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FILED MAR 16 1989

SENATE FILE 459
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 179)

Passed Senate, Date 4-15-89 (P.1153) Passed House, Date 4-18-89 (P.1683)
Vote: Ayes 48 Nays 1 Vote: Ayes 96 Nays 0

Approved May 15, 1989

motion to reconsider 4-4-89 (p.1160)
withdrawn 4-4-89 (p.1177)
A BILL FOR

1 An Act relating to payment of a senior judge's medical insurance
2 premium and annuity.

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

SENATE FILE 459

S-3469

- 1 Amend Senate File 459 as follows:
- 2 1. Page 1, by striking line 27 and inserting the
- 3 following: "is under sixty-five years of age at the
- 4 time the judge becomes".
- 5 2. Page 1, by striking lines 29 and 30 and
- 6 inserting the following: "senior judge's medical
- 7 insurance premium until the judge attains age sixty-
- 8 five."

By DONALD V. DOYLE

S-3469 FILED MARCH 29, 1989

Adopted 4-4-89 (p.1153)

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SENATE FILE 459

S-3410

- 1 Amend Senate File 459 as follows:
- 2 1. Page 1, by striking line 27 and inserting the
- 3 following: "is under sixty-five years of age at the
- 4 time the judge becomes".

By DONALD V. DOYLE

S-3410 FILED MARCH 23, 1989

withdrawn 4-4-89 (p.1153)

1 Section 1. Section 602.9203, subsection 2, paragraph b,
2 Code 1989, is amended to read as follows:

3 b. Meets the minimum requirements for entitlement to an
4 annuity as specified in section 602.9106. However, a judge
5 who elects to retire prior to attaining the age of sixty-five
6 and who has not had twenty-five years of consecutive service,
7 may serve as a senior judge, but shall not be paid an annuity
8 pursuant to section 602.9204 until attaining age sixty-five.

9 Sec. 2. Section 602.9204, Code 1989, is amended to read as
10 follows:

11 602.9204 ANNUITY OF SENIOR JUDGE AND RETIRED SENIOR JUDGE.

348- 12 A senior judge or a retired senior judge shall not be paid
13 a salary. A senior judge or retired senior judge shall be
14 paid an annuity under the judicial retirement system in the
15 manner provided in section 602.9109, but computed under this
16 section in lieu of section 602.9107, as follows: The annuity
17 paid to a senior judge or retired senior judge shall be an
18 amount equal to three percent of the current basic salary, as
19 of the time each payment is made, of the office in which the
20 senior judge last served as a judge before retirement as a
21 judge or senior judge, multiplied by the judge's years of
22 service prior to retirement as a judge of one or more of the
23 courts included under this article, for which contributions
24 were made to the system, except the annuity of the senior
25 judge or retired senior judge shall not exceed fifty percent
26 of the current basic salary. In addition, if a senior judge
3410-27 was under sixty-five years of age at the time the judge became
28 a senior judge, the state shall pay the state's share of the
29 senior judge's medical insurance premium during the tenure of
30 the senior judge.

31 EXPLANATION

32 This bill provides that the state shall pay the state's
33 share of a senior judge's medical insurance premium if the
34 senior judge was under 65 years of age at the time the judge
35 becomes a senior judge. The bill also provides that a judge

1 who elects to retire prior to meeting the minimum requirements
2 for entitlement to an annuity may serve as a senior judge, but
3 the judge shall not be paid an annuity until attaining age
4 sixty-five.

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15 manner provided in section 602.9109, but computed under this
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20 senior judge last served as a judge before retirement as a
21 judge or senior judge, multiplied by the judge's years of
22 service prior to retirement as a judge of one or more of the
23 courts included under this article, for which contributions
24 were made to the system, except the annuity of the senior
25 judge or retired senior judge shall not exceed fifty percent
26 of the current basic salary. In addition, if a senior judge
27 is under sixty-five years of age at the time the judge becomes
28 a senior judge, the state shall pay the state's share of the
29 senior judge's medical insurance premium until the judge
30 attains age sixty-five.

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SENATE FILE 459
FISCAL NOTE

REQ. BY SENATOR DOYLE

A fiscal note for AMENDMENT S3469 TO Senate File 459 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 S3469 makes a technical correction to Senate File 459 and it also amends the bill to reflect that Senior Judges shall receive a medical insurance premium until they reach the age of 65.

Assumptions:

1. Senior Judges opting into the insurance program prior to reaching the age of 65 have 25 years of consecutive experience.

Fiscal Effect:

According to the State Court Administrator, the cost to the State for this legislation in Calendar Year 1990 would be approximately \$13,920. In Calendar Year 1991, the cost would be approximately \$19,665, due to more judges being eligible and a higher insurance premium rate. Currently, there are four judges who are less than 65 years of age and have provided at least 25 years of service.

The fiscal effect of S3469 is lower than the fiscal effect of the unamended version of SF 459, because the length of time a senior judge is eligible to receive the health insurance benefit is reduced.

Source: Judicial Department

(LSB 1864sv.2, VYW)

FILED APRIL 4, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

**SENATE FILE 459
FISCAL NOTE**

A fiscal note for **SENATE FILE 459** 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.

Senate File 459 requires the State to pay the employer's share of Senior Judges' Medical Insurance Premium for those Senior Judges who are under 65 years of age. The bill also requires a Senior Judge to be 65 years of age in order to receive an annuity under the Judicial Retirement System.

Fiscal Effect:

According to the State Court Administrator, the cost to the State for this legislation cannot be estimated. The following is the explanation provided for the inability to determine a fiscal impact.

In regard to the annuity, Judges would need to be at least 65 years of age in order to receive an annuity under S.F. 459.

In regard to the health insurance premium, currently, Judges are entitled to the same health insurance benefits as all other State employees. Therefore, upon retirement, Judges may elect to remain in one of the State employees group plans while paying the entire premium (which includes the employer's share). S.F. 459, however, requires the State to pay the employer's share of the insurance premium for any retired Senior Judge under the age of 65. The maximum state contribution for a family plan in FY 1990 is approximately \$232.06 (\$285.08 in FY 1991). Assuming most judges carry family health insurance, the State would expend \$2,784.72 in FY 1990 and \$3,420.96 in FY 1990 for each judge who opts into this program.

Four Judges are currently eligible for the annuity program, and several more Judges would become eligible in the following years. Moreover, Judges could retire before the age of 65 and receive their full health insurance benefits. This uncertainty makes it difficult for the State Court Administrator to determine any fiscal effect of this legislation.

(LSB 1864sv, VYW)

FILED MARCH 27, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

DOYLE, CH.
MAUN
TAYLOR

SSB 179
JUDICIARY

SENATE FILE 459
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL)

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

A BILL FOR

1 An Act relating to payment of a senior judge's medical insurance
2 premium.

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

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2 as follows:

3 602.9204 ANNUITY OF SENIOR JUDGE AND RETIRED SENIOR JUDGE.

4 A senior judge or a retired senior judge shall not be paid
5 a salary. A senior judge or retired senior judge shall be
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16 were made to the system, except the annuity of the senior
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19 was under sixty-five years of age at the time the judge became
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EXPLANATION

24 This bill provides that the state shall pay the state's
25 share of a senior judge's medical insurance premium if the
26 senior judge was under 65 years of age at the time the judge
27 becomes a senior judge.

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SENATE FILE 459

a senior judge, the state shall pay the state's share of the senior judge's medical insurance premium until the judge attains age sixty-five.

AN ACT

RELATING TO PAYMENT OF A SENIOR JUDGE'S MEDICAL INSURANCE PREMIUM AND ANNUITY.

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

Section 1. Section 602.9203, subsection 2, paragraph b. Code 1989, is amended to read as follows:

b. Meets the minimum requirements for entitlement to an annuity as specified in section 602.9106. However, a judge who elects to retire prior to attaining the age of sixty-five and who has not had twenty-five years of consecutive service, may serve as a senior judge, but shall not be paid an annuity pursuant to section 602.9204 until attaining age sixty-five.

Sec. 2. Section 602.9204, Code 1989, is amended to read as follows:

602.9204 ANNUITY OF SENIOR JUDGE AND RETIRED SENIOR JUDGE.

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

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 459, Seventy-third General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved May 15, 1989

TERRY E. BRANSTAD
Governor