of four participating cities, one of whom is from a city having a population of less than forty thousand, and three of whom are from cities having a population of forty thousand or more. The city treasurers shall be appointed by the governing body of the league of Iowa municipalities.

d. One citizen who does not hold another public office. The citizen shall be appointed by the other members of the board.

The nonvoting members of the board shall be two state representatives, one appointed by the speaker of the house of representatives and one by the minority leader of the house, and two state senators, one appointed by the majority leader of the senate and one by the minority leader of the senate.

2. Except as otherwise provided for the initial appointments, the voting members shall be appointed for four-year terms, and the nonvoting members shall be appointed for two-year terms. Terms begin on May 1 in the year of appointment and expire on April 30 in the year of expiration.

3. Vacancies shall be filled in the same manner as original appointments. A vacancy shall be filled for the unexpired term.

4. The board shall elect a chairperson from among its own members.

**Sec. 87. NEW SECTION. 411.37 BOARD RESPONSIBLE FOR TRANSITION.**

1. The board of trustees for the statewide system is responsible for effecting the transition from the city fire and police retirement systems to the statewide fire and police retirement system. The board shall adopt a transition plan and other appropriate transition documents it deems necessary to accomplish the transition in accordance with the requirements of this chapter. The city fire and police retirement systems shall comply with orders of the board issued pursuant to the transition plan or other transition documents.

2. The board shall include in the transition plan or other transition documents, provisions to facilitate continuity under sections 411.20, 411.21, and 411.30 and a recommendation for an equitable process for determining earnable compensation changes when calculating adjustments to pensions under section 411.6, subsection 12, to be submitted to the general assembly meeting in 1991.

3. For the fiscal year beginning July 1, 1990, ten percent of the amount appropriated for distribution to cities as provided in section 411.20 shall be made available to the board of trustees for the statewide system to cover the administrative costs of the transition. The amount distributed to each city shall be reduced accordingly. The moneys remaining unexpended at the end of the fiscal year shall be credited to the cities in the same proportion as the reduction.

**Sec. 88. NEW SECTION. 411.38 OBLIGATIONS OF PARTICIPATING CITIES.**

Upon the establishment of the statewide system, each city participating in the statewide fire and police retirement system shall do all of the following:

1. Pay to the statewide system the normal contribution rate provided pursuant to section 411.8.

2. Transfer from each terminated city fire or police retirement system to the statewide system amounts sufficient to cover the accrued liabilities of that terminated system as determined by the actuary of the statewide system.

3. Contribute additional amounts necessary to ensure sufficient financial support for the statewide fire and police retirement system, as determined by the board of trustees based on information provided by the actuary of the statewide system.

It is the intent of the general assembly that a terminated city fire or police retirement system shall not subsidize any portion of any other system's unfunded liabilities in connection with the transition to the statewide system.

**Sec. 89. INITIAL STATEWIDE BOARD FOR STATEWIDE SYSTEM.**

1. All members of the initial board of trustees for the statewide fire and police retirement system, except the nonvoting members, shall be appointed from the boards of trustees of the participating fire and police retirement systems.

2. The terms of the initial appointees shall be as follows:

a. One fire fighter shall be appointed for a term of four years and one for a term of two years.

b. One police officer shall be appointed for a term of three years and one for a term of one year.

c. One city treasurer shall be appointed for a term of four years, one for a term of three years, one for a term of two years, and one for a term of one year.

d. The citizen member shall be appointed for a term of four years.

e. The state representatives and state senators shall each be appointed for a term of two years.

3. Notwithstanding section 411.36, subsection 2, the term of each original appointee commences on the date of appointment and expires on April 30 in the year of expiration.

4. As soon as possible after the effective date of this section, the director of the legislative service bureau shall call a preliminary meeting of the eight board members appointed as provided in section 411.36, subsection 1, paragraphs "a", "b", and "c" for the purpose of appointing the remaining board member and setting a date for the first meeting of the full board. The preliminary meeting shall be held before July 1, 1990. The director of the legislative service bureau shall preside at the preliminary meeting and also at the first meeting of the full board until the board elects a chairperson from among its own members.

5. The initial board members are entitled to expenses incurred in the performance of their duties during the transition period.

6. The initial board may engage actuarial and other services as necessary for transition purposes.

Sec. 90. REPEALS.

Sections 411.18 and 411.19, Code 1989, are repealed.

Sec. 91. STUDY.

The legislative council shall employ an actuarial consultant to study possible courses of action with respect to the retirement systems for public safety peace officers, police officers, and fire fighters covered under chapters 97A and 411.

The study of possible courses of action shall include:

1. Extending the Iowa public employees' retirement system and the federal social security system to peace officers, police officers, and fire fighters, with the same benefits as county sheriffs and deputy sheriffs under section 97B.49, subsection 16, paragraph "b".

2. Establishing a system for rating the degree of disability under the retirement systems established by chapters 97A and 411.

3. Determining methods of enhancing benefits for current retirees and their survivors and determining equity among state and local systems, both as to contribution rates and benefit formulas.

4. Revising the system of benefits for members, spouses, and other beneficiaries so that members would choose from among five benefit options similar to those available under the Iowa public employees' retirement system.

The study shall consider each of the possible courses of action with respect to (a) persons currently under the retirement systems established by chapters 97A and 411, and (b) persons newly hired as peace officers, police officers, and fire fighters.

The study shall also extend to consideration of changes in provisions governing coverage of temporary employees under the Iowa public employees' retirement system, including the issue of whether coverage under the proposed changes should be mandatory or optional for the employee.

The study shall be conducted in accordance with the guiding goals and principles set forth in section 97D.1.

The legislative service bureau shall coordinate the study, in consultation with the legislative fiscal bureau and the public employees' retirement system division of the department of personnel.

The study shall be completed and a report submitted to the general assembly not later than December 1, 1990.

**Sec. 92. STUDY OF DEFINED CONTRIBUTION PLAN.**

1. The Iowa public employees' retirement system shall conduct a study of the feasibility of initiating an optional, supplemental defined contribution retirement plan which would be available to all members in addition to their basic coverage under the existing system. Under the proposed plan, employees electing to participate would be eligible to contribute up to five percent of their total salary per year at their option and this would accumulate interest at the rate credited to members' accounts under basic Iowa public employees' retirement system coverage, less management expenses and administrative costs. The funds in the employee's account would be available to the employee either upon termination of public employment or at retirement.

2. The Iowa public employees' retirement system shall provide a preliminary report concerning the study on or after November 1, 1990, and a final report on or after November 1, 1991. The reports shall be transmitted to the chief clerk of the house of representatives and the secretary of the senate for distribution to the general assembly.

**Sec. 93. TRANSFER OF SECTION.**

The Code editor shall transfer section 97B.76 to chapter 97D, created by this Act.

**Sec. 94. APPLICABILITY -- EFFECTIVE DATE.**

1. Sections 3, 6, 13, 54, 61, and 83 of this Act apply to members of the Iowa department of public safety peace officers' retirement, accident, and disability system and members of police and fire retirement systems who are in active service on or after the effective date of this Act.

2. Section 22 of this Act is applicable to computations of years of prior service made on or after the effective date of this Act.

3. Sections 1, 48 through 53, 56, 57, 59, 60, 63, 64, 68 through 72, 74, 76 through 82, and 90 of this Act take effect January 1, 1992.

4. Section 16 of this Act takes effect January 14, 1991.

**Sec. 95. IMMEDIATE EFFECTIVENESS.**

Sections 85 through 89 and this section, being deemed of immediate importance, take effect upon enactment.

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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 2543, Seventy-third General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved May 3, 1990

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TERRY E. BRANSTAD  
Governor