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HOUSE FILE 2450
BY COMMITTEE ON STATE GOVERNMENT

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(SUCCESSOR TO HSB 721)

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Vote: Ayes 89 Nays 0 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to public retirement systems and administration
2 and benefits of the Iowa public employees' retirement system,
3 including penalties, and providing effective and retroactive
4 applicability dates.

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

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HF 2450

1 Section 1. Section 97A.6, subsections 3 through 5, Code
2 Supplement 1991, are amended to read as follows:

3 3. ORDINARY DISABILITY RETIREMENT BENEFIT. Upon the
4 application of a member in service or of the commissioner of
5 public safety, any member shall be retired by the board of
6 trustees, not less than thirty and not more than ninety days
7 next following the date of filing such application, on an
8 ordinary disability retirement allowance, provided, that the
9 medical board after a medical examination of such member shall
10 certify that said member is mentally or physically
11 incapacitated for further performance of duty, that such
12 incapacity is likely to be permanent and that such member
13 should be retired. However, if a person's membership in the
14 system first commenced on or after July 1, 1992, the member
15 shall not be eligible for benefits with respect to a
16 disability which would not exist, but for a medical condition
17 that was known to exist on the date that membership commenced.

18 4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT. Upon
19 retirement for ordinary disability a member shall receive an
20 ordinary disability retirement allowance which shall consist
21 of a pension which shall equal fifty percent of the member's
22 average final compensation except if unless either of the
23 following conditions exist:

24 a. If the member has not had five or more years of
25 membership service, the member shall receive a disability
26 pension equal to one-fourth of the member's average final
27 compensation.

28 b. If the member has had twenty-two or more years of
29 membership service, the member shall receive a disability
30 retirement allowance that is equal to the greater of one
31 percent of that the member would receive under subsection 2 if
32 the member were fifty-five years of age or the disability
33 pension otherwise calculated under this subsection.

34 5. ACCIDENTAL DISABILITY BENEFIT.

35 6. Upon application of a member in service or of the

1 commissioner of public safety, any member who has become
2 totally and permanently incapacitated for duty as the natural
3 and proximate result of an injury, disease or exposure
4 occurring or aggravated while in the actual performance of
5 duty at some definite time and place shall be retired by the
6 board of trustees, provided, that the medical board shall
7 certify that such member is mentally or physically
8 incapacitated for further performance of duty, that such
9 incapacity is likely to be permanent and that such member
10 should be retired. However, if a person's membership in the
11 system first commenced on or after July 1, 1992, the member
12 shall not be eligible for benefits with respect to a
13 disability which would not exist, but for a medical condition
14 that was known to exist on the date that membership commenced.

15 b. Should a member in service become incapacitated for
16 duty as a natural and proximate result of an injury, disease,
17 or exposure incurred or aggravated while in the actual
18 performance of duty at some definite time or place, the member
19 shall, upon being found to be temporarily incapacitated
20 following an examination by the board of trustees, be entitled
21 to receive the member's fixed pay and allowances until re-
22 examined by the board and found to be fully recovered or
23 permanently disabled.

24 c. Disease under this section shall mean heart disease or
25 any disease of the lungs or respiratory tract and shall be
26 presumed to have been contracted while on active duty as a
27 result of strain, exposure, or the inhalation of noxious
28 fumes, poison, or gases. However, if a person's membership in
29 the system first commenced on or after July 1, 1992, and the
30 heart disease or disease of the lungs or respiratory tract
31 would not exist, but for a medical condition that was known to
32 exist on the date that membership commenced, the presumption
33 established in this paragraph shall not apply.

34 Sec. 2. Section 97A.6, subsection 6, paragraph b, Code
35 Supplement 1991, is amended to read as follows:

1 b. Upon retirement for accidental disability on or after
2 July 1, 1990, a member shall receive an accidental disability
3 retirement allowance which shall consist of a pension equal to
4 six y percent of the member's average final compensation.
5 However, if the member has had twenty-two or more years of
6 membership service, the member shall receive a disability
7 retirement allowance that is equal to the greater of the
8 retirement allowance that the member would receive under
9 subsection 2 if the member were fifty-five years of age or the
10 disability retirement allowance calculated under this
11 paragraph.

12 Sec. 3. Section 97A.6, subsection 7, paragraphs a and b,
13 Code Supplement 1991, are amended to read as follows:

14 a. Should any beneficiary for either ordinary or
15 accidental disability, except a beneficiary who is fifty-five
16 years of age or over and would have completed twenty-two years
17 of service if the beneficiary had remained in active service,
18 be engaged in a gainful occupation paying more than the
19 difference between the member's retirement allowance and one
20 and one-half times the current earnable compensation of an
21 active member at the same position on the salary scale within
22 the member's rank as the member held at retirement, then the
23 amount of the retirement allowance shall be reduced to an
24 amount which together with the amount earned by the member
25 shall equal one and one-half times the amount of the current
26 earnable compensation of an active member at the same position
27 on the salary scale within the member's rank as the member
28 held at retirement. Should the member's earning capacity be
29 later changed, the amount of the retirement allowance may be
30 further modified, provided, that the new retirement allowance
31 shall not exceed the amount of the retirement allowance
32 originally granted adjusted by annual readjustments of
33 pensions pursuant to subsection 14 of this section nor an
34 amount which, when added to the amount earned by the
35 beneficiary, equals one and one-half times the amount of the

1 current earnable compensation of an active member at the same
2 position on the salary scale within the member's rank as the
3 member held at retirement. A beneficiary restored to active
4 service at a salary less than the average final compensation
5 upon the basis of which the member was retired at age fifty-
6 five or greater, shall not again become a member of the
7 retirement system and shall have the member's retirement
8 allowance suspended while in active service. If the rank or
9 position held by the retired member is subsequently abolished,
10 adjustments to the allowable limit on the amount of income
11 which can be earned in a gainful occupation shall be computed
12 in the same manner as provided in subsection 15 14, paragraph
13 "a," "c", of this section for readjustment of pensions when a
14 rank or position has been abolished. If the salary scale
15 associated with a member's rank at retirement is changed after
16 the member retires, earnable compensation for purposes of this
17 section shall be based upon the salary an active member
18 currently would receive at the same rank and with seniority
19 equal to that of the retired member at the time of retirement.

20 A beneficiary retired under the provisions of this
21 paragraph in order to be eligible for continued receipt of
22 retirement benefits shall no later than May 15 of each year
23 submit to the board of trustees a copy of the beneficiary's
24 state income tax return for the preceding year.

25 Retroactive to July 1, 1976, the limitations on pay of a
26 member engaged in a gainful occupation who is retired under
27 accidental disability prescribed in this paragraph shall not
28 apply to a member who retired before July 1, 1976.

29 b. Should a disability beneficiary under age fifty-five be
30 restored to active service at a compensation not less than the
31 disability beneficiary's average final compensation, the
32 disability beneficiary's retirement allowance shall cease, the
33 disability beneficiary shall again become a member and shall
34 contribute thereafter at the same rate paid-prior-to
35 disability payable by other members of comparable rank,

1 seniority, and age, and former service on the basis of which
2 the disability beneficiary's service was computed at the time
3 of retirement shall be restored to full force and effect and
4 again. upon subsequent retirement the disability beneficiary
5 shall be credited with all service as a member, and also with
6 the period of disability retirement.

7 Sec. 4. Section 97A.6, subsection 9, unnumbered paragraph
8 1, Code Supplement 1991, is amended to read as follows:

9 If, upon the receipt of evidence and proof that the death
10 of a member in service was the natural and proximate result of
11 an accident, disease, or exposure occurring or aggravated at
12 some definite time and place while the member was in the
13 actual performance of duty, the board of trustees shall decide
14 that death was so caused in the performance of duty there
15 shall be paid, in lieu of the ordinary death benefit provided
16 in subsection 8 of this section, to the member's estate or to
17 such person having an insurable interest in the member's life
18 as the member shall have nominated by written designation duly
19 executed and filed with the board of trustees:

20 Sec. 5. Section 97B.4, unnumbered paragraph 1, Code 1991,
21 is amended to read as follows:

22 The department, through the administrator, shall administer
23 this chapter. The department may adopt, amend, or rescind
24 rules, employ persons, execute contracts with outside parties,
25 make expenditures, require reports, make investigations, and
26 take other action it deems necessary for the administration of
27 the system. The rules shall be effective upon compliance with
28 chapter 17A. Not later than the fifteenth day of December of
29 each year, the department shall submit to the governor a
30 report covering the administration and operation of this
31 chapter during the preceding fiscal year and shall make
32 recommendations for amendments to this chapter. The report
33 shall include a balance sheet of the moneys in the Iowa public
34 employees' retirement fund.

35 Sec. 6. Section 97B.5, Code 1991, is amended to read as

1 follows:

2 97B.5 STAFF.

3 Subject to other provisions of this chapter, the department
4 may employ personnel as necessary for the administration of
5 the system. The maximum number of full-time equivalent
6 employees specified by the general assembly for the department
7 for administration of the system for a fiscal year shall not
8 be reduced by any authority other than the general assembly.
9 The staff shall be appointed pursuant to chapter 19A. The
10 department shall not appoint or employ a person who is an
11 officer or committee member of a political party organization
12 or who holds or is a candidate for an elective public office.
13 The department may employ attorneys and contract with
14 attorneys and legal firms for the provision of legal counsel
15 and advice in the administration of this chapter, chapter 97C,
16 and chapter 12A. The department may execute contracts with
17 investment advisors, consultants, and managers outside state
18 government in the administration of this chapter and chapter
19 12A. The department may delegate to any person such authority
20 as it deems reasonable and proper for the effective
21 administration of this chapter, and may bond any person
22 handling moneys or signing checks under this chapter.

23 Sec. 7. Section 97B.6, Code 1991, is amended to read as
24 follows:

25 97B.6 OLD RECORDS.

26 The department may destroy or dispose of such original
27 reports or records as have been properly recorded or
28 summarized in the permanent records of the department and are
29 deemed by the director ~~and state records commission~~ to be no
30 longer necessary to the proper administration of this chapter.
31 ~~Such~~ The destruction or disposition shall be made only by
32 order of the director. Records of deceased members of the
33 system may be destroyed ten years after the later of the final
34 payment made to a third party on behalf of the member or the
35 death of the member. Any moneys received from the disposition

1 of such these records shall be deposited to the credit of the
2 public employees' retirement fund subject to rules promulgated
3 adopted by the department.

4 Sec. 8. Section 97B.7, subsection 3, Code 1991, is amended
5 to read as follows:

6 3. All moneys which are paid or deposited into this fund
7 are hereby appropriated and made available to the department
8 to be used only for the purposes herein for the exclusive
9 benefit of the members and their beneficiaries or contingent
10 annuitants as provided in this chapter:

11 a. To be used by the department for the payment of
12 retirement claims for benefits under this chapter, ~~or such~~
13 ~~other purposes as may be authorized by the general assembly.~~

14 b. To be used by the department to pay refunds provided
15 for in this chapter.

16 c. To be used for the costs of administering the
17 retirement system. If as a result of action under section
18 8.31, the governor has reduced the moneys appropriated from
19 the Iowa public employees' retirement system fund to the
20 department of personnel for salaries, support, maintenance,
21 and other operational purposes to pay the costs of the Iowa
22 public employees' retirement system for a fiscal year, the
23 amount by which the appropriation has been reduced is
24 appropriated from that fund to the department of personnel for
25 salaries, support, maintenance, and other operational purposes
26 to pay the costs of the Iowa public employees' retirement
27 system for that fiscal year.

28 Sec. 9. Section 97B.8, unnumbered paragraph 2, Code
29 Supplement 1991, is amended to read as follows:

30 The board consists of nine members. Six of the members
31 shall be appointed by the governor. One member shall be an
32 executive of a domestic life insurance company, one an
33 executive of a state or national bank operating within the
34 state of Iowa, one an executive of a ~~major~~ an industrial
35 corporation located within the state of Iowa, and three shall

1 be members of the system, one of whom shall-be is an active
2 member who is an employee of a school district, area education
3 agency, or merged area, one of whom shall-be is an active
4 member who is not an employee of a school district, area
5 education agency, or merged area, and one of whom is a retired
6 member of the system. The president of the senate, after
7 consultation with the majority leader and the minority leader
8 of the senate, shall appoint one member from the membership of
9 the senate and the speaker of the house of representatives
10 shall appoint one member from the membership of the house.
11 The two members appointed by the president of the senate,
12 after consultation with the majority leader and the minority
13 leader of the senate, and the speaker of the house of
14 representatives and the two active members of the system
15 appointed by the governor are ex officio members of the board.
16 The director of the department of personnel is an ex officio,
17 nonvoting member of the board.

18 Sec. 10. Section 97B.10, Code 1991, is amended to read as
19 follows:

20 97B.10 REFUNDS.

21 ~~In any case in which~~ If the department finds the employee
22 or employer has, or both, have erroneously paid contributions
23 ~~thereon which have been erroneously paid, and has filed~~
24 ~~application for an adjustment thereof,~~ the department shall
25 make such an adjustment, compromise, or settlement and make
26 such a refund of such payments to the employee or employer, or
27 both, as it finds just and equitable ~~in the premises~~. Refunds
28 so made shall be charged to the fund to which the erroneous
29 collections have been credited and shall be paid to the
30 ~~claimant~~ employee or employer, or both, without interest. Any
31 A claim of an employee or employer for such a refund shall be
32 made within three years of date of payment and not thereafter.
33 However, the department may make refund payments to employees
34 or employers after the expiration of the three-year deadline
35 if the department finds that the payment of the refund is just

1 and equitable.

2 Sec. 11. Section 97B.11, Code 1991, is amended to read as
3 follows:

4 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

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

20 Sec. 12. Section 97B.17, unnumbered paragraph 1, Code
21 1991, is amended to read as follows:

22 The department shall establish and maintain records of each
23 member, including but not limited to, the amount of wages of
24 each member, the contribution of each member with interest,
25 and interest dividends credited, ~~and these.~~ These records are
26 the basis for the compilation of the retirement benefits
27 provided under this chapter. The following records maintained
28 under this chapter containing personal identifiable
29 information are not public records for the purposes of chapter
30 22:

31 Sec. 13. Section 97B.18, Code 1991, is amended to read as
32 follows:

33 97B.18 STATEMENT OF ACCUMULATED CREDIT.

34 After the expiration of each calendar year and prior to
35 July 1 of the succeeding year, the department shall furnish

1 each member with a statement of the member's accumulated
2 contributions and benefit credits accrued under this chapter
3 up to the end of such that calendar year and additional
4 information the department deems useful to a member. The
5 department may furnish an estimate of such the credits as of
6 the projected normal retirement date of the member under
7 section 97B.45. The department shall mail such the statement
8 to each employer not later than June 30 of the succeeding
9 calendar year. The employer shall distribute such the
10 statements to its employees, and the records of the department
11 as shown by said the statement as to the wages of such each
12 individual member for such a year and the periods of payment
13 shall be conclusive for the purpose of this chapter, except as
14 hereinafter otherwise provided in this chapter.

15 Effective for the calendar year beginning January 1, 1994,
16 the department may transmit the statements directly to the
17 members in lieu of mailing them to the employers.

18 Sec. 14. NEW SECTION. 97B.20A APPEAL PROCEDURE.

19 Members and third-party payees may appeal any decision made
20 by the department that affects their rights under this
21 chapter. The appeal shall be filed with the department within
22 thirty days after the notification of the decision was mailed
23 to the party's last known mailing address, or the decision of
24 the department is final. If the party appeals the decision of
25 the department, the department shall conduct an internal
26 review of the decision and the chief benefits officer shall
27 notify the individual who has filed the appeal in writing of
28 the department's decision. The individual who has filed the
29 appeal may file an appeal of the department's final decision
30 with the department under chapter 17A by notifying the
31 department of the appeal in writing within thirty days after
32 the notification of its final decision was mailed to the
33 party's last known mailing address. Once notified, the
34 department shall forward the appeal to the department of
35 inspections and appeals.

1 Sec. 15. NDW SECTION. 97B.20B HEARING BY ADMINISTRATIVE
2 LAW JUDGE.

3 If an appeal is filed and is not withdrawn, an
4 administrative law judge in the department of inspections and
5 appeals, after affording the parties reasonable opportunity
6 for fair hearing, shall affirm, modify, or reverse the
7 decision of the department. The hearing shall be recorded by
8 mechanical means and a transcript of the hearing shall be
9 made. The transcript shall then be made available for use by
10 the employment appeal board and by the courts at subsequent
11 judicial review proceedings under the Iowa administrative
12 procedure Act, if any. The parties shall be duly notified of
13 the administrative law judge's decision, together with the
14 administrative law judge's reasons. The decision is final
15 unless, within thirty days after the date of notification or
16 mailing of the decision, review by the employment appeal board
17 is initiated pursuant to section 97B.27.

18 Sec. 16. Section 97B.22, Code 1991, is amended to read as
19 follows:

20 97B.22 WITNESSES AND EVIDENCE.

21 For the purpose of any hearing, investigation, or other
22 proceeding authorized or directed under this chapter, or
23 relative to any other matter within its jurisdiction hereunder
24 under this chapter, the department or ~~appeal-referee-shall~~
25 ~~have-the-power-to~~ administrative law judge may issue subpoenas
26 requiring the attendance and testimony of witnesses and the
27 production of any evidence that relates to any matter under
28 investigation or in question before the ~~commission~~ department.
29 ~~Such-attendance~~ Attendance of witnesses and production of
30 evidence at the designated place of ~~such~~ the hearing,
31 investigation, or other proceedings may be required from any
32 political subdivision in the state. Subpoenas of the
33 department shall be served by anyone authorized by it ~~it~~ by
34 delivering a copy thereof of the subpoena to the individual
35 named therein in it, or ~~it~~ by certified mail addressed to

1 ~~such~~ the individual at the individual's last known dwelling
2 place or principal place of business. A verified return by
3 the individual ~~so~~ serving the subpoena setting forth the
4 manner of service, or, in the case of service by certified
5 mail, the return post-office receipt ~~therefor~~ signed by the
6 individual ~~so~~ served, shall be proof of service. Witnesses ~~so~~
7 subpoenaed shall be paid the same fees and mileage as are paid
8 witnesses in the district courts of the state of Iowa. In the
9 discharge of the duties imposed by this chapter, the
10 ~~chairperson-or-an-appeal-referee~~ department or an
11 administrative law judge and any duly authorized
12 representative or member of the department ~~shall-have-power-to~~
13 may administer oaths and affirmations, take depositions,
14 certify to official acts, and issue subpoenas to compel the
15 attendance of witnesses and the production of books, papers,
16 correspondence, memoranda, and other records deemed necessary
17 as evidence in connection with the administration of this
18 chapter.

19 Sec. 17. Section 97B.23, Code 1991, is amended to read as
20 follows:

21 97B.23 PENALTY FOR CONTEMPT NONCOMPLIANCE.

22 In case of ~~contumacy-by~~ or refusal to obey a subpoena duly
23 served upon any person, any district court of the state of
24 Iowa for the district in which ~~said~~ the person charged with
25 ~~contumacy-or~~ refusal to obey is found or resides or transacts
26 business, upon application by the department, ~~shall-have~~
27 ~~jurisdiction-to~~ may issue an order requiring ~~such~~ that person
28 to appear and give testimony, or to appear and produce
29 evidence, or both. Any failure to obey ~~such~~ the order of the
30 court may be punished by ~~said~~ the court as contempt thereof.

31 Sec. 18. Section 97B.25, Code 1991, is amended to read as
32 follows:

33 97B.25 APPLICATIONS FOR BENEFITS.

34 A representative designated by the administrator and
35 referred to in this chapter as a retirement benefits deputy

1 specialist, shall promptly examine applications for retirement
2 benefits and on the basis of facts found shall determine
3 whether or not the claim is valid and if valid, the month with
4 respect to which benefits shall commence, the monthly benefit
5 amount payable, and the maximum duration. The deputy shall
6 promptly notify the applicant and any other interested party
7 of the decision and the reasons. Unless the applicant or
8 other interested party, within thirty calendar days after the
9 notification was mailed to the applicant's or party's last
10 known address, files an appeal to an administrative law judge
11 in the department of inspections and appeals as provided in
12 section 97B.20A, the decision is final and benefits shall be
13 paid or denied in accord with the decision.

14 Sec. 19. Section 97B.34, Code 1991, is amended to read as
15 follows:

16 97B.34 PAYMENT TO INCOMPETENTS REPRESENTATIVES.

17 When it appears to the department that the interest of an
18 applicant entitled to a payment would be served thereby,
19 certification of payment may be made, regardless of the legal
20 competency or incompetency of the individual entitled thereto
21 to the payment, either for direct payment to such the
22 applicant, or for the applicant's use and benefit to a
23 relative or some other person representative of an applicant.
24 The department may adopt rules under chapter 17A for making
25 payments to a representative of an applicant if the department
26 determines that it can sufficiently safeguard the member's
27 rights under this chapter.

28 Sec. 20. NEW SECTION. 97B.34A PAYMENT TO MINORS.

29 The department may make payments to a minor, as defined in
30 section 599.1, as follows:

31 1. If the total sum to be paid to the minor is less than
32 ten thousand dollars, the funds may be paid to an adult as
33 custodian for the minor. The custodian must complete the
34 proper forms as determined by the department.

35 2. If the total sum to be paid to the minor is equal to or

1 more than ten thousand dollars, the funds must be paid to a
2 court-established conservator. The department shall not make
3 payment until the conservatorship has been established and the
4 department has received the appropriate documentation.

5 3. Interest shall be paid on the funds, at a rate
6 determined by the department, until disbursement of the funds.

7 If the department makes payments to a minor pursuant to
8 this section, the department may make payments directly to the
9 person when the person attains the age of eighteen or is
10 declared to be emancipated by a court of competent
11 jurisdiction.

12 Sec. 21. Section 97B.41, subsection 1, paragraph a,
13 unnumbered paragraph 1, Code 1991, is amended to read as
14 follows:

15 "Wages" means all remuneration for employment, including
16 the cash value of remuneration paid in a medium other than
17 cash, but not including the cash value of remuneration paid in
18 a medium other than cash as necessitated by the convenience of
19 the employer. The amount agreed upon by the employer and
20 employee for remuneration paid in a medium other than cash
21 shall be reported to the department by the employer and is
22 conclusive of the value of the remuneration. However,
23 ~~remuneration which does not equal or exceed the sum of three~~
24 ~~hundred dollars in a calendar quarter shall be excluded.~~

25 "Wages" does not include special lump sum payments made as
26 payment for accrued sick leave or accrued vacation or payments
27 made as an incentive for early retirement or as payments made
28 upon dismissal, severance, or a special bonus payment. Wages
29 for an elected official means the salary received by an
30 elected official, exclusive of expense and travel allowances.

31 Sec. 22. Section 97B.41, subsection 1, paragraph b,
32 subparagraph (12), Code 1991, is amended to read as follows:

33 (12) Effective July 1, ~~1988~~ 1992, covered wages does not
34 include wages to a member on or after the effective date of
35 the member's retirement unless the member is reemployed, as

1 provided under section 97B.48, subsection 3 97B.48A.

2 Sec. 23. Section 97B.41, subsection 2, Code 1991, is
3 amended to read as follows:

4 2. "Employment for any calendar quarter" means any service
5 performed under an employer-employee relationship under the
6 provisions of this chapter ~~if the remuneration equals or~~
7 exceeds three hundred dollars for which wages are reported in
8 the calendar quarter. For the purposes of this chapter,
9 elected officials are deemed to be in employment for all
10 quarters of the elected officials' respective terms of office,
11 even if the elected officials have selected a method of
12 payment of wages which results in the elected officials not
13 being credited with wages every quarter of a year.

14 Sec. 24. Section 97B.41, subsection 3, paragraph a,
15 unnumbered paragraph 1, Code 1991, is amended to read as
16 follows:

17 "Employer" means the state of Iowa, the counties,
18 municipalities, and agencies, public school districts, and all
19 of the political subdivisions, and all of their departments
20 and instrumentalities, including joint planning commissions
21 created under the provisions of chapter 281.

22 Sec. 25. Section 97B.41, subsection 3, paragraph b,
23 unnumbered paragraph 1, and subparagraphs (1), (2), (3), (4),
24 (5), and (7), Code 1991, are amended to read as follows:

25 "Employee" means any an individual who is in-employment
26 employed as defined in this chapter, except:

27 (1) Elective officials in positions for which the
28 compensation is on a fee basis, elective officials of school
29 districts, elective officials of townships, and elective
30 officials of other political subdivisions who are in part-time
31 positions, unless the elective official makes an application
32 to the department to be covered under this chapter. An
33 elective official who made an application to the department to
34 be covered under this chapter may terminate membership under
35 this chapter by informing the department in writing of the

1 expiration of the member's termination term of office. A
2 county attorney is an employee for purposes of this chapter
3 whether that county attorney is employed on a full-time or
4 part-time basis.

5 (1A) Individuals who are enrolled as students and whose
6 primary occupations are as students who are incidentally
7 employed by employers.

8 (1B) Graduate medical students while serving as interns or
9 resident doctors in training at any hospital, or county
10 medical examiners and deputy county medical examiners under
11 chapter 331, division V, part 8.

12 (2) Members of the general assembly of Iowa and temporary
13 employees of the general assembly of Iowa, unless such members
14 or employees shall make an application to the department to be
15 covered under the provisions of this chapter. A member of the
16 general assembly or temporary employee of the general assembly
17 who made an application to the department to be covered under
18 this chapter may terminate membership under this chapter by
19 informing the department in writing of the member's or
20 temporary employee's termination intent to terminate.

21 Temporary employees of the general assembly who have
22 elected coverage under this chapter may terminate membership
23 by sending written notification to the department of their
24 separation from service.

25 (3) Employees Nonvested employees of drainage and levee
26 districts not-vested, unless such drainage and levee districts
27 shall those employees make an application to the department to
28 be covered under the provisions of this chapter. However, any
29 drainage or levee district which has made contributions
30 against which no application for benefits has been made shall
31 be entitled to withdraw all such contributions by making
32 application to the department prior to December 31, 1969.
33 Each drainage or levee district which withdraws its
34 contributions shall refund to its employees contributions
35 deducted from their wages.

1 (4) Employees hired for temporary employment of six months
2 months or less duration. An employee who works for an
3 employer for six or more months in a calendar year or who
4 works for an employer for more than one thousand forty hours
5 in a calendar year is not a temporary employee under this sub-
6 paragraph.

7 (5) Employees of a community action programs program,
8 determined to be an instrumentality of the state or a
9 political subdivision, unless such the employees elect by
10 filing an application with the department to be covered under
11 the provisions of this chapter and the department has approved
12 the election. Coverage will begin when the election has been
13 approved by the department.

14 (7) Persons employed under the federal Job Training
15 Partnership Act of 1982, Pub. L. No. 97-300, unless these
16 employees make an application to the department to be covered
17 under this chapter and the department has approved the
18 election. Coverage will begin when the election has been
19 approved by the department.

20 Sec. 26. Section 97B.41, subsection 3, paragraph b, Code
21 1991 is amended by adding the following new subparagraph:

22 NEW SUBPARAGRAPH. (16) Persons employed by the board of
23 trustees for the statewide fire and police retirement system
24 established in section 411.36, unless these employees make an
25 application to the department to be covered under this chapter
26 and the department has approved the election. Coverage will
27 begin when the election has been approved by the department.

28 Sec. 27. Section 97B.41, subsection 7, Code 1991, is
29 amended to read as follows:

30 7. "Member" means an employee or a former employee
31 required-to-become-a-member-of-the-system-by-sections-97B-42
32 and-97B-43 who maintains the employee's or former employee's
33 accumulated contributions in the system. The former employee
34 is not a member if the former employee has received a refund
35 of the former employee's accumulated contributions.

1 Sec. 28. Section 97B.41, subsection 10, paragraph a,
2 unnumbered paragraph 1, Code 1991, is amended to read as
3 follows:

4 "Vested member" means a member ~~who meets~~ who has attained
5 through age or sufficient years of service eligibility to
6 receive monthly retirement benefits upon the member's
7 retirement. A vested member must meet one of the following
8 requirements:

9 Sec. 29. Section 97B.41, subsection 11, Code 1991, is
10 amended to read as follows:

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

17 Sec. 30. Section 97B.41, Code 1991, is amended by adding
18 the following new subsection:

19 NEW SUBSECTION. 11A. "Bona fide retirement" means a
20 retirement by a vested member which meets the requirements of
21 section 97B.52A, subsection 1, and in which the member is
22 eligible to receive benefits under this chapter.

23 Sec. 31. Section 97B.41, subsections 16 and 17, Code 1991,
24 are amended to read as follows:

25 16. "Beneficiary" means the person or persons who are
26 entitled to receive any benefits payable under this chapter at
27 the death of a member ~~payable under this chapter who has or,~~
28 if the person or persons have been designated in writing by
29 the member on a form provided by the department and filed with
30 the department ~~or if.~~ If no such designation is in effect at
31 the time of death of the member or if no person so designated
32 is living at that time, then the beneficiary ~~shall be~~ is the
33 estate of the member.

34 17. "Membership service" means service rendered by a
35 member after July 4, 1953. Years of membership service shall

1 be counted to the complete quarter calendar year. however,
2 membership service for a calendar year shall not include more
3 than four quarters.

4 Sec. 32. Section 97B.41, subsection 19, Code 1991, is
5 amended to read as follows:

6 19. "Three-year average covered wage" means a member's
7 covered wages averaged for the highest three years of the
8 member's service, except as otherwise provided in this
9 subsection. The highest three years of a member's covered
10 wages shall be determined using calendar years. However, if a
11 member's final quarter of a year of employment does not occur
12 at the end of a calendar year, the department may determine
13 the wages for the third year by combining the wages from the
14 highest quarter or quarters not being used in the selection of
15 the two highest years with the final quarter or quarters of
16 the member's service to create a full year. However, the
17 department shall not use the member's final quarter of wages
18 if using that quarter would reduce the member's three-year
19 average covered wage. If the three-year average covered wage
20 of a member exceeds the highest maximum covered wages in
21 effect for a calendar year during the member's period of
22 service, the three-year average covered wage of the member
23 shall be reduced to the highest maximum covered wages in
24 effect during the member's period of service.

25 Sec. 33. Section 97B.42, unnumbered paragraph 1, Code
26 1991, is amended to read as follows:

27 Each employee whose employment commences after July 4,
28 1953, or who has not qualified for credit for prior service
29 rendered prior to July 4, 1953, or any publicly elected
30 official of the state or any of its political subdivisions,
31 ~~other than individuals who are students and who devote their~~
32 ~~time and efforts entirely to their studies, rather than to~~
33 ~~incidental employment~~ shall become a member upon the first
34 day in which such employee is employed. The employee shall
35 continue to be a member so long as the employee continues in

1 public employment ~~except that the~~. The employee shall cease
2 to be a member if ~~after making said election~~ the employee
3 joins another retirement system in the state which is
4 maintained in whole or in part by public contributions or
5 payments ~~which has been in operation prior to July 4, 1953,~~
6 ~~and was subsequently liquidated and may have thereafter been~~
7 ~~re-established.~~ However, ~~the participation in such other~~
8 ~~retirement system shall be voluntary and shall not be a~~
9 ~~condition for continuance of employment.~~

10 Sec. 34. Section 97B.42, unnumbered paragraph 5, Code
11 1991, is amended to read as follows:

12 Notwithstanding any other provision of this section,
13 commencing July 1, 1994, a member who is employed by a
14 community college may elect coverage under an alternative
15 retirement benefits system, which is issued by or through a
16 nonprofit corporation issuing retirement annuities exclusively
17 to educational institutions and their employees, in lieu of
18 continuing or commencing contributions to the Iowa public
19 employees' retirement system, if the board of directors of the
20 community college has approved the alternative system pursuant
21 to section 280A.23. ~~However, a vested member who elects to~~
22 ~~participate in the alternative benefits system does not have a~~
23 ~~right to withdraw funds from the member's Iowa public~~
24 ~~employees' retirement system account prior to retirement or~~
25 ~~termination of covered employment~~ A member employed by a
26 community college who elects coverage under an alternative
27 retirement benefits system may withdraw the member's
28 accumulated contributions effective when coverage under the
29 alternative benefits system commences. The department shall
30 cooperate with the boards of directors of the community
31 colleges to facilitate the implementation of this unnumbered
32 paragraph provision.

33 Sec. 35. Section 97B.43, unnumbered paragraph 1, Code
34 1991, is amended to read as follows:

35 Each member in service on July 4, 1953, who made

1 contributions under the abolished system, and who has not
2 applied for and qualified for benefit payments under the
3 abolished system, shall receive credit for years of prior
4 service in the determination of retirement allowance payments
5 ~~under any of the provisions of this chapter, provided that such~~
6 ~~if the member elects to become a member on or before October~~
7 ~~1, 1953. (2) such the member has not made application for a~~
8 ~~refund of such the part of the member's contributions under~~
9 ~~the abolished system as is which are payable under the~~
10 ~~provisions of sections 97.50 to 97.53, and (3) such the member~~
11 ~~gives written authorization prior to October 1, 1953, to the~~
12 ~~commission to credit to the retirement fund the amount of the~~
13 ~~member's contribution which would be subject to a claim for~~
14 ~~refund. The amount so credited shall, after such transfer, be~~
15 ~~considered as a contribution to the system made as of July 4,~~
16 ~~1953, by the member and shall be included as such in the~~
17 ~~determination of the amount of any accumulated contributions~~
18 ~~payable under this chapter in the event of the death prior to~~
19 ~~retirement or termination of employment of the member, or~~
20 ~~shall not be included in the accumulated contributions of the~~
21 ~~member in the determination of the amount of any retirement~~
22 ~~allowance payable under this chapter moneys payable under this~~
23 ~~chapter. Provided, however However, an employee who was under~~
24 ~~a contract of employment as a teacher in the public schools of~~
25 ~~the state of Iowa at the end of the school year 1952-1953, or~~
26 ~~any person covered by the provisions of paragraph "c" or "d",~~
27 ~~of subsection 13, of section 97B.41, shall be considered as in~~
28 ~~service as of July 4, 1953, if they were members of the~~
29 ~~abolished system.~~

30 Sec. 36. Section 97B.44, Code 1991, is amended to read as
31 follows:

32 97B.44 BENEFICIARY.

33 Each member shall designate on a form to be furnished by
34 the department a beneficiary for any death benefits payable
35 hereunder under this chapter on the death of such the member.

1 Such The designation may be changed from time to time by the
2 member by filing a new designation with the department. The
3 designation of a beneficiary is not applicable if the member
4 receives a refund of all contributions of the member. If a
5 member who has received a refund of contributions returns to
6 employment, the member shall file a new designation with the
7 department.

8 If a member has not designated a beneficiary on a form
9 furnished by the department, or if there are no surviving
10 designated beneficiaries of a member, death benefits payable
11 under this chapter shall be paid to the member's estate.

12 Sec. 37. Section 97B.48, subsection 2, Code 1991, is
13 amended to read as follows:

14 2. The first monthly payment of a normal retirement
15 allowance shall be paid as of the normal retirement effective
16 date, which date shall be the later of the normal retirement
17 date or the first day of the sixth calendar month preceding
18 the month in which written notice of normal retirement is
19 submitted to the department. Written notice under this
20 section may consist of submission of a completed estimate
21 request form, a completed application for retirement form, or
22 a letter from the member requesting information on retirement
23 benefits, whichever is received first by the department.
24 However, a letter requesting information on benefits or
25 submission of a completed estimate request form is only valid
26 for six months following the date of its receipt by the
27 department, unless during that six-month period the department
28 receives a completed application for retirement form from the
29 member. A retirement allowance may only be provided
30 retroactively for a single six-month period. Payment of an
31 early retirement allowance or an allowance for retirement
32 after the normal retirement date shall be paid as of the
33 effective date of retirement subject to ~~the provisions of~~
34 section 97B.45, 97B.46, or 97B.47. The payments shall be
35 continued thereafter for the lifetime of the retired member

1 except as provided in subsection 3.

2 Sec. 38. Section 97B.48, subsection 3, Code 1991, is
3 amended by striking the subsection and inserting in lieu
4 thereof the following:

5 3. As of the first of the month in which a member attains
6 the age of seventy years, the member may commence receiving a
7 retirement allowance regardless of the member's employment
8 status.

9 Sec. 39. NEW SECTION. 97B.48A REEMPLOYMENT.

10 1. If, after the first day of the month in which the
11 member attains the age of fifty-five years and until the
12 member's sixty-fifth birthday, a member who has a bona fide
13 retirement under this chapter is in regular full-time
14 employment during a calendar year, the member's retirement
15 allowance shall be suspended for as long as the member remains
16 in employment for the remainder of that calendar year.
17 However, effective January 1, 1992, employment is not full-
18 time employment until the member receives remuneration in an
19 amount in excess of seven thousand four hundred forty dollars
20 for a calendar year. Effective the first of the month in
21 which a member attains the age of sixty-five years, a retired
22 member may receive a retirement allowance after return to
23 covered employment regardless of the amount of remuneration
24 received.

25 2. Effective January 1, 1991, a retired member of any age
26 may receive a retirement allowance after return to covered
27 employment, regardless of the amount of remuneration received,
28 if the covered employment consists of holding an elective
29 office.

30 3. Upon a retirement after reemployment, a retired member
31 may have the retired member's retirement allowance
32 redetermined under this section or section 97B.49 or 97B.50,
33 whichever is applicable, based upon the addition of credit for
34 the years of membership service of the employee after
35 reemployment, the covered wage during reemployment, and the

1 age of the employee after reemployment. The member shall
2 receive a single retirement allowance calculated from both
3 periods of membership service, one based on the initial
4 retirement and one based on the second retirement following
5 reemployment. If the total years of membership service and
6 prior service of a member who has been reemployed equals or
7 exceeds thirty, the years of membership service on which the
8 original retirement allowance was based may be reduced by a
9 fraction of the years of service equal to the number of years
10 by which the total years of membership service and prior
11 service exceeds thirty divided by thirty, if this reduction in
12 years of service will increase the total retirement allowance
13 of the member. The additional retirement allowance calculated
14 for the period of reemployment shall be added to the
15 retirement allowance calculated for the initial period of
16 membership service and prior service, adjusted as provided in
17 this subsection. The retirement allowance calculated for the
18 initial period of membership service and prior service shall
19 not be adjusted for any other factor than years of service.
20 The retired member shall not receive a retirement allowance
21 based upon more than a total of thirty years of service.

22 4. The department shall pay to the member the accumulated
23 contributions of the member and to the employer the employer
24 contributions, plus two percent interest plus interest
25 dividends for all completed calendar years, compounded
26 annually, on the covered wages earned by a retired member that
27 are not used in the recalculation of the retirement allowance
28 of a member.

29 Sec. 40. Section 97B.49, subsection 5, unnumbered
30 paragraph 1, Code 1991, is amended to read as follows:

31 Commencing July 1, 1991, the department shall increase the
32 percentage multiplier of the three-year average covered wage
33 by an additional two percent each July 1 until reaching sixty
34 percent of the three-year average covered wage if the annual
35 actuarial valuation of the retirement system indicates for

1 that year that the cost of this increase in the percentage of
2 the three-year average covered wage used in computing
3 retirement benefits can be absorbed within the employer and
4 employee contribution rates in effect under section 97B.11.
5 The two percent increase in the percentage multiplier for a
6 year applies only to the members retiring on or after July 1
7 of the respective year.

8 Sec. 41. Section 97B.49, subsection 5, Code 1991, is
9 amended by adding the following new unnumbered paragraph after
10 unnumbered paragraph 2:

11 NEW UNNUMBERED PARAGRAPH. In accordance with sections
12 97D.1 and 97D.4, it is the intent of the general assembly that
13 once the goal of sixty percent of the three-year average
14 covered wage is attained for a percentage multiplier, the
15 department shall submit to the public retirement systems
16 committee a plan for future benefit enhancements. This plan
17 shall include, but is not limited to, continuation in the
18 increase in the covered wage ceiling until reaching fifty-five
19 thousand dollars for a calendar year, providing for annual
20 adjustments in the annual dividends paid to retired members as
21 provided in section 97B.49, subsection 13, and providing for
22 the indexing of terminated vested members' earned benefits at
23 a rate of three percent per year calculated from the date of
24 termination from covered employment until the date of
25 retirement.

26 Sec. 42. Section 97B.49, subsection 13, Code 1991, is
27 amended to read as follows:

28 13. a. A member who retired from the system between
29 January 1, 1976, and June 30, 1982, or a contingent annuitant
30 or beneficiary of such a member, shall receive with the
31 November ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit
32 payments a retirement dividend equal to one hundred forty
33 percent of the monthly benefit payment the member received for
34 the preceding June, or the most recently received benefit
35 payment, whichever is greater. The retirement dividend does

1 not affect the amount of a monthly benefit payment.

2 b. Each member who retired from the system between July 4,
3 1953, and December 31, 1975, or a contingent annuitant or
4 beneficiary of such a member, shall receive with the November
5 ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit payments
6 a retirement dividend equal to one hundred eighty 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 c. Notwithstanding the determination of the amount of a
12 retirement dividend under paragraph "a", "b", or "d", a
13 retirement dividend shall not be less than twenty-five
14 dollars.

15 d. A member who retired from the system between July 1,
16 1982, and June 30, 1986, or a contingent annuitant or
17 beneficiary of such a member, shall receive with the November
18 ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit payments
19 a retirement dividend equal to twenty-four percent of the
20 monthly benefit payment the member received for the preceding
21 June, or the most recently received benefit payment, whichever
22 is greater. The retirement dividend does not affect the
23 amount of a monthly benefit payment.

24 e. If the member dies on or after July 1 of the dividend
25 year but before the payment date, the full amount of the
26 retirement dividend for that year shall be paid to the
27 designated beneficiary. If there is no beneficiary designated
28 by the member, the department shall pay the dividend to the
29 member's estate. The beneficiary, or the representative of
30 the member's estate, must apply for the dividend within two
31 years after the dividend is payable or the dividend is
32 forfeited.

33 Sec. 43. Section 97B.49, subsection 16, paragraph a, Code
34 1991, is amended by adding the following new subparagraph:

35 NEW SUBPARAGRAPH. (4) The years of membership service

1 required under this paragraph include membership service as a
2 sheriff or deputy sheriff and membership service as an
3 employee in a protection occupation under paragraph "d",
4 subparagraph (2).

5 Sec. 44. Section 97B.50, subsection 1, unnumbered
6 paragraph 1, Code Supplement 1991, is amended to read as
7 follows:

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

14 Sec. 45. Section 97B.50, subsections 2 and 4, Code
15 Supplement 1991, are amended to read as follows:

16 2. a. A vested member who retires from the system due to
17 disability and commences receiving disability benefits
18 pursuant to the United States Social Security Act (42 U.S.C.),
19 as amended to July 1, 1978, and who has not reached the normal
20 retirement date, shall receive ~~full~~ benefits under section
21 97B.49 and shall not have benefits reduced upon retirement as
22 required under subsection 1 regardless of whether the member
23 has completed thirty or more years of membership service.
24 However, the benefits shall be suspended during any period in
25 which the member returns to covered employment. This section
26 takes effect July 1, 1990, for a member meeting the
27 requirements of this paragraph who retired from the system at
28 any time after July 4, 1953. Eligible members are entitled to
29 the receipt of retroactive adjustment payments back to July 1,
30 1990.

31 b. A vested member who retires from the system due to
32 disability and commences receiving disability benefits
33 pursuant to the United States Railroad Retirement Act (45
34 U.S.C. § 231 et seq.), and ~~is eligible for early~~
35 ~~retirement-but~~ has not reached the normal retirement date,

1 shall receive full benefits under section 97B.49 and shall not
 2 have benefits reduced upon retirement as required under
 3 subsection 1 regardless of whether the member has completed
 4 thirty or more years of membership service. However, the
 5 benefits shall be suspended during any period in which the
 6 member returns to covered employment. This section takes
 7 effect July 1, 1990, for a member meeting the requirements of
 8 this paragraph who retired from the system at any time since
 9 July 4, 1953. ~~However, eligible~~ Eligible members are entitled
 10 to the receipt of retroactive adjustment payments for no more
 11 than six months immediately preceding the month after back to
 12 July 1, 1990, in which written notice was submitted to the
 13 department.

14 ~~Effective July 1, 1990, for members terminating on or after~~
 15 ~~July 4, 1953, a member who terminates covered employment due~~
 16 ~~to disability and commences receiving disability benefits~~
 17 ~~pursuant to the United States Railroad Retirement Act (45~~
 18 ~~U.S.C. § 231 et seq.), who has not attained the age of fifty-~~
 19 ~~five years, is eligible to receive benefits under section~~
 20 ~~97B.49, reduced by twenty-five hundredths of one percent for~~
 21 ~~each month that the retirement date precedes the first day of~~
 22 ~~the month in which the member attains the age of fifty-five.~~
 23 ~~However, the benefits shall be suspended during any period in~~
 24 ~~which the member returns to covered employment. Eligible~~
 25 ~~members are entitled to receipt of retroactive adjustment~~
 26 ~~payments for no more than six months immediately preceding the~~
 27 ~~month after July 1, 1990, in which written notice was~~
 28 ~~submitted to the department.~~

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

34 Sec. 46. Section 97B.51, subsections 2, 5, and 6, Code
 35 1991, are amended to read as follows:

1 2. The election by a member or the contingent annuitant of
2 the option stated under subsection 1 of this section shall be
3 null and void if the member dies prior to retirement the
4 department issuing payment of the member's first retirement
5 allowance.

6 5. At retirement, a member may designate that upon the
7 member's death, a specified amount of money shall be paid to a
8 named beneficiary, and the member's monthly retirement
9 allowance ~~will~~ shall be reduced by an actuarially determined
10 amount to provide for the lump sum payment. The amount
11 designated by the member must be in thousand dollar
12 increments, and the amount designated shall not lower the
13 monthly retirement allowance of the member by more than one-
14 half the amount payable under section 97B.49, subsection 1 or
15 5. A member may designate a different beneficiary if the
16 original named beneficiary predeceases the member.

17 6. A member may elect to receive a decreased retirement
18 allowance during the member's lifetime with provision that in
19 event of the member's death during the first one hundred
20 twenty months of retirement, monthly payments of the member's
21 decreased retirement allowance shall be made to the member's
22 beneficiary until a combined total of one hundred twenty
23 monthly payments have been made to the member and the member's
24 beneficiary. A member may designate a different beneficiary
25 if the original named beneficiary predeceases the member.

26 Sec. 47. Section 97B.52, subsections 1 and 2, Code 1991,
27 are amended to read as follows:

28 1. If a member dies prior to the date the member's first
29 retirement allowance is ~~payable-under~~ issued by the system,
30 the accumulated contributions of the member at the date of
31 death plus the product of an amount equal to the highest year
32 of covered wages of the deceased member and the number of
33 years of membership service divided by thirty shall be paid to
34 the member's beneficiary in a lump sum payment. However, a
35 lump sum payment made to a beneficiary under this subsection

1 due to the death of a member shall not be less than the amount
2 that would have been payable on the death of the member on
3 June 30, 1984, under this subsection as it appeared in the
4 1983 Code.

5 Effective July 1, 1978, a method of payment under this
6 subsection filed with the department by a member does not
7 apply.

8 2. If a member dies after the date the member's first
9 retirement allowance is ~~payable-under~~ issued by the retirement
10 system, the excess, if any, of the accumulated contributions
11 by the member as of said date, over the total monthly
12 retirement allowances received by the member under the
13 retirement system will be paid to the member's beneficiary
14 unless the retirement allowance is then being paid in
15 accordance with subsection 1, 4, 5, or 6 of section 97B.51.

16 Sec. 48. Section 97B.52, subsection 3, paragraph b, Code
17 1991, is amended to read as follows:

18 b. If a death benefit is due and payable, interest shall
19 continue to accumulate through the month preceding the month
20 in which payment is made to the designated beneficiary, heirs
21 at law, or ~~to~~ the estate unless the payment of the death
22 benefit is delayed because of a dispute between alleged heirs,
23 in which case the benefit due and payable shall be placed in a
24 noninterest bearing escrow account until the beneficiary is
25 determined in accordance with this section. In order to
26 receive the death benefit, the beneficiary, heirs at law, or
27 the estate, or any other third-party payee, must apply to the
28 department within two years of the member's death.

29 Sec. 49. Section 97B.52, subsection 4, Code 1991, is
30 amended to read as follows:

31 4. If the department cannot locate the beneficiary within
32 eighteen months following the member's death and receipt of
33 verification that a certified letter with return receipt
34 requested, addressee only, has been ~~delivered~~ mailed to the
35 beneficiary, the department shall pay to the estate of the

1 deceased member the amount otherwise designated to be received
2 by the beneficiary. If a beneficiary is known to exist but
3 cannot be notified, the department shall not pay the death
4 benefits to the estate.

5 Sec. 50. Section 97B.52, Code 1991, is amended by adding
6 the following new subsection:

7 NEW SUBSECTION. 6. If a member has not filed a
8 designation of beneficiary with the department, the death
9 benefit is payable to the member's estate. If no designation
10 has been filed and an estate is not probated, the death
11 benefit shall be paid to the surviving spouse, if any. If no
12 designation has been filed, no estate has been probated, and
13 there is no surviving spouse, the death benefit shall be paid
14 to the heirs. Otherwise, the death benefit shall remain in
15 the fund.

16 Sec. 51. NEW SECTION. 97B.52A ELIGIBILITY FOR BENEFITS -
17 - BONA FIDE RETIREMENT.

18 1. A member has a bona fide retirement when the member
19 terminates employment and remains out of employment for at
20 least one hundred twenty consecutive days, files an
21 application for benefits form with the department, and does
22 not return to employment as defined in this chapter until the
23 member has qualified for no fewer than four calendar month's
24 retirement benefits.

25 2. A member may commence receiving retirement benefits
26 under this chapter upon satisfying eligibility requirements
27 and remaining out of covered employment for one calendar
28 month. However, a retired member who commences receiving a
29 retirement allowance but returns to employment before the
30 expiration of the one hundred twenty consecutive day period,
31 does not have a bona fide retirement and any retirement
32 allowance received by such a member must be returned to the
33 system together with interest earned on the retirement
34 allowance calculated at a rate determined by the department.
35 Until the member has repaid the retirement allowance and

1 interest, the department may withhold any future retirement
2 allowance for which the member may qualify.

3 Sec. 52. Section 97B.53, Code 1991, is amended to read as
4 follows:

5 97B.53 TERMINATION OF EMPLOYMENT -- REFUND OPTIONS.

6 ~~All-rights-to-all-benefits-under~~ Membership in the
7 retirement system, and all rights to the benefits under the
8 system, will cease upon a member's termination of employment
9 with the employer prior to the member's retirement, other than
10 by death, except-as-provided-hereafter: and upon receipt by
11 the member of the member's accumulated contributions.

12 1. Upon the termination of employment with the employer
13 prior to retirement other than by death of a member, the
14 accumulated contributions by the member at the date of such
15 the termination will may be paid to such the member upon
16 application, except as may-be provided in subsection
17 subsections 2, subsection 5, and subsection 6 of-this-section.

18 2. If a vested member's employment is terminated prior to
19 the member's retirement, other than by death, the member ~~shall~~
20 may receive a monthly retirement allowance commencing on the
21 first day of the month in which the member attains the age of
22 sixty-five years, if the member is then alive, or, if the
23 member so elects in accordance with section 97B.47, commencing
24 on the first day of the month in which the member attains the
25 age of fifty-five or any month thereafter prior to the date
26 the member attains the age of sixty-five years, and continuing
27 on the first day of each month thereafter during the member's
28 lifetime, provided the member does not receive prior to the
29 date the member's retirement allowance is to commence a refund
30 of accumulated contributions under any of the provisions of
31 this chapter. The amount of each such monthly retirement
32 allowance shall be determined as provided in either section
33 97B.49 or in section 97B.50, whichever is applicable.

34 3. The accumulated contributions of a terminated, vested
35 member ~~who-is-entitled-to-the-benefits-of-subsection-2-of-this~~

1 section shall be credited with interest, including interest
2 dividends.

3 4. A terminated, vested member ~~who is entitled to the~~
4 ~~benefits of subsection 2 of this section shall have~~ has the
5 right, prior to the commencement of the member's retirement
6 allowance, to receive a refund of the member's accumulated
7 contributions, and in the event of the death of the member
8 prior to the commencement of the member's retirement allowance
9 and prior to the receipt of any such refund the benefits of
10 subsection 1 of section 97B.52 shall be paid. ~~No member shall~~
11 ~~be entitled to any refund based upon any credit for prior~~
12 ~~service as determined under the provisions of section 97B.43~~
13 ~~or for any portion of any contribution made by an employer~~
14 ~~unless otherwise provided by this chapter.~~

15 5. A member has not terminated employment if the member
16 accepts other covered employment ~~in the state of Iowa under~~
17 ~~which the member is eligible to membership in the Iowa public~~
18 ~~employees' retirement system,~~ within thirty days ~~after the~~
19 ~~member has left public employment.~~

20 5A. Within sixty days after a member has been issued
21 payment for a refund of the member's accumulated
22 contributions, the member may repay the accumulated
23 contributions plus interest that would have accrued, as
24 determined by the department, and receive credit for
25 membership service for the period covered by the refund
26 payment.

27 5B. Any A member who does not withdraw the member's
28 accumulated contributions upon termination of employment may
29 at any time request the return of the member's accumulated
30 contributions, but if the member receives such a return of
31 contributions the member ~~shall be deemed to have~~ has waived
32 all claims for any other benefits and membership rights from
33 the fund.

34 6. Any A member who terminates employment before the
35 member is ~~entitled to the benefits of subsection 2 of this~~

1 ~~section~~ vested and who does not claim and receive a refund of
2 the member's accumulated contributions within five years of
3 the date of termination shall, ~~in-event~~ if the member makes
4 claim for ~~such a~~ such a refund more than five years after the date of
5 termination, be required to submit proof satisfactory to the
6 department of the member's entitlement to ~~such~~ the refund, but
7 in no case shall interest be allowed upon the accumulated
8 contributions for any period in which the member is not an
9 employee. The department ~~shall-be~~ is under no obligation to
10 maintain the accumulated contribution accounts of such former
11 members for more than five years after their dates of
12 termination.

13 Any A person who made contributions to the abolished
14 system, who is entitled to a refund in accordance with the
15 provisions of this chapter, and who has not claimed and
16 received such a refund prior to January 1, 1964, shall, ~~in~~
17 ~~event~~ if the person makes a claim for ~~such~~ refund after
18 January 1, 1964, be required to submit proof satisfactory to
19 the department of the person's entitlement to ~~such~~ the refund.
20 The department ~~shall-be~~ is under no obligation to maintain the
21 contribution accounts of such persons after January 1, 1964.

22 7. Any member whose employment is terminated after one
23 year of employment but before the member has accumulated four
24 or more years of employment, either under the provisions of
25 this chapter or as a result of prior service credits, may
26 elect to leave the member's accumulated contributions in the
27 retirement fund. In the event the member returns to public
28 employment at any time within four years after this
29 termination of employment, the member shall be entitled to
30 resume membership in the system with the same credits for
31 prior service and accumulated contributions that the member
32 had earned when the member's original employment was
33 terminated. No interest shall be credited on the member's
34 accumulated contributions nor on the member's employer's
35 accumulated contributions during the period from the time of

1 the member's termination of employment to the member's
2 resumption of employment.

3 Any member who has resumed employment under the provisions
4 of this subsection shall not be eligible for any second period
5 of absence from membership as a result of termination of
6 service.

7 8. If an employee hired to fill a permanent position
8 terminates the employee's employment within six months from
9 the date of employment, the employer may file a claim with the
10 department for a refund of the funds contributed to the
11 department by the employer for the employee.

12 ~~9.--The department shall refund employee and employer
13 contributions on the covered wages earned by a retired member
14 that are not used in the recomputation of monthly benefits of
15 that member.~~

16 Sec. 53. Section 97B.58, Code 1991, is amended to read as
17 follows:

18 97B.58 INFORMATION FURNISHED BY EMPLOYER.

19 To enable the department to perform its functions, the
20 employer shall, upon the request of and in the manner provided
21 by the department, supply full and timely information to the
22 department of all matters relating to the pay of all members,
23 date of birth, their retirement, death, or other cause for
24 termination of employment, and such other pertinent facts as
25 the department may require in the manner provided by the
26 department.

27 Sec. 54. Section 97B.73, Code 1991, is amended to read as
28 follows:

29 97B.73 MEMBERS FROM OTHER PUBLIC SYSTEMS.

30 A vested or retired member who was in public employment
31 comparable to employment covered under this chapter in another
32 state or in the federal government, or who was a member of
33 another public retirement system in this state, including but
34 not limited to the teachers insurance annuity association-
35 college retirement equities fund, but who was not retired

1 under that system, upon submitting verification of membership
2 and service in the other public retirement system to the
3 department, including proof that the member has no further
4 claim upon a retirement benefit from that other public system,
5 may make employer and employee contributions to the system for
6 the period of service in the other public retirement system
7 and receive credit for membership service in this system
8 equivalent to the number of years of service in transferred
9 from the other public retirement system. The contribution
10 payable shall be based upon the member's covered wages for the
11 most recent full calendar year at the applicable rates in
12 effect for that calendar year under sections 97B.11 and 97B.49
13 and multiplied by the member's years of service in other
14 public employment. If the member's most recent covered wages
15 were earned prior to the most recent calendar year, the
16 member's covered wages shall be adjusted by the department by
17 an inflation factor to reflect changes in the economy since
18 the covered wages were earned.

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

23 A member vested-under entitled to a benefit from another
24 public system must waive, on a form provided by the Iowa
25 public employees' retirement system, all rights to a
26 retirement benefit under that the other public system before
27 receiving credit in this system for those the years of service
28 in the other public system. The waiver must be accepted by
29 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. 55. Section 97B.80, Code 1991, is amended to read as
2 follows:

3 97B.80 VETERAN'S CREDIT.

4 Effective July 1, ~~1990~~ 1992, a vested or retired member
5 ~~with-reportable-wages-in-the-most-recent-calendar-year~~, who at
6 any time served on active duty in the armed forces of the
7 United States, upon submitting verification of the dates of
8 the active duty service, may make employer and employee
9 contributions to the system based upon the member's covered
10 wages for the most recent full calendar year in which the
11 member had reportable wages at the applicable rates in effect
12 for that year under sections 97B.11 and 97B.49, for the period
13 of time of the active duty service, in one-year increments but
14 not-to-exceed-four-years of no greater than one year and not
15 less than one calendar quarter, and receive credit for
16 membership service and prior service for the period of time
17 for which the contributions are made. If the member's most
18 recent covered wages were earned prior to the most recent
19 calendar year, the member's covered wages shall be adjusted by
20 the department by an inflation factor to reflect changes in
21 the economy. The department shall adjust benefits for a six-
22 month period prior to the date the member pays contributions
23 under this section if the member is receiving a retirement
24 allowance at the time the contribution payment is made.
25 Verification of active duty service and payment of
26 contributions shall be made to the department. However, a
27 member is not eligible to make contributions under this
28 section if the member is receiving, or is eligible to receive,
29 or may in the future be eligible to receive retirement pay
30 from the United States government for active duty in the armed
31 forces, except for retirement pay granted by the United States
32 government under retired pay for nonregular service (10 U.S.C.
33 § 1331, et seq.). A member receiving retired pay for
34 nonregular service who makes contributions under this section
35 shall provide information required by the department

1 documenting time periods covered under retired pay for
2 nonregular service.

3 Sec. 56. Section 411.1, subsection 11, Code Supplement
4 1991, is amended by striking the subsection and inserting in
5 lieu thereof the following:

6 11. "Earnable compensation" or "compensation earnable"
7 shall mean the annual compensation which a member receives for
8 services rendered as a police officer or fire fighter in the
9 course of employment with a participating city. However, the
10 term "earnable compensation" or "compensation earnable" shall
11 not include amounts received for overtime compensation, meal
12 or travel expenses, uniform allowances, fringe benefits,
13 severance pay, or any amount received upon termination or
14 retirement in payment for accumulated sick leave or vacation.
15 Contributions made by a member from the member's earnable
16 compensation to a plan of deferred compensation shall be
17 included in earnable compensation. Other contributions made
18 to a plan of deferred compensation shall not be included
19 except to the extent provided in rules adopted by the board of
20 trustees pursuant to section 411.5, subsection 3.

21 Sec. 57. Section 411.5, subsection 6, Code Supplement
22 1991, is amended to read as follows:

23 6. RECORDS -- REPORTS. The board of trustees shall keep a
24 record of all its proceedings, which record shall be open to
25 public inspection. It shall submit an annual report to the
26 governor, the general assembly, and the city council of each
27 participating city concerning the financial condition of the
28 retirement system, its current and future liabilities, and the
29 actuarial valuation of the system. The board of trustees
30 shall submit a certified audit report prepared by a certified
31 public accountant to the auditor of state annually. The
32 system shall comply with the filing fee requirement of section
33 11.6, subsection 10.

34 Sec. 58. Section 411.6, subsection 2, paragraphs a through
35 c, Code Supplement 1991, are amended to read as follows:

1 a. ~~Upon retirement from service, prior to July 17, 1990, a~~
2 ~~member shall receive a~~ The service retirement allowance which
3 for a member who terminates service, other than by death or
4 disability, prior to July 1, 1990, shall consist of a pension
5 ~~given by the city~~ which equals fifty percent of the member's
6 average final compensation.

7 b. ~~Upon retirement from service on or after July 17, 1990,~~
8 ~~but before July 17, 1992, a member shall receive a~~ The service
9 retirement allowance which for a member who terminates
10 service, other than by death or disability, on or after July
11 1, 1990, but before July 1, 1992, shall consist of a pension
12 which equals fifty-four percent of the member's average final
13 compensation.

14 c. Commencing July 1, 1992, for members who terminate
15 service, other than by death or disability, on or after that
16 date, the system shall increase the percentage multiplier of
17 the member's average final compensation by an additional two
18 percent each July 1 until reaching sixty percent of the
19 member's average final compensation. The applicable
20 percentage multiplier shall be the rate in effect on the date
21 of the member's termination from service.

22 Sec. 59. Section 411.6, subsection 3, Code Supplement
23 1991, is amended to read as follows:

24 3. ORDINARY DISABILITY RETIREMENT BENEFIT. Upon
25 application to the system, of a member in service or of the
26 chief of the police or fire departments, respectively, any
27 member shall be retired by the system, not less than thirty
28 and not more than ninety days next following the date of
29 filing the application, on an ordinary disability retirement
30 allowance, if the medical board after a medical examination of
31 the member certifies that the member is mentally or physically
32 incapacitated for further performance of duty, that the
33 incapacity is likely to be permanent, and that the member
34 should be retired. However, if a person's membership in the
35 system first commenced on or after July 1, 1992, the member

1 shall not be eligible for benefits with respect to a
2 disability which would not exist, but for a medical condition
3 that was known to exist on the date that membership commenced.

4 Sec. 60. Section 411.6, subsection 4, Code Supplement
5 1991, is amended to read as follows;

6 4. Allowance on ordinary disability retirement. Upon
7 retirement for ordinary disability a member shall receive an
8 ordinary disability retirement allowance which shall consist
9 of a pension which shall equal fifty percent of the member's
10 average final compensation ~~except-if~~ unless either of the
11 following conditions exist:

12 a. If the member has not had five or more years of
13 membership service the member shall receive a pension equal to
14 one-fourth of the member's average final compensation.

15 b. If the member has had twenty-two or more years of
16 membership service, the member shall receive a disability
17 retirement allowance that is equal to the greater of the
18 benefit that the member would receive under subsection 2 if
19 the member were fifty-five years of age or the disability
20 pension otherwise calculated under this subsection.

21 Sec. 61. Section 411.6, subsection 5, Code Supplement
22 1991, is amended to read as follows:

23 5. ACCIDENTAL DISABILITY BENEFIT.

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

1 a person's membership in the system first commenced on or
2 after July 1, 1992, the member shall not be eligible for
3 benefits with respect to a disability which would not exist,
4 but for a medical condition that was known to exist on the
5 date that membership commenced.

6 b. If a member in service or the chief of the police or
7 fire departments becomes incapacitated for duty as a natural
8 or proximate result of an injury or disease incurred in or
9 aggravated by the actual performance of duty at some definite
10 time or place or while acting, pursuant to order, outside the
11 city by which the member is regularly employed, the member,
12 upon being found to be temporarily incapacitated following a
13 medical examination as directed by the system city, is
14 entitled to receive the member's full pay and allowances from
15 the city's general fund until re-examined as directed by the
16 system city and found to be fully recovered or until the city
17 determines that the member is likely to be permanently
18 disabled. The board of trustees of the statewide system has
19 no jurisdiction over these matters until the city determines
20 that the disability is likely to be permanent.

21 c. Disease under this section shall mean heart disease or
22 any disease of the lungs or respiratory tract and shall be
23 presumed to have been contracted while on active duty as a
24 result of strain or the inhalation of noxious fumes, poison or
25 gases. However, if a person's membership in the system first
26 commenced on or after July 1, 1992, and the heart disease or
27 disease of the lungs or respiratory tract would not exist, but
28 for a medical condition that was known to exist on the date
29 that membership commenced, the presumption established in this
30 paragraph shall not apply.

31 Sec. 62. Section 411.6, subsection 6, paragraph b, Code
32 Supplement 1991, is amended to read as follows:

33 b. Upon retirement for accidental disability on or after
34 July 1, 1990, a member shall receive an accidental disability
35 retirement allowance which shall consist of a pension equal to

1 sixty percent of the member's average final compensation.
2 However, if the member has had twenty-two or more years of
3 membership service, the member shall receive a disability
4 retirement allowance that is equal to the greater of the
5 retirement allowance that the member would receive under
6 subsection 2 if the members were fifty-five years of age or
7 the disability retirement allowance calculated under this
8 paragraph.

9 Sec. 63. Section 411.6A, Code 1991, is amended by striking
10 the section and inserting in lieu thereof the following:

11 411.6A OPTIONAL RETIREMENT BENEFITS.

12 1. In lieu of the payment of a service retirement
13 allowance under section 411.6, subsection 2, and the payment
14 of a pension to the spouse of a deceased pensioned member
15 under section 411.6, subsection 11, a member may select an
16 option provided under this section. The board of trustees
17 shall adopt rules under section 411.5, subsection 3, providing
18 the optional forms of payment that may be selected by the
19 member. The optional forms of payment may provide adjustments
20 to the amount of the retirement allowance paid to the member,
21 may alter the pension amount and period of payment to the
22 member's spouse after the death of the member, and may provide
23 for payments to a designated recipient other than the member's
24 spouse for a designated period of time or an unlimited period
25 of time.

26 2. Prior to the member's retirement and as a part of the
27 application for a service retirement allowance, the member
28 shall elect, in writing, either the benefits provided under
29 section 411.6, subsections 2 and 11, or one of the optional
30 forms adopted by the board of trustees. If the member is
31 married at the time of application and the member elects an
32 optional form, the member's spouse must consent in writing to
33 the optional form selected and to the receipt of payments to a
34 designated recipient, if applicable. Upon acceptance by a
35 member of an initial retirement benefit paid in accordance

1 with the election under this section, the election of the
2 member is irrevocable.

3 3. The optional forms of payment determined by the board
4 of trustees under this section, shall be the actuarial
5 equivalent of the amount of retirement benefits payable to the
6 member and the member's spouse pursuant to section 411.6,
7 subsections 2 and 11. The actuarial equivalent shall be based
8 upon the actuarial assumptions adopted for this purpose
9 pursuant to section 411.5. Election of an optional form
10 adopted by the board of trustees shall not affect the
11 benefits, if any, payable to the member's child or children
12 pursuant to section 411.6, subsection 11.

13 Sec. 64. Section 411.8, subsection 1, paragraph f,
14 subparagraph (8), and unnumbered paragraphs 2 and 3, Code
15 Supplement 1991, are amended to read as follows:

16 (8) Beginning July 1, 1996, and each fiscal year
17 thereafter, an amount equal to the member's contribution rate
18 times each member's compensation shall be paid to the fund
19 from the earnable compensation of the member. For the
20 purposes of this subparagraph, the member's contribution rate
21 shall be ~~the rate percent of the earnable compensation of all~~
22 ~~members obtained by deducting from the total liabilities of~~
23 ~~the fund the amount of the funds in hand to the credit of the~~
24 ~~fund and dividing the remainder by one percent of the present~~
25 ~~value of the prospective future compensation of all members as~~
26 ~~computed on the basis of the rate of interest and of mortality~~
27 ~~and service tables adopted, multiplied by four tenths, or nine~~
28 ~~and one-tenth percent, whichever is greater.~~ However, the
29 system shall increase ~~this percentage for its members~~ the
30 member's contribution rate as necessary to cover any increase
31 in cost to the system resulting from statutory changes which
32 are enacted by any session of the general assembly meeting
33 after January 1, 1991, if the increase cannot be absorbed
34 within the contribution rates otherwise established pursuant
35 to this paragraph, but subject to a maximum employee

1 contribution rate of eleven and three-tenths percent. After
2 the employee contribution reaches ~~the maximum rate specified~~
3 ~~in this subparagraph~~ eleven and three-tenths percent, sixty
4 percent of the additional cost of such statutory changes shall
5 be paid by employers under paragraph "c" and forty percent of
6 the additional cost shall be paid by employees under this
7 paragraph.

8 ~~Beginning July 17, 1996, and each fiscal year thereafter, an~~
9 ~~amount equal to the member's contribution rate times each~~
10 ~~member's compensation shall be paid to the fund from the~~
11 ~~earnable compensation of the member.~~

12 ~~The total amount to be contributed by the member shall be~~
13 ~~determined by the actuary after each valuation.~~

14 Sec. 65. Section 602.9202, subsection 1, Code 1991, is
15 amended to read as follows:

16 1. "Senior judge" means a supreme court judge, court of
17 appeals judge, district court, judge or district associate
18 judge who meets the requirements of section 602.9203,
19 subsection 2, and who has not been retired or removed from the
20 roster of senior judges under section 602.9207 or 602.9208.

21 Sec. 66. Section 602.9203, subsection 2, paragraph b, Code
22 1991, is amended to read as follows:

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

30 Sec. 67. Section 602.9204, Code 1991, is amended to read
31 as follows:

32 602.9204 ANNUITY OF SENIOR JUDGE AND RETIRED SENIOR JUDGE.

33 A senior judge or a retired senior judge shall not be paid
34 a salary. A senior judge or retired senior judge shall be
35 paid an annuity under the judicial retirement system in the

1 manner provided in section 602.9109, but computed under this
2 section in lieu of section 602.9107, as follows: The annuity
3 paid to a senior judge or retired senior judge shall be an
4 amount equal to three percent of the current basic salary, as
5 of the time each payment is made, of the office in which the
6 senior judge last served as a judge before prior to retirement
7 as a judge or senior judge, multiplied by the judge's years of
8 service prior to retirement as a judge of one or more of the
9 courts included under this article, for which contributions
10 were made to the system, except the annuity of the senior
11 judge or retired senior judge shall not exceed fifty percent
12 of the current basic salary. In addition, if a senior judge
13 is under sixty-five years of age at the time the judge becomes
14 a senior judge, the state shall pay the state's share of the
15 senior judge's medical insurance premium until the judge
16 attains age sixty-five.

17 Sec. 68. Section 602.9206, unnumbered paragraph 1, Code
18 1991, is amended to read as follows:

19 Section 602.1612 does not apply to a senior judge but does
20 apply to a retired senior judge. During the tenure of a
21 senior judge, if the judge is able to serve, the judge may be
22 assigned by the supreme court to temporary judicial duties on
23 ~~courts-of-this-state~~ without salary for an aggregate of
24 thirteen weeks out of each twelve-month period, and for
25 additional weeks with the judge's consent. A senior judge
26 shall not be assigned to judicial duties on the supreme court
27 unless the judge has been appointed to serve on the supreme
28 court prior to retirement. While serving on temporary
29 assignment, a senior judge has and may exercise all of the
30 authority of the office to which the judge is assigned, shall
31 continue to be paid the judge's annuity as a senior judge,
32 shall be reimbursed for the judge's actual expenses to the
33 extent expenses of a district judge are reimbursable under
34 section 602.1509, may, if permitted by the assignment order,
35 appoint a temporary court reporter, who shall be paid the

1 remuneration and reimbursement for actual expenses provided by
2 law for a reporter in the court to which the senior judge is
3 assigned, and, if assigned to the court of appeals or the
4 supreme court, shall be given the assistance of a law clerk
5 and a secretary designated by the court administrator of the
6 judicial department from the court administrator's staff.
7 Each order of temporary assignment shall be filed with the
8 clerks of court ~~at-the-places~~ where the senior judge is to
9 serve.

10 Sec. 69. Section 602.9207, subsection 1, Code 1991, is
11 amended to read as follows:

12 1. A senior judge shall cease to be a senior judge upon
13 completion of the twelve-month period during which the judge
14 attains seventy-eight years of age. The clerk of the supreme
15 court shall ~~make-a-notation-of~~ indicate the retirement of a
16 senior judge in the roster of senior judges, at which time the
17 senior judge shall become a retired senior judge.

18 Sec. 70. Section 602.9208, subsection 3, Code 1991, is
19 amended to read as follows:

20 3. A person who relinquishes a senior judgeship ~~in-the~~
21 ~~manner~~ as provided in subsection 1 shall be paid a retirement
22 annuity that commences on the effective date of the
23 relinquishment and shall be based upon the number of years the
24 person served as a senior judge. A person who serves six or
25 more years as a senior judge shall be paid a retirement
26 annuity that is in an amount equal to the amount of the
27 annuity the person is receiving on the effective date of the
28 relinquishment in lieu of an amount determined according to
29 section 602.9204. If the person serves less than six years as
30 a senior judge, the person shall be paid a retirement annuity
31 that is in an amount equal to an amount determined according
32 to section 602.9107 added to an amount equal to the number of
33 years the person served as a senior judge, divided by six,
34 multiplied by the difference between the amount of the annuity
35 the person is receiving on the effective date of the

1 relinquishment and the amount determined according to section
2 602.9107. A person who is removed from a senior judgeship ~~as~~
3 ~~provided-in~~ pursuant to subsection 2 shall be paid a
4 retirement annuity that commences on the effective date of the
5 removal and is in an amount determined according to section
6 602.9107 in lieu of section 602.9204, and any service and
7 annuity of the person as a senior judge is disregarded.

8 Sec. 71. Section 602.9209, subsection 1, Code 1991, is
9 amended to read as follows:

10 1. A survivor of a senior judge, a retired senior judge,
11 or a person who relinquished a senior judgeship under pursuant
12 to section 602.9208, subsection 1, shall be paid an annuity in
13 lieu of that specified in section 602.9115, which is equal to
14 one-half the amount of the annuity the senior judge, retired
15 senior judge, or person who relinquished a senior judgeship
16 was receiving at the time of death, provided the survivor is
17 qualified under section 602.9115 to receive an annuity.

18 Sec. 72. MEMBERSHIP IN FIRE AND POLICE RETIREMENT SYSTEMS.

19 1. As used in this section, unless the context otherwise
20 requires, "qualified member" means a person who meets each of
21 the following conditions:

22 a. Was a member of the retirement system established in
23 chapter 411 with four or more but fewer than fifteen years of
24 membership service as of July 1, 1989.

25 b. Terminated employment with the city which employed the
26 member as of July 1, 1989, before the member attained the age
27 of fifty-five and twenty-two years of service.

28 c. Was subsequently employed as a police officer or fire
29 fighter as of July 1, 1990, by a city which attained a
30 population of eight thousand or more as a result of the
31 federal census conducted in 1990 and which was not a
32 participating city subject to this chapter on July 1, 1990,
33 and has not subsequently joined the statewide system
34 established in chapter 411.

35 2. Notwithstanding any other provision of law to the

1 contrary, a qualified member shall receive benefits under
2 chapter 411 pursuant to this section. Unless in conflict with
3 this section, the provisions of chapter 411 pertaining to
4 members shall also pertain to qualified members. Upon
5 attaining retirement age, a qualified member shall receive a
6 service retirement allowance of one twenty-second of the
7 retirement allowance the qualified member would have received
8 if the qualified member had qualified for full benefits
9 pursuant to section 411.6, subsection 1, paragraph "a", 1989
10 Code of Iowa, for each year of service the qualified member
11 had served.

12 3. A qualified member must submit an application for
13 coverage pursuant to this section to the board of trustees for
14 membership in the system no later than September 1, 1992. The
15 board of trustees shall notify the city which employed the
16 member as of July 1, 1989, that it must transfer to the board
17 of trustees an amount sufficient to cover the accrued
18 liability of the member, including interest on the accrued
19 liability from December 31, 1991, through the date of payment.
20 The participating city shall transfer that amount to the
21 statewide system.

22 Sec. 73. Sections 97B.26, 97B.66, and 97B.71, Code 1991,
23 are repealed.

24 Sec. 74. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

25 1. The portion of this Act which amends section 97B.41,
26 subsection 3, paragraph "b", by adding a new subparagraph
27 (16), being deemed of immediate importance, takes effect upon
28 enactment and applies retroactively to January 1, 1992.

29 2. The portion of this Act which amends section 97B.50,
30 subsection 2, being deemed of immediate importance, takes
31 effect upon enactment and applies retroactively to July 1,
32 1990.

33 3. The section of this Act which amends section 411.6,
34 subsection 2, being deemed of immediate importance, takes
35 effect upon enactment and applies retroactively to January 1,

1 1992.

2

EXPLANATION

3 This bill makes a number of changes concerning public
4 retirement systems.

5 With respect to the Iowa department of public safety peace
6 officers' retirement, accident and disability system pursuant
7 to chapter 97A, the bill provides the following changes:

8 Section 97A.6, subsections 3 through 6, are amended with
9 respect to several items. Provisions are added to both
10 ordinary and accidental disability to provide that if a
11 person's membership first commenced on or after July 1, 1992,
12 the member shall not be eligible for benefits with respect to
13 a disability which would not exist, but for a medical
14 condition that was known to exist on the date that membership
15 commenced. These changes also provide that if a member has
16 had 22 or more years of service, the member shall receive a
17 disability retirement allowance that is equal to the greater
18 of the benefit that the member would have received as a
19 retirement allowance if the member were 55, or the disability
20 pension otherwise calculated under the applicable accidental
21 or ordinary disability provisions.

22 Section 97A.6, subsection 7, is amended by providing that
23 with respect to provisions covering employment in a gainful
24 occupation after receiving ordinary or accidental disability,
25 if the salary scale associated with a member's rank at
26 retirement is subsequently changed, earnable compensation
27 shall be based upon the salary an active member currently
28 would receive with the same rank and seniority. The changes
29 also include technical corrective changes. The changes also
30 provide that if a disability beneficiary under the age of 55
31 becomes an active member, these persons shall contribute at
32 the rate payable by other members of comparable rank,
33 seniority, and age.

34 Section 97A.6, subsection 9, is amended by changing the
35 qualifications for receipt of accidental death benefits to

1 include death as a result of accident, disease, or exposure
2 occurring or aggravated at some definite time and place while
3 the member was in the actual performance of duty.

4 This bill makes the following changes to the Iowa public
5 employees' retirement system in chapter 97B:

6 Sections 97B.4 and 97B.5 changes add authority for the
7 department of personnel to contract with outside parties for
8 various purposes.

9 Section 97B.5 also provides that the maximum number of
10 full-time equivalent positions specified by the general
11 assembly for administration of the system for a fiscal year
12 shall not be reduced by any authority other than the general
13 assembly.

14 Section 97B.6 change establishes a policy for destruction
15 of old records of deceased members.

16 Section 97B.7 changes specify that the fund is for the
17 benefit of the members and to be used for administration of
18 the retirement system. Section 97B.7 also provides if the
19 moneys appropriated from the retirement fund for the operation
20 of the system are subject to an across-the-board cut, the
21 amount by which the appropriation has been reduced is
22 appropriated. The changes also eliminate a provision that the
23 fund may be used for other purposes specified by the general
24 assembly.

25 Section 97B.8 change allows a member of the investment
26 board to be an executive of any industrial corporation rather
27 than a major industrial corporation.

28 Section 97B.10 change allows refunds of contributions to be
29 made to employers and employees after the three-year deadline
30 specified for just and equitable refunds.

31 Section 97B.11 change deletes obsolete contribution
32 percentages.

33 Section 97B.17 change makes grammatical changes.

34 Section 97B.18 change allows the department to provide
35 additional information concerning the members' contributions

1 and benefit credits.

2 New sections 97B.20A and 97B.20B relate to the appeal
3 procedure, including the departmental review and appeal to an
4 administrative law judge from the department of inspections
5 and appeals.

6 Section 97B.22 updates references to the old employment
7 security commission and from appeal referee to administrative
8 law judge.

9 Section 97B.23 change revises archaic language.

10 Section 97B.25 change adds a reference to the appeal
11 procedure provided in the new section 97B.20A and changes a
12 reference from benefits deputy to retirement benefits
13 specialist.

14 Section 97B.34 change allows the department to adopt rules
15 for making payments to a representative of an applicant for
16 benefits.

17 New section 97B.34A provides procedures for payment of
18 benefits to minors.

19 Section 97B.41 changes allow calendar quarters to be
20 counted regardless of remuneration received by a member during
21 the quarter, add agencies to the definition of employer,
22 define termination under the system for an elected member, and
23 make technical changes regarding coverage of students,
24 drainage district employees, temporary employees, and
25 employees of community action programs. The changes expand
26 the definitions of member, vested member, and retired member,
27 and define bona fide retirement. The changes provide that the
28 final quarter of a member's wages not be used in calculating
29 the member's retirement allowance if it would reduce the
30 retirement allowance. The changes also specify that an
31 elected official shall be employed within a calendar quarter
32 for all quarters of the term of office, even if the official
33 selects a method of payment which results in not being
34 credited with wages for the quarter.

35 The changes to section 97B.41 also specify that employees

1 of the board of trustees for the statewide fire and police re-
2 tirement system are excluded from IPERS coverage unless they
3 make an application for coverage approved by the department.
4 This provision is immediately effective and retroactive to
5 January 1, 1992.

6 Section 97B.42 changes make technical Code changes and also
7 allow community college employees who join TIAA-CREF to
8 withdraw their IPERS contributions.

9 Section 97B.43 changes are technical and grammatical in
10 nature.

11 Section 97B.44 changes clarify that a member who takes a
12 refund of contributions also cancels a designation of
13 beneficiary.

14 Section 97B.48 changes relate to the notification required
15 for retirement and establish a policy that benefits will not
16 be figured to start retroactively beyond six months prior to
17 the time the member notifies the department of the member's
18 wish to retire.

19 New section 97B.48A adjusts to match the social security
20 level the amount which a reemployed retired member can earn
21 without having benefit payments suspended, outlines the
22 procedure for calculating benefits if a member retires,
23 returns to employment, and retires a second time, and provides
24 for refund with interest of employer and employee
25 contributions not used in calculating the retirement benefit.

26 Section 97B.49 changes specify that the 2 percent annual
27 increases in the percentage multiplier apply only to members
28 retiring during the specific year in which the 2 percent
29 increase is applied, provide for payment of dividends in
30 November 1992 and November 1993, provide that if a retired
31 member dies, application for the dividend for that year by a
32 beneficiary or the estate of the member must be made within 2
33 years after the dividend is payable, and allow years of
34 membership service to include both protection occupation years
35 and sheriff or deputy sheriff years of service. These changes

1 also include intent language concerning proposals by the
2 department to the public retirement systems committee
3 concerning increases in the covered wage, annual dividends to
4 retired members and indexing of earned benefits for terminated
5 vested members.

6 Section 97B.50 changes specify that members must be vested
7 to apply for early retirement benefits. These changes also
8 provides that members who retire due to disability and receive
9 disability benefits under the United States Railroad
10 Retirement Act, and have not reached the normal retirement
11 date, shall receive retirement benefits based upon years of
12 service, and removes limitations that require eligibility for
13 early retirement and reductions based upon age. These changes
14 are retroactive to July 1, 1990.

15 Sections 97B.51 and 97B.52 changes provide that a member
16 may change the member's beneficiary if the beneficiary dies
17 prior to the death of the member, provide that if the member
18 dies prior to the issuance of the first month's benefit, the
19 election of a retirement payment option is null, provide a
20 time limitation of 2 years for application by a beneficiary,
21 heirs, or the estate for a member's death benefit, and provide
22 for payment of the death benefit if the member has not filed a
23 designation of beneficiary with the department.

24 New section 97B.52A provides that a member must remain out
25 of employment for 120 days in order for the member's
26 retirement to be a bona fide retirement. If the member
27 returns to employment during that period, the member must
28 return any retirement allowance received plus interest.

29 Section 97B.53 changes provide that membership in the
30 retirement system ceases when the member receives a refund of
31 the member's contributions.

32 Section 97B.58 change grants the department rulemaking
33 authority to specify the information required to be provided
34 to the department by employers.

35 Section 97B.73 changes specify the type of public

1 employment that can be transferred to IPERS, provide for the
2 department to use an inflation factor for members buying back
3 service based upon previous service, and state that both the
4 department and the other public retirement system must agree
5 to the waiver of service in the other system for the transfer
6 of service to be valid.

7 Section 97B.80 changes are similar to those made in section
8 97B.73 and also the changes remove the four-year limit on the
9 buyback of veteran's credit.

10 The bill makes the following changes to the statewide fire
11 and police retirement system established in chapter 411:

12 Section 411.1 change rewrites the definition of earnable
13 compensation.

14 Section 411.5 change requires the board of trustees of the
15 statewide system to submit a certified audit to the auditor of
16 state annually and comply with filing fee requirements.

17 Section 411.6, subsection 2, changes clarify provisions
18 concerning service retirement allowances.

19 Section 411.6, subsection 3, and subsection 5, paragraphs
20 "a" and "c" changes provide that for persons whose membership
21 in the system first commenced on or after July 1, 1992, the
22 member shall not be eligible for benefits with respect to a
23 disability which would not exist, but for a medical condition
24 that was known to exist on the date of membership.

25 Section 411.6, subsections 4 and 6, changes provide that
26 under both ordinary and accidental disability, if a member has
27 had 22 or more years of service, the member shall receive a
28 disability retirement allowance that is equal to the greater
29 of the benefit that the member would have received as a
30 retirement allowance if the member were 55, or the disability
31 pension otherwise calculated under the applicable accidental
32 or ordinary disability provisions.

33 Section 411.6, subsection 5, paragraph "b", changes provide
34 that the participating city performs certain functions per-
35 taining to temporary disability, and that the board of

1 trustees of the statewide system has no jurisdiction until the
2 city finds that the disability is likely to be permanent.

3 Section 411.6A changes add a provision concerning optional
4 retirement benefits. The changes specify that the board of
5 trustees shall adopt rules providing for optional forms of
6 retirement benefits. The changes eliminate provisions from
7 the current Code pertaining to the death of members without a
8 beneficiary and the death of the beneficiary prior to the
9 receipt of benefits.

10 Section 411.8 changes make technical changes to the
11 calculation of the member's contribution rate commencing July
12 1, 1996.

13 The bill also changes the provisions concerning the
14 member's contribution rate after July 1, 1996, by specifying
15 that the rate shall be 9.1 percent, unless benefit
16 enhancements are approved by the general assembly. If benefit
17 enhancements occur, the bill provides that the member's
18 contribution shall increase as necessary to pay for the
19 benefits until the contribution rate reaches 11.3 percent, at
20 which point any additional costs shall be paid at a ratio of
21 60 percent by the city and 40 percent by the member.

22 The changes in section 72 of this bill provide benefits to
23 certain persons who terminated employment from a participating
24 city in the statewide fire and police retirement system before
25 the statewide system was formed. According to these changes,
26 to qualify for these benefits, the member must have been
27 employed by a chapter 411 city as of July 1, 1989, with four
28 or more but fewer than 15 years of membership service, must
29 have terminated that employment before retirement, and must
30 have been subsequently employed by a city as a police officer
31 or fire fighter as of July 1, 1990. Moreover, under the bill,
32 the city which employed the person as of July 1, 1990, must be
33 a city that has not joined the statewide system, but which
34 attained a population of 8,000 or more as a result of the 1990
35 federal census. The bill provides that upon attaining

1 retirement age, these persons shall receive a benefit of one
2 twenty-second of the retirement allowance that the person
3 would have received if the person had qualified for full
4 retirement benefits pursuant to chapter 411 in the 1989 Code
5 of Iowa, for each year of service. The bill requires these
6 qualified members to submit an application for coverage no
7 later than September 1, 1992. The bill requires the city that
8 employed the person on July 1, 1989, to transfer to the
9 statewide system an amount determined by the actuary of the
10 statewide system that is sufficient to fund these benefits,
11 plus interest from December 31, 1991.

12 The bill makes grammatical changes in provisions of chapter
13 602 pertaining to the senior judge component of the judicial
14 retirement system.

15 This bill establishes a state mandate under chapter 25B.

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**HOUSE FILE 2450
FISCAL NOTE**

A fiscal note for House File 2450 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.

House File 2450 makes numerous grammatical, technical, and clarifying changes to the Peace Officers Retirement System (POR), the Iowa Public Employees Retirement System (IPERS), the Municipal Fire and Police Retirement System of Iowa (MFPRSI), and the Senior Judge component of the Judicial Retirement System. Since there are many changes and most changes do not involve a fiscal impact, the following description will include selective highlights and does not catalogue every change in the bill. For ease of explanation, each system is discussed separately.

Peace Officers Retirement System:**Description:**

The ordinary disability retirement benefit and the accidental disability benefit are amended to exclude disabilities resulting from medical conditions known to exist at the time of commencing membership. This change becomes effective July 1, 1992.

Both disability benefits are also modified to give the member with 22 years of service who qualifies for a disability retirement the option of receiving either the disability retirement or regular retirement with no reduction for age less than 55 years.

Assumptions:

1. The change concerning pre-existing medical conditions is consistent with the federal Americans with Disabilities Act.
2. Current physical examinations screen out known medical conditions that would lead to disability.
3. The 5 POR members currently on ordinary disability retirement are representative for cost estimates.
4. On average, these retirees would receive extra credit for 3 years of service beyond 22 years.
5. The average final compensation is \$32,462.

Fiscal Impact:

Given the option of retirement with no reduction for age less than 55 years, the additional costs to the retirement system for retirement benefits for these retirees will be \$12,655 in FY 1993 and \$15,900 in FY 1994.

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Iowa Public Employees Retirement System:**Description:**

Numerous grammatical changes and clarifications of definitions and practices are made, including executing contracts, permitting destruction of records of deceased members 10 years after final payment to a third party, refunds to employees and employers, removal of language that is no longer applicable, payment to minors, crediting elected officials with wages in every quarter regardless of the payment plan chosen, clarification as to when notice of normal retirement is given, a change in the amount of remuneration constituting reemployment to be consistent with Social Security definitions, and other such changes.

The number of FTE positions within the IPERS Division can be adjusted only by the General Assembly. Any appropriations reductions by the Governor under Section 8.31 are offset by an equivalent appropriation from the IPERS Trust Fund.

Language is added to reflect the current practice of having an Administrative Law Judge in the Department of Inspections and Appeals hold hearings on appeals for IPERS decisions.

IPERS is permitted to adopt rules for making payments to representatives if it is in the best interest of the member. (For example, if a retiree is no longer capable of managing his or her affairs, payment may be made to the retiree's caregiver.)

The minimum remuneration to qualify as an active member is removed.

Temporary employees are defined as persons employed for 6 months or less or who work less than 1,040 hours in a calendar year. These persons, unless otherwise specified, are not eligible for IPERS membership.

The final quarter of employment is excluded from the calculation of 3-year average covered wage when it reduces the member's benefit. (This reflects current practice. The situation occurs when a member's retirement begins early in a quarter, thus he or she receives no wages through the end of the quarter. Including this quarter artificially reduces the covered wage.)

Beginning July 1, 1994, community college employees are permitted to withdraw the member's contributions when they elect to participate in an alternative retirement system.

The retirement dividend is updated to continue at the current level.

Bona fide retirement is increased from 30 days out of covered employment to 120 days.

The 4-year limit on purchase of veteran's credit is removed. The member continues to purchase credit by making both employer's and employee's contribution based on current covered wages. Credit may be purchased in quarter increments.

Assumptions:

1. Most of these changes are technical or revenue neutral.
2. The number of previously temporary employees that will be brought into the system is unknown.
3. The actuarial calculation for contribution rates will continue to be valid.
4. Purchasing of veteran's credit at current wage rates approximately offsets interest earnings for those previous years and is revenue neutral.

Fiscal Impact:

The technical and clarifying changes have little or no fiscal impact.

The Department of Inspections and Appeals currently holds the hearings on appeals as required in this bill and will experience no additional costs.

The change of status of workers currently treated as temporary employees to covered employees will have no negative effect on the IPERS Trust Fund since contribution rates are actuarially set to maintain a solvent fund. The costs to employers and employees who switch from temporary to regular employment will increase to pay the required contributions. No estimate is available as to how many currently temporary employees will be affected.

Beginning July 1, 1994, community college members will be able to withdraw their contributions when switching to an alternative retirement system. The State's contribution for each withdrawing member will remain in the IPERS Trust Fund for benefit of the remaining members. These employers' contributions will no longer be obligated for future benefits and will represent a gain for the IPERS Trust Fund.

The update to the IPERS retirement dividend is a continuation of current practices and was included in IPERS anticipated expenditures. It will have no negative impact on the IPERS Fund.

The removal of the limit on veteran's credit will be consistent with federal requirements and eliminate the possibility of a lawsuit over the limitation. The costs to the system are expected to be minimal for purchase of additional credit.

Municipal Fire and Police Retirement System of Iowa:

Various clarifying and technical changes are made.

Earnable compensation is defined. Deferred compensation is included as earnable compensation.

The Board of Trustees is required to submit a certified audit to the State annually.

The ordinary disability retirement benefit and the accidental disability

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benefit are amended to exclude disabilities resulting from medical conditions known to exist at the time of commencing membership. This change becomes effective July 1, 1992.

Both benefits are also modified to give the member with 22 years of service who qualifies for a disability retirement the option of receiving either the disability retirement or regular retirement with no reduction for age less than 55 years of age.

The Statewide System's jurisdiction for disability cases is defined. The System has jurisdiction after the city determines the disability is likely to be permanent.

The System is permitted to create optional forms of payment that may be selected by the member.

Specific provisions are included to permit former members of a Chapter 411 system with more than 4 but less than 15 years of service, who terminate employment as of July 1, 1989, before attaining age 55 and 22 years of service, and subsequently are employed as a police officer or fire fighter in a city attaining a population of 8,000 or more but the city opts not to join the Statewide System now established under Chapter 411, to receive benefits from the Statewide System. The city which had employed such members is to transfer funds to the Statewide System sufficient to cover the members' accrued liabilities.

Assumptions:

1. The change concerning pre-existing medical conditions is consistent with the federal Americans with Disabilities Act.
2. The payment options offered by the System will be actuarially equivalent and thus revenue neutral.
3. The number of persons who will have the option of either a disability retirement or retirement with more than 22 years of experience and no age reduction is not known.
4. The estimate for the accrued liability for an employee terminating in 1989 and becoming an officer with a city that opted not to join the MFPRSI can be made from the 1989 actuarial evaluation.

Fiscal Impact:

There is no identifiable fiscal impact of the changes regarding the MFPRSI.

The System's current practice is to have an annual certified audit so this change is not expected to significantly affect costs.

The definition of earnable compensation standardizes the definition across the member cities. This may alter the definition of covered wage in some cities, but there is no information available to estimate how the amounts cities and employees pay will be affected.

Those persons who qualify for a disability retirement benefit and opt for regular retirement without an age reduction will create some costs for the

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System. There is no estimate of these costs.

The offering of actuarially equivalent payment options will not affect the costs to the System.

Only one person has been identified as affected by the provisions permitting a former member who is reemployed by a city that increased in population to more than 8,000 and opted not to join the MFPRSI. The city that employed the former member is required to transfer assets sufficient to cover the accrued liability, including interest, for the former member to the Statewide System. It is estimated that the City of Iowa City will pay approximately \$50,000 to cover the accrued liability for this person's over 12 years of membership service. The city's previous Chapter 411 retirement system was overfunded, and excess assets remained after assets were transferred to the MFPRSI to cover accrued liabilities. The City could make this payment from those funds. Since the accrued liability is to be paid by the city, there will be no adverse effect on the Statewide MFPRSI system.

Senior Judge Program:

Numerous grammatical and technical changes are made.

Fiscal Impact:

There is no impact on the Judicial Retirement System of the Judicial Department.

Sources:

Department of Public Safety
IPERS Division, Iowa Department of Personnel
Municipal Fire and Police Retirement System of Iowa
Judicial Department
Department of Inspections and Appeals
Department of Education
City of Iowa City

(LSB 6222hv, MDF)

FILED MARCH 20, 1992

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 2450

H-5284

1 Amend House File 2450 as follows:

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

4 "Section 1. Section 97.51, Code 1991, is amended
5 by adding the following new subsection:
6 NEW SUBSECTION. 10. Effective July 1, 1992, a
7 person receiving benefits, on or after July 1, 1992,
8 under this chapter, shall receive a monthly increase
9 in benefits of ten dollars per month. A person who
10 becomes eligible for benefits under chapter 97, Code
11 1950, on or after July 1, 1992, shall receive the ten
12 dollar increase.

13 There is appropriated annually from the general
14 fund of the state to the Iowa old-age and survivors'
15 insurance liquidation fund from funds not otherwise
16 appropriated an amount sufficient to pay the benefit
17 increases provided in this subsection."

18 2. Page 38, by inserting after line 2 the
19 following:

20 "Sec. ____ . Section 294.15, unnumbered paragraphs 1
21 and 2, Code 1991, are amended to read as follows:

22 A person attaining the age of sixty-five who was an
23 employee, holding a valid teaching certificate, in the
24 public schools of this state with a record of service
25 of twenty-five years or more, including a maximum of
26 five years' out-of-state service followed by at least
27 ten years' service in this state prior to retirement
28 and who retired prior to July 4, 1953, may receive,
29 effective July 1, ~~1984~~ 1992, retirement allowance
30 payments from the state of Iowa equal to two hundred
31 twenty thirty dollars per month. An amount necessary
32 to meet this requirement shall be added to the
33 retirement allowance payments, if any, now being
34 received from the state of Iowa by individuals covered
35 under this section. No such person shall receive
36 retirement benefits from the state of more than two
37 hundred twenty thirty dollars per month. The word
38 "employee" as used in this section includes persons
39 who were state superintendents, county
40 superintendents, or deputy county superintendents.

41 However, a person receiving retirement allowance
42 payments under this section may elect in writing to
43 the department of personnel to continue to receive two
44 hundred dollars or two hundred twenty dollars per
45 month."

46 3. By renumbering, relettering, redesignating,
47 and correcting internal references as necessary.

By MUHLBAUER of Crawford

H-5284 FILED MARCH 13, 1992

Adapted 3/20 (p. 732)

HOUSE FILE 2450

H-5398

1 Amend House File 2450 as follows:

2 1. Page 5, by inserting after line 19 the
3 following:

4 "Sec. ____ . Section 97B.1, subsection 2, paragraph
5 a, Code 1991, is amended by striking the paragraph."

6 2. Page 5, line 22, by striking the word
7 "administrator" and inserting the following:

8 "administrator chief investment officer and chief
9 benefits officer".

10 3. Page 6, line 5, by inserting after the word
11 "system" the following: ", including but not limited
12 to a chief investment officer and a chief benefits
13 officer".

14 4. Page 7, by inserting after line 27 the
15 following:

16 "Sec. ____ . Section 97B.8, unnumbered paragraph 1,
17 Code Supplement 1991, is amended to read as follows:

18 A board is established to be known as the
19 "Investment Board of the Iowa Public Employees'
20 Retirement System", referred to in this chapter as the
21 "board", whose duties are to establish policy for the
22 department in matters relating to the investment of
23 the trust funds of the Iowa public employees'
24 retirement system. At least annually the board shall
25 review the investment policies and procedures used by
26 the department under section 97B.7, subsection 2,
27 paragraph "b", and shall hold a public meeting on the
28 investment policies and investment performance of the
29 fund. Following its review and the public meeting,
30 the board shall establish an investment policy and
31 goal statement which shall direct the investment
32 activities of the department. The development of the
33 investment policy and goal statement and its
34 subsequent execution shall be performed cooperatively
35 between the board and the department. ~~In accordance
36 with section 97B.37, the board shall recommend to the
37 director a set of candidates for selection as the
38 administrator."~~

39 5. Page 13, line 5, by striking the word "deputy"
40 and inserting the following: "deputy retirement
41 benefits specialist".

42 6. Page 48, line 22, by inserting after the word
43 "Sections" the following: "97B.3,".

44 7. By renumbering and correcting internal
45 references as necessary.

By BLANSHAN of Greene
GRUHN of Dickinson

H-5398 FILED MARCH 19, 1992

Adopted 3/20 (p 732)

HOUSE FILE 2450

H-5383

1 Amend House File 2450 as follows:

2 1. Page 5, by inserting after line 19 the
3 following:

4 "Sec. ____ . Section 97B.1, subsection 2, paragraph
5 a, Code 1991, is amended by striking the paragraph."

6 2. Page 5, line 22, by striking the word
7 "administrator" and inserting the following:
8 "administrator chief investment officer and chief
9 benefits officer".

10 3. Page 6, by striking lines 3 and 4 and
11 inserting the following:

12 "1. The director shall appoint a chief investment
13 officer and employ a chief benefits officer. The
14 director shall submit a list of eligible applicants
15 for the position of a chief investment officer to the
16 investment board, in accordance with rules adopted by
17 the department. The investment board shall recommend
18 candidates from this list and the director shall
19 appoint the chief investment officer from the
20 recommended candidates. The chief investment officer
21 and the chief benefits officer shall serve at the
22 pleasure of the director.

23 2. Subject to other provisions of this chapter,
24 the department may employ additional personnel as
25 necessary for the administration of".

26 4. Page 12, line 34, by striking the word
27 "administrator" and inserting the following:
28 "administrator chief benefits officer".

29 5. Page 13, line 5, by striking the word "deputy"
30 and inserting the following: "deputy retirement
31 benefits specialist".

32 6. Page 48, line 22, by inserting after the word
33 "Sections" the following: "97B.3,".

34 7. By renumbering as necessary.

By BLANSHAN of Greene
GRUHN of Dickinson

H-5383 FILED MARCH 19, 1992

w/d 3/20 (p. 732)

HOUSE FILE 2450

H-5377

1 Amend House File 2450 as follows:

2 1. Page 7, by striking lines 22 through 24 and
3 inserting the following: "public employees'
4 retirement system for a fiscal year, it is the intent
5 of the general assembly that the amount by which the
6 appropriation has been reduced should be transferred
7 from that fund to the department of personnel for".

8 2. Page 23, line 1, by striking the word and
9 figure "subsection 3" and inserting the following:
10 "subsection-3 section 97B.48A".

11 3. Page 37, line 17, by inserting after the word
12 "made." the following: "However, the member may not
13 make contributions in an increment of less than one
14 year more than once. The member may also make one
15 lump sum contribution to the system which represents
16 the period of time of the active duty service, even if
17 the period of time exceeds one year."

By BLANSHAN of Greene

H-5377 FILED MARCH 19, 1992

Adopted 3/20 (p. 733)

HOUSE FILE 2450

H-5339

1 Amend House File 2450 as follows:

2 1. Page 44, by inserting after line 13 the
3 following:

4 "Sec. _____. Section 595.10, subsection 1, Code
5 1991, is amended to read as follows:

6 1. A judge of the supreme court, court of appeals,
7 or district court, including a district associate
8 judge, or a judicial magistrate~~7-and-including-a~~
9 ~~senior-judge-as-defined-in-section-602-9202,~~
10 ~~subsection-1.~~

11 Sec. _____. Section 602.1101, subsection 8, Code
12 1991, is amended to read as follows:

13 8. "Judicial officer" means a supreme court
14 justice, a judge of the court of appeals, a district
15 judge, a district associate judge, or a magistrate.
16 The term also includes a person who is temporarily
17 serving as a justice, judge, or magistrate as
18 permitted by section 602.1612 ~~or-602-9206.~~

19 Sec. _____. Section 602.1101, subsection 10, Code
20 1991, is amended by striking the subsection.

21 Sec. _____. Section 602.1612, subsection 1, Code
22 1991, is amended to read as follows:

23 1. Justices of the supreme court, judges of the
24 court of appeals, district judges, and district
25 associate judges who are retired by reason of age or
26 who are drawing benefits under section 602.9106, and
27 ~~senior-judges-who-have-retired-under-section-602-9207~~
28 ~~or-who-have-relinquished-senior-judgeship-under~~
29 ~~section-602-9208,-subsection-1,~~ may with their consent
30 be assigned by the supreme court to temporary judicial
31 duties on a court in this state if the assignment is
32 deemed necessary by the supreme court to expedite the
33 administration of justice.

34 Sec. _____. Section 602.9110, unnumbered paragraph
35 2, Code 1991, is amended by striking the unnumbered
36 paragraph.

37 Sec. _____. Section 602.9115A, unnumbered paragraph
38 1, Code 1991, is amended to read as follows:

39 In lieu of the annuities and refunds provided for
40 judges and judges' survivors under sections 602.9107,
41 602.9108, and 602.9115, ~~602-9204,-602-9208,-and~~
42 ~~602-9209,~~ judges may elect to receive an optional
43 retirement annuity during the judge's lifetime and
44 have the optional retirement annuity, or a designated
45 fraction of the optional retirement annuity, continued
46 and paid to the judge's survivor after the judge's
47 death and during the lifetime of the survivor.

48 Sec. _____. Section 602.9115A, unnumbered paragraph
49 3, Code 1991, is amended to read as follows:

50 The optional retirement annuity shall be the

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1 actuarial equivalent of the amounts of the annuities
2 payable to judges and survivors under sections
3 602.9107, and 602.9115, ~~602.9204, 602.9208, and~~
4 ~~602.9209~~. The actuarial equivalent shall be based on
5 the mortality and interest assumptions set out in
6 section 602.9107, subsection 3."

7 2. By striking page 44, line 14 through page 47,
8 line 17.

9 3. Page 48, by inserting after line 21 the
10 following:

11 "Sec. ____ . SENIOR JUDGES -- IMPLEMENTATION.

12 1. Effective July 1, 1992, additional judges shall
13 be prohibited from becoming senior judges pursuant to
14 chapter 602, article 9, part 2, 1991 Code of Iowa.
15 However, all judges whose names are entered on the
16 roster of senior judges pursuant to section 602.9203,
17 subsection 3, 1991 Code of Iowa, as of June 30, 1992,
18 may continue to participate and receive benefits as
19 senior judges and shall be governed by the provisions
20 of chapter 602, article 9, part 2, 1991 Code of Iowa.

21 2. Notwithstanding the amendments to sections
22 595.10, 602.1101, 602.1612, 602.9110, and 602.9115A
23 contained in this Act, those sections shall apply to
24 senior judges who continue to participate as senior
25 judges as permitted in subsection 1 as those Code
26 sections appear in the 1991 Code of Iowa.

27 3. This Act shall not be construed in a manner
28 which reduces benefits to persons who participated as
29 senior judges pursuant to the Iowa senior judge Act
30 prior to July 1, 1992.

31 4. The supreme court shall amend the applicable
32 rules referring to senior judges as necessary to
33 effectuate this Act."

34 4. Page 48, line 22, by striking the word and
35 figure "and 97B.71," and inserting the following:
36 "97B.71, and 602.9201 through 602.9209,".

37 5. By renumbering, relettering, redesignating,
38 and correcting internal references as necessary.

By BLANSHAN of Greene

H-5339 FILED MARCH 17, 1992

wid 3/20 (p. 733)

HOUSE FILE 2450

H-5337

1 Amend House File 2450 as follows:

2 1. Page 44, by striking lines 14 through 29.

3 2. Page 45, line 5, by inserting after the word
4 "made" the following: "up to and including the
5 twelve-month period during which the senior judge or
6 retired senior judge attains seventy-eight years of
7 age".

8 3. Page 45, line 6, by striking the words "before
9 prior to" and inserting the following: "before".

10 4. Page 45, line 12, by inserting after the word
11 "salary" the following: "used in calculating the
12 annuity".

13 5. Page 45, line 12, by inserting before the
14 words "In addition," the following: "However,
15 following the twelve-month period during which the
16 senior judge or retired senior judge attains seventy-
17 eight years of age, the annuity paid to the person
18 shall be an amount equal to three percent of the basic
19 salary cap, multiplied by the judge's years of service
20 prior to retirement as a judge of one or more of the
21 courts included under this article, for which
22 contributions were made to the system, except that the
23 annuity shall not exceed fifty percent of the basic
24 salary cap. A senior judge or retired senior judge
25 shall not receive benefits calculated using a basic
26 salary established after the twelve-month period in
27 which the senior judge or retired senior judge attains
28 seventy-eight years of age."

29 6. Page 45, by inserting after line 16 the fol-
30 lowing:

31 "As used in this section, unless the context
32 otherwise requires, "basic salary cap" means the basic
33 salary, at the end of the twelve-month period during
34 which the senior judge or retired senior judge
35 attained seventy-eight years of age, of the office in
36 which the person last served as a judge before
37 retirement as a judge or senior judge."

38 7. By striking page 45, line 17, through page 47,
39 line 17.

40 8. Page 48, by inserting after line 21 the fol-
41 lowing:

42 "Sec. ____ . SENIOR JUDGES -- IMPLEMENTATION.
43 Notwithstanding the amendments to section 602.9204
44 contained in this Act, all judges whose names are
45 entered on the roster of senior judges pursuant to
46 section 602.9203, subsection 3, as of June 30, 1992,
47 and all persons who are retired senior judges as of
48 June 30, 1992, shall continue to receive an annuity
49 calculated pursuant to section 602.9204, 1991 Code of
50 Iowa, and shall not be subject to the amendments to

ret of older 70 (p. 735)

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Page 2

1 that section contained in this Act. This Act shall
 2 not be construed in a manner which reduces benefits to
 3 persons who participated as senior judges prior to
 4 July 1, 1992."

5 9. By renumbering, relettering, redesignating,
 6 and correcting internal references as necessary.

By BLANSHAN of Greene
 CARPENTER of Polk

H-5337 FILED MARCH 17, 1992

*Adopted 3/20 (p. 735)
 Lines 2-39 out of order 3/20 (p. 735)*

HOUSE FILE 2450

H-5338

1 Amend House File 2450 as follows:

2 1. By striking page 44, line 14 through page 47,
 3 line 17 and inserting in lieu thereof the following:
 4 "Sec. ____ . Section 602.9204, Code 1991, is amended
 5 by adding the following new unnumbered paragraph:
 6 NEW UNNUMBERED PARAGRAPH. Effective with the
 7 fiscal year commencing July 1, 1993, and for each
 8 subsequent fiscal year, there is appropriated annually
 9 from the general fund of the state to the judicial
 10 retirement fund from funds not otherwise appropriated
 11 an amount sufficient to pay the annual costs of this
 12 part 2 of chapter 602, article 9, the Iowa senior
 13 judge Act, which shall include the costs of all
 14 additional benefits paid as a result of the Iowa
 15 senior judge Act."

16 2. Title page, line 3, by inserting after the
 17 word "penalties," the following: "making an
 18 appropriation,".

19 3. By renumbering, relettering, redesignating,
 20 and correcting internal references as necessary.

By BLANSHAN of Greene
 CARPENTER of Polk

H-5338 FILED MARCH 17, 1992

Adopted 3/20 (p. 735)

HOUSE FILE 2450

H-5422

1 Amend House File 2450 as follows:

2 1. Page 35, by inserting after line 26 the
 3 following:

4 "Sec. ____ . Section 97B.66, unnumbered paragraph 3,
 5 Code 1991, is amended by striking the unnumbered
 6 paragraph."

7 2. Page 48, line 22, by striking the figure
 8 "97B.66,".

9 3. By renumbering, relettering, redesignating,
 10 and correcting internal references as necessary.

By BLANSHAN of Greene
 KNAPP of Dubuque

H-5422 FILED MARCH 20, 1992

ADOPTED (p. 735)

HOUSE FILE 2450
REVISED
FISCAL NOTE

A fiscal note for House File 2450, as passed by the House, 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.

House File 2450, as passed by the House, makes numerous grammatical, technical, and clarifying changes to the Peace Officers Retirement System (POR), the Iowa Public Employees Retirement System (IPERS), the Municipal Fire and Police Retirement System of Iowa (MFPSI), and makes an appropriation for the Senior Judge component of the Judicial Retirement System. Since there are many changes and most changes do not involve a fiscal impact, the following description will include selective highlights and does not catalogue every change in the bill. For ease of explanation, each system is discussed separately.

Peace Officers Retirement System:

Description:

The ordinary disability retirement benefit and the accidental disability benefit are amended to exclude disabilities resulting from medical conditions known to exist at the time of commencing membership. This change becomes effective July 1, 1992.

Both disability benefits are also modified to give the member with 22 years of service who qualifies for a disability retirement the option of receiving either the disability retirement or regular retirement with no reduction for age less than 55 years.

Assumptions:

1. The change concerning pre-existing medical conditions is consistent with the federal Americans with Disabilities Act.
2. Current physical examinations screen out known medical conditions that would lead to disability.
3. The 5 POR members currently on ordinary disability retirement are representative for cost estimates.
4. On average, these retirees would receive extra credit for 3 years of service beyond 22 years.
5. The average final compensation is \$32,462.

Fiscal Impact:

Given the option of retirement with no reduction for age less than 55 years, the additional costs to the retirement system for retirement benefits for these

-2-

retirees will be \$12,655 in FY 1993 and \$15,900 in FY 1994.

Iowa Public Employees Retirement System:

Description:

Numerous grammatical changes and clarifications of definitions and practices are made, including executing contracts, permitting destruction of records of deceased members 10 years after final payment to a third party, refunds to employees and employers, removal of language that is no longer applicable, payment to minors, crediting elected officials with wages in every quarter regardless of the payment plan chosen, clarification as to when notice of normal retirement is given, a change in the amount of remuneration constituting reemployment to be consistent with Social Security definitions, and other such changes.

The number of FTE positions within the IPERS Division can be adjusted only by the General Assembly. Intent language is included requiring that any appropriations reductions by the Governor under Section 8.31 are offset by an equivalent transfer from the IPERS Trust Fund.

Language is added to reflect the current practice of having an Administrative Law Judge in the Department of Inspections and Appeals hold hearings on appeals of IPERS decisions.

IPERS is permitted to adopt rules for making payments to representatives if it is in the best interest of the member. (For example, if a retiree is no longer capable of managing his or her affairs, payment may be made to the retiree's caregiver.)

The minimum remuneration to qualify as an active member is removed.

Temporary employees are defined as persons employed for 6 months or less or who work less than 1,040 hours in a calendar year. These persons, unless otherwise specified, are not eligible for IPERS membership.

The final quarter of employment is excluded from the calculation of 3-year average covered wage when it reduces the member's benefit. (This reflects current practice. The situation occurs when a member's retirement begins early in a quarter, thus he or she receives no wages through the end of the quarter. Including this quarter artificially reduces the covered wage.)

Beginning July 1, 1994, community college employees are permitted to withdraw the member's contributions when they elect to participate in an alternative retirement system.

The retirement dividend is updated to continue at the current level.

Bona fide retirement is increased from 30 days out of covered employment to 120 days.

The 4-year limit on purchase of veteran's credit is removed. The member

-3-

continues to purchase credit by making both employer's and employee's contribution based on current covered wages. Credit may be purchased once in increments of less than one year. A lump sum payment may be made for the period of active duty. This codifies current practice in regard to lump sum payments.

References to the IPERS Administrator position is removed from the Code of Iowa. This reflects the restructuring in the Department of Personnel.

Teachers who retired prior to July 4, 1953, and persons receiving benefits from the Iowa Old-Age and Survivors' Insurance (IOASI) Liquidation Fund will receive a \$10 monthly benefit increase in FY 1993.

Assumptions:

1. Most of these changes are technical or revenue neutral.
2. The number of previously temporary employees that will be brought into the system is unknown.
3. The actuarial calculation for contribution rates will continue to be valid.
4. Purchasing of veteran's credit at current wage rates approximately offsets interest earnings for those previous years and is revenue neutral.
5. The Administrator position is being eliminated with the retirement of the Administrator, and adjustments are being made to the duties and compensation of the Chief Investment Officer. The Division's budget for FY 1993 is adjusted for the salary savings, from this organizational restructuring.
6. There are 24 retired teachers and 147 IOASI members; 4 of these persons are covered by both systems. The 4 persons with dual membership will receive only one increase. The \$10 monthly increase will cost \$120 annually, and will be received by 167 persons. No mortality assumptions are made.

Fiscal Impact:

The technical and clarifying changes have little or no fiscal impact.

The Department of Inspections and Appeals currently holds the hearings on appeals as required in this bill and will experience no additional costs.

The change of status of workers currently treated as temporary employees to covered employees will have no negative effect on the IPERS Trust Fund since contribution rates are actuarially set to maintain a solvent fund. The costs to employers and employees who switch from temporary to regular employment will increase to pay the required contributions. No estimate is available as to how many current temporary employees will be affected.

Beginning July 1, 1994, community college members will be able to withdraw their contributions when switching to an alternative retirement system. The State's contribution for each withdrawing member will remain in the IPERS Trust Fund for benefit of the remaining members. These employers' contributions will no longer be obligated for future benefits and will represent a gain for the IPERS Trust Fund.

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The update to the IPERS retirement dividend is a continuation of current practices and was included in IPERS anticipated expenditures. It will have no negative impact on the IPERS Fund.

The removal of the limit on veteran's credit will be consistent with federal requirements and eliminates the possibility of a lawsuit over the limitation. The costs to the system for purchase of additional credit are expected to be minimal.

The \$10 monthly benefit increase for teachers retired before July 4, 1953, and for IOASI recipients will cost \$20,040 annually.

Municipal Fire and Police Retirement System of Iowa:

Various clarifying and technical changes are made.

Earnable compensation is defined. Deferred compensation is included as earnable compensation.

The Board of Trustees is required to submit a certified audit to the State annually.

The ordinary disability retirement benefit and the accidental disability benefit are amended to exclude disabilities resulting from medical conditions known to exist at the time of commencing membership. This change becomes effective July 1, 1992.

Both benefits are also modified to give the member with 22 years of service who qualifies for a disability retirement the option of receiving either the disability retirement or regular retirement with no reduction for age less than 55 years of age.

The Statewide System's jurisdiction for disability cases is defined. The System has jurisdiction after the city determines the disability is likely to be permanent.

The System is permitted to create optional forms of payment that may be selected by the member.

Specific provisions are included to permit former members of a Chapter 411 system with more than 4 but less than 15 years of service, who terminate employment as of July 1, 1989, before attaining age 55 and 22 years of service, and subsequently are employed as a police officer or fire fighter in a city attaining a population of 8,000 or more but the city opts not to join the Statewide System now established under Chapter 411, to receive benefits from the Statewide System. The city which had employed such members is to transfer funds to the Statewide System sufficient to cover the members' accrued liabilities.

Assumptions:

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1. The change concerning pre-existing medical conditions is consistent with the federal Americans with Disabilities Act.
2. The payment options offered by the System will be actuarially equivalent and thus revenue neutral.
3. The number of persons who will have the option of either a disability retirement or retirement with more than 22 years of experience and no age reduction is not known.
4. The estimate for the accrued liability for an employee terminating in 1989 and becoming an officer with a city that opted not to join the MFPRSI can be made from the 1989 actuarial evaluation.

Fiscal Impact:

There is no identifiable fiscal impact of the changes regarding the MFPRSI.

The System's current practice is to have an annual certified audit so this change is not expected to significantly affect costs.

The definition of earnable compensation standardizes the definition across the member cities. This may alter the definition of covered wage in some cities, but there is no information available to estimate how the amounts cities and employees pay will be affected.

Those persons who qualify for a disability retirement benefit and opt for regular retirement without an age reduction will create some costs for the System. There is no estimate of these costs.

The offering of actuarially equivalent payment options will not affect the costs to the System.

Only one person has been identified as affected by the provisions permitting a former member who is reemployed by a city that increased in population to more than 8,000 and opted not to join the MFPRSI. The city that employed the former member is required to transfer assets sufficient to cover the accrued liability, including interest, for the former member to the Statewide System. It is estimated that the City of Iowa City will pay approximately \$50,000 to cover the accrued liability for this person's over 12 years of membership service. The City's previous Chapter 411 retirement system was overfunded, and excess assets remained after assets were transferred to the MFPRSI to cover accrued liabilities. The City could make this payment from those funds. Since the accrued liability is to be paid by the City, there will be no adverse effect on the Statewide MFPRSI system.

Senior Judge Program:

The cost of the Senior Judge Program is appropriated from the General Fund. Previously these costs were paid from the Judicial Retirement System.

Assumptions:

1. There are 30 senior judges.
2. The annual benefit expenses for the 30 judges is \$247,033 in FY 1992 prior

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to salary increases.

3. The senior judges will receive salary increases comparable to those American Federation of State, County, and Municipal Employees (AFSME) Union members will receive.

Fiscal Impact:

The FY 1993 cost to the General Fund for the Senior Judge program will be \$269,914. Future increases will be comparable to the salary increases for other State employees.

Sources:

Department of Public Safety
IPERS Division, Iowa Department of Personnel
Municipal Fire and Police Retirement System of Iowa
Judicial Department
Department of Inspections and Appeals
Department of Education
City of Iowa City

(LSB 6222hv.2, MDF)

FILED MARCH 30, 1992

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 2450
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 721)

(As Amended and Passed by the House March 20, 1992)

Passed House, Date 4/20/92 (p. 1638) Passed Senate, Date 4/7/92 (p. 1276)

Vote: Ayes 96 Nays 0 Vote: Ayes 49 Nays 0

Approved Item Vote 4/3/92 (Letter) p. 1983
Repassed Senate 4/20/92 (p. 1497)
aye 49, nays 0

A BILL FOR

1 An Act relating to public retirement systems and administration
2 and benefits of the Iowa public employees' retirement system,
3 including penalties, making an appropriation, and providing
4 effective and retroactive applicability dates.

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

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House Amendments _____

Deleted Language *

1 Section 1. Section 97.51, Code 1991, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 10. Effective July 1, 1992, a person
4 receiving benefits, on or after July 1, 1992, under this
5 chapter, shall receive a monthly increase in benefits of ten
6 dollars per month. A person who becomes eligible for benefits
7 under chapter 97, Code 1950, on or after July 1, 1992, shall
8 receive the ten dollar increase.

9 There is appropriated annually from the general fund of the
10 state to the Iowa old-age and survivors' insurance liquidation
11 fund from funds not otherwise appropriated an amount
12 sufficient to pay the benefit increases provided in this
13 subsection.

14 Sec. 2. Section 97A.6, subsections 3 through 5, Code
15 Supplement 1991, are amended to read as follows:

16 3. ORDINARY DISABILITY RETIREMENT BENEFIT. Upon the
17 application of a member in service or of the commissioner of
18 public safety, any member shall be retired by the board of
19 trustees, not less than thirty and not more than ninety days
20 next following the date of filing such application, on an
21 ordinary disability retirement allowance, provided, that the
22 medical board after a medical examination of such member shall
23 certify that said member is mentally or physically
24 incapacitated for further performance of duty, that such
25 incapacity is likely to be permanent and that such member
26 should be retired. However, if a person's membership in the
27 system first commenced on or after July 1, 1992, the member
28 shall not be eligible for benefits with respect to a
29 disability which would not exist, but for a medical condition
30 that was known to exist on the date that membership commenced.

31 4. ALLOWANCE ON ORDINARY DISABILITY RETIREMENT. Upon
32 retirement for ordinary disability a member shall receive an
33 ordinary disability retirement allowance which shall consist
34 of a pension which shall equal fifty percent of the member's
35 average final compensation except-if unless either of the

1 following conditions exist:

2 a. If the member has not had five or more years of
3 membership service, the member shall receive a disability
4 pension equal to one-fourth of the member's average final
5 compensation.

6 b. If the member has had twenty-two or more years of
7 membership service, the member shall receive a disability
8 retirement allowance that is equal to the greater of the
9 benefit that the member would receive under subsection 2 if
10 the member were fifty-five years of age or the disability
11 pension otherwise calculated under this subsection.

12 5. ACCIDENTAL DISABILITY BENEFIT.

13 a. Upon application of a member in service or of the
14 commissioner of public safety, any member who has become
15 totally and permanently incapacitated for duty as the natural
16 and proximate result of an injury, disease or exposure
17 occurring or aggravated while in the actual performance of
18 duty at some definite time and place shall be retired by the
19 board of trustees, provided, that the medical board shall
20 certify that such member is mentally or physically
21 incapacitated for further performance of duty, that such
22 incapacity is likely to be permanent and that such member
23 should be retired. However, if a person's membership in the
24 system first commenced on or after July 1, 1992, the member
25 shall not be eligible for benefits with respect to a
26 disability which would not exist, but for a medical condition
27 that was known to exist on the date that membership commenced.

28 b. Should a member in service become incapacitated for
29 duty as a natural and proximate result of an injury, disease,
30 or exposure incurred or aggravated while in the actual
31 performance of duty at some definite time or place, the member
32 shall, upon being found to be temporarily incapacitated
33 following an examination by the board of trustees, be entitled
34 to receive the member's fixed pay and allowances until re-
35 examined by the board and found to be fully recovered or

1 permanently disabled.

2 c. Disease under this section shall mean heart disease or
3 any disease of the lungs or respiratory tract and shall be
4 presumed to have been contracted while on active duty as a
5 result of strain, exposure, or the inhalation of noxious
6 fumes, poison, or gases. However, if a person's membership in
7 the system first commenced on or after July 1, 1992, and the
8 heart disease or disease of the lungs or respiratory tract
9 would not exist, but for a medical condition that was known to
10 exist on the date that membership commenced, the presumption
11 established in this paragraph shall not apply.

12 Sec. 3. Section 97A.6, subsection 6, paragraph b, Code
13 Supplement 1991, is amended to read as follows:

14 b. Upon retirement for accidental disability on or after
15 July 1, 1990, a member shall receive an accidental disability
16 retirement allowance which shall consist of a pension equal to
17 sixty percent of the member's average final compensation.
18 However, if the member has had twenty-two or more years of
19 membership service, the member shall receive a disability
20 retirement allowance that is equal to the greater of the
21 retirement allowance that the member would receive under
22 subsection 2 if the member were fifty-five years of age or the
23 disability retirement allowance calculated under this
24 paragraph.

25 Sec. 4. Section 97A.6, subsection 7, paragraphs a and b,
26 Code Supplement 1991, are amended to read as follows:

27 a. Should any beneficiary for either ordinary or
28 accidental disability, except a beneficiary who is fifty-five
29 years of age or over and would have completed twenty-two years
30 of service if the beneficiary had remained in active service,
31 be engaged in a gainful occupation paying more than the
32 difference between the member's retirement allowance and one
33 and one-half times the current earnable compensation of an
34 active member at the same position on the salary scale within
35 the member's rank as the member held at retirement, then the

1 amount of the retirement allowance shall be reduced to an
2 amount which together with the amount earned by the member
3 shall equal one and one-half times the amount of the current
4 earnable compensation of an active member at the same position
5 on the salary scale within the member's rank as the member
6 held at retirement. Should the member's earning capacity be
7 later changed, the amount of the retirement allowance may be
8 further modified, provided, that the new retirement allowance
9 shall not exceed the amount of the retirement allowance
10 originally granted adjusted by annual readjustments of
11 pensions pursuant to subsection ~~15~~ 14 of this section nor an
12 amount which, when added to the amount earned by the
13 beneficiary, equals one and one-half times the amount of the
14 current earnable compensation of an active member at the same
15 position on the salary scale within the member's rank as the
16 member held at retirement. A beneficiary restored to active
17 service at a salary less than the average final compensation
18 upon the basis of which the member was retired at age fifty-
19 five or greater, shall not again become a member of the
20 retirement system and shall have the member's retirement
21 allowance suspended while in active service. If the rank or
22 position held by the retired member is subsequently abolished,
23 adjustments to the allowable limit on the amount of income
24 which can be earned in a gainful occupation shall be computed
25 in the same manner as provided in subsection ~~15~~ 14, paragraph
26 "~~d~~", "c", of this section for readjustment of pensions when a
27 rank or position has been abolished. If the salary scale
28 associated with a member's rank at retirement is changed after
29 the member retires, earnable compensation for purposes of this
30 section shall be based upon the salary an active member
31 currently would receive at the same rank and with seniority
32 equal to that of the retired member at the time of retirement.

33 A beneficiary retired under the provisions of this
34 paragraph in order to be eligible for continued receipt of
35 retirement benefits shall no later than May 15 of each year

1 submit to the board of trustees a copy of the beneficiary's
2 state income tax return for the preceding year.

3 Retroactive to July 1, 1976, the limitations on pay of a
4 member engaged in a gainful occupation who is retired under
5 accidental disability prescribed in this paragraph shall not
6 apply to a member who retired before July 1, 1976.

7 b. Should a disability beneficiary under age fifty-five be
8 restored to active service at a compensation not less than the
9 disability beneficiary's average final compensation, the
10 disability beneficiary's retirement allowance shall cease, the
11 disability beneficiary shall again become a member and shall
12 contribute thereafter at the same rate ~~paid-prior-to~~
13 disability payable by other members of comparable rank,
14 seniority, and age, and former service on the basis of which
15 the disability beneficiary's service was computed at the time
16 of retirement shall be restored to full force and effect and
17 upon. Upon subsequent retirement the disability beneficiary
18 shall be credited with all service as a member, and also with
19 the period of disability retirement.

20 Sec. 5. Section 97A.6, subsection 9, unnumbered paragraph
21 1, Code Supplement 1991, is amended to read as follows:

22 If, upon the receipt of evidence and proof that the death
23 of a member in service was the natural and proximate result of
24 an accident, disease, or exposure occurring or aggravated at
25 some definite time and place while the member was in the
26 actual performance of duty, the board of trustees shall decide
27 that death was so caused in the performance of duty there
28 shall be paid, in lieu of the ordinary death benefit provided
29 in subsection 8 of this section, to the member's estate or to
30 such person having an insurable interest in the member's life
31 as the member shall have nominated by written designation duly
32 executed and filed with the board of trustees:

33 Sec. 6. Section 97B.1, subsection 2, paragraph a, Code
34 1991, is amended by striking the paragraph.

35 Sec. 7. Section 97B.4, unnumbered paragraph 1, Code 1991,

1 is amended to read as follows:

2 The department, through the administrator chief investment
3 officer and chief benefits officer, shall administer this
4 chapter. The department may adopt, amend, or rescind rules,
5 employ persons, execute contracts with outside parties, make
6 expenditures, require reports, make investigations, and take
7 other action it deems necessary for the administration of the
8 system. The rules shall be effective upon compliance with
9 chapter 17A. Not later than the fifteenth day of December of
10 each year, the department shall submit to the governor a
11 report covering the administration and operation of this
12 chapter during the preceding fiscal year and shall make
13 recommendations for amendments to this chapter. The report
14 shall include a balance sheet of the moneys in the Iowa public
15 employees' retirement fund.

16 Sec. 8. Section 97B.5, Code 1991, is amended to read as
17 follows:

18 97B.5 STAFF.

19 Subject to other provisions of this chapter, the department
20 may employ personnel as necessary for the administration of
21 the system, including but not limited to a chief investment
22 officer and a chief benefits officer. The maximum number of
23 full-time equivalent employees specified by the general
24 assembly for the department for administration of the system
25 for a fiscal year shall not be reduced by any authority other
26 than the general assembly. The staff shall be appointed
27 pursuant to chapter 19A. The department shall not appoint or
28 employ a person who is an officer or committee member of a
29 political party organization or who holds or is a candidate
30 for an elective public office. The department may employ
31 attorneys and contract with attorneys and legal firms for the
32 provision of legal counsel and advice in the administration of
33 this chapter, chapter 97C, and chapter 12A. The department
34 may execute contracts with investment advisors, consultants,
35 and managers outside state government in the administration of

1 this chapter and chapter 12A. The department may delegate to
2 any person such authority as it deems reasonable and proper
3 for the effective administration of this chapter, and may bond
4 any person handling moneys or signing checks under this
5 chapter.

6 Sec. 9. Section 97B.6, Code 1991, is amended to read as
7 follows:

8 97B.6 OLD RECORDS.

9 The department may destroy or dispose of such original
10 reports or records as have been properly recorded or
11 summarized in the permanent records of the department and are
12 deemed by the director ~~and-state-records-commission~~ to be no
13 longer necessary to the proper administration of this chapter.
14 ~~Such~~ The destruction or disposition shall be made only by
15 order of the director. Records of deceased members of the
16 system may be destroyed ten years after the later of the final
17 payment made to a third party on behalf of the member or the
18 death of the member. Any moneys received from the disposition
19 of ~~such~~ these records shall be deposited to the credit of the
20 public employees' retirement fund subject to rules ~~promulgated~~
21 adopted by the department.

22 Sec. 10. Section 97B.7, subsection 3, Code 1991, is
23 amended to read as follows:

24 3. All moneys which are paid or deposited into this fund
25 are hereby appropriated and made available to the department
26 to be used ~~only-for-the-purposes-herein~~ for the exclusive
27 benefit of the members and their beneficiaries or contingent
28 annuitants as provided in this chapter:

29 a. To be used by the department for the payment of
30 retirement claims for benefits under this chapter, ~~or-such~~
31 ~~other-purposes-as-may-be-authorized-by-the-general-assembly.~~

32 b. To be used by the department to pay refunds provided
33 for in this chapter.

34 c. To be used for the costs of administering the
35 retirement system. If as a result of action under section

1 8.31, the governor has reduced the moneys appropriated from
2 the Iowa public employees' retirement system fund to the
3 department of personnel for salaries, support, maintenance,
4 and other operational purposes to pay the costs of the Iowa
5 public employees' retirement system for a fiscal year, it is
6 the intent of the general assembly that the amount by which
7 the appropriation has been reduced should be transferred from
8 that fund to the department of personnel for salaries,
9 support, maintenance, and other operational purposes to pay
10 the costs of the Iowa public employees' retirement system for
11 that fiscal year.

12 Sec. 11. Section 97B.8, unnumbered paragraph 1, Code
13 Supplement 1991, is amended to read as follows:

14 A board is established to be known as the "Investment Board
15 of the Iowa Public Employees' Retirement System", referred to
16 in this chapter as the "board", whose duties are to establish
17 policy for the department in matters relating to the
18 investment of the trust funds of the Iowa public employees'
19 retirement system. At least annually the board shall review
20 the investment policies and procedures used by the department
21 under section 97B.7, subsection 2, paragraph "b", and shall
22 hold a public meeting on the investment policies and
23 investment performance of the fund. Following its review and
24 the public meeting, the board shall establish an investment
25 policy and goal statement which shall direct the investment
26 activities of the department. The development of the
27 investment policy and goal statement and its subsequent
28 execution shall be performed cooperatively between the board
29 and the department. ~~In accordance with section 97B.37, the~~
30 ~~board shall recommend to the director a set of candidates for~~
31 ~~selection as the administrator.~~

32 Sec. 12. Section 97B.8, unnumbered paragraph 2, Code
33 Supplement 1991, is amended to read as follows:

34 The board consists of nine members. Six of the members
35 shall be appointed by the governor. One member shall be an

1 executive of a domestic life insurance company, one an
2 executive of a state or national bank operating within the
3 state of Iowa, one an executive of ~~a-major~~ an industrial
4 corporation located within the state of Iowa, and three shall
5 be members of the system, one of whom ~~shall-be~~ is an active
6 member who is an employee of a school district, area education
7 agency, or merged area, one of whom ~~shall-be~~ is an active
8 member who is not an employee of a school district, area
9 education agency, or merged area, and one of whom is a retired
10 member of the system. The president of the senate, after
11 consultation with the majority leader and the minority leader
12 of the senate, shall appoint one member from the membership of
13 the senate and the speaker of the house of representatives
14 shall appoint one member from the membership of the house.
15 The two members appointed by the president of the senate,
16 after consultation with the majority leader and the minority
17 leader of the senate, and the speaker of the house of
18 representatives and the two active members of the system
19 appointed by the governor are ex officio members of the board.
20 The director of the department of personnel is an ex officio,
21 nonvoting member of the board.

22 Sec. 13. Section 97B.10, Code 1991, is amended to read as
23 follows:

24 97B.10 REFUNDS.

25 ~~In-any-case-in-which~~ If the department finds the employee
26 or employer has, or both, have erroneously paid contributions
27 ~~thereon-which-have-been-erroneously-paid,-and-has-filed~~
28 ~~application-for-an-adjustment-thereof,~~ the department shall
29 make such an adjustment, compromise, or settlement and make
30 such a refund of such payments to the employee or employer, or
31 both, as it finds just and equitable ~~in-the-premises~~. Refunds
32 so made shall be charged to the fund to which the erroneous
33 collections have been credited and shall be paid to the
34 claimant employee or employer, or both, without interest. Any
35 A claim of an employee or employer for such a refund shall be

1 made within three years of date of payment ~~and-not-thereafter.~~
2 However, the department may make refund payments to employees
3 or employers after the expiration of the three-year deadline
4 if the department finds that the payment of the refund is just
5 and equitable.

6 Sec. 14. Section 97B.11, Code 1991, is amended to read as
7 follows:

8 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

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

24 Sec. 15. Section 97B.17, unnumbered paragraph 1, Code
25 1991, is amended to read as follows:

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

35 Sec. 16. Section 97B.18, Code 1991, is amended to read as

1 follows:

2 97B.18 STATEMENT OF ACCUMULATED CREDIT.

3 After the expiration of each calendar year and prior to
4 July 1 of the succeeding year, the department shall furnish
5 each member with a statement of the member's accumulated
6 contributions and benefit credits accrued under this chapter
7 up to the end of such that calendar year and additional
8 information the department deems useful to a member. The
9 department may furnish an estimate of such the credits as of
10 the projected normal retirement date of the member under
11 section 97B.45. The department shall mail such the statement
12 to each employer not later than June 30 of the succeeding
13 calendar year. The employer shall distribute such the
14 statements to its employees, and the records of the department
15 as shown by said the statement as to the wages of such each
16 individual member for such a year and the periods of payment
17 shall be conclusive for the purpose of this chapter, except as
18 hereinafter otherwise provided in this chapter.

19 Effective for the calendar year beginning January 1, 1994,
20 the department may transmit the statements directly to the
21 members in lieu of mailing them to the employers.

22 Sec. 17. NEW SECTION. 97B.20A APPEAL PROCEDURE.

23 Members and third-party payees may appeal any decision made
24 by the department that affects their rights under this
25 chapter. The appeal shall be filed with the department within
26 thirty days after the notification of the decision was mailed
27 to the party's last known mailing address, or the decision of
28 the department is final. If the party appeals the decision of
29 the department, the department shall conduct an internal
30 review of the decision and the chief benefits officer shall
31 notify the individual who has filed the appeal in writing of
32 the department's decision. The individual who has filed the
33 appeal may file an appeal of the department's final decision
34 with the department under chapter 17A by notifying the
35 department of the appeal in writing within thirty days after

1 the notification of its final decision was mailed to the
2 party's last known mailing address. Once notified, the
3 department shall forward the appeal to the department of
4 inspections and appeals.

5 Sec. 18. NEW SECTION. 97B.20B HEARING BY ADMINISTRATIVE
6 LAW JUDGE.

7 If an appeal is filed and is not withdrawn, an
8 administrative law judge in the department of inspections and
9 appeals, after affording the parties reasonable opportunity
10 for fair hearing, shall affirm, modify, or reverse the
11 decision of the department. The hearing shall be recorded by
12 mechanical means and a transcript of the hearing shall be
13 made. The transcript shall then be made available for use by
14 the employment appeal board and by the courts at subsequent
15 judicial review proceedings under the Iowa administrative
16 procedure Act, if any. The parties shall be duly notified of
17 the administrative law judge's decision, together with the
18 administrative law judge's reasons. The decision is final
19 unless, within thirty days after the date of notification or
20 mailing of the decision, review by the employment appeal board
21 is initiated pursuant to section 97B.27.

22 Sec. 19. Section 97B.22, Code 1991, is amended to read as
23 follows:

24 97B.22 WITNESSES AND EVIDENCE.

25 For the purpose of any hearing, investigation, or other
26 proceeding authorized or directed under this chapter, or
27 relative to any other matter within its jurisdiction hereunder
28 under this chapter, the department or ~~appeal-referee-shall~~
29 ~~have-the-power-to~~ administrative law judge may issue subpoenas
30 requiring the attendance and testimony of witnesses and the
31 production of any evidence that relates to any matter under
32 investigation or in question before the ~~commission~~ department.
33 ~~Such-attendance~~ Attendance of witnesses and production of
34 evidence at the designated place of ~~such~~ the hearing,
35 investigation, or other proceedings may be required from any

1 political subdivision in the state. Subpoenas of the
2 department shall be served by anyone authorized by it ~~(1)~~ by
3 delivering a copy thereof of the subpoena to the individual
4 named ~~therein~~ in it, or ~~(2)~~ by certified mail addressed to
5 ~~such~~ the individual at the individual's last known dwelling
6 place or principal place of business. A verified return by
7 the individual ~~so~~ serving the subpoena setting forth the
8 manner of service, or, in the case of service by certified
9 mail, the return post-office receipt ~~therefor~~ signed by the
10 individual ~~so~~ served, shall be proof of service. Witnesses ~~so~~
11 subpoenaed shall be paid the same fees and mileage as are paid
12 witnesses in the district courts of the state of Iowa. In the
13 discharge of the duties imposed by this chapter, the
14 ~~chairperson-or-an-appeal-referee~~ department or an
15 administrative law judge and any duly authorized
16 representative or member of the department ~~shall-have-power-to~~
17 may administer oaths and affirmations, take depositions,
18 certify to official acts, and issue subpoenas to compel the
19 attendance of witnesses and the production of books, papers,
20 correspondence, memoranda, and other records deemed necessary
21 as evidence in connection with the administration of this
22 chapter.

23 Sec. 20. Section 97B.23, Code 1991, is amended to read as
24 follows:

25 97B.23 PENALTY FOR ~~CONTUMACY~~ NONCOMPLIANCE.

26 In case of ~~contumacy-by~~, or refusal to obey a subpoena duly
27 served upon any person, any district court of the state of
28 Iowa for the district in which ~~said~~ the person charged with
29 ~~contumacy-or~~ refusal to obey is found or resides or transacts
30 business, upon application by the department, ~~shall-have~~
31 ~~jurisdiction-to~~ may issue an order requiring ~~such~~ that person
32 to appear and give testimony, or to appear and produce
33 evidence, or both. Any failure to obey ~~such~~ the order of the
34 court may be punished by ~~said~~ the court as contempt thereof.

35 Sec. 21. Section 97B.25, Code 1991, is amended to read as

1 follows:

2 97B.25 APPLICATIONS FOR BENEFITS.

3 A representative designated by the administrator and
4 referred to in this chapter as a retirement benefits deputy
5 specialist, shall promptly examine applications for retirement
6 benefits and on the basis of facts found shall determine
7 whether or not the claim is valid and if valid, the month with
8 respect to which benefits shall commence, the monthly benefit
9 amount payable, and the maximum duration. The deputy
10 retirement benefits specialist shall promptly notify the
11 applicant and any other interested party of the decision and
12 the reasons. Unless the applicant or other interested party,
13 within thirty calendar days after the notification was mailed
14 to the applicant's or party's last known address, files an
15 appeal ~~to an administrative law judge in the department of~~
16 ~~inspections and appeals~~ as provided in section 97B.20A, the
17 decision is final and benefits shall be paid or denied in
18 accord with the decision.

19 Sec. 22. Section 97B.34, Code 1991, is amended to read as
20 follows:

21 97B.34 PAYMENT TO ~~INCOMPETENT~~ REPRESENTATIVES.

22 When it appears to the department that the interest of an
23 applicant entitled to a payment would be served ~~thereby~~,
24 certification of payment may be made, regardless of the legal
25 competency or incompetency of the individual entitled thereto
26 to the payment, either for direct payment to such the
27 applicant, or for the applicant's use and benefit to a
28 ~~relative or some other person~~ representative of an applicant.
29 The department may adopt rules under chapter 17A for making
30 payments to a representative of an applicant if the department
31 determines that it can sufficiently safeguard the member's
32 rights under this chapter.

33 Sec. 23. NEW SECTION. 97B.34A PAYMENT TO MINORS.

34 The department may make payments to a minor, as defined in
35 section 599.1, as follows:

1 1. If the total sum to be paid to the minor is less than
2 ten thousand dollars, the funds may be paid to an adult as
3 custodian for the minor. The custodian must complete the
4 proper forms as determined by the department.

5 2. If the total sum to be paid to the minor is equal to or
6 more than ten thousand dollars, the funds must be paid to a
7 court-established conservator. The department shall not make
8 payment until the conservatorship has been established and the
9 department has received the appropriate documentation.

10 3. Interest shall be paid on the funds, at a rate
11 determined by the department, until disbursement of the funds.

12 If the department makes payments to a minor pursuant to
13 this section, the department may make payments directly to the
14 person when the person attains the age of eighteen or is
15 declared to be emancipated by a court of competent
16 jurisdiction.

17 Sec. 24. Section 97B.41, subsection 1, paragraph a,
18 unnumbered paragraph 1, Code 1991, is amended to read as
19 follows:

20 "Wages" means all remuneration for employment, including
21 the cash value of remuneration paid in a medium other than
22 cash, but not including the cash value of remuneration paid in
23 a medium other than cash as necessitated by the convenience of
24 the employer. The amount agreed upon by the employer and
25 employee for remuneration paid in a medium other than cash
26 shall be reported to the department by the employer and is
27 conclusive of the value of the remuneration. However,

28 ~~remuneration-which-does-not-equal-or-exceed-the-sum-of-three~~
29 ~~hundred-dollars-in-a-calendar-quarter-shall-be-excluded-~~

30 "Wages" does not include special lump sum payments made as
31 payment for accrued sick leave or accrued vacation or payments
32 made as an incentive for early retirement or as payments made
33 upon dismissal, severance, or a special bonus payment. Wages
34 for an elected official means the salary received by an
35 elected official, exclusive of expense and travel allowances.

1 Sec. 25. Section 97B.41, subsection 1, paragraph b,
2 subparagraph (12), Code 1991, is amended to read as follows:

3 (12) Effective July 1, ~~1988~~ 1992, covered wages does not
4 include wages to a member on or after the effective date of
5 the member's retirement unless the member is reemployed, as
6 provided under section ~~97B.487-subsection-3~~ 97B.48A.

7 Sec. 26. Section 97B.41, subsection 2, Code 1991, is
8 amended to read as follows:

9 2. "Employment for any calendar quarter" means any service
10 performed under an employer-employee relationship under the
11 ~~provisions of this chapter if the remuneration equals or~~
12 ~~exceeds three hundred dollars~~ for which wages are reported in
13 the calendar quarter. For the purposes of this chapter,
14 elected officials are deemed to be in employment for all
15 quarters of the elected officials' respective terms of office,
16 even if the elected officials have selected a method of
17 payment of wages which results in the elected officials not
18 being credited with wages every quarter of a year.

19 Sec. 27. Section 97B.41, subsection 3, paragraph a,
20 unnumbered paragraph 1, Code 1991, is amended to read as
21 follows:

22 "Employer" means the state of Iowa, the counties,
23 municipalities, and agencies, public school districts, and all
24 ~~of the~~ political subdivisions, and all of their departments
25 and instrumentalities, including joint planning commissions
26 created under ~~the provisions of~~ chapter 28I.

27 Sec. 28. Section 97B.41, subsection 3, paragraph b,
28 unnumbered paragraph 1, and subparagraphs (1), (2), (3), (4),
29 (5), and (7), Code 1991, are amended to read as follows:

30 "Employee" means any an individual who is ~~in~~ employment
31 employed as defined in this chapter, except:

32 (1) Elective officials in positions for which the
33 compensation is on a fee basis, elective officials of school
34 districts, elective officials of townships, and elective
35 officials of other political subdivisions who are in part-time

1 positions, unless the elective official makes an application
2 to the department to be covered under this chapter. An
3 elective official who made an application to the department to
4 be covered under this chapter may terminate membership under
5 this chapter by informing the department in writing of the
6 expiration of the member's termination term of office. A
7 county attorney is an employee for purposes of this chapter
8 whether that county attorney is employed on a full-time or
9 part-time basis.

10 (1A) Individuals who are enrolled as students and whose
11 primary occupations are as students who are incidentally
12 employed by employers.

13 (1B) Graduate medical students while serving as interns or
14 resident doctors in training at any hospital, or county
15 medical examiners and deputy county medical examiners under
16 chapter 331, division V, part 8.

17 (2) Members of the general assembly of Iowa and temporary
18 employees of the general assembly of Iowa, unless such members
19 or employees shall make an application to the department to be
20 covered under ~~the provisions of~~ this chapter. A member of the
21 general assembly ~~or temporary employee of the general assembly~~
22 who made an application to the department to be covered under
23 this chapter may terminate membership under this chapter by
24 informing the department in writing of the member's ~~or~~
25 ~~temporary employee's termination intent to terminate.~~

26 Temporary employees of the general assembly who have
27 elected coverage under this chapter may terminate membership
28 by sending written notification to the department of their
29 separation from service.

30 (3) Employees Nonvested employees of drainage and levee
31 ~~districts not-vested~~, unless ~~such drainage and levee districts~~
32 shall those employees make an application to the department to
33 be covered under ~~the provisions of~~ this chapter. However, ~~any~~
34 ~~drainage or levee district which has made contributions~~
35 ~~against which no application for benefits has been made shall~~

1 be-entitled-to-withdraw-all-such-contributions-by-making
2 application-to-the-department-prior-to-December-31-1969-
3 Each-drainage-or-levee-district-which-withdraws-its
4 contributions-shall-refund-to-its-employees-contributions
5 deducted-from-their-wages-

6 (4) Employees hired for temporary employment of six months
7 months' or less duration. An employee who works for an
8 employer for six or more months in a calendar year or who
9 works for an employer for more than one thousand forty hours
10 in a calendar year is not a temporary employee under this sub-
11 paragraph.

12 (5) Employees of a community action programs program,
13 determined to be an instrumentality of the state or a
14 political subdivision, unless such the employees elect by
15 filing an application with the department to be covered under
16 the-provisions-of this chapter and the department has approved
17 the election. Coverage will begin when the election has been
18 approved by the department.

19 (7) Persons employed under the federal Job Training
20 Partnership Act of 1982, Pub. L. No. 97-300, unless these
21 employees make an application to the department to be covered
22 under this chapter and the department has approved the
23 election. Coverage will begin when the election has been
24 approved by the department.

25 Sec. 29. Section 97B.41, subsection 3, paragraph b, Code
26 1991, is amended by adding the following new subparagraph:

27 NEW SUBPARAGRAPH. (16) Persons employed by the board of
28 trustees for the statewide fire and police retirement system
29 established in section 411.36, unless these employees make an
30 application to the department to be covered under this chapter
31 and the department has approved the election. Coverage will
32 begin when the election has been approved by the department.

33 Sec. 30. Section 97B.41, subsection 7, Code 1991, is
34 amended to read as follows:

35 7. "Member" means an employee or a former employee

1 ~~required to become a member of the system by sections 97B.42~~
2 ~~and 97B.43 who maintains the employee's or former employee's~~
3 ~~accumulated contributions in the system. The former employee~~
4 ~~is not a member if the former employee has received a refund~~
5 ~~of the former employee's accumulated contributions.~~

6 Sec. 31. Section 97B.41, subsection 10, paragraph a,
7 unnumbered paragraph 1, Code 1991, is amended to read as
8 follows:

9 "Vested member" means a member ~~who meets~~ who has attained
10 through age or sufficient years of service eligibility to
11 receive monthly retirement benefits upon the member's
12 retirement. A vested member must meet one of the following
13 requirements:

14 Sec. 32. Section 97B.41, subsection 11, Code 1991, is
15 amended to read as follows:

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

22 Sec. 33. Section 97B.41, Code 1991, is amended by adding
23 the following new subsection:

24 NEW SUBSECTION. 11A. "Bona fide retirement" means a
25 retirement by a vested member which meets the requirements of
26 section 97B.52A, subsection 1, and in which the member is
27 eligible to receive benefits under this chapter.

28 Sec. 34. Section 97B.41, subsections 16 and 17, Code 1991,
29 are amended to read as follows:

30 16. "Beneficiary" means the person or persons who are
31 entitled to receive any benefits payable under this chapter at
32 the death of a member ~~payable under this chapter who has or,~~
33 if the person or persons have been designated in writing by
34 the member on a form provided by the department and filed with
35 the department, ~~or if.~~ If no such designation is in effect at

1 the time of death of the member or if no person so designated
2 is living at that time, then the beneficiary ~~shall be~~ is the
3 estate of the member.

4 17. "Membership service" means service rendered by a
5 member after July 4, 1953. Years of membership service shall
6 be counted to the complete quarter calendar year. However,
7 membership service for a calendar year shall not include more
8 than four quarters.

9 Sec. 35. Section 97B.41, subsection 19, Code 1991, is
10 amended to read as follows:

11 19. "Three-year average covered wage" means a member's
12 covered wages averaged for the highest three years of the
13 member's service, except as otherwise provided in this
14 subsection. The highest three years of a member's covered
15 wages shall be determined using calendar years. However, if a
16 member's final quarter of a year of employment does not occur
17 at the end of a calendar year, the department may determine
18 the wages for the third year by combining the wages from the
19 highest quarter or quarters not being used in the selection of
20 the two highest years with the final quarter or quarters of
21 the member's service to create a full year. However, the
22 department shall not use the member's final quarter of wages
23 if using that quarter would reduce the member's three-year
24 average covered wage. If the three-year average covered wage
25 of a member exceeds the highest maximum covered wages in
26 effect for a calendar year during the member's period of
27 service, the three-year average covered wage of the member
28 shall be reduced to the highest maximum covered wages in
29 effect during the member's period of service.

30 Sec. 36. Section 97B.42, unnumbered paragraph 1, Code
31 1991, is amended to read as follows:

32 Each employee whose employment commences after July 4,
33 1953, or who has not qualified for credit for prior service
34 rendered prior to July 4, 1953, or any publicly elected
35 official of the state or any of its political subdivisions,

~~1 other-than-individuals-who-are-students-and-who-devote-their
2 time-and-efforts-chieflly-to-their-studies,-rather-than-to
3 incidental-employment,~~ shall become a member upon the first
4 day in which such employee is employed. The employee shall
5 continue to be a member so long as the employee continues in
6 public employment ~~except-that-the.~~ The employee shall cease
7 to be a member if ~~after-making-said-election~~ the employee
8 joins another retirement system in the state which is
9 maintained in whole or in part by public contributions or
10 payments ~~which-has-been-in-operation-prior-to-July-4,-1953,
11 and-was-subsequently-liquidated-and-may-have-thereafter-been
12 re-established.~~ However,-~~the-participation-in-such-other
13 retirement-system-shall-be-voluntary-and-shall-not-be-a
14 condition-for-continuance-of-employment.~~

15 Sec. 37. Section 97B.42, unnumbered paragraph 5, Code
16 1991, is amended to read as follows:

17 Notwithstanding any other provision of this section,
18 commencing July 1, 1994, a member who is employed by a
19 community college may elect coverage under an alternative
20 retirement benefits system, which is issued by or through a
21 nonprofit corporation issuing retirement annuities exclusively
22 to educational institutions and their employees, in lieu of
23 continuing or commencing contributions to the Iowa public
24 employees' retirement system, if the board of directors of the
25 community college has approved the alternative system pursuant
26 to section 280A.23. ~~However,-a-vested-member-who-elects-to
27 participate-in-the-alternative-benefits-system-does-not-have-a
28 right-to-withdraw-funds-from-the-member's-Iowa-public
29 employees'-retirement-system-account-prior-to-retirement-or
30 termination-of-covered-employment~~ A member employed by a
31 community college who elects coverage under an alternative
32 retirement benefits system may withdraw the member's
33 accumulated contributions effective when coverage under the
34 alternative benefits system commences. The department shall
35 cooperate with the boards of directors of the community

1 colleges to facilitate the implementation of this unnumbered
2 paragraph provision.

3 Sec. 38. Section 97B.43, unnumbered paragraph 1, Code
4 1991, is amended to read as follows:

5 Each member in service on July 4, 1953, who made
6 contributions under the abolished system, and who has not
7 applied for and qualified for benefit payments under the
8 abolished system, shall receive credit for years of prior
9 service in the determination of retirement allowance payments
10 ~~under any-of-the-provisions-of~~ this chapter, ~~provided-(1)-such~~
11 if the member elects to become a member on or before October
12 1, 1953, ~~(2)-such~~ the member has not made application for a
13 refund of such the part of the member's contributions under
14 the abolished system ~~as-is~~ which are payable under the
15 ~~provisions-of~~ sections 97.50 to 97.53, and ~~(3)-such~~ the member
16 gives written authorization prior to October 1, 1953, to the
17 commission to credit to the retirement fund the amount of the
18 member's contribution which would be subject to a claim for
19 refund. The amount so credited shall, after such transfer, be
20 considered as a contribution to the system made as of July 4,
21 1953, by the member and shall be included ~~as-such~~ in the
22 determination of the amount of ~~any-accumulated-contributions~~
23 ~~payable-under-this-chapter-in-the-event-of-the-death-prior-to~~
24 ~~retirement-or-termination-of-employment-of-the-member, but~~
25 ~~shall-not-be-included-in-the-accumulated-contributions-of-the~~
26 ~~member-in-the-determination-of-the-amount-of-any-retirement~~
27 ~~allowance-payable-under-this-chapter~~ moneys payable under this
28 chapter. ~~Provided, however~~ However, an employee who was under
29 a contract of employment as a teacher in the public schools of
30 the state of Iowa at the end of the school year 1952-1953, or
31 any person covered by ~~the-provisions-of~~ paragraph "c" or "d",
32 of subsection 13, of section 97B.41, shall be considered as in
33 service as of July 4, 1953, if they were members of the
34 abolished system.

35 Sec. 39. Section 97B.44, Code 1991, is amended to read as

1 follows:

2 97B.44 BENEFICIARY.

3 Each member shall designate on a form to be furnished by
4 the department a beneficiary for any death benefits payable
5 hereunder under this chapter on the death of such the member.
6 Such The designation may be changed from time to time by the
7 member by filing a new designation with the department. The
8 designation of a beneficiary is not applicable if the member
9 receives a refund of all contributions of the member. If a
10 member who has received a refund of contributions returns to
11 employment, the member shall file a new designation with the
12 department.

13 If a member has not designated a beneficiary on a form
14 furnished by the department, or if there are no surviving
15 designated beneficiaries of a member, death benefits payable
16 under this chapter shall be paid to the member's estate.

17 Sec. 40. Section 97B.48, subsection 2, Code 1991, is
18 amended to read as follows:

19 2. The first monthly payment of a normal retirement
20 allowance shall be paid as of the normal retirement effective
21 date, which date shall be the later of the normal retirement
22 date or the first day of the sixth calendar month preceding
23 the month in which written notice of normal retirement is
24 submitted to the department. Written notice under this
25 section may consist of submission of a completed estimate
26 request form, a completed application for retirement form, or
27 a letter from the member requesting information on retirement
28 benefits, whichever is received first by the department.
29 However, a letter requesting information on benefits or
30 submission of a completed estimate request form is only valid
31 for six months following the date of its receipt by the
32 department, unless during that six-month period the department
33 receives a completed application for retirement form from the
34 member. A retirement allowance may only be provided
35 retroactively for a single six-month period. Payment of an

1 early retirement allowance or an allowance for retirement
2 after the normal retirement date shall be paid as of the
3 effective date of retirement subject to ~~the provisions of~~
4 section 97B.45, 97B.46, or 97B.47. The payments shall be
5 continued thereafter for the lifetime of the retired member
6 except as provided in subsection 3 section 97B.48A.

7 Sec. 41. Section 97B.48, subsection 3, Code 1991, is
8 amended by striking the subsection and inserting in lieu
9 thereof the following:

10 3. As of the first of the month in which a member attains
11 the age of seventy years, the member may commence receiving a
12 retirement allowance regardless of the member's employment
13 status.

14 Sec. 42. NEW SECTION. 97B.48A REEMPLOYMENT.

15 1. If, after the first day of the month in which the
16 member attains the age of fifty-five years and until the
17 member's sixty-fifth birthday, a member who has a bona fide
18 retirement under this chapter is in regular full-time
19 employment during a calendar year, the member's retirement
20 allowance shall be suspended for as long as the member remains
21 in employment for the remainder of that calendar year.
22 However, effective January 1, 1992, employment is not full-
23 time employment until the member receives remuneration in an
24 amount in excess of seven thousand four hundred forty dollars
25 for a calendar year. Effective the first of the month in
26 which a member attains the age of sixty-five years, a retired
27 member may receive a retirement allowance after return to
28 covered employment regardless of the amount of remuneration
29 received.

30 2. Effective January 1, 1991, a retired member of any age
31 may receive a retirement allowance after return to covered
32 employment, regardless of the amount of remuneration received,
33 if the covered employment consists of holding an elective
34 office.

35 3. Upon a retirement after reemployment, a retired member

1 may have the retired member's retirement allowance
2 redetermined under this section or section 97B.49 or 97B.50,
3 whichever is applicable, based upon the addition of credit for
4 the years of membership service of the employee after
5 reemployment, the covered wage during reemployment, and the
6 age of the employee after reemployment. The member shall
7 receive a single retirement allowance calculated from both
8 periods of membership service, one based on the initial
9 retirement and one based on the second retirement following
10 reemployment. If the total years of membership service and
11 prior service of a member who has been reemployed equals or
12 exceeds thirty, the years of membership service on which the
13 original retirement allowance was based may be reduced by a
14 fraction of the years of service equal to the number of years
15 by which the total years of membership service and prior
16 service exceeds thirty divided by thirty, if this reduction in
17 years of service will increase the total retirement allowance
18 of the member. The additional retirement allowance calculated
19 for the period of reemployment shall be added to the
20 retirement allowance calculated for the initial period of
21 membership service and prior service, adjusted as provided in
22 this subsection. The retirement allowance calculated for the
23 initial period of membership service and prior service shall
24 not be adjusted for any other factor than years of service.
25 The retired member shall not receive a retirement allowance
26 based upon more than a total of thirty years of service.

27 4. The department shall pay to the member the accumulated
28 contributions of the member and to the employer the employer
29 contributions, plus two percent interest plus interest
30 dividends for all completed calendar years, compounded
31 annually, on the covered wages earned by a retired member that
32 are not used in the recalculation of the retirement allowance
33 of a member.

34 Sec. 43. Section 97B.49, subsection 5, unnumbered
35 paragraph 1, Code 1991, is amended to read as follows:

1 Commencing July 1, 1991, the department shall increase the
2 percentage multiplier of the three-year average covered wage
3 by an additional two percent each July 1 until reaching sixty
4 percent of the three-year average covered wage if the annual
5 actuarial valuation of the retirement system indicates for
6 that year that the cost of this increase in the percentage of
7 the three-year average covered wage used in computing
8 retirement benefits can be absorbed within the employer and
9 employee contribution rates in effect under section 97B.11.
10 The two percent increase in the percentage multiplier for a
11 year applies only to the members retiring on or after July 1
12 of the respective year.

13 Sec. 44. Section 97B.49, subsection 5, Code 1991, is
14 amended by adding the following new unnumbered paragraph after
15 unnumbered paragraph 2:

16 NEW UNNUMBERED PARAGRAPH. In accordance with sections
17 97D.1 and 97D.4, it is the intent of the general assembly that
18 once the goal of sixty percent of the three-year average
19 covered wage is attained for a percentage multiplier, the
20 department shall submit to the public retirement systems
21 committee a plan for future benefit enhancements. This plan
22 shall include, but is not limited to, continuation in the
23 increase in the covered wage ceiling until reaching fifty-five
24 thousand dollars for a calendar year, providing for annual
25 adjustments in the annual dividends paid to retired members as
26 provided in section 97B.49, subsection 13, and providing for
27 the indexing of terminated vested members' earned benefits at
28 a rate of three percent per year calculated from the date of
29 termination from covered employment until the date of
30 retirement.

31 Sec. 45. Section 97B.49, subsection 13, Code 1991, is
32 amended to read as follows:

33 13. a. A member who retired from the system between
34 January 1, 1976, and June 30, 1982, or a contingent annuitant
35 or beneficiary of such a member, shall receive with the

1 November ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit
2 payments a retirement dividend equal to one hundred forty
3 percent of the monthly benefit payment the member received for
4 the preceding June, or the most recently received benefit
5 payment, whichever is greater. The retirement dividend does
6 not affect the amount of a monthly benefit payment.

7 b. Each member who retired from the system between July 4,
8 1953, and December 31, 1975, or a contingent annuitant or
9 beneficiary of such a member, shall receive with the November
10 ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit payments
11 a retirement dividend equal to one hundred eighty percent of
12 the monthly benefit payment the member received for the
13 preceding June, or the most recently received benefit payment,
14 whichever is greater. The retirement dividend does not affect
15 the amount of a monthly benefit payment.

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

20 d. A member who retired from the system between July 1,
21 1982, and June 30, 1986, or a contingent annuitant or
22 beneficiary of such a member, shall receive with the November
23 ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit payments
24 a retirement dividend ~~equal to~~ twenty-four percent of the
25 monthly benefit payment the member received for the preceding
26 June, or the most recently received benefit payment, whichever
27 is greater. The retirement dividend does not affect the
28 amount of a monthly benefit payment.

29 e. If the member dies on or after July 1 of the dividend
30 year but before the payment date, the full amount of the
31 retirement dividend for that year shall be paid to the
32 designated beneficiary. If there is no beneficiary designated
33 by the member, the department shall pay the dividend to the
34 member's estate. The beneficiary, or the representative of
35 the member's estate, must apply for the dividend within two

1 years after the dividend is payable or the dividend is
2 forfeited.

3 Sec. 46. Section 97B.49, subsection 16, paragraph a, Code
4 1991, is amended by adding the following new subparagraph:

5 NEW SUBPARAGRAPH. (4) The years of membership service
6 required under this paragraph include membership service as a
7 sheriff or deputy sheriff and membership service as an
8 employee in a protection occupation under paragraph "d",
9 subparagraph (2).

10 Sec. 47. Section 97B.50, subsection 1, unnumbered
11 paragraph 1, Code Supplement 1991, is amended to read as
12 follows:

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

19 Sec. 48. Section 97B.50, subsections 2 and 4, Code
20 Supplement 1991, are amended to read as follows:

21 2. a. A vested member who retires from the system due to
22 disability and commences receiving disability benefits
23 pursuant to the United States Social Security Act (42 U.S.C.),
24 as amended to July 1, 1978, and who has not reached the normal
25 retirement date, shall receive ~~full~~ benefits under section
26 97B.49 and shall not have benefits reduced upon retirement as
27 required under subsection 1 regardless of whether the member
28 has completed thirty or more years of membership service.
29 However, the benefits shall be suspended during any period in
30 which the member returns to covered employment. This section
31 takes effect July 1, 1990, for a member meeting the
32 requirements of this paragraph who retired from the system at
33 any time after July 4, 1953. Eligible members are entitled to
34 the receipt of retroactive adjustment payments back to July 1,
35 1990.

1 b. A vested member who retires from the system due to
2 disability and commences receiving disability benefits
3 pursuant to the United States Railroad Retirement Act (45
4 U.S.C. § 231 et seq.), and who is-eligible-for-early
5 retirement-but has not reached the normal retirement date,
6 shall receive ~~full~~ benefits under section 97B.49 and shall not
7 have benefits reduced upon retirement as required under
8 subsection 1 regardless of whether the member has completed
9 thirty or more years of membership service. However, the
10 benefits shall be suspended during any period in which the
11 member returns to covered employment. This section takes
12 effect July 1, 1990, for a member meeting the requirements of
13 this paragraph who retired from the system at any time since
14 July 4, 1953. ~~However,~~ Eligible members are entitled
15 to the receipt of retroactive adjustment payments ~~for-no-more~~
16 ~~than-six-months-immediately-preceding-the-month-after~~ back to
17 July 1, 1990, ~~in-which-written-notice-was-submitted-to-the~~
18 department.

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

34 4. A vested member eligible for a retirement allowance
35 adjusted under this section is entitled to receipt of

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

4 Sec. 49. Section 97B.51, subsections 2, 5, and 6, Code
5 1991, are amended to read as follows:

6 2. The election by a member or the contingent annuitant of
7 the option stated under subsection 1 of this section shall be
8 null and void if the member dies prior to retirement the
9 department issuing payment of the member's first retirement
10 allowance.

11 5. At retirement, a member may designate that upon the
12 member's death, a specified amount of money shall be paid to a
13 named beneficiary, and the member's monthly retirement
14 allowance ~~will~~ shall be reduced by an actuarially determined
15 amount to provide for the lump sum payment. The amount
16 designated by the member must be in thousand dollar

17 increments, and the amount designated shall not lower the
18 monthly retirement allowance of the member by more than one-
19 half the amount payable under section 97B.49, subsection 1 or
20 5. A member may designate a different beneficiary if the
21 original named beneficiary predeceases the member.

22 6. A member may elect to receive a decreased retirement
23 allowance during the member's lifetime with provision that in
24 event of the member's death during the first one hundred
25 twenty months of retirement, monthly payments of the member's
26 decreased retirement allowance shall be made to the member's
27 beneficiary until a combined total of one hundred twenty
28 monthly payments have been made to the member and the member's
29 beneficiary. A member may designate a different beneficiary
30 if the original named beneficiary predeceases the member.

31 Sec. 50. Section 97B.52, subsections 1 and 2, Code 1991,
32 are amended to read as follows:

33 1. If a member dies prior to the date the member's first
34 retirement allowance is payable-under issued by the system,
35 the accumulated contributions of the member at the date of

1 death plus the product of an amount equal to the highest year
2 of covered wages of the deceased member and the number of
3 years of membership service divided by thirty shall be paid to
4 the member's beneficiary in a lump sum payment. However, a
5 lump sum payment made to a beneficiary under this subsection
6 due to the death of a member shall not be less than the amount
7 that would have been payable on the death of the member on
8 June 30, 1984, under this subsection as it appeared in the
9 1983 Code.

10 Effective July 1, 1978, a method of payment under this
11 subsection filed with the department by a member does not
12 apply.

13 2. If a member dies after the date the member's first
14 retirement allowance is ~~payable-under~~ issued by the retirement
15 system, the excess, if any, of the accumulated contributions
16 by the member as of said date, over the total monthly
17 retirement allowances received by the member under the
18 retirement system will be paid to the member's beneficiary
19 unless the retirement allowance is then being paid in
20 accordance with subsection 1, 4, 5, or 6 of section 97B.51.

21 Sec. 51. Section 97B.52, subsection 3, paragraph b, Code
22 1991, is amended to read as follows:

23 b. If a death benefit is due and payable, interest shall
24 continue to accumulate through the month preceding the month
25 in which payment is made to the designated beneficiary, heirs
26 at law, or to the estate unless the payment of the death
27 benefit is delayed because of a dispute between alleged heirs,
28 in which case the benefit due and payable shall be placed in a
29 noninterest bearing escrow account until the beneficiary is
30 determined in accordance with this section. In order to
31 receive the death benefit, the beneficiary, heirs at law, or
32 the estate, or any other third-party payee, must apply to the
33 department within two years of the member's death.

34 Sec. 52. Section 97B.52, subsection 4, Code 1991, is
35 amended to read as follows:

1 4. If the department cannot locate the beneficiary within
2 eighteen months following the member's death and receipt of
3 verification that a certified letter with return receipt
4 requested, addressee only, has been ~~delivered~~ mailed to the
5 beneficiary, the department shall pay to the estate of the
6 deceased member the amount otherwise designated to be received
7 by the beneficiary. If a beneficiary is known to exist but
8 cannot be notified, the department shall not pay the death
9 benefits to the estate.

10 Sec. 53. Section 97B.52, Code 1991, is amended by adding
11 the following new subsection:

12 NEW SUBSECTION. 6. If a member has not filed a
13 designation of beneficiary with the department, the death
14 benefit is payable to the member's estate. If no designation
15 has been filed and an estate is not probated, the death
16 benefit shall be paid to the surviving spouse, if any. If no
17 designation has been filed, no estate has been probated, and
18 there is no surviving spouse, the death benefit shall be paid
19 to the heirs. Otherwise, the death benefit shall remain in
20 the fund.

21 Sec. 54. NEW SECTION. 97B.52A ELIGIBILITY FOR BENEFITS -
22 -BONA FIDE RETIREMENT.

23 1. A member has a bona fide retirement when the member
24 terminates employment and remains out of employment for at
25 least one hundred twenty consecutive days, files an
26 application for benefits form with the department, and does
27 not return to employment as defined in this chapter until the
28 member has qualified for no fewer than four calendar month's
29 retirement benefits.

30 2. A member may commence receiving retirement benefits
31 under this chapter upon satisfying eligibility requirements
32 and remaining out of covered employment for one calendar
33 month. However, a retired member who commences receiving a
34 retirement allowance but returns to employment before the
35 expiration of the one hundred twenty consecutive day period,

1 does not have a bona fide retirement and any retirement
2 allowance received by such a member must be returned to the
3 system together with interest earned on the retirement
4 allowance calculated at a rate determined by the department.
5 Until the member has repaid the retirement allowance and
6 interest, the department may withhold any future retirement
7 allowance for which the member may qualify.

8 Sec. 55. Section 97B.53, Code 1991, is amended to read as
9 follows:

10 97B.53 TERMINATION OF EMPLOYMENT -- REFUND OPTIONS.

11 All-rights-to-all-benefits-under Membership in the
12 retirement system, and all rights to the benefits under the
13 system, will cease upon a member's termination of employment
14 with the employer prior to the member's retirement, other than
15 by death, except-as-provided-hereafter: and upon receipt by
16 the member of the member's accumulated contributions.

17 1. Upon the termination of employment with the employer
18 prior to retirement other than by death of a member, the
19 accumulated contributions by the member at the date of such
20 the termination will may be paid to such the member upon
21 application, except as may-be provided in subsection
22 subsections 2, subsection 5, and subsection 6 of-this-section.

23 2. If a vested member's employment is terminated prior to
24 the member's retirement, other than by death, the member shall
25 may receive a monthly retirement allowance commencing on the
26 first day of the month in which the member attains the age of
27 sixty-five years, if the member is then alive, or, if the
28 member so elects in accordance with section 97B.47, commencing
29 on the first day of the month in which the member attains the
30 age of fifty-five or any month thereafter prior to the date
31 the member attains the age of sixty-five years, and continuing
32 on the first day of each month thereafter during the member's
33 lifetime, provided the member does not receive prior to the
34 date the member's retirement allowance is to commence a refund
35 of accumulated contributions under any of the provisions of

1 this chapter. The amount of each such monthly retirement
2 allowance shall be determined as provided in either section
3 97B.49 or in section 97B.50, whichever is applicable.

4 3. The accumulated contributions of a terminated, vested
5 member ~~who-is-entitled-to-the-benefits-of-subsection-2-of-this~~
6 ~~section~~ shall be credited with interest, including interest
7 dividends.

8 4. A terminated, vested member ~~who-is-entitled-to-the~~
9 ~~benefits-of-subsection-2-of-this-section-shall-have~~ has the
10 right, prior to the commencement of the member's retirement
11 allowance, to receive a refund of the member's accumulated
12 contributions, and in the event of the death of the member
13 prior to the commencement of the member's retirement allowance
14 and prior to the receipt of any such refund the benefits of
15 subsection 1 of section 97B.52 shall be paid. ~~No-member-shall~~
16 ~~be-entitled-to-any-refund-based-upon-any-credit-for-prior~~
17 ~~service-as-determined-under-the-provisions-of-section-97B.43~~
18 ~~or-for-any-portion-of-any-contribution-made-by-an-employer~~
19 ~~unless-otherwise-provided-by-this-chapter.~~

20 5. A member has not terminated employment if the member
21 accepts other covered employment ~~in-the-state-of-Iowa-under~~
22 ~~which-the-member-is-eligible-to-membership-in-the-Iowa-public~~
23 ~~employees'-retirement-system,~~ within thirty days after the
24 member has left public employment.

25 5A. Within sixty days after a member has been issued
26 payment for a refund of the member's accumulated
27 contributions, the member may repay the accumulated
28 contributions plus interest that would have accrued, as
29 determined by the department, and receive credit for
30 membership service for the period covered by the refund
31 payment.

32 5B. Any A member who does not withdraw the member's
33 accumulated contributions upon termination of employment may
34 at any time request the return of the member's accumulated
35 contributions, but if the member receives such a return of

1 contributions the member ~~shall be deemed to have~~ has waived
2 all claims for any other benefits and membership rights from
3 the fund.

4 6. Any A member who terminates employment before the
5 member is ~~entitled to the benefits of subsection 2 of this~~
6 section vested and who does not claim and receive a refund of
7 the member's accumulated contributions within five years of
8 the date of termination shall, ~~in event~~ if the member makes
9 claim for ~~such a~~ a refund more than five years after the date of
10 termination, be required to submit proof satisfactory to the
11 department of the member's entitlement to ~~such the~~ the refund, but
12 in no case shall interest be allowed upon the accumulated
13 contributions for any period in which the member is not an
14 employee. The department ~~shall be~~ is under no obligation to
15 maintain the accumulated contribution accounts of such former
16 members for more than five years after their dates of
17 termination.

18 Any A person who made contributions to the abolished
19 system, who is entitled to a refund in accordance with the
20 provisions of this chapter, and who has not claimed and
21 received such a refund prior to January 1, 1964, shall, ~~in~~
22 event if the person makes a claim for ~~such~~ a refund after
23 January 1, 1964, be required to submit proof satisfactory to
24 the department of the person's entitlement to ~~such the~~ the refund.
25 The department ~~shall be~~ is under no obligation to maintain the
26 contribution accounts of such persons after January 1, 1964.

27 7. Any member whose employment is terminated after one
28 year of employment but before the member has accumulated four
29 or more years of employment, either under the provisions of
30 this chapter or as a result of prior service credits, may
31 elect to leave the member's accumulated contributions in the
32 retirement fund. In the event the member returns to public
33 employment at any time within four years after this
34 termination of employment, the member shall be entitled to
35 resume membership in the system with the same credits for

1 prior service and accumulated contributions that the member
2 had earned when the member's original employment was
3 terminated. No interest shall be credited on the member's
4 accumulated contributions nor on the member's employer's
5 accumulated contributions during the period from the time of
6 the member's termination of employment to the member's
7 resumption of employment.

8 Any member who has resumed employment under the provisions
9 of this subsection shall not be eligible for any second period
10 of absence from membership as a result of termination of
11 service.

12 8. If an employee hired to fill a permanent position
13 terminates the employee's employment within six months from
14 the date of employment, the employer may file a claim with the
15 department for a refund of the funds contributed to the
16 department by the employer for the employee.

17 ~~9. The department shall refund employee and employer~~
18 ~~contributions on the covered wages earned by a retired member~~
19 ~~that are not used in the recomputation of monthly benefits of~~
20 ~~that member.~~

21 Sec. 56. Section 97B.58, Code 1991, is amended to read as
22 follows:

23 97B.58 INFORMATION FURNISHED BY EMPLOYER.

24 To enable the department to perform its functions, the
25 employer shall, upon the request of and in the manner provided
26 by the department, supply full and timely information to the
27 department of all matters relating to the pay of all members,
28 date of birth, their retirement, death, or other cause for
29 termination of employment, and such other pertinent facts as
30 the department may require in the manner provided by the
31 department.

32 Sec. 57. Section 97B.73, Code 1991, is amended to read as
33 follows:

34 97B.73 MEMBERS FROM OTHER PUBLIC SYSTEMS.

35 A vested or retired member who was in public employment

1 comparable to employment covered under this chapter in another
2 state or in the federal government, or who was a member of
3 another public retirement system in this state, including but
4 not limited to the teachers insurance annuity association-
5 college retirement equities fund, but who was not retired
6 under that system, upon submitting verification of membership
7 and service in the other public retirement system to the
8 department, including proof that the member has no further
9 claim upon a retirement benefit from that other public system,
10 may make employer and employee contributions to the system for
11 the period of service in the other public retirement system
12 and receive credit for membership service in this system
13 equivalent to the number of years of service in transferred
14 from the other public retirement system. The contribution
15 payable shall be based upon the member's covered wages for the
16 most recent full calendar year at the applicable rates in
17 effect for that calendar year under sections 97B.11 and 97B.49
18 and multiplied by the member's years of service in other
19 public employment. If the member's most recent covered wages
20 were earned prior to the most recent calendar year, the
21 member's covered wages shall be adjusted by the department by
22 an inflation factor to reflect changes in the economy since
23 the covered wages were earned.

24 This section is applicable to a vested or retired member
25 who was a member of a public retirement system established in
26 sections 294.8, 294.9, and 294.10 but was not retired under
27 that system.

28 A member vested-under entitled to a benefit from another
29 public system must waive, on a form provided by the Iowa
30 public employees' retirement system, all rights to a
31 retirement benefit under that the other public system before
32 receiving credit in this system for those the years of service
33 in the other public system. The waiver must be accepted by
34 the other public system.

35 Effective July 1, 1988, a member eligible for an increased

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

6 Sec. 58. Section 97B.80, Code 1991, is amended to read as
7 follows:

8 97B.80 VETERAN'S CREDIT.

9 Effective July 1, ~~1990~~ 1992, a vested or retired member
10 ~~with-reportable-wages-in-the-most-recent-calendar-year~~, who at
11 any time served on active duty in the armed forces of the
12 United States, upon submitting verification of the dates of
13 the active duty service, may make employer and employee
14 contributions to the system based upon the member's covered
15 wages for the most recent full calendar year in which the
16 member had reportable wages at the applicable rates in effect
17 for that year under sections 97B.11 and 97B.49, for the period
18 of time of the active duty service, in one-year increments but
19 not-to-exceed-four-years of no greater than one year and not
20 less than one calendar quarter, and receive credit for
21 membership service and prior service for the period of time
22 for which the contributions are made. However, the member may
23 not make contributions in an increment of less than one year
24 more than once. The member may also make one lump sum
25 contribution to the system which represents the period of time
26 of the active duty service, even if the period of time exceeds
27 one year. If the member's most recent covered wages were
28 earned prior to the most recent calendar year, the member's
29 covered wages shall be adjusted by the department by an
30 inflation factor to reflect changes in the economy. The
31 department shall adjust benefits for a six-month period prior
32 to the date the member pays contributions under this section
33 if the member is receiving a retirement allowance at the time
34 the contribution payment is made. Verification of active duty
35 service and payment of contributions shall be made to the

1 department. However, a member is not eligible to make
2 contributions under this section if the member is receiving,
3 or is eligible to receive, or may in the future be eligible to
4 receive retirement pay from the United States government for
5 active duty in the armed forces, except for retirement pay
6 granted by the United States government under retired pay for
7 nonregular service (10 U.S.C. § 1331, et seq.). A member
8 receiving retired pay for nonregular service who makes
9 contributions under this section shall provide information
10 required by the department documenting time periods covered
11 under retired pay for nonregular service.

12 Sec. 59. Section 294.15, unnumbered paragraphs 1 and 2,
13 Code 1991, are amended to read as follows:

14 A person attaining the age of sixty-five who was an
15 employee, holding a valid teaching certificate, in the public
16 schools of this state with a record of service of twenty-five
17 years or more, including a maximum of five years' out-of-state
18 service followed by at least ten years' service in this state
19 prior to retirement and who retired prior to July 4, 1953, may
20 receive, effective July 1, ~~1984~~ 1992, retirement allowance
21 payments from the state of Iowa equal to two hundred ~~twenty~~
22 thirty dollars per month. An amount necessary to meet this
23 requirement shall be added to the retirement allowance
24 payments, if any, now being received from the state of Iowa by
25 individuals covered under this section. No such person shall
26 receive retirement benefits from the state of more than two
27 hundred ~~twenty~~ thirty dollars per month. The word "employee"
28 as used in this section includes persons who were state
29 superintendents, county superintendents, or deputy county
30 superintendents.

31 However, a person receiving retirement allowance payments
32 under this section may elect in writing to the department of
33 personnel to continue to receive two hundred dollars or two
34 hundred ~~twenty~~ dollars per month.

35 Sec. 60. Section 411.1, subsection 11, Code Supplement

1 1991, is amended by striking the subsection and inserting in
2 lieu thereof the following:

3 11. "Earnable compensation" or "compensation earnable"
4 shall mean the annual compensation which a member receives for
5 services rendered as a police officer or fire fighter in the
6 course of employment with a participating city. However, the
7 term "earnable compensation" or "compensation earnable" shall
8 not include amounts received for overtime compensation, meal
9 or travel expenses, uniform allowances, fringe benefits,
10 severance pay, or any amount received upon termination or
11 retirement in payment for accumulated sick leave or vacation.
12 Contributions made by a member from the member's earnable
13 compensation to a plan of deferred compensation shall be
14 included in earnable compensation. Other contributions made
15 to a plan of deferred compensation shall not be included
16 except to the extent provided in rules adopted by the board of
17 trustees pursuant to section 411.5, subsection 3.

18 Sec. 61. Section 411.5, subsection 6, Code Supplement
19 1991, is amended to read as follows:

20 6. RECORDS -- REPORTS. The board of trustees shall keep a
21 record of all its proceedings, which record shall be open to
22 public inspection. It shall submit an annual report to the
23 governor, the general assembly, and the city council of each
24 participating city concerning the financial condition of the
25 retirement system, its current and future liabilities, and the
26 actuarial valuation of the system. The board of trustees
27 shall submit a certified audit report prepared by a certified
28 public accountant to the auditor of state annually. The
29 system shall comply with the filing fee requirement of section
30 11.6, subsection 10.

31 Sec. 62. Section 411.6, subsection 2, paragraphs a through
32 c, Code Supplement 1991, are amended to read as follows:

33 a. ~~Upon retirement from service, prior to July 17, 1990, a~~
34 member shall receive a The service retirement allowance which
35 for a member who terminates service, other than by death or

1 disability, prior to July 1, 1990, shall consist of a pension
2 given-by-the-city which equals fifty percent of the member's
3 average final compensation.

4 b. ~~Upon retirement from service on or after July 1, 1990,~~
5 ~~but before July 1, 1992, a member shall receive a~~ The service
6 retirement allowance which for a member who terminates
7 service, other than by death or disability, on or after July
8 1, 1990, but before July 1, 1992, shall consist of a pension
9 which equals fifty-four percent of the member's average final
10 compensation.

11 c. Commencing July 1, 1992, for members who terminate
12 service, other than by death or disability, on or after that
13 date, the system shall increase the percentage multiplier of
14 the member's average final compensation by an additional two
15 percent each July 1 until reaching sixty percent of the
16 member's average final compensation. The applicable
17 percentage multiplier shall be the rate in effect on the date
18 of the member's termination from service.

19 Sec. 63. Section 411.6, subsection 3, Code Supplement
20 1991, is amended to read as follows:

21 3. ORDINARY DISABILITY RETIREMENT BENEFIT. Upon
22 application to the system, of a member in service or of the
23 chief of the police or fire departments, respectively, any
24 member shall be retired by the system, not less than thirty
25 and not more than ninety days next following the date of
26 filing the application, on an ordinary disability retirement
27 allowance, if the medical board after a medical examination of
28 the member certifies that the member is mentally or physically
29 incapacitated for further performance of duty, that the
30 incapacity is likely to be permanent, and that the member
31 should be retired. However, if a person's membership in the
32 system first commenced on or after July 1, 1992, the member
33 shall not be eligible for benefits with respect to a
34 disability which would not exist, but for a medical condition
35 that was known to exist on the date that membership commenced.

1 Sec. 64. Section 411.6, subsection 4, Code Supplement
2 1991, is amended to read as follows;

3 4. Allowance on ordinary disability retirement. Upon
4 retirement for ordinary disability a member shall receive an
5 ordinary disability retirement allowance which shall consist
6 of a pension which shall equal fifty percent of the member's
7 average final compensation ~~except-if~~ unless either of the
8 following conditions exist:

9 a. If the member has not had five or more years of
10 membership service the member shall receive a pension equal to
11 one-fourth of the member's average final compensation.

12 b. If the member has had twenty-two or more years of
13 membership service, the member shall receive a disability
14 retirement allowance that is equal to the greater of the
15 benefit that the member would receive under subsection 2 if
16 the member were fifty-five years of age or the disability
17 pension otherwise calculated under this subsection.

18 Sec. 65. Section 411.6, subsection 5, Code Supplement
19 1991, is amended to read as follows:

20 5. ACCIDENTAL DISABILITY BENEFIT.

21 a. Upon application to the system, of a member in service
22 or of the chief of the police or fire departments,
23 respectively, any member who has become totally and
24 permanently incapacitated for duty as the natural and
25 proximate result of an injury or disease incurred in or
26 aggravated by the actual performance of duty at some definite
27 time and place, or while acting pursuant to order, outside of
28 the city by which the member is regularly employed, shall be
29 retired by the system, if the medical board certifies that the
30 member is mentally or physically incapacitated for further
31 performance of duty, that the incapacity is likely to be
32 permanent, and that the member should be retired. However, if
33 a person's membership in the system first commenced on or
34 after July 1, 1992, the member shall not be eligible for
35 benefits with respect to a disability which would not exist,

1 but for a medical condition that was known to exist on the
2 date that membership commenced.

3 b. If a member in service or the chief of the police or
4 fire departments becomes incapacitated for duty as a natural
5 or proximate result of an injury or disease incurred in or
6 aggravated by the actual performance of duty at some definite
7 time or place or while acting, pursuant to order, outside the
8 city by which the member is regularly employed, the member,
9 upon being found to be temporarily incapacitated following a
10 medical examination as directed by the system city, is
11 entitled to receive the member's full pay and allowances from
12 the city's general fund until re-examined as directed by the
13 system city and found to be fully recovered or until the city
14 determines that the member is likely to be permanently
15 disabled. The board of trustees of the statewide system has
16 no jurisdiction over these matters until the city determines
17 that the disability is likely to be permanent.

18 c. Disease under this section shall mean heart disease or
19 any disease of the lungs or respiratory tract and shall be
20 presumed to have been contracted while on active duty as a
21 result of strain or the inhalation of noxious fumes, poison or
22 gases. However, if a person's membership in the system first
23 commenced on or after July 1, 1992, and the heart disease or
24 disease of the lungs or respiratory tract would not exist, but
25 for a medical condition that was known to exist on the date
26 that membership commenced, the presumption established in this
27 paragraph shall not apply.

28 Sec. 66. Section 411.6, subsection 6, paragraph b, Code
29 Supplement 1991, is amended to read as follows:

30 b. Upon retirement for accidental disability on or after
31 July 1, 1990, a member shall receive an accidental disability
32 retirement allowance which shall consist of a pension equal to
33 sixty percent of the member's average final compensation.
34 However, if the member has had twenty-two or more years of
35 membership service, the member shall receive a disability

1 retirement allowance that is equal to the greater of the
2 retirement allowance that the member would receive under
3 subsection 2 if the members were fifty-five years of age or
4 the disability retirement allowance calculated under this
5 paragraph.

6 Sec. 67. Section 411.6A, Code 1991, is amended by striking
7 the section and inserting in lieu thereof the following:

8 411.6A OPTIONAL RETIREMENT BENEFITS.

9 1. In lieu of the payment of a service retirement
10 allowance under section 411.6, subsection 2, and the payment
11 of a pension to the spouse of a deceased pensioned member
12 under section 411.6, subsection 11, a member may select an
13 option provided under this section. The board of trustees
14 shall adopt rules under section 411.5, subsection 3, providing
15 the optional forms of payment that may be selected by the
16 member. The optional forms of payment may provide adjustments
17 to the amount of the retirement allowance paid to the member,
18 may alter the pension amount and period of payment to the
19 member's spouse after the death of the member, and may provide
20 for payments to a designated recipient other than the member's
21 spouse for a designated period of time or an unlimited period
22 of time.

23 2. Prior to the member's retirement and as a part of the
24 application for a service retirement allowance, the member
25 shall elect, in writing, either the benefits provided under
26 section 411.6, subsections 2 and 11, or one of the optional
27 forms adopted by the board of trustees. If the member is
28 married at the time of application and the member elects an
29 optional form, the member's spouse must consent in writing to
30 the optional form selected and to the receipt of payments to a
31 designated recipient, if applicable. Upon acceptance by a
32 member of an initial retirement benefit paid in accordance
33 with the election under this section, the election of the
34 member is irrevocable.

35 3. The optional forms of payment determined by the board

1 of trustees under this section, shall be the actuarial
2 equivalent of the amount of retirement benefits payable to the
3 member and the member's spouse pursuant to section 411.6,
4 subsections 2 and 11. The actuarial equivalent shall be based
5 upon the actuarial assumptions adopted for this purpose
6 pursuant to section 411.5. Election of an optional form
7 adopted by the board of trustees shall not affect the
8 benefits, if any, payable to the member's child or children
9 pursuant to section 411.6, subsection 11.

10 Sec. 68. Section 411.8, subsection 1, paragraph f,
11 subparagraph (8), and unnumbered paragraphs 2 and 3, Code
12 Supplement 1991, are amended to read as follows:

13 (8) Beginning July 1, 1996, and each fiscal year
14 thereafter, an amount equal to the member's contribution rate
15 times each member's compensation shall be paid to the fund
16 from the earnable compensation of the member. For the
17 purposes of this subparagraph, the member's contribution rate
18 ~~shall be the rate percent of the earnable compensation of all~~
19 ~~members obtained by deducting from the total liabilities of~~
20 ~~the fund the amount of the funds in hand to the credit of the~~
21 ~~fund and dividing the remainder by one percent of the present~~
22 ~~value of the prospective future compensation of all members as~~
23 ~~computed on the basis of the rate of interest and of mortality~~
24 ~~and service tables adopted, multiplied by four tenths, or nine~~
25 ~~and one-tenth percent, whichever is greater. However, the~~
26 ~~system shall increase this percentage for its members the~~
27 member's contribution rate as necessary to cover any increase
28 in cost to the system resulting from statutory changes which
29 are enacted by any session of the general assembly meeting
30 after January 1, 1991, if the increase cannot be absorbed
31 within the contribution rates otherwise established pursuant
32 to this paragraph, but subject to a maximum employee
33 contribution rate of eleven and three-tenths percent. After
34 the employee contribution reaches ~~the maximum rate specified~~
35 in this subparagraph eleven and three-tenths percent, sixty

1 percent of the additional cost of such statutory changes shall
2 be paid by employers under paragraph "c" and forty percent of
3 the additional cost shall be paid by employees under this
4 paragraph.

5 ~~Beginning July 1, 1996, and each fiscal year thereafter, an~~
6 ~~amount equal to the member's contribution rate times each~~
7 ~~member's compensation shall be paid to the fund from the~~
8 ~~earnable compensation of the member.~~

9 ~~The total amount to be contributed by the member shall be~~
10 ~~determined by the actuary after each valuation.~~

11 Sec. 69. Section 602.9204, Code 1991, is amended by adding
12 the following new unnumbered paragraph:

13 NEW UNNUMBERED PARAGRAPH. Effective with the fiscal year
14 commencing July 1, 1993, and for each subsequent fiscal year,
15 there is appropriated annually from the general fund of the
16 state to the judicial retirement fund from funds not otherwise
17 appropriated an amount sufficient to pay the annual costs of
18 this part 2 of chapter 602, article 9, the Iowa senior judge
19 Act, which shall include the costs of all additional benefits
20 paid as a result of the Iowa senior judge Act.

21 Sec. 70. MEMBERSHIP IN FIRE AND POLICE RETIREMENT SYSTEMS.

22 1. As used in this section, unless the context otherwise
23 requires, "qualified member" means a person who meets each of
24 the following conditions:

25 a. Was a member of the retirement system established in
26 chapter 411 with four or more but fewer than fifteen years of
27 membership service as of July 1, 1989.

28 b. Terminated employment with the city which employed the
29 member as of July 1, 1989, before the member attained the age
30 of fifty-five and twenty-two years of service.

31 c. Was subsequently employed as a police officer or fire
32 fighter as of July 1, 1990, by a city which attained a
33 population of eight thousand or more as a result of the

34 federal census conducted in 1990 and which was not a
35 participating city subject to this chapter on July 1, 1990,

1 and has not subsequently joined the statewide system
2 established in chapter 411.

3 2. Notwithstanding any other provision of law to the
4 contrary, a qualified member shall receive benefits under
5 chapter 411 pursuant to this section. Unless in conflict with
6 this section, the provisions of chapter 411 pertaining to
7 members shall also pertain to qualified members. Upon
8 attaining retirement age, a qualified member shall receive a
9 service retirement allowance of one twenty-second of the
10 retirement allowance the qualified member would have received
11 if the qualified member had qualified for full benefits
12 pursuant to section 411.6, subsection 1, paragraph "a", 1989
13 Code of Iowa, for each year of service the qualified member
14 had served.

15 3. A qualified member must submit an application for
16 coverage pursuant to this section to the board of trustees for
17 membership in the system no later than September 1, 1992. The
18 board of trustees shall notify the city which employed the
19 member as of July 1, 1989, that it must transfer to the board
20 of trustees an amount sufficient to cover the accrued
21 liability of the member, including interest on the accrued
22 liability from December 31, 1991, through the date of payment.
23 The participating city shall transfer that amount to the
24 statewide system.

25 Sec. 71. SENIOR JUDGES -- IMPLEMENTATION. Notwithstanding
26 the amendments to section 602.9204 contained in this Act, all
27 judges whose names are entered on the roster of senior judges
28 pursuant to section 602.9203, subsection 3, as of June 30,
29 1992, and all persons who are retired senior judges as of June
30 30, 1992, shall continue to receive an annuity calculated
31 pursuant to section 602.9204, 1991 Code of Iowa, and shall not
32 be subject to the amendments to that section contained in this
33 Act. This Act shall not be construed in a manner which
34 reduces benefits to persons who participated as senior judges
35 prior to July 1, 1992.

1 Sec. 72. Sections 97B.3, 97B.26, 97B.66, and 97B.71, Code
2 1991, are repealed.

3 Sec. 73. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

4 1. The portion of this Act which amends section 97B.41,
5 subsection 3, paragraph "b", by adding a new subparagraph
6 (16), being deemed of immediate importance, takes effect upon
7 enactment and applies retroactively to January 1, 1992.

8 2. The portion of this Act which amends section 97B.50,
9 subsection 2, being deemed of immediate importance, takes
10 effect upon enactment and applies retroactively to July 1,
11 1990.

12 3. The section of this Act which amends section 411.6,
13 subsection 2, being deemed of immediate importance, takes
14 effect upon enactment and applies retroactively to January 1,
15 1992.

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S-5475

1 Amend House File 2450, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 46, by inserting after line 10 the
4 following:

5 "Sec. 100. Section 602.9204, Code 1991, is amended
6 to read as follows:

7 602.9204 ANNUITY OF SENIOR JUDGE AND RETIRED
8 SENIOR JUDGE.

9 A senior judge or a retired senior judge shall not
10 be paid a salary. A senior judge or retired senior
11 judge shall be paid an annuity under the judicial
12 retirement system in the manner provided in section
13 602.9109, but computed under this section in lieu of
14 section 602.9107, as follows: The annuity paid to a
15 senior judge or retired senior judge shall be an
16 amount equal to three percent of the current basic
17 salary, as of the time each payment is made up to and
18 including the twelve-month period during which the
19 senior judge or retired senior judge attains seventy-
20 eight years of age, of the office in which the senior
21 judge last served as a judge before retirement as a
22 judge or senior judge, multiplied by the judge's years
23 of service prior to retirement as a judge of one or
24 more of the courts included under this article, for
25 which contributions were made to the system, except
26 the annuity of the senior judge or retired senior
27 judge shall not exceed fifty percent of the current
28 basic salary used in calculating the annuity.

29 However, following the twelve-month period during
30 which the senior judge or retired senior judge attains
31 seventy-eight years of age, the annuity paid to the
32 person shall be an amount equal to three percent of
33 the basic salary cap, multiplied by the judge's years
34 of service prior to retirement as a judge of one or
35 more of the courts included under this article, for
36 which contributions were made to the system, except
37 that the annuity shall not exceed fifty percent of the
38 basic salary cap. A senior judge or retired senior
39 judge shall not receive benefits calculated using a
40 basic salary established after the twelve-month period
41 in which the senior judge or retired senior judge
42 attains seventy-eight years of age. In addition, if a
43 senior judge is under sixty-five years of age at the
44 time the judge becomes a senior judge, the state shall
45 pay the state's share of the senior judge's medical
46 insurance premium until the judge attains age sixty-
47 five.

48 As used in this section, unless the context
49 otherwise requires, "basic salary cap" means the basic
50 salary, at the end of the twelve-month period during

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1 which the senior judge or retired senior judge
2 attained seventy-eight years of age, of the office in
3 which the person last served as a judge before
4 retirement as a judge or senior judge."

5 2. Page 47, line 26, by inserting before the word
6 "this" the following: "section 100 of".

7 3. By renumbering and correcting internal
8 references as necessary.

By JOHN KIBBIE
RICHARD F. DRAKE

HOUSE FILE 2450

S-5364

- 1 Amend House File 2450, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 36, by inserting after line 31, the
4 following:
5 "Sec. ____ . Section 97B.66, unnumbered paragraph 3,
6 Code 1991, is amended by striking the unnumbered
7 paragraph."
8 2. Page 48, line 1, by striking the figure
9 "97B.66,".
10 3. By renumbering and correcting internal
11 references as necessary.

By WALLY HORN

S-5364 FILED MARCH 25, 1992

Ruled out of order 4/7 (p. 1276)

HOUSE FILE 2450

S-5473

- 1 Amend House File 2450 as follows:
2 1. Page 37, line 10, by inserting after the word
3 "system" the following: "either".
4 2. Page 37, line 11, by inserting before the word
5 "period" the following: "entire".
6 3. Page 37, line 12, by striking the word "and"
7 and inserting the following: "and, or for partial
8 service in the other public system in increments of no
9 greater than one year or less than one calendar
10 quarter. However, the member may not make
11 contributions in an increment of less than one year
12 more than once. The member may also make one lump sum
13 contribution to the system which represents the entire
14 period of service in the other public system, even if
15 the period of time exceeds one year. If the member
16 wishes to transfer only a portion of the service value
17 of another public system to this system and the other
18 public system allows a partial withdrawal of a
19 member's system credits, the member shall".

By JOHN KIBBIE

RICHARD F. DRAKE

S-5473 FILED MARCH 31, 1992

Adopted 4/7 (p. 1275)

HOUSE FILE 2450

S-5474

- 1 Amend House File 2450, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 28, by inserting after line 9 the
4 following:
5 "Sec. ____ . Section 97B.49, subsection 16,
6 paragraph d, Code 1991, is amended by adding the
7 following new subparagraph:
8 NEW SUBPARAGRAPH. (8) A fire prevention inspector
9 peace officer employed by the department of public
10 safety."
11 2. By renumbering as necessary.

By JOHN KIBBIE

RICHARD F. DRAKE

S-5474 FILED MARCH 31, 1992

Adopted 4/7 (p. 1275)

HOUSE FILE 2450

S-5471

1 Amend House File 2450, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 46, by inserting after line 10 the
4 following:

5 "Sec. ____ . Section 411.38, subsection 2, Code
6 1991, is amended to read as follows:

7 2. Transfer from each terminated city fire or
8 police retirement system to the statewide system
9 amounts sufficient to cover the accrued liabilities of
10 that terminated system as determined by the actuary of
11 the statewide system. The actuary of the statewide
12 system shall redetermine the accrued liabilities of
13 the terminated systems as necessary to take into
14 account additional amounts payable by the city which
15 are attributable to errors or omissions which occurred
16 prior to January 1, 1992, or to matters pending as of
17 January 1, 1992."

18 2. Page 48, by inserting after line 15 the
19 following:

20 " ____ . The section of this Act which amends section
21 411.38, subsection 2, being deemed of immediate
22 importance, takes effect upon enactment and applies
23 retroactively to January 1, 1992."

24 3. By renumbering as necessary.

By JOHN KIBBIE
RICHARD F. DRAKE

S-5471 FILED MARCH 31, 1992

Adopted 4/7 (p. 127B)

HOUSE FILE 2450

S-5472

1 Amend House File 2450, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 36, by inserting after line 31, the
4 following:

5 "Sec. ____ . Section 97B.66, unnumbered paragraph 3,
6 Code 1991, is amended by striking the unnumbered
7 paragraph."

8 2. Page 48, line 1, by striking the figure
9 "97B.66,".

10 3. By renumbering and correcting internal
11 references as necessary.

By JOHN KIBBIE
RICHARD F. DRAKE

S-5472 FILED MARCH 31, 1992

Adopted 4/7 (p. 127B)

HOUSE FILE 2450

S-5501

1 Amend House File 2450, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 46, by inserting after line 10, the
4 following:

5 "Sec. ____ . Section 602.9106, Code 1991, is amended
6 to read as follows:

7 602.9106 RETIREMENT.

8 Any person who shall have become separated from
9 service as a judge of any of the courts included in
10 this article and who has had an aggregate of at least
11 six years of service as a judge of one or more of such
12 courts and shall have attained the age of sixty-five
13 years or who has had twenty-five years of consecutive
14 service as a judge of one or more of said courts, or
15 who qualifies as a senior judge in accordance with
16 section 602.9203A and whose name is added to the
17 roster of senior judges as provided in section
18 602.9203A, subsection 3, and who shall have otherwise
19 qualified as provided in this article, shall be
20 entitled to an annuity as hereinafter provided.

21 Sec. ____ . Section 602.9202, subsection 1, Code
22 1991, is amended to read as follows:

23 1. "Senior judge" means a supreme court judge,
24 court of appeals judge, district court judge, or
25 district associate judge who meets the requirements of
26 section 602.9203 or section 602.9203A and who has not
27 been retired or removed from the roster of senior
28 judges under section 602.9207 or 602.9208.

29 Sec. ____ . NEW SECTION. 602.9203A ALTERNATIVE
30 PROCEDURE FOR QUALIFICATION AS A SENIOR JUDGE.

31 1. A supreme court judge, court of appeals judge,
32 district judge, or district associate judge, who
33 qualifies under subsection 2, may become a senior
34 judge by filing a written election form in the manner
35 provided in section 602.9203. A judge who qualifies
36 for senior judge status pursuant to both this section
37 and section 602.9203 shall only be required to file
38 one written election form, and shall not be required
39 to specify the section under which the judge is
40 proceeding.

41 2. A judge referred to in subsection 1 qualifies
42 for a senior judgeship if the judge meets all of the
43 following:

44 a. Retires from office on or after July 1, 1992,
45 whether or not the judge is of mandatory retirement
46 age.

47 b. Has attained the age of fifty-five or more at
48 the time of retirement with at least twenty years of
49 consecutive service.

50 c. Agrees in writing on a form prescribed by the

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1 court administrator to be available as a senior judge
2 to perform judicial duties as assigned by the supreme
3 court for an aggregate period of thirteen weeks out of
4 each successive twelve-month period for at least three
5 consecutive twelve-month periods, health permitting.

6 d. Submits evidence to the supreme court as
7 required pursuant to section 602.9203, subsection 2,
8 paragraphs "d" and "e".

9 3. The clerk of the supreme court shall include
10 persons who file timely elections and qualify as
11 senior judges pursuant to this section in the roster
12 of senior judges pursuant to section 602.9203,
13 subsection 3, and the person shall be a senior judge
14 upon entry of the name in the roster of senior judges
15 and until the person becomes a retired senior judge as
16 provided in section 602.9207, or until the person's
17 name is stricken from the roster of senior judges as
18 provided in section 602.9208, or until the person
19 dies. However, notwithstanding any other provision of
20 law to the contrary, including but not limited to this
21 section, if during the entire period for filing a
22 written election pursuant to this section, the supreme
23 court verifies that there are insufficient judicial
24 duties for the judge to perform or insufficient
25 appropriations, the judge shall not be added to the
26 roster of senior judges unless the judge qualifies
27 pursuant to section 602.9203.

28 4. The supreme court shall cause each senior judge
29 added to the roster in accordance with this section to
30 actually perform judicial duties during each
31 successive twelve-month period.

32 Sec. ____ . Section 602.9204, Code 1991, is amended
33 to read as follows:

34 602.9204 ANNUITY OF SENIOR JUDGE AND RETIRED
35 SENIOR JUDGE.

36 A senior judge or a retired senior judge shall not
37 be paid a salary. A senior judge or retired senior
38 judge shall be paid an annuity under the judicial
39 retirement system in the manner provided in section
40 602.9109, but computed under this section in lieu of
41 section 602.9107, as follows: The annuity paid to a
42 senior judge or retired senior judge shall be an
43 amount equal to three percent of the current basic
44 salary, as of the time each payment is made, of the
45 office in which the senior judge last served as a
46 judge before retirement as a judge or senior judge,
47 multiplied by the judge's years of service prior to
48 retirement as a judge of one or more of the courts
49 included under this article, for which contributions
50 were made to the system, except the annuity of the

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1 senior judge or retired senior judge shall not exceed
2 fifty percent of the current basic salary. In
3 addition, if a senior judge is under sixty-five years
4 of age at the time the judge becomes a senior judge,
5 the state shall pay the state's share of the senior
6 judge's medical insurance premium until the judge
7 attains age sixty-five. If a senior judge becomes a
8 senior judge pursuant to section 602.9203A, the state
- 9 shall also continue to pay the state's share of other
10 insurance premiums for programs in which the judge was
11 a participant at the time of retirement and in which
12 the state made contributions, including but not
13 limited to life insurance, dental insurance, and
14 disability insurance, until the senior judge becomes a
15 retired senior judge pursuant to section 602.9207, is
16 stricken from the roster of senior judges as provided
17 in section 602.9208, or dies."

18 2. Page 46, by inserting after line 20, the
19 following:

20 "Sec. _____. Section 602.9206, unnumbered paragraph
21 2, Code 1991, is amended to read as follows:

22 A senior judge also shall be available to serve in
23 the capacity of administrative law judge under chapter
24 17A upon the request of an agency, and the supreme
25 court may assign a senior judge for temporary duties
26 as an administrative law judge. A senior judge shall
27 not be required to serve a period of time as an
28 administrative law judge which, when added to the
29 period of time being served by the person as a judge,
30 if any, would exceed the maximum period of time the
31 person agreed to serve pursuant to section 602.9203,
32 subsection 2, or section 602.9203A, subsection 2.

33 Sec. _____. Section 602.9208, subsection 1, Code
34 1991, is amended to read as follows:

35 1. A senior judge, at any time prior to the end of
36 the twelve-month period during which the judge attains
37 seventy-eight years of age, may submit to the clerk of
38 the supreme court a written request that the judge's
39 name be stricken from the roster of senior judges.
40 Upon the receipt of the request the clerk shall strike
41 the name of the person from the roster of senior
42 judges, at which time the person shall cease to be a
43 senior judge. A person who relinquishes a senior
44 judgeship as provided in this subsection may be
45 assigned to temporary judicial duties as provided in
46 section 602.1612. However, if a senior judge who
47 became a senior judge in accordance with section
48 602.9203A requests to be stricken from the roster of
49 senior judges prior to completing service for at least
50 three consecutive twelve-month periods, the senior

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1 judge shall not be entitled to any additional benefits
2 for service pursuant to this part unless the supreme
3 court determines that the senior judge's health would
4 not permit completion of three consecutive twelve-
5 month periods. If the supreme court determines that
6 the senior judge's health permits continued service
7 for the remainder of the three twelve-month periods
8 and the senior judge still wishes to discontinue
9 service, the supreme court shall determine and the
10 senior judge shall refund to the state the amount of
11 any additional benefits which the senior judge has
12 received pursuant to this part, including but not
13 limited to the payment of insurance premiums by the
14 state on behalf of the senior judge.

15 Sec. ____ . Section 602.9208, subsection 3, Code
16 1991, is amended to read as follows:

17 3. A Except as otherwise provided in subsection 1,
18 a person who relinquishes a senior judgeship in the
19 manner provided in subsection 1 shall be paid a
20 retirement annuity that commences on the effective
21 date of the relinquishment and shall be based upon the
22 number of years the person served as a senior judge.
23 A person who serves six or more years as a senior
24 judge shall be paid a retirement annuity that is in an
25 amount equal to the amount of the annuity the person
26 is receiving on the effective date of the
27 relinquishment in lieu of an amount determined
28 according to section 602.9204. If the person serves
29 less than six years as a senior judge, the person
30 shall be paid a retirement annuity that is in an
31 amount equal to an amount determined according to
32 section 602.9107 added to an amount equal to the
33 number of years the person served as a senior judge,
34 divided by six, multiplied by the difference between
35 the amount of the annuity the person is receiving on
36 the effective date of the relinquishment and the
37 amount determined according to section 602.9107. A
38 person who is removed from a senior judgeship as
39 provided in subsection 2 shall be paid a retirement
40 annuity that commences on the effective date of the
41 removal and is in an amount determined according to
42 section 602.9107 in lieu of section 602.9204, and any
43 service and annuity of the person as a senior judge is
44 disregarded."

45 3. By renumbering and correcting internal
46 references as necessary.

By DONALD DOYLE
WILLIAM D. PALMER
GEORGE R. KINLEY

S-5501 FILED APRIL 1, 1992

Ruled out of order 4/7 (p. 1276)

HOUSE FILE 2450

S-5500

1 Amend the amendment, S-5475, to House File 2450, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 1, by inserting after line 4 the follow-
5 ing:

6 ""Sec. ____ . Section 602.9106, Code 1991, is
7 amended to read as follows:

8 602.9106 RETIREMENT.

9 Any person who shall have become separated from
10 service as a judge of any of the courts included in
11 this article and who has had an aggregate of at least
12 six years of service as a judge of one or more of such
13 courts and shall have attained the age of sixty-five
14 years or who has had twenty-five years of consecutive
15 service as a judge of one or more of said courts, or
16 who qualifies as a senior judge in accordance with
17 section 602.9203A and whose name is added to the
18 roster of senior judges as provided in section
19 602.9203A, subsection 3, and who shall have otherwise
20 qualified as provided in this article, shall be
21 entitled to an annuity as hereinafter provided.

22 Sec. ____ . Section 602.9202, subsection 1, Code
23 1991, is amended to read as follows:

24 1. "Senior judge" means a supreme court judge,
25 court of appeals judge, district court judge, or
26 district associate judge who meets the requirements of
27 section 602.9203 or section 602.9203A and who has not
28 been retired or removed from the roster of senior
29 judges under section 602.9207 or 602.9208.

30 Sec. ____ . NEW SECTION. 602.9203A ALTERNATIVE
31 PROCEDURE FOR QUALIFICATION AS A SENIOR JUDGE.

32 1. A supreme court judge, court of appeals judge,
33 district judge, or district associate judge, who
34 qualifies under subsection 2, may become a senior
35 judge by filing a written election form in the manner
36 provided in section 602.9203. A judge who qualifies
37 for senior judge status pursuant to both this section
38 and section 602.9203 shall only be required to file
39 one written election form, and shall not be required
40 to specify the section under which the judge is
41 proceeding.

42 2. A judge referred to in subsection 1 qualifies
43 for a senior judgeship if the judge meets all of the
44 following:

45 a. Retires from office on or after July 1, 1992,
46 whether or not the judge is of mandatory retirement
47 age.

48 b. Has attained the age of fifty-five or more at
49 the time of retirement with at least twenty years of
50 consecutive service.

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1 c. Agrees in writing on a form prescribed by the
2 court administrator to be available as a senior judge
3 to perform judicial duties as assigned by the supreme
4 court for an aggregate period of thirteen weeks out of
5 each successive twelve-month period for at least three
6 consecutive twelve-month periods, health permitting.

7 d. Submits evidence to the supreme court as
8 required pursuant to section 602.9203, subsection 2,
9 paragraphs "d" and "e".

10 3. The clerk of the supreme court shall include
11 persons who file timely elections and qualify as
12 senior judges pursuant to this section in the roster
13 of senior judges pursuant to section 602.9203,
14 subsection 3, and the person shall be a senior judge
15 upon entry of the name in the roster of senior judges
16 and until the person becomes a retired senior judge as
17 provided in section 602.9207, or until the person's
18 name is stricken from the roster of senior judges as
19 provided in section 602.9208, or until the person
20 dies. However, notwithstanding any other provision of
21 law to the contrary, including but not limited to this
22 section, if during the entire period for filing a
23 written election pursuant to this section, the supreme
24 court verifies that there are insufficient judicial
25 duties for the judge to perform or insufficient
26 appropriations, the judge shall not be added to the
27 roster of senior judges unless the judge qualifies
28 pursuant to section 602.9203.

29 4. The supreme court shall cause each senior judge
30 added to the roster in accordance with this section to
31 actually perform judicial duties during each
32 successive twelve-month period."

33 2. Page 1, line 47, by inserting after the word
34 "five." the following: "If a senior judge becomes a
35 senior judge pursuant to section 602.9203A, the state
36 shall also continue to pay the state's share of other
37 insurance premiums for programs in which the judge was
38 a participant at the time of retirement and in which
39 the state made contributions, including but not
40 limited to life insurance, dental insurance, and
41 disability insurance, until the senior judge becomes a
42 retired senior judge pursuant to section 602.9207, is
43 stricken from the roster of senior judges as provided
44 in section 602.9208, or dies."

45 3. Page 2, by inserting after line 4 the
46 following:

47 "_____. Page 46, by inserting after line 20 the
48 following:

49 "Sec. _____. Section 602.9206, unnumbered paragraph
50 2, Code 1991, is amended to read as follows:

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1 A senior judge also shall be available to serve in
2 the capacity of administrative law judge under chapter
3 17A upon the request of an agency, and the supreme
4 court may assign a senior judge for temporary duties
5 as an administrative law judge. A senior judge shall
6 not be required to serve a period of time as an
7 administrative law judge which, when added to the
8 period of time being served by the person as a judge,
9 if any, would exceed the maximum period of time the
10 person agreed to serve pursuant to section 602.9203,
11 subsection 2, or section 602.9203A, subsection 2.

12 Sec. ____ . Section 602.9208, subsection 1, Code
13 1991, is amended to read as follows:

14 1. A senior judge, at any time prior to the end of
15 the twelve-month period during which the judge attains
16 seventy-eight years of age, may submit to the clerk of
17 the supreme court a written request that the judge's
18 name be stricken from the roster of senior judges.
19 Upon the receipt of the request the clerk shall strike
20 the name of the person from the roster of senior
21 judges, at which time the person shall cease to be a
22 senior judge. A person who relinquishes a senior
23 judgeship as provided in this subsection may be
24 assigned to temporary judicial duties as provided in
25 section 602.1612. However, if a senior judge who
26 became a senior judge in accordance with section
27 602.9203A requests to be stricken from the roster of
28 senior judges prior to completing service for at least
29 three consecutive twelve-month periods, the senior
30 judge shall not be entitled to any additional benefits
31 for service pursuant to this part unless the supreme
32 court determines that the senior judge's health would
33 not permit completion of three consecutive twelve-
34 month periods. If the supreme court determines that
35 the senior judge's health permits continued service
36 for the remainder of the three twelve-month periods
37 and the senior judge still wishes to discontinue
38 service, the supreme court shall determine and the
39 senior judge shall refund to the state the amount of
40 any additional benefits which the senior judge has
41 received pursuant to this part, including but not
42 limited to the payment of insurance premiums by the
43 state on behalf of the senior judge.

44 Sec. ____ . Section 602.9208, subsection 3, Code
45 1991, is amended to read as follows:

46 3. A Except as otherwise provided in subsection 1,
47 a person who relinquishes a senior judgeship in the
48 manner provided in subsection 1 shall be paid a
49 retirement annuity that commences on the effective
50 date of the relinquishment and shall be based upon the

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1 number of years the person served as a senior judge.
2 A person who serves six or more years as a senior
3 judge shall be paid a retirement annuity that is in an
4 amount equal to the amount of the annuity the person
5 is receiving on the effective date of the
6 relinquishment in lieu of an amount determined
7 according to section 602.9204. If the person serves
8 less than six years as a senior judge, the person
9 shall be paid a retirement annuity that is in an
10 amount equal to an amount determined according to
11 section 602.9107 added to an amount equal to the
12 number of years the person served as a senior judge,
13 divided by six, multiplied by the difference between
14 the amount of the annuity the person is receiving on
15 the effective date of the relinquishment and the
16 amount determined according to section 602.9107. A
17 person who is removed from a senior judgeship as
18 provided in subsection 2 shall be paid a retirement
19 annuity that commences on the effective date of the
20 removal and is in an amount determined according to
21 section 602.9107 in lieu of section 602.9204, and any
22 service and annuity of the person as a senior judge is
23 disregarded."

24 4. By renumbering and correcting internal
25 references as necessary.

By DONALD V. DOYLE
WILLIAM D. PALMER
GEORGE R. KINLEY

S-5500 FILED APRIL 1, 1992

w/d 4/1 (p/27)

HOUSE FILE 2450

S-5586

1 Amend the amendment, S-5475, to House File 2450, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 1, by inserting after line 4 the follow-
5 ing:

6 "Sec. ____ . Section 602.9106, Code 1991, is
7 amended to read as follows:

8 602.9106 RETIREMENT.

9 Any person who shall have become separated from
10 service as a judge of any of the courts included in
11 this article and who has had an aggregate of at least
12 six years of service as a judge of one or more of such
13 courts and shall have attained the age of sixty-five
14 years or who has had twenty-five years of consecutive
15 service as a judge of one or more of said courts, or
16 who qualifies as a senior judge in accordance with
17 section 602.9203A and whose name is added to the
18 roster of senior judges as provided in section
19 602.9203A, subsection 3, and who shall have otherwise
20 qualified as provided in this article, shall be
21 entitled to an annuity as hereinafter provided.

22 Sec. ____ . Section 602.9202, subsection 1, Code
23 1991, is amended to read as follows:

24 1. "Senior judge" means a supreme court judge,
25 court of appeals judge, district court judge, or
26 district associate judge who meets the requirements of
27 section 602.9203 or section 602.9203A and who has not
28 been retired or removed from the roster of senior
29 judges under section 602.9207 or 602.9208.

30 Sec. ____ . NEW SECTION. 602.9203A ALTERNATIVE
31 PROCEDURE FOR QUALIFICATION AS A SENIOR JUDGE.

32 1. A supreme court judge, court of appeals judge,
33 district judge, or district associate judge, who
34 qualifies under subsection 2, may become a senior
35 judge by filing a written election form in the manner
36 provided in section 602.9203. A judge who qualifies
37 for senior judge status pursuant to both this section
38 and section 602.9203 shall only be required to file
39 one written election form, and shall not be required
40 to specify the section under which the judge is
41 proceeding.

42 2. A judge referred to in subsection 1 qualifies
43 for a senior judgeship if the judge meets all of the
44 following:

45 a. Retires from office on or after July 1, 1992,
46 whether or not the judge is of mandatory retirement
47 age.

48 b. Has attained the age of fifty-five or more at
49 the time of retirement with at least twenty years of
50 consecutive service.

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1 c. Agrees in writing on a form prescribed by the
2 court administrator to be available as a senior judge
3 to perform judicial duties as assigned by the supreme
4 court for an aggregate period of thirteen weeks out of
5 each successive twelve-month period for at least three
6 consecutive twelve-month periods, health permitting.

7 d. Submits evidence to the supreme court as
8 required pursuant to section 602.9203, subsection 2,
9 paragraphs "d" and "e".

10 3. The clerk of the supreme court shall include
11 persons who file timely elections and qualify as
12 senior judges pursuant to this section in the roster
13 of senior judges pursuant to section 602.9203,
14 subsection 3, and the person shall be a senior judge
15 upon entry of the name in the roster of senior judges
16 and until the person becomes a retired senior judge as
17 provided in section 602.9207, or until the person's
18 name is stricken from the roster of senior judges as
19 provided in section 602.9208, or until the person
20 dies. However, notwithstanding any other provision of
21 law to the contrary, including but not limited to this
22 section, if during the entire period for filing a
23 written election pursuant to this section, the supreme
24 court verifies that there are insufficient judicial
25 duties for the judge to perform or insufficient
26 appropriations, the judge shall not be added to the
27 roster of senior judges unless the judge qualifies
28 pursuant to section 602.9203.

29 4. The supreme court shall cause each senior judge
30 added to the roster in accordance with this section to
31 actually perform judicial duties during each
32 successive twelve-month period."

33 2. Page 2, by inserting after line 4 the
34 following:

35 "_____. Page 46, by inserting after line 10 the
36 following:

37 "Sec. _____. Section 602.9204, Code 1991, is amended
38 by adding the following new unnumbered paragraph:

39 NEW UNNUMBERED PARAGRAPH. If a senior judge
40 becomes a senior judge pursuant to section 602.9203A,
41 notwithstanding any other provision to the contrary,
42 the state shall also continue to pay the state's share
43 of other insurance premiums for programs in which the
44 judge was a participant at the time of retirement and
45 in which the state made contributions, including but
46 not limited to life insurance, dental insurance, and
47 disability insurance, until the senior judge attains
48 the age of sixty-five, is stricken from the roster of
49 senior judges as provided in section 602.9208, or
50 dies.""

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

3 "____". Page 46, by inserting after line 20 the
4 following:

5 "Sec. ____". Section 602.9206, unnumbered paragraph
6 2, Code 1991, is amended to read as follows:

7 A senior judge also shall be available to serve in
8 the capacity of administrative law judge under chapter
9 17A upon the request of an agency, and the supreme
10 court may assign a senior judge for temporary duties
11 as an administrative law judge. A senior judge shall
12 not be required to serve a period of time as an
13 administrative law judge which, when added to the
14 period of time being served by the person as a judge,
15 if any, would exceed the maximum period of time the
16 person agreed to serve pursuant to section 602.9203,
17 subsection 2, or section 602.9203A, subsection 2.

18 Sec. _____. Section 602.9208, subsection 1, Code
19 1991, is amended to read as follows:

20 1. A senior judge, at any time prior to the end of
21 the twelve-month period during which the judge attains
22 seventy-eight years of age, may submit to the clerk of
23 the supreme court a written request that the judge's
24 name be stricken from the roster of senior judges.
25 Upon the receipt of the request the clerk shall strike
26 the name of the person from the roster of senior
27 judges, at which time the person shall cease to be a
28 senior judge. A person who relinquishes a senior
29 judgeship as provided in this subsection may be
30 assigned to temporary judicial duties as provided in
31 section 602.1612. However, if a senior judge who
32 became a senior judge in accordance with section
33 602.9203A requests to be stricken from the roster of
34 senior judges prior to completing service for at least
35 three consecutive twelve-month periods, the senior
36 judge shall not be entitled to any additional benefits
37 for service pursuant to this part unless the supreme
38 court determines that the senior judge's health would
39 not permit completion of three consecutive twelve-
40 month periods. If the supreme court determines that
41 the senior judge's health permits continued service
42 for the remainder of the three twelve-month periods
43 and the senior judge still wishes to discontinue
44 service, the supreme court shall determine and the
45 senior judge shall refund to the state the amount of
46 any additional benefits which the senior judge has
47 received pursuant to this part, including but not
48 limited to the payment of insurance premiums by the
49 state on behalf of the senior judge.

50 Sec. _____. Section 602.9208, subsection 3, Code

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1 1991, is amended to read as follows:

2 3. A Except as otherwise provided in subsection 1,
3 a person who relinquishes a senior judgeship in the
4 manner provided in subsection 1 shall be paid a
5 retirement annuity that commences on the effective
6 date of the relinquishment and shall be based upon the
7 number of years the person served as a senior judge.
8 A person who serves six or more years as a senior
9 judge shall be paid a retirement annuity that is in an
10 amount equal to the amount of the annuity the person
11 is receiving on the effective date of the
12 relinquishment in lieu of an amount determined
13 according to section 602.9204. If the person serves
14 less than six years as a senior judge, the person
15 shall be paid a retirement annuity that is in an
16 amount equal to an amount determined according to
17 section 602.9107 added to an amount equal to the
18 number of years the person served as a senior judge,
19 divided by six, multiplied by the difference between
20 the amount of the annuity the person is receiving on
21 the effective date of the relinquishment and the
22 amount determined according to section 602.9107. A
23 person who is removed from a senior judgeship as
24 provided in subsection 2 shall be paid a retirement
25 annuity that commences on the effective date of the
26 removal and is in an amount determined according to
27 section 602.9107 in lieu of section 602.9204, and any
28 service and annuity of the person as a senior judge is
29 disregarded.""
30 4. By renumbering and correcting internal
31 references as necessary.

By DONALD V. DOYLE
BILL PALMER
GEORGE R. KINLEY

S-5586 FILED APRIL 7, 1992

ADOPTED (p. 1275)

HOUSE FILE 2450

S-5591

1 Amend House File 2450, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 18, lines 6 and 7, by striking the words
4 "six months months' or less duration." and inserting
5 the following: "less than six months or-less-duration
6 or one thousand and forty hours in a calendar year."

7 2. Page 18, line 11, by inserting after the word
8 "paragraph." the following: "Adjunct instructors are
9 temporary employees for the purposes of this chapter.
10 As used in this section, unless the context otherwise
11 requires, "adjunct instructors" means instructors
12 employed by a community college without a continuing
13 contract, whose teaching load does not exceed one-half
14 time for two full semesters or three full quarters per
15 calendar year."

16 3. By renumbering and correcting internal
17 references as necessary.

By JOHN KIBBIE
RICHARD F. DRAKE

S-5591 FILED APRIL 7, 1992
ADOPTED (p. 1274)

HOUSE FILE 2450

S-5592

1 Amend the amendment, S-5475, to House File 2450, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 2, by striking lines 5 and 6, and
5 inserting the following:

6 " . Page 47, by striking lines 25 through 35,
7 and inserting the following:

8 "Sec. . SENIOR JUDGES -- EFFECTIVE DATE --
9 IMPLEMENTATION.

10 1. Section 100 of this Act takes effect January 1,
11 1993.

12 2. Notwithstanding the amendments to section
13 602.9204 contained in section 100 of this Act, all
14 judges whose names are entered on the roster of senior
15 judges pursuant to section 602.9203, subsection 3, as
16 of December 31, 1992, and all persons who are retired
17 senior judges as of December 31, 1992, shall continue
18 to receive an annuity calculated pursuant to section
19 602.9204, Code 1991, and shall not be subject to the
20 amendments to that section contained in this Act.
21 This Act shall not be construed in a manner which
22 reduces benefits to persons who participated as senior
23 judges prior to January 1, 1993."

24 2. By renumbering as necessary.

By JOHN KIBBIE
DONALD V. DOYLE
RICHARD F. DRAKE

S-5592 FILED APRIL 7, 1992
ADOPTED (p. 1276)

HOUSE FILE 2450
SENATE AMENDMENT H-5834
FISCAL NOTE

-A fiscal note for Senate Amendment H-5834 to House File 2450 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 Amendment H-5834 amends House File 2450 making the following changes:

1. Defines adjunct instructors employed by community colleges as temporary employees unless they work more than a half time teaching load for a full academic year.
2. Extends protection occupation coverage to fire prevention inspector peace officers employed by the Department of Public Safety. This treats these inspectors in the same manner as arson investigators. (These members pay higher employee contribution rates to cover their enriched benefits.)
3. Allows Kirkwood Community College employees' to have buy-back rights which had been terminated as of June 30, 1985.
4. Allows for partial buy-in by Iowa Public Employees Retirement System (IPERS) members who have prior public service. Members pay both the employee and employer contributions at current rates.
5. Clarifies how the Municipal Fire and Police Retirement System of Iowa (MFPRSI) will handle errors in determination of accrued liabilities.
6. Allows a judge to qualify for senior judge status at age 55 with 20 years of consecutive service. The State will continue to pay the State's share of the health, dental, life and disability insurance premiums.
7. Caps the increase to Senior Judges annuities to the year in which the judge becomes 78 years old. The cap applies to those who retire after December 31, 1992.
8. Allows judges until December 31, 1992, to decide whether to enter the Senior Judge Program and exempts those retiring before that date from the change to the calculation of the annuity.

Assumptions:

1. There will be 13 more judges eligible for the Senior Judge Program after the changes.
2. The current annual costs for insurance premiums is \$4,038 per judge.

Fiscal Impact:

The change to the definition of adjunct instructor will reduce the total employer retirement contribution costs for community colleges by approximately \$956,000 annually.

The other above changes affecting IPERS and the MFPRSI have minimal or no costs.

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The change to the Senior Judge Program could have a maximum annual cost of \$52,490 in FY 1993. It is likely that only a few judges will opt to become senior judges early. The long term effect of capping the annuity will be to reduce the unfunded liability.

Sources:

Iowa Public Employees Retirement System
Municipal Fire and Police Retirement System of Iowa
Judicial Branch
Iowa Association of Community College Presidents

(LSB 6222hv.3, MDF)

FILED APRIL 16, 1992

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 2450

H-5961

1 Amend the Senate amendment, H-5834, to House File
2 2450, as amended, passed, and reprinted by the House,
3 as follows:

A 4 1. Page 1, line 15, by striking the word "year."
5 and inserting the following: "year, and whose total
6 employment in a calendar year does not exceed six
7 months. Adjunct instructors who are employed more
8 than six months in a calendar year have the option of
9 choosing to be covered by this chapter, by making an
10 application to the department on a form supplied by
11 the department. Coverage will begin when the election
12 has been approved by the department."

13 2. Page 1, by striking lines 35 through 39 and
14 inserting the following: "service in the other public
15 system in increments of one or more years, as long as
16 the increments represent full years and not a portion
17 of a year. The member may also make one lump sum".

18 3. Page 1, line 42, by inserting after the word
19 "year" the following: "or includes a portion of a
20 year".

21 4. By striking page 2, line 14, through page 3,
22 line 40, and inserting the following:

23 "Sec. ____ . NEW SECTION. 602.9107A OPTIONAL
24 RETIREMENT AND DECREASED ANNUITY.

25 1. Notwithstanding section 602.9106, a judge who
26 is fifty-five years of age or older and who has served
27 at least twenty consecutive years as a judge of one or
28 more of the courts included in this article shall be
29 entitled to receive a decreased annuity.

B 30 2. The amount of the decreased annuity shall be
31 the actuarial equivalent of the amount of the annuity
32 payable to judges pursuant to section 602.9107,
33 subsections 1 and 2. A judge shall make an election
34 request in writing to the state court administrator
35 prior to retirement in order to receive an annuity
36 pursuant to this section. A judge may revoke the
37 election prior to retirement by providing a written
38 request to the state court administrator.

39 3. The decreased annuity provided in this section
40 shall be in lieu of the annuities and refunds provided
41 for in sections 602.9107, 602.9108, 602.9115,
42 602.9204, 602.9208, and 602.9209."

43 5. By striking page 4, line 41 through page 6,
44 line 33.

45 6. By striking page 6, line 34 through page 7,
46 line 1 and inserting the following:

47 " ____ . Page 47, line 26, by inserting before the
48 word "this" the following: "section 100 of"."

49 7. By renumbering as necessary.

By BLANSHAN of Greene
CARPENTER of Polk

H-5961 FILED APRIL 17, 1992

DIVISION A - DEFERRED, DIVISION B - *Adopted 4/20/92 (p 1638)*
Loat 4/20

HOUSE AMENDMENT TO SENATE AMENDMENT TO
HOUSE FILE 2450

S-5743

- 1 Amend the Senate amendment, H-5834, to House File
2 2450, as amended, passed, and reprinted by the House,
3 as follows:
- 4 1. Page 1, by striking lines 35 through 39 and
5 inserting the following: "service in the other public
6 system in increments of one or more years, as long as
7 the increments represent full years and not a portion
8 of a year. The member may also make one lump sum".
- 9 2. Page 1, line 42, by inserting after the word
10 "year" the following: "or includes a portion of a
11 year".
- 12 3. By striking page 2, line 14, through page 3,
13 line 40, and inserting the following:
- 14 "Sec. ____ . NEW SECTION. 602.9107A OPTIONAL
15 RETIREMENT AND DECREASED ANNUITY.
- 16 1. Notwithstanding section 602.9106, a judge who
17 is fifty-five years of age or older and who has served
18 at least twenty consecutive years as a judge of one or
19 more of the courts included in this article shall be
20 entitled to receive a decreased annuity.
- 21 2. The amount of the decreased annuity shall be
22 the actuarial equivalent of the amount of the annuity
23 payable to judges pursuant to section 602.9107,
24 subsections 1 and 2. A judge shall make an election
25 request in writing to the state court administrator
26 prior to retirement in order to receive an annuity
27 pursuant to this section. A judge may revoke the
28 election prior to retirement by providing a written
29 request to the state court administrator.
- 30 3. The decreased annuity provided in this section
31 shall be in lieu of the annuities and refunds provided
32 for in sections 602.9107, 602.9108, 602.9115,
33 602.9204, 602.9208, and 602.9209."
- 34 4. By striking page 4, line 41 through page 6,
35 line 33.
- 36 5. By striking page 6, line 34 through page 7,
37 line 1 and inserting the following:
- 38 " ____ . Page 47, line 26, by inserting before the
39 word "this" the following: "section 100 of"."
- 40 6. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-5743 FILED APRIL 20, 1992

Senate concurred 4/20 (p. 1497)

SENATE AMENDMENT TO HOUSE FILE 2450

H-5834

1 Amend House File 2450, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 18, lines 6 and 7, by striking the words
4 "six months months' or less duration." and inserting
5 the following: "less than six months or less duration
6 or one thousand and forty hours in a calendar year."

7 2. Page 18, line 11, by inserting after the word
8 "paragraph." the following: "Adjunct instructors are
9 temporary employees for the purposes of this chapter.
10 As used in this section, unless the context otherwise
11 requires, "adjunct instructors" means instructors
12 employed by a community college without a continuing
13 contract, whose teaching load does not exceed one-half
14 time for two full semesters or three full quarters per
15 calendar year."

16 3. Page 28, by inserting after line 9 the
17 following:

18 "Sec. ____ . Section 97B.49, subsection 16,
19 paragraph d, Code 1991, is amended by adding the
20 following new subparagraph:

21 NEW SUBPARAGRAPH. (8) A fire prevention inspector
22 peace officer employed by the department of public
23 safety."

24 4. Page 36, by inserting after line 31, the
25 following:

26 "Sec. ____ . Section 97B.66, unnumbered paragraph 3,
27 Code 1991, is amended by striking the unnumbered
28 paragraph."

29 5. Page 37, line 10, by inserting after the word
30 "system" the following: "either".

31 6. Page 37, line 11, by inserting before the word
32 "period" the following: "entire".

33 7. Page 37, line 12, by striking the word "and"
34 and inserting the following: "and, or for partial
35 service in the other public system in increments of no
36 greater than one year or less than one calendar
37 quarter. However, the member may not make
38 contributions in an increment of less than one year
39 more than once. The member may also make one lump sum
40 contribution to the system which represents the entire
41 period of service in the other public system, even if
42 the period of time exceeds one year. If the member
43 wishes to transfer only a portion of the service value
44 of another public system to this system and the other
45 public system allows a partial withdrawal of a
46 member's system credits, the member shall".

47 8. Page 46, by inserting after line 10 the
48 following:

49 "Sec. ____ . Section 411.38, subsection 2, Code
50 1991, is amended to read as follows:

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1 2. Transfer from each terminated city fire or
2 police retirement system to the statewide system
3 amounts sufficient to cover the accrued liabilities of
4 that terminated system as determined by the actuary of
5 the statewide system. The actuary of the statewide
6 system shall redetermine the accrued liabilities of
7 the terminated systems as necessary to take into
8 account additional amounts payable by the city which
9 are attributable to errors or omissions which occurred
10 prior to January 1, 1992, or to matters pending as of
11 January 1, 1992."

12 9. Page 46, by inserting after line 10 the
13 following:

14 "Sec. ____ . Section 602.9106, Code 1991, is amended
15 to read as follows:

16 602.9106 RETIREMENT.

17 Any person who shall have become separated from
18 service as a judge of any of the courts included in
19 this article and who has had an aggregate of at least
20 six years of service as a judge of one or more of such
21 courts and shall have attained the age of sixty-five
22 years or who has had twenty-five years of consecutive
23 service as a judge of one or more of said courts, or
24 who qualifies as a senior judge in accordance with
25 section 602.9203A and whose name is added to the
26 roster of senior judges as provided in section
27 602.9203A, subsection 3, and who shall have otherwise
28 qualified as provided in this article, shall be
29 entitled to an annuity as hereinafter provided.

30 Sec. ____ . Section 602.9202, subsection 1, Code
31 1991, is amended to read as follows:

32 1. "Senior judge" means a supreme court judge,
33 court of appeals judge, district court judge, or
34 district associate judge who meets the requirements of
35 section 602.9203 or section 602.9203A and who has not
36 been retired or removed from the roster of senior
37 judges under section 602.9207 or 602.9208.

38 Sec. ____ . NEW SECTION. 602.9203A ALTERNATIVE
39 PROCEDURE FOR QUALIFICATION AS A SENIOR JUDGE.

40 1. A supreme court judge, court of appeals judge,
41 district judge, or district associate judge, who
42 qualifies under subsection 2, may become a senior
43 judge by filing a written election form in the manner
44 provided in section 602.9203. A judge who qualifies
45 for senior judge status pursuant to both this section
46 and section 602.9203 shall only be required to file
47 one written election form, and shall not be required
48 to specify the section under which the judge is
49 proceeding.

50 2. A judge referred to in subsection 1 qualifies

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1 for a senior judgeship if the judge meets all of the
2 following:

3 a. Retires from office on or after July 1, 1992,
4 whether or not the judge is of mandatory retirement
5 age.

6 b. Has attained the age of fifty-five or more at
7 the time of retirement with at least twenty years of
8 consecutive service.

9 c. Agrees in writing on a form prescribed by the
10 court administrator to be available as a senior judge
11 to perform judicial duties as assigned by the supreme
12 court for an aggregate period of thirteen weeks out of
13 each successive twelve-month period for at least three
14 consecutive twelve-month periods, health permitting.

15 d. Submits evidence to the supreme court as
16 required pursuant to section 602.9203, subsection 2,
17 paragraphs "d" and "e".

18 3. The clerk of the supreme court shall include
19 persons who file timely elections and qualify as
20 senior judges pursuant to this section in the roster
21 of senior judges pursuant to section 602.9203,
22 subsection 3, and the person shall be a senior judge
23 upon entry of the name in the roster of senior judges
24 and until the person becomes a retired senior judge as
25 provided in section 602.9207, or until the person's
26 name is stricken from the roster of senior judges as
27 provided in section 602.9208, or until the person
28 dies. However, notwithstanding any other provision of
29 law to the contrary, including but not limited to this
30 section, if during the entire period for filing a
31 written election pursuant to this section, the supreme
32 court verifies that there are insufficient judicial
33 duties for the judge to perform or insufficient
34 appropriations, the judge shall not be added to the
35 roster of senior judges unless the judge qualifies
36 pursuant to section 602.9203.

37 4. The supreme court shall cause each senior judge
38 added to the roster in accordance with this section to
39 actually perform judicial duties during each
40 successive twelve-month period.

41 Sec. 100. Section 602.9204, Code 1991, is amended
42 to read as follows:

43 602.9204 ANNUITY OF SENIOR JUDGE AND RETIRED
44 SENIOR JUDGE.

45 A senior judge or a retired senior judge shall not
46 be paid a salary. A senior judge or retired senior
47 judge shall be paid an annuity under the judicial
48 retirement system in the manner provided in section
49 602.9109, but computed under this section in lieu of
50 section 602.9107, as follows: The annuity paid to a

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1 senior judge or retired senior judge shall be an
2 amount equal to three percent of the current basic
3 salary, as of the time each payment is made up to and
4 including the twelve-month period during which the
5 senior judge or retired senior judge attains seventy-
6 eight years of age, of the office in which the senior
7 judge last served as a judge before retirement as a
8 judge or senior judge, multiplied by the judge's years
9 of service prior to retirement as a judge of one or
10 more of the courts included under this article, for
11 which contributions were made to the system, except
12 the annuity of the senior judge or retired senior
13 judge shall not exceed fifty percent of the current
14 basic salary used in calculating the annuity.
15 However, following the twelve-month period during
16 which the senior judge or retired senior judge attains
17 seventy-eight years of age, the annuity paid to the
18 person shall be an amount equal to three percent of
19 the basic salary cap, multiplied by the judge's years
20 of service prior to retirement as a judge of one or
21 more of the courts included under this article, for
22 which contributions were made to the system, except
23 that the annuity shall not exceed fifty percent of the
24 basic salary cap. A senior judge or retired senior
25 judge shall not receive benefits calculated using a
26 basic salary established after the twelve-month period
27 in which the senior judge or retired senior judge
28 attains seventy-eight years of age. In addition, if a
29 senior judge is under sixty-five years of age at the
30 time the judge becomes a senior judge, the state shall
31 pay the state's share of the senior judge's medical
32 insurance premium until the judge attains age sixty-
33 five.

34 As used in this section, unless the context
35 otherwise requires, "basic salary cap" means the basic
36 salary, at the end of the twelve-month period during
37 which the senior judge or retired senior judge
38 attained seventy-eight years of age, of the office in
39 which the person last served as a judge before
40 retirement as a judge or senior judge."

41 10. Page 46, by inserting after line 10 the
42 following:

43 "Sec. ____ . Section 602.9204, Code 1991, is amended
44 by adding the following new unnumbered paragraph:

45 NEW UNNUMBERED PARAGRAPH. If a senior judge
46 becomes a senior judge pursuant to section 602.9203A,
47 notwithstanding any other provision to the contrary,
48 the state shall also continue to pay the state's share
49 of other insurance premiums for programs in which the
50 judge was a participant at the time of retirement and

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1 in which the state made contributions, including but
2 not limited to life insurance, dental insurance, and
3 disability insurance, until the senior judge attains
4 the age of sixty-five, is stricken from the roster of
5 senior judges as provided in section 602.9208, or
6 dies."

7- 11. Page 46, by inserting after line 20 the
8 following:

9 "Sec. ____ . Section 602.9206, unnumbered paragraph
10 2, Code 1991, is amended to read as follows:

11 A senior judge also shall be available to serve in
12 the capacity of administrative law judge under chapter
13 17A upon the request of an agency, and the supreme
14 court may assign a senior judge for temporary duties
15 as an administrative law judge. A senior judge shall
16 not be required to serve a period of time as an
17 administrative law judge which, when added to the
18 period of time being served by the person as a judge,
19 if any, would exceed the maximum period of time the
20 person agreed to serve pursuant to section 602.9203,
21 subsection 2, or section 602.9203A, subsection 2.

22 Sec. ____ . Section 602.9208, subsection 1, Code
23 1991, is amended to read as follows:

24 1. A senior judge, at any time prior to the end of
25 the twelve-month period during which the judge attains
26 seventy-eight years of age, may submit to the clerk of
27 the supreme court a written request that the judge's
28 name be stricken from the roster of senior judges.
29 Upon the receipt of the request the clerk shall strike
30 the name of the person from the roster of senior
31 judges, at which time the person shall cease to be a
32 senior judge. A person who relinquishes a senior
33 judgeship as provided in this subsection may be
34 assigned to temporary judicial duties as provided in
35 section 602.1612. However, if a senior judge who
36 became a senior judge in accordance with section
37 602.9203A requests to be stricken from the roster of
38 senior judges prior to completing service for at least
39 three consecutive twelve-month periods, the senior
40 judge shall not be entitled to any additional benefits
41 for service pursuant to this part unless the supreme
42 court determines that the senior judge's health would
43 not permit completion of three consecutive twelve-
44 month periods. If the supreme court determines that
45 the senior judge's health permits continued service
46 for the remainder of the three twelve-month periods
47 and the senior judge still wishes to discontinue
48 service, the supreme court shall determine and the
49 senior judge shall refund to the state the amount of
50 any additional benefits which the senior judge has

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1 received pursuant to this part, including but not
2 limited to the payment of insurance premiums by the
3 state on behalf of the senior judge.

4 Sec. ____ . Section 602.9208, subsection 3, Code
5 1991, is amended to read as follows:

6 3. A Except as otherwise provided in subsection 1,
7 a person who relinquishes a senior judgeship in the
8 manner provided in subsection 1 shall be paid a
9 retirement annuity that commences on the effective
10 date of the relinquishment and shall be based upon the
11 number of years the person served as a senior judge.
12 A person who serves six or more years as a senior
13 judge shall be paid a retirement annuity that is in an
14 amount equal to the amount of the annuity the person
15 is receiving on the effective date of the
16 relinquishment in lieu of an amount determined
17 according to section 602.9204. If the person serves
18 less than six years as a senior judge, the person
19 shall be paid a retirement annuity that is in an
20 amount equal to an amount determined according to
21 section 602.9107 added to an amount equal to the
22 number of years the person served as a senior judge,
23 divided by six, multiplied by the difference between
24 the amount of the annuity the person is receiving on
25 the effective date of the relinquishment and the
26 amount determined according to section 602.9107. A
27 person who is removed from a senior judgeship as
28 provided in subsection 2 shall be paid a retirement
29 annuity that commences on the effective date of the
30 removal and is in an amount determined according to
31 section 602.9107 in lieu of section 602.9204, and any
32 service and annuity of the person as a senior judge is
33 disregarded."

34 12. Page 47, by striking lines 25 through 35, and
35 inserting the following:

36 "Sec. ____ . SENIOR JUDGES -- EFFECTIVE DATE --
37 IMPLEMENTATION.

38 1. Section 100 of this Act takes effect January 1,
39 1993.

40 2. Notwithstanding the amendments to section
41 602.9204 contained in section 100 of this Act, all
42 judges whose names are entered on the roster of senior
43 judges pursuant to section 602.9203, subsection 3, as
44 of December 31, 1992, and all persons who are retired
45 senior judges as of December 31, 1992, shall continue
46 to receive an annuity calculated pursuant to section
47 602.9204, Code 1991, and shall not be subject to the
48 amendments to that section contained in this Act.
49 This Act shall not be construed in a manner which
50 reduces benefits to persons who participated as senior

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1 judges prior to January 1, 1993."

2 13. Page 48, line 1, by striking the figure

3 "97B.66,".

4 14. Page 48, by inserting after line 15 the

5 following:

6 "_____. The section of this Act which amends section

7 411.38, subsection 2, being deemed of immediate

8 importance, takes effect upon enactment and applies

9 retroactively to January 1, 1992."

10 15. By renumbering, relettering, or redesignating

11 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-5834 FILED APRIL 9, 1992

Have amended (S. 961B) & concurred 4/20 (S. 1638).

Blanshan Chair
Carpenter
Conners
Hanson of Delaware
Knapp
Lundby
Revard

HSB 721

Now STATE GOVERNMENT

HOUSE FILE 2450
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 public retirement systems and administration
2 and benefits of the Iowa public employees' retirement system,
3 including penalties, and providing effective and retroactive
4 applicability dates.

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

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1 Section 1. Section 97A.6, subsection 7, paragraphs a and
2 b, Code Supplement 1991, are amended to read as follows:

3 a. Should any beneficiary for either ordinary or
4 accidental disability, except a beneficiary who is fifty-five
5 years of age or over and would have completed twenty-two years
6 of service if the beneficiary had remained in active service,
7 be engaged in a gainful occupation paying more than the
8 difference between the member's retirement allowance and one
9 and one-half times the current earnable compensation of an
10 active member at the same position on the salary scale within
11 the member's rank as the member held at retirement, then the
12 amount of the retirement allowance shall be reduced to an
13 amount which together with the amount earned by the member
14 shall equal one and one-half times the amount of the current
15 earnable compensation of an active member at the same position
16 on the salary scale within the member's rank as the member
17 held at retirement. Should the member's earning capacity be
18 later changed, the amount of the retirement allowance may be
19 further modified, provided, that the new retirement allowance
20 shall not exceed the amount of the retirement allowance
21 originally granted adjusted by annual readjustments of
22 pensions pursuant to subsection ~~5~~ 14 of this section nor an
23 amount which, when added to the amount earned by the
24 beneficiary, equals one and one-half times the amount of the
25 current earnable compensation of an active member at the same
26 position on the salary scale within the member's rank as the
27 member held at retirement. A beneficiary restored to active
28 service at a salary less than the average final compensation
29 upon the basis of which the member was retired at age fifty-
30 five or greater, shall not again become a member of the
31 retirement system and shall have the member's retirement
32 allowance suspended while in active service. If the rank or
33 position held by the retired member is subsequently abolished,
34 adjustments to the allowable limit on the amount of income
35 which can be earned in a gainful occupation shall be computed

1 in the same manner as provided in subsection 15 14, paragraph
2 "d7" "c", of this section for readjustment of pensions when a
3 rank or position has been abolished. If the salary scale
4 associated with a member's rank at retirement is changed after
5 the member retires, earnable compensation for purposes of this
6 section shall be based upon the salary an active member
7 currently would receive at the same rank and with seniority
8 equal to that of the retired member at the time of retirement.

9 A beneficiary retired under the provisions of this
10 paragraph in order to be eligible for continued receipt of
11 retirement benefits shall no later than May 15 of each year
12 submit to the board of trustees a copy of the beneficiary's
13 state income tax return for the preceding year.

14 Retroactive to July 1, 1976, the limitations on pay of a
15 member engaged in a gainful occupation who is retired under
16 accidental disability prescribed in this paragraph shall not
17 apply to a member who retired before July 1, 1976.

18 b. Should a disability beneficiary under age fifty-five be
19 restored to active service at a compensation not less than the
20 disability beneficiary's average final compensation, the
21 disability beneficiary's retirement allowance shall cease, the
22 disability beneficiary shall again become a member and shall
23 contribute thereafter at the same rate ~~paid-prior-to~~
24 disability payable by other members of comparable rank,
25 seniority, and age, and former service on the basis of which
26 the disability beneficiary's service was computed at the time
27 of retirement shall be restored to full force and effect and
28 upon. Upon subsequent retirement the disability beneficiary
29 shall be credited with all service as a member, and also with
30 the period of disability retirement.

31 Sec. 2. Section 97A.6, subsection 9, unnumbered paragraph
32 1, Code Supplement 1991, is amended to read as follows:

33 If, upon the receipt of evidence and proof that the death
34 of a member in service was the natural and proximate result of
35 an accident, disease, or exposure occurring or aggravated at

1 some definite time and place while the member was in the
2 actual performance of duty, the board of trustees shall decide
3 that death was so caused in the performance of duty there
4 shall be paid, in lieu of the ordinary death benefit provided
5 in subsection 8 of this section, to the member's estate or to
6 such person having an insurable interest in the member's life
7 as the member shall have nominated by written designation duly
8 executed and filed with the board of trustees:

9 Sec. 3. Section 97B.4, unnumbered paragraph 1, Code 1991,
10 is amended to read as follows:

11 The department, through the administrator, shall administer
12 this chapter. The department may adopt, amend, or rescind
13 rules, employ persons, execute contracts with outside parties,
14 make expenditures, require reports, make investigations, and
15 take other action it deems necessary for the administration of
16 the system. The rules shall be effective upon compliance with
17 chapter 17A. Not later than the fifteenth day of December of
18 each year, the department shall submit to the governor a
19 report covering the administration and operation of this
20 chapter during the preceding fiscal year and shall make
21 recommendations for amendments to this chapter. The report
22 shall include a balance sheet of the moneys in the Iowa public
23 employees' retirement fund.

24 Sec. 4. Section 97B.5, Code 1991, is amended to read as
25 follows:

26 97B.5 STAFF.

27 Subject to other provisions of this chapter, the department
28 may employ personnel as necessary for the administration of
29 the system. The maximum number of full-time equivalent
30 employees specified by the general assembly for the department
31 for administration of the system for a fiscal year shall not
32 be reduced by any authority other than the general assembly.
33 The staff shall be appointed pursuant to chapter 19A. The
34 department shall not appoint or employ a person who is an
35 officer or committee member of a political party organization

1 or who holds or is a candidate for an elective public office.
2 The department may employ attorneys and contract with
3 attorneys and legal firms for the provision of legal counsel
4 and advice in the administration of this chapter, chapter 97C,
5 and chapter 12A. The department may execute contracts with
6 investment advisors, consultants, and managers outside state
7 government in the administration of this chapter and chapter
8 12A. The department may delegate to any person such authority
9 as it deems reasonable and proper for the effective
10 administration of this chapter, and may bond any person
11 handling moneys or signing checks under this chapter.

12 Sec. 5. Section 97B.6, Code 1991, is amended to read as
13 follows:

14 97B.6 OLD RECORDS.

15 The department may destroy or dispose of such original
16 reports or records as have been properly recorded or
17 summarized in the permanent records of the department and are
18 deemed by the director ~~and-state-records-commission~~ to be no
19 longer necessary to the proper administration of this chapter.
20 Such The destruction or disposition shall be made only by
21 order of the director. Records of deceased members of the
22 system may be destroyed ten years after the later of the final
23 payment made to a third party on behalf of the member or the
24 death of the member. Any moneys received from the disposition
25 of such these records shall be deposited to the credit of the
26 public employees' retirement fund subject to rules promulgated
27 adopted by the department.

28 Sec. 6. Section 97B.7, subsection 3, Code 1991, is amended
29 to read as follows:

30 3. All moneys which are paid or deposited into this fund
31 are hereby appropriated and made available to the department
32 to be used ~~only-for-the-purposes-herein~~ for the exclusive
33 benefit of the members and their beneficiaries or contingent
34 annuitants as provided in this chapter:

35 a. To be used by the department for the payment of

1 retirement claims for benefits under this chapter, ~~or such~~
2 ~~other purposes as may be authorized by the general assembly.~~

3 b. To be used by the department to pay refunds provided
4 for in this chapter.

5 c. To be used for the costs of administering the
6 retirement system. If as a result of action under section
7 8.31, the governor has reduced the moneys appropriated from
8 the Iowa public employees' retirement system fund to the
9 department of personnel for salaries, support, maintenance,
10 and other operational purposes to pay the costs of the Iowa
11 public employees' retirement system for a fiscal year, the
12 amount by which the appropriation has been reduced is
13 appropriated from that fund to the department of personnel for
14 salaries, support, maintenance, and other operational purposes
15 to pay the costs of the Iowa public employees' retirement
16 system for that fiscal year.

17 Sec. 7. Section 97B.8, unnumbered paragraph 2, Code
18 Supplement 1991, is amended to read as follows:

19 The board consists of nine members. Six of the members
20 shall be appointed by the governor. One member shall be an
21 executive of a domestic life insurance company, one an
22 executive of a state or national bank operating within the
23 state of Iowa, one an executive of ~~a major~~ an industrial
24 corporation located within the state of Iowa, and three shall
25 be members of the system, one of whom ~~shall be~~ is an active
26 member who is an employee of a school district, area education
27 agency, or merged area, one of whom ~~shall be~~ is an active
28 member who is not an employee of a school district, area
29 education agency, or merged area, and one of whom is a retired
30 member of the system. The president of the senate, after
31 consultation with the majority leader and the minority leader
32 of the senate, shall appoint one member from the membership of
33 the senate and the speaker of the house of representatives
34 shall appoint one member from the membership of the house.
35 The two members appointed by the president of the senate,

1 after consultation with the majority leader and the minority
2 leader of the senate, and the speaker of the house of
3 representatives and the two active members of the system
4 appointed by the governor are ex officio members of the board.
5 The director of the department of personnel is an ex officio,
6 nonvoting member of the board.

7 Sec. 8. Section 97B.10, Code 1991, is amended to read as
8 follows:

9 97B.10 REFUNDS.

10 ~~In-any-case-in-which~~ If the department finds the employee
11 or employer has, or both, have erroneously paid contributions
12 ~~thereon-which-have-been-erroneously-paid,-and-has-filed~~
13 ~~application-for-an-adjustment-thereof,~~ the department shall
14 make such an adjustment, compromise, or settlement and make
15 such a refund of such payments to the employee or employer, or
16 both, as it finds just and equitable ~~in-the-premises~~. Refunds
17 so made shall be charged to the fund to which the erroneous
18 collections have been credited and shall be paid to the
19 ~~claimant~~ employee or employer, or both, without interest. Any
20 A claim of an employee or employer for such a refund shall be
21 made within three years of date of payment ~~and-not-thereafter~~.
22 However, the department may make refund payments to employees
23 or employers after the expiration of the three-year deadline
24 if the department finds that the payment of the refund is just
25 and equitable.

26 Sec. 9. Section 97B.11, Code 1991, is amended to read as
27 follows:

28 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

29 Each employer shall deduct from the wages of each member of
30 the system a contribution in the amount of ~~three-and-six-~~
31 ~~tenths-percent-of-the-covered-wages-paid-by-the-employer~~
32 ~~through-June-30,-1979,-and-commencing-July-1,-1979-in-the~~
33 amount of three and seven-tenths percent of the covered wages
34 paid by the employer, until the member's termination or
35 retirement from employment, whichever is earlier. The

1 contributions of the employer shall be in the amount of three
2 ~~and one-half percent of the covered wages of the member for~~
3 ~~service through December 31, 1975, and in the amount of five~~
4 ~~and twenty-five hundredths percent of the covered wages of the~~
5 ~~member for service commencing July 1, 1977, through June 30,~~
6 ~~1979, and in the amount of~~ five and seventy-five hundredths
7 percent of the covered wages of the member for service
8 commencing July 1, 1979.

9 Sec. 10. Section 97B.17, unnumbered paragraph 1, Code
10 1991, is amended to read as follows:

11 The department shall establish and maintain records of each
12 member, including but not limited to, the amount of wages of
13 each member, the contribution of each member with interest,
14 and interest dividends credited, ~~and these.~~ These records are
15 the basis for the compilation of the retirement benefits
16 provided under this chapter. The following records maintained
17 under this chapter containing personal identifiable
18 information are not public records for the purposes of chapter
19 22:

20 Sec. 11. Section 97B.18, Code 1991, is amended to read as
21 follows:

22 97B.18 STATEMENT OF ACCUMULATED CREDIT.

23 After the expiration of each calendar year and prior to
24 July 1 of the succeeding year, the department shall furnish
25 each member with a statement of the member's accumulated
26 contributions and benefit credits accrued under this chapter
27 up to the end of ~~such~~ that calendar year and additional
28 information the department deems useful to a member. The
29 department may furnish an estimate of ~~such~~ the credits as of
30 the projected normal retirement date of the member under
31 section 97B.45. The department shall mail ~~such~~ the statement
32 to each employer not later than June 30 of the succeeding
33 calendar year. The employer shall distribute ~~such~~ the
34 statements to its employees, and the records of the department
35 as shown by ~~said~~ the statement as to the wages of ~~such~~ each

1 individual member for such a year and the periods of payment
2 shall be conclusive for the purpose of this chapter, except as
3 hereinafter otherwise provided in this chapter.

4 Effective for the calendar year beginning January 1, 1994,
5 the department may transmit the statements directly to the
6 members in lieu of mailing them to the employers.

7 Sec. 12. NEW SECTION. 97B.20A APPEAL PROCEDURE.

8 Members and third-party payees may appeal any decision made
9 by the department that affects their rights under this
10 chapter. The appeal shall be filed with the department within
11 thirty days after the notification of the decision was mailed
12 to the party's last known mailing address, or the decision of
13 the department is final. If the party appeals the decision of
14 the department, the department shall conduct an internal
15 review of the decision and the chief benefits officer shall
16 notify the individual who has filed the appeal in writing of
17 the department's decision. The individual who has filed the
18 appeal may file an appeal of the department's final decision
19 with the department under chapter 17A by notifying the
20 department of the appeal in writing within thirty days after
21 the notification of its final decision was mailed to the
22 party's last known mailing address. Once notified, the
23 department shall forward the appeal to the department of
24 inspections and appeals.

25 Sec. 13. NEW SECTION. 97B.20B HEARING BY ADMINISTRATIVE
26 LAW JUDGE.

27 If an appeal is filed and is not withdrawn, an
28 administrative law judge in the department of inspections and
29 appeals, after affording the parties reasonable opportunity
30 for fair hearing, shall affirm, modify, or reverse the
31 decision of the department. The hearing shall be recorded by
32 mechanical means and a transcript of the hearing shall be
33 made. The transcript shall then be made available for use by
34 the employment appeal board and by the courts at subsequent
35 judicial review proceedings under the Iowa administrative

1 procedure Act, if any. The parties shall be duly notified of
2 the administrative law judge's decision, together with the
3 administrative law judge's reasons. The decision is final
4 unless, within thirty days after the date of notification or
5 mailing of the decision, review by the employment appeal board
6 is initiated pursuant to section 97B.27.

7 Sec. 14. Section 97B.22, Code 1991, is amended to read as
8 follows:

9 97B.22 WITNESSES AND EVIDENCE.

10 For the purpose of any hearing, investigation, or other
11 proceeding authorized or directed under this chapter, or
12 relative to any other matter within its jurisdiction hereunder
13 under this chapter, the department or ~~appeal-referee-shall~~
14 ~~have-the-power-to~~ administrative law judge may issue subpoenas
15 requiring the attendance and testimony of witnesses and the
16 production of any evidence that relates to any matter under
17 investigation or in question before the ~~commission~~ department.
18 ~~Such-attendance~~ Attendance of witnesses and production of
19 evidence at the designated place of ~~such~~ the hearing,
20 investigation, or other proceedings may be required from any
21 political subdivision in the state. Subpoenas of the
22 department shall be served by anyone authorized by it ~~(1)~~ by
23 delivering a copy ~~thereof~~ of the subpoena to the individual
24 named ~~therein~~ in it, or ~~(2)~~ by certified mail addressed to
25 ~~such~~ the individual at the individual's last known dwelling
26 place or principal place of business. A verified return by
27 the individual ~~so~~ serving the subpoena setting forth the
28 manner of service, or, in the case of service by certified
29 mail, the return post-office receipt ~~therefor~~ signed by the
30 individual ~~so~~ served, shall be proof of service. Witnesses ~~so~~
31 subpoenaed shall be paid the same fees and mileage as are paid
32 witnesses in the district courts of the state of Iowa. In the
33 discharge of the duties imposed by this chapter, the
34 ~~chairperson-or-an-appeal-referee~~ department or an
35 administrative law judge and any duly authorized

1 representative or member of the department ~~shall have power to~~
2 may administer oaths and affirmations, take depositions,
3 certify to official acts, and issue subpoenas to compel the
4 attendance of witnesses and the production of books, papers,
5 correspondence, memoranda, and other records deemed necessary
6 as evidence in connection with the administration of this
7 chapter.

8 Sec. 15. Section 97B.23, Code 1991, is amended to read as
9 follows:

10 97B.23 PENALTY FOR ~~CONTUMACY~~ NONCOMPLIANCE.

11 In case of ~~contumacy-by~~ or refusal to obey a subpoena duly
12 served upon any person, any district court of the state of
13 Iowa for the district in which ~~said~~ the person charged with
14 ~~contumacy-or~~ refusal to obey is found or resides or transacts
15 business, upon application by the department, ~~shall have~~
16 ~~jurisdiction-to~~ may issue an order requiring ~~such~~ that person
17 to appear and give testimony, or to appear and produce
18 evidence, or both. Any failure to obey ~~such~~ the order of the
19 court may be punished by ~~said~~ the court as contempt thereof.

20 Sec. 16. Section 97B.25, Code 1991, is amended to read as
21 follows:

22 97B.25 APPLICATIONS FOR BENEFITS.

23 A representative designated by the administrator and
24 referred to in this chapter as a retirement benefits deputy
25 specialist, shall promptly examine applications for retirement
26 benefits and on the basis of facts found shall determine
27 whether or not the claim is valid and if valid, the month with
28 respect to which benefits shall commence, the monthly benefit
29 amount payable, and the maximum duration. The deputy shall
30 promptly notify the applicant and any other interested party
31 of the decision and the reasons. Unless the applicant or
32 other interested party, within thirty calendar days after the
33 notification was mailed to the applicant's or party's last
34 known address, files an appeal ~~to an administrative law judge~~
35 ~~in the department of inspections and appeals~~ as provided in

1 section 97B.20A, the decision is final and benefits shall be
2 paid or denied in accord with the decision.

3 Sec. 17. Section 97B.34, Code 1991, is amended to read as
4 follows:

5 97B.34 PAYMENT TO INCOMPETENTS REPRESENTATIVES.

6 When it appears to the department that the interest of an
7 applicant entitled to a payment would be served thereby,
8 certification of payment may be made, regardless of the legal
9 competency or incompetency of the individual entitled thereto
10 to the payment, either for direct payment to such the
11 applicant, or for the applicant's use and benefit to a
12 relative-or-some-other-person representative of an applicant.
13 The department may adopt rules under chapter 17A for making
14 payments to a representative of an applicant if the department
15 determines that it can sufficiently safeguard the member's
16 rights under this chapter.

17 Sec. 18. NEW SECTION. 97B.34A PAYMENT TO MINORS.

18 The department may make payments to a minor, as defined in
19 section 599.1, as follows:

20 1. If the total sum to be paid to the minor is less than
21 ten thousand dollars, the funds may be paid to an adult as
22 custodian for the minor. The custodian must complete the
23 proper forms as determined by the department.

24 2. If the total sum to be paid to the minor is equal to or
25 more than ten thousand dollars, the funds must be paid to a
26 court-established conservator. The department shall not make
27 payment until the conservatorship has been established and the
28 department has received the appropriate documentation.

29 3. Interest shall be paid on the funds, at a rate
30 determined by the department, until disbursement of the funds.

31 If the department makes payments to a minor pursuant to
32 this section, the department may make payments directly to the
33 person when the person attains the age of eighteen or is
34 declared to be emancipated by a court of competent
35 jurisdiction.

1 Sec. 19. Section 97B.41, subsection 1, paragraph a,
2 unnumbered paragraph 1, Code 1991, is amended to read as
3 follows:

4 "Wages" means all remuneration for employment, including
5 the cash value of remuneration paid in a medium other than
6 cash, but not including the cash value of remuneration paid in
7 a medium other than cash as necessitated by the convenience of
8 the employer. The amount agreed upon by the employer and
9 employee for remuneration paid in a medium other than cash
10 shall be reported to the department by the employer and is
11 conclusive of the value of the remuneration. ~~However,~~
12 ~~remuneration-which-does-not-equal-or-exceed-the-sum-of-three~~
13 ~~hundred-dollars-in-a-calendar-quarter-shall-be-excluded.~~
14 "Wages" does not include special lump sum payments made as
15 payment for accrued sick leave or accrued vacation or payments
16 made as an incentive for early retirement or as payments made
17 upon dismissal, severance, or a special bonus payment. Wages
18 for an elected official means the salary received by an
19 elected official, exclusive of expense and travel allowances.

20 Sec. 20. Section 97B.41, subsection 1, paragraph b,
21 subparagraph (12), Code 1991, is amended to read as follows:

22 (12) Effective July 1, ~~1988~~ 1992, covered wages does not
23 include wages to a member on or after the effective date of
24 the member's retirement unless the member is reemployed, as
25 provided under section ~~97B.487-subsection-3~~ 97B.48A.

26 Sec. 21. Section 97B.41, subsection 2, Code 1991, is
27 amended to read as follows:

28 2. "Employment for any calendar quarter" means any service
29 performed under an employer-employee relationship under the
30 ~~provisions-of this chapter if-the-remuneration-equals-or~~
31 ~~exceeds-three-hundred-dollars~~ for which wages are reported in
32 the calendar quarter. For the purposes of this chapter,
33 elected officials are deemed to be in employment for all
34 quarters of the elected officials' respective terms of office,
35 even if the elected officials have selected a method of

1 payment of wages which results in the elected officials not
2 being credited with wages every quarter of a year.

3 Sec. 22. Section 97B.41, subsection 3, paragraph a,
4 unnumbered paragraph 1, Code 1991, is amended to read as
5 follows:

6 "Employer" means the state of Iowa, the counties,
7 municipalities, and agencies, public school districts, and all
8 ~~of-the~~ political subdivisions, and all of their departments
9 and instrumentalities, including joint planning commissions
10 created under ~~the-provisions-of~~ chapter 28I.

11 Sec. 23. Section 97B.41, subsection 3, paragraph b,
12 unnumbered paragraph 1, and subparagraphs (1), (2), (3), (4),
13 (5), and (7), Code 1991, are amended to read as follows:

14 "Employee" means any an individual who is in-employment
15 employed as defined in this chapter, except:

16 (1) Elective officials in positions for which the
17 compensation is on a fee basis, elective officials of school
18 districts, elective officials of townships, and elective
19 officials of other political subdivisions who are in part-time
20 positions, unless the elective official makes an application
21 to the department to be covered under this chapter. An
22 elective official who made an application to the department to
23 be covered under this chapter may terminate membership under
24 this chapter by informing the department in writing of the
25 expiration of the member's termination term of office. A
26 county attorney is an employee for purposes of this chapter
27 whether that county attorney is employed on a full-time or
28 part-time basis.

29 (1A) Individuals who are enrolled as students and whose
30 primary occupations are as students who are incidentally
31 employed by employers.

32 (1B) Graduate medical students while serving as interns or
33 resident doctors in training at any hospital, or county
34 medical examiners and deputy county medical examiners under
35 chapter 331, division V, part 8.

1 (2) Members of the general assembly of Iowa and temporary
2 employees of the general assembly of Iowa, unless such members
3 or employees ~~shall~~ make an application to the department to be
4 covered under ~~the-provisions-of~~ this chapter. A member of the
5 general assembly ~~or-temporary-employee-of-the-general-assembly~~
6 who made an application to the department to be covered under
7 this chapter may terminate membership under this chapter by
8 informing the department in writing of the member's ~~or~~
9 ~~temporary-employee's-termination~~ intent to terminate.

10 Temporary employees of the general assembly who have
11 elected coverage under this chapter may terminate membership
12 by sending written notification to the department of their
13 separation from service.

14 (3) Employees Nonvested employees of drainage and levee
15 districts ~~not-vested~~, unless ~~such-drainage-and-levee-districts~~
16 ~~shall~~ those employees make an application to the department to
17 be covered under ~~the-provisions-of~~ this chapter. However, ~~any~~
18 ~~drainage-or-levee-district-which-has-made-contributions~~
19 ~~against-which-no-application-for-benefits-has-been-made-shall~~
20 ~~be-entitled-to-withdraw-all-such-contributions-by-making~~
21 ~~application-to-the-department-prior-to-December-31, 1969.~~
22 ~~Each-drainage-or-levee-district-which-withdraws-its~~
23 ~~contributions-shall-refund-to-its-employees-contributions~~
24 ~~deducted-from-their-wages.~~

25 (4) Employees hired for temporary employment of six months
26 months' or less duration. An employee who works for an
27 employer for six or more months in a calendar year or who
28 works for an employer for more than one thousand forty hours
29 in a calendar year is not a temporary employee under this sub-
30 paragraph.

31 (5) Employees of a community action programs program,
32 determined to be an instrumentality of the state or a
33 political subdivision, unless such the employees elect by
34 filing an application with the department to be covered under
35 the-provisions-of this chapter and the department has approved

1 the election. Coverage will begin when the election has been
2 approved by the department.

3 (7) Persons employed under the federal Job Training
4 Partnership Act of 1982, Pub. L. No. 97-300, unless these
5 employees make an application to the department to be covered
6 under this chapter and the department has approved the
7 election. Coverage will begin when the election has been
8 approved by the department.

9 Sec. 24. Section 97B.41, subsection 7, Code 1991, is
10 amended to read as follows:

11 7. "Member" means an employee or a former employee
12 ~~required-to-become-a-member-of-the-system-by-sections-97B-42~~
13 ~~and-97B-43~~ who maintains the employee's or former employee's
14 accumulated contributions in the system. The former employee
15 is not a member if the former employee has received a refund
16 of the former employee's accumulated contributions.

17 Sec. 25. Section 97B.41, subsection 10, paragraph a,
18 unnumbered paragraph 1, Code 1991, is amended to read as
19 follows:

20 "Vested member" means a member ~~who-meets~~ who has attained
21 through age or sufficient years of service eligibility to
22 receive monthly retirement benefits upon the member's
23 retirement. A vested member must meet one of the following
24 requirements:

25 Sec. 26. Section 97B.41, subsection 11, Code 1991, is
26 amended to read as follows:

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

33 Sec. 27. Section 97B.41, Code 1991, is amended by adding
34 the following new subsection:

35 NEW SUBSECTION. 11A. "Bona fide retirement" means a

1 retirement by a vested member which meets the requirements of
2 section 97B.52A, subsection 1, and in which the member is
3 eligible to receive benefits under this chapter.

4 Sec. 28. Section 97B.41, subsections 16 and 17, Code 1991,
5 are amended to read as follows:

6 16. "Beneficiary" means the person or persons who are
7 entitled to receive any benefits payable under this chapter at
8 the death of a member payable-under-this-chapter-who-has-or,
9 if the person or persons have been designated in-writing-by
10 the-member on a form provided by the department and filed with
11 the department -or-if. If no such designation is in effect at
12 the time of death of the member or if no person so designated
13 is living at that time, then the beneficiary ~~shall-be~~ is the
14 estate of the member.

15 17. "Membership service" means service rendered by a
16 member after July 4, 1953. Years of membership service shall
17 be counted to the complete quarter calendar year. However,
18 membership service for a calendar year shall not include more
19 than four quarters.

20 Sec. 29. Section 97B.41, subsection 19, Code 1991, is
21 amended to read as follows:

22 19. "Three-year average covered wage" means a member's
23 covered wages averaged for the highest three years of the
24 member's service, except as otherwise provided in this
25 subsection. The highest three years of a member's covered
26 wages shall be determined using calendar years. However, if a
27 member's final quarter of a year of employment does not occur
28 at the end of a calendar year, the department may determine
29 the wages for the third year by combining the wages from the
30 highest quarter or quarters not being used in the selection of
31 the two highest years with the final quarter or quarters of
32 the member's service to create a full year. However, the
33 department shall not use the member's final quarter of wages
34 if using that quarter would reduce the member's three-year
35 average covered wage. If the three-year average covered wage

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

6 Sec. 30. Section 97B.42, unnumbered paragraph 1, Code
7 1991, is amended to read as follows:

8 Each employee whose employment commences after July 4,
9 1953, or who has not qualified for credit for prior service
10 rendered prior to July 4, 1953, or any publicly elected
11 official of the state or any of its political subdivisions,
12 ~~other-than-individuals-who-are-students-and-who-devote-their~~
13 ~~time-and-efforts-chieflly-to-their-studies,-rather-than-to~~
14 ~~incidental-employment,~~ shall become a member upon the first
15 day in which such employee is employed. The employee shall
16 continue to be a member so long as the employee continues in
17 public employment ~~except-that-the.~~ The employee shall cease
18 to be a member if ~~after-making-said-election~~ the employee
19 joins another retirement system in the state which is
20 maintained in whole or in part by public contributions or
21 payments ~~which-has-been-in-operation-prior-to-July-4,-1953,~~
22 ~~and-was-subsequently-liquidated-and-may-have-thereafter-been~~
23 ~~re-established. However,-the-participation-in-such-other~~
24 ~~retirement-system-shall-be-voluntary-and-shall-not-be-a~~
25 ~~condition-for-continuance-of-employment;~~

26 Sec. 31. Section 97B.42, unnumbered paragraph 5, Code
27 1991, is amended to read as follows:

28 Notwithstanding any other provision of this section,
29 commencing July 1, 1994, a member who is employed by a
30 community college may elect coverage under an alternative
31 retirement benefits system, which is issued by or through a
32 nonprofit corporation issuing retirement annuities exclusively
33 to educational institutions and their employees, in lieu of
34 continuing or commencing contributions to the Iowa public
35 employees' retirement system, if the board of directors of the

1 community college has approved the alternative system pursuant
2 to section 280A.23. However, ~~a vested member who elects to~~
3 ~~participate in the alternative benefits system does not have a~~
4 ~~right to withdraw funds from the member's Iowa public~~
5 ~~employees' retirement system account prior to retirement or~~
6 ~~termination of covered employment~~ A member employed by a
7 community college who elects coverage under an alternative
8 retirement benefits system may withdraw the member's
9 accumulated contributions effective when coverage under the
10 alternative benefits system commences. The department shall
11 cooperate with the boards of directors of the community
12 colleges to facilitate the implementation of this unnumbered
13 paragraph provision.

14 Sec. 32. Section 97B.43, unnumbered paragraph 1, Code
15 1991, is amended to read as follows:

16 Each member in service on July 4, 1953, who made
17 contributions under the abolished system, and who has not
18 applied for and qualified for benefit payments under the
19 abolished system, shall receive credit for years of prior
20 service in the determination of retirement allowance payments
21 under ~~any of the provisions of~~ this chapter, ~~provided (1) such~~
22 if the member elects to become a member on or before October
23 1, 1953, ~~(2) such~~ the member has not made application for a
24 refund of ~~such~~ the part of the member's contributions under
25 the abolished system ~~as is~~ which are payable under the
26 ~~provisions of~~ sections 97.50 to 97.53, and ~~(3) such~~ the member
27 gives written authorization prior to October 1, 1953, to the
28 commission to credit to the retirement fund the amount of the
29 member's contribution which would be subject to a claim for
30 refund. The amount so credited shall, after ~~such~~ transfer, be
31 considered as a contribution to the system made as of July 4,
32 1953, by the member and shall be included ~~as such~~ in the
33 determination of the amount of ~~any accumulated contributions~~
34 ~~payable under this chapter in the event of the death prior to~~
35 ~~retirement or termination of employment of the member, but~~

1 ~~shall not be included in the accumulated contributions of the~~
2 ~~member in the determination of the amount of any retirement~~
3 ~~allowance payable under this chapter~~ moneys payable under this
4 chapter. ~~Provided, however~~ However, an employee who was under
5 a contract of employment as a teacher in the public schools of
6 the state of Iowa at the end of the school year 1952-1953, or
7 any person covered by ~~the provisions of~~ paragraph "c" or "d",
8 of subsection 13, of section 97B.41, shall be considered as in
9 service as of July 4, 1953, if they were members of the
10 abolished system.

11 Sec. 33. Section 97B.43, unnumbered paragraph 3, Code
12 1991, is amended to read as follows:

13 Each An individual who, on or after July 1, 1978, was an
14 active, vested, or retired member and who ~~(1)~~ made application
15 for and received a refund of contributions made under the
16 abolished system or ~~(2)~~ has on deposit with the retirement
17 fund contributions made under the abolished system ~~shall be,~~
18 is entitled to credit for years of prior service in the
19 determination of retirement allowance payments by filing a
20 written election with the department on or after July 1, 1978,
21 and by re depositing any withdrawn contributions under the
22 abolished system together with interest as stated in this
23 paragraph. Any An individual who, on or after July 1, 1978,
24 is a retired member and who made application for and received
25 a refund of contributions made under the abolished system,
26 may, by filing a written election with the department on or
27 after July 1, 1978, have the department retain fifty percent
28 of the monthly increase in retiree benefits that will accrue
29 to the individual because of prior service. If the monthly
30 increase in retirement benefits is less than ten dollars, the
31 department shall retain five dollars of the scheduled
32 increase, and if the monthly increase is less than five
33 dollars, ~~the provisions of this paragraph shall~~ increase does
34 not apply. The department shall continue to retain such funds
35 until the withdrawn contributions, together with interest

1 accrued to the month in which the written election is filed,
2 have been repaid. Due notice of this provision shall be sent
3 to all retired members on or after July 1, 1978. However,
4 ~~this paragraph shall not apply to any person who received a~~
5 ~~refund of any membership service contributions unless the~~
6 ~~person repaid the membership service contributions pursuant to~~
7 ~~section 97B.74, but a refund of contributions remitted for the~~
8 ~~calendar quarter ending September 30, 1953 which was based~~
9 ~~entirely upon employment which terminated prior to July 4,~~
10 ~~1953 shall not be considered as a refund of membership service~~
11 ~~contributions.~~ The interest to be paid into the fund shall be
12 compounded at the rates credited to member accounts from the
13 date of payment of the refund of contributions under the
14 abolished system to the date the member redeposits the
15 refunded amount. The provisions of ~~the first paragraph of~~
16 this section relating to the consideration given to credited
17 amounts ~~shall~~ for members in service on July 4, 1953, apply to
18 the redeposited amounts or to amounts left on deposit.
19 Effective July 1, 1978, ~~the provisions of this paragraph shall~~
20 apply section applies to each individual who on or after July
21 1, 1978, was an active, vested, or retired member, but who was
22 not in service on July 4, 1953. The period for filing the
23 written election with the department and redepositing any
24 withdrawn contributions together with interest accrued shall
25 commence July 1, 1978. A member who is a retired member on or
26 after July 1, 1978, may file a written election with the
27 department on or after July 1, 1978, to have the department
28 retain fifty percent of the monthly increase as provided in
29 ~~this paragraph~~ retiree benefits in the manner provided in this
30 section.

31 Sec. 34. Section 97B.44, Code 1991, is amended to read as
32 follows:

33 97B.44 BENEFICIARY.

34 Each member shall designate on a form to be furnished by
35 the department a beneficiary for any death benefits payable

1 hereunder under this chapter on the death of such the member.
2 Such The designation may be changed from time to time by the
3 member by filing a new designation with the department. The
4 designation of a beneficiary is not applicable if the member
5 receives a refund of all contributions of the member. If a
6 member who has received a refund of contributions returns to
7 employment, the member shall file a new designation with the
8 department.

9 If a member has not designated a beneficiary on a form
10 furnished by the department, or if there are no surviving
11 designated beneficiaries of a member, death benefits payable
12 under this chapter shall be paid to the member's estate.

13 Sec. 35. Section 97B.48, subsection 2, Code 1991, is
14 amended to read as follows:

15 2. The first monthly payment of a normal retirement
16 allowance shall be paid as of the normal retirement effective
17 date, which date shall be the later of the normal retirement
18 date or the first day of the sixth calendar month preceding
19 the month in which written notice of normal retirement is
20 submitted to the department. Written notice under this
21 section may consist of submission of a completed estimate
22 request form, a completed application for retirement form, or
23 a letter from the member requesting information on retirement
24 benefits, whichever is received first by the department.
25 However, a letter requesting information on benefits or
26 submission of a completed estimate request form is only valid
27 for six months following the date of its receipt by the
28 department, unless during that six-month period the department
29 receives a completed application for retirement form from the
30 member. A retirement allowance may only be provided
31 retroactively for a single six-month period. Payment of an
32 early retirement allowance or an allowance for retirement
33 after the normal retirement date shall be paid as of the
34 effective date of retirement subject to the-provisions-of
35 section 97B.45, 97B.46, or 97B.47. The payments shall be

1 continued thereafter for the lifetime of the retired member
2 except as provided in subsection 3.

3 Sec. 36. Section 97B.48, subsection 3, Code 1991, is
4 amended by striking the subsection and inserting in lieu
5 thereof the following:

6 3. As of the first of the month in which a member attains
7 the age of seventy years, the member may commence receiving a
8 retirement allowance regardless of the member's employment
9 status.

10 Sec. 37. NEW SECTION. 97B.48A REEMPLOYMENT.

11 1. If, after the first day of the month in which the
12 member attains the age of fifty-five years and until the
13 member's sixty-fifth birthday, a member who has a bona fide
14 retirement under this chapter is in regular full-time
15 employment during a calendar year, the member's retirement
16 allowance shall be suspended for as long as the member remains
17 in employment for the remainder of that calendar year.

18 However, effective January 1, 1992, employment is not full-
19 time employment until the member receives remuneration in an
20 amount in excess of seven thousand four hundred forty dollars
21 for a calendar year. Effective the first of the month in
22 which a member attains the age of sixty-five years, a retired
23 member may receive a retirement allowance after return to
24 covered employment regardless of the amount of remuneration
25 received.

26 2. Effective January 1, 1991, a retired member of any age
27 may receive a retirement allowance after return to covered
28 employment, regardless of the amount of remuneration received,
29 if the covered employment consists of holding an elective
30 office.

31 3. Upon a retirement after reemployment, a retired member
32 may have the retired member's retirement allowance
33 redetermined under this section or section 97B.49 or 97B.50,
34 whichever is applicable, based upon the addition of credit for
35 the years of membership service of the employee after

1 reemployment, the covered wage during reemployment, and the
2 age of the employee after reemployment. The member shall
3 receive a single retirement allowance calculated from both
4 periods of membership service, one based on the initial
5 retirement and one based on the second retirement following
6 reemployment. If the total years of membership service and
7 prior service of a member who has been reemployed equals or
8 exceeds thirty, the years of membership service on which the
9 original retirement allowance was based may be reduced by a
10 fraction of the years of service equal to the number of years
11 by which the total years of membership service and prior
12 service exceeds thirty divided by thirty, if this reduction in
13 years of service will increase the total retirement allowance
14 of the member. The additional retirement allowance calculated
15 for the period of reemployment shall be added to the
16 retirement allowance calculated for the initial period of
17 membership service and prior service, adjusted as provided in
18 this subsection. The retirement allowance calculated for the
19 initial period of membership service and prior service shall
20 not be adjusted for any other factor than years of service.
21 The retired member shall not receive a retirement allowance
22 based upon more than a total of thirty years of service.

23 4. The department shall pay to the member the accumulated
24 contributions of the member and to the employer the employer
25 contributions, plus two percent interest plus interest
26 dividends for all completed calendar years, compounded
27 annually, on the covered wages earned by a retired member that
28 are not used in the recalculation of the retirement allowance
29 of a member.

30 Sec. 38. Section 97B.49, subsection 5, unnumbered
31 paragraph 1, Code 1991, is amended to read as follows:

32 Commencing July 1, 1991, the department shall increase the
33 percentage multiplier of the three-year average covered wage
34 by an additional two percent each July 1 until reaching sixty
35 percent of the three-year average covered wage if the annual

1 actuarial valuation of the retirement system indicates for
2 that year that the cost of this increase in the percentage of
3 the three-year average covered wage used in computing
4 retirement benefits can be absorbed within the employer and
5 employee contribution rates in effect under section 97B.11.
6 The two percent increase in the percentage multiplier for a
7 year applies only to the members retiring on or after July 1
8 of the respective year.

9 Sec. 39. Section 97B.49, subsection 5, Code 1991, is
10 amended by adding the following new unnumbered paragraph after
11 unnumbered paragraph 2:

12 NEW UNNUMBERED PARAGRAPH. In accordance with sections
13 97D.1 and 97D.4, it is the intent of the general assembly that
14 once the goal of sixty percent of the three-year average
15 covered wage is attained for a percentage multiplier, the
16 department shall submit to the public retirement systems
17 committee a plan for future benefit enhancements. This plan
18 shall include, but is not limited to, continuation in the
19 increase in the covered wage ceiling until reaching fifty-five
20 thousand dollars for a calendar year, providing for annual
21 adjustments in the annual dividends paid to retired members as
22 provided in section 97B.49, subsection 13, and providing for
23 the indexing of terminated vested members' earned benefits at
24 a rate of three percent per year calculated from the date of
25 termination from covered employment until the date of
26 retirement.

27 Sec. 40. Section 97B.49, subsection 13, Code 1991, is
28 amended to read as follows:

29 13. a. A member who retired from the system between
30 January 1, 1976, and June 30, 1982, or a contingent annuitant
31 or beneficiary of such a member, shall receive with the
32 November ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit
33 payments a retirement dividend equal to one hundred forty
34 percent of the monthly benefit payment the member received for
35 the preceding June, or the most recently received benefit

1 payment, whichever is greater. The retirement dividend does
2 not affect the amount of a monthly benefit payment.

3 b. Each member who retired from the system between July 4,
4 1953, and December 31, 1975, or a contingent annuitant or
5 beneficiary of such a member, shall receive with the November
6 ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit payments
7 a retirement dividend equal to one hundred eighty percent of
8 the monthly benefit payment the member received for the
9 preceding June, or the most recently received benefit payment,
10 whichever is greater. The retirement dividend does not affect
11 the amount of a monthly benefit payment.

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

16 d. A member who retired from the system between July 1,
17 1982, and June 30, 1986, or a contingent annuitant or
18 beneficiary of such a member, shall receive with the November
19 ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit payments
20 a retirement dividend equal to twenty-four percent of the
21 monthly benefit payment the member received for the preceding
22 June, or the most recently received benefit payment, whichever
23 is greater. The retirement dividend does not affect the
24 amount of a monthly benefit payment.

25 e. If the member dies on or after July 1 of the dividend
26 year but before the payment date, the full amount of the
27 retirement dividend for that year shall be paid to the
28 designated beneficiary. If there is no beneficiary designated
29 by the member, the department shall pay the dividend to the
30 member's estate. The beneficiary, or the representative of
31 the member's estate, must apply for the dividend within two
32 years after the dividend is payable or the dividend is
33 forfeited.

34 Sec. 41. Section 97B.49, subsection 16, paragraph a, Code
35 1991, is amended by adding the following new subparagraph:

1 NEW SUBPARAGRAPH. (4) The years of membership service
2 required under this paragraph include membership service as a
3 sheriff or deputy sheriff and membership service as an
4 employee in a protection occupation under paragraph "d",
5 subparagraph (2).

6 Sec. 42. Section 97B.50, subsection 1, unnumbered
7 paragraph 1, Code Supplement 1991, is amended to read as
8 follows:

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

15 Sec. 43. Section 97B.50, subsections 2 and 4, Code
16 Supplement 1991, are amended to read as follows:

17 2. a. A vested member who retires from the system due to
18 disability and commences receiving disability benefits
19 pursuant to the United States Social Security Act (42 U.S.C.),
20 as amended to July 1, 1978, and who has not reached the normal
21 retirement date, shall receive ~~full~~ benefits under section
22 97B.49 and shall not have benefits reduced upon retirement as
23 required under subsection 1 regardless of whether the member
24 has completed thirty or more years of membership service.
25 However, the benefits shall be suspended during any period in
26 which the member returns to covered employment. This section
27 takes effect July 1, 1990, for a member meeting the
28 requirements of this paragraph who retired from the system at
29 any time after July 4, 1953. Eligible members are entitled to
30 the receipt of retroactive adjustment payments back to July 1,
31 1990.

32 b. A vested member who retires from the system due to
33 disability and commences receiving disability benefits
34 pursuant to the United States Railroad Retirement Act (45
35 U.S.C. § 231 et seq.), and who ~~is-eligible-for-early~~

1 retirement-but has not reached the normal retirement date,
2 shall receive full benefits under section 97B.49 and shall not
3 have benefits reduced upon retirement as required under
4 subsection 1 regardless of whether the member has completed
5 thirty or more years of membership service. However, the
6 benefits shall be suspended during any period in which the
7 member returns to covered employment. This section takes
8 effect July 1, 1990, for a member meeting the requirements of
9 this paragraph who retired from the system at any time since
10 July 4, 1953. However, ~~eligible~~ Eligible members are entitled
11 to the receipt of retroactive adjustment payments ~~for no more~~
12 ~~than six months immediately preceding the month after~~ back to
13 July 1, 1990, ~~in which written notice was submitted to the~~
14 department.

15 ~~Effective July 1, 1990, for members terminating on or after~~
16 ~~July 4, 1953, a member who terminates covered employment due~~
17 ~~to disability and commences receiving disability benefits~~
18 ~~pursuant to the United States Railroad Retirement Act (45~~
19 ~~U.S.C. § 231 et seq.), who has not attained the age of fifty-~~
20 ~~five years, is eligible to receive benefits under section~~
21 ~~97B.49, reduced by twenty-five hundredths of one percent for~~
22 ~~each month that the retirement date precedes the first day of~~
23 ~~the month in which the member attains the age of fifty-five.~~
24 ~~However, the benefits shall be suspended during any period in~~
25 ~~which the member returns to covered employment. Eligible~~
26 ~~members are entitled to receipt of retroactive adjustment~~
27 ~~payments for no more than six months immediately preceding the~~
28 ~~month after July 1, 1990, in which written notice was~~
29 ~~submitted to the department.~~

30 4. A vested member eligible for a retirement allowance
31 adjusted under this section is entitled to receipt of
32 retroactive adjustment payments for no more than six months
33 immediately preceding the month in which written notice of
34 retirement was submitted to the department.

35 Sec. 44. Section 97B.51, subsections 2, 5, and 6, Code

1 1991, are amended to read as follows:

2 2. The election by a member or the contingent annuitant of
3 the option stated under subsection 1 of this section shall be
4 null and void if the member dies prior to retirement the
5 department issuing payment of the member's first retirement
6 allowance.

7 5. At retirement, a member may designate that upon the
8 member's death, a specified amount of money shall be paid to a
9 named beneficiary, and the member's monthly retirement
10 allowance ~~will~~ shall be reduced by an actuarially determined
11 amount to provide for the lump sum payment. The amount
12 designated by the member must be in thousand dollar
13 increments, and the amount designated shall not lower the
14 monthly retirement allowance of the member by more than one-
15 half the amount payable under section 97B.49, subsection 1 or
16 5. A member may designate a different beneficiary if the
17 original named beneficiary predeceases the member.

18 6. A member may elect to receive a decreased retirement
19 allowance during the member's lifetime with provision that in
20 event of the member's death during the first one hundred
21 twenty months of retirement, monthly payments of the member's
22 decreased retirement allowance shall be made to the member's
23 beneficiary until a combined total of one hundred twenty
24 monthly payments have been made to the member and the member's
25 beneficiary. A member may designate a different beneficiary
26 if the original named beneficiary predeceases the member.

27 Sec. 45. Section 97B.52, subsections 1 and 2, Code 1991,
28 are amended to read as follows:

29 1. If a member dies prior to the date the member's first
30 retirement allowance is ~~payable-under~~ issued by the system,
31 the accumulated contributions of the member at the date of
32 death plus the product of an amount equal to the highest year
33 of covered wages of the deceased member and the number of
34 years of membership service divided by thirty shall be paid to
35 the member's beneficiary in a lump sum payment. However, a

1 lump sum payment made to a beneficiary under this subsection
2 due to the death of a member shall not be less than the amount
3 that would have been payable on the death of the member on
4 June 30, 1984, under this subsection as it appeared in the
5 1983 Code.

6 Effective July 1, 1978, a method of payment under this
7 subsection filed with the department by a member does not
8 apply.

9 2. If a member dies after the date the member's first
10 retirement allowance is payable-~~under~~ issued by the retirement
11 system, the excess, if any, of the accumulated contributions
12 by the member as of said date, over the total monthly
13 retirement allowances received by the member under the
14 retirement system will be paid to the member's beneficiary
15 unless the retirement allowance is then being paid in
16 accordance with subsection 1, 4, 5, or 6 of section 97B.51.

17 Sec. 46. Section 97B.52, subsection 3, paragraph b, Code
18 1991, is amended to read as follows:

19 b. If a death benefit is due and payable, interest shall
20 continue to accumulate through the month preceding the month
21 in which payment is made to the designated beneficiary, heirs
22 at law, or to the estate unless the payment of the death
23 benefit is delayed because of a dispute between alleged heirs,
24 in which case the benefit due and payable shall be placed in a
25 noninterest bearing escrow account until the beneficiary is
26 determined in accordance with this section. In order to
27 receive the death benefit, the beneficiary, heirs at law, or
28 the estate, or any other third-party payee, must apply to the
29 department within two years of the member's death.

30 Sec. 47. Section 97B.52, subsection 4, Code 1991, is
31 amended to read as follows:

32 4. If the department cannot locate the beneficiary within
33 eighteen months following the member's death and receipt of
34 verification that a certified letter with return receipt
35 requested, addressee only, has been ~~delivered~~ mailed to the

1 beneficiary, the department shall pay to the estate of the
2 deceased member the amount otherwise designated to be received
3 by the beneficiary. If a beneficiary is known to exist but
4 cannot be notified, the department shall not pay the death
5 benefits to the estate.

6 Sec. 48. Section 97B.52, Code 1991, is amended by adding
7 the following new subsection:

8 NEW SUBSECTION. 6. If a member has not filed a
9 designation of beneficiary with the department, the death
10 benefit is payable to the member's estate. If no designation
11 has been filed and an estate is not probated, the death
12 benefit shall be paid to the surviving spouse, if any. If no
13 designation has been filed, no estate has been probated, and
14 there is no surviving spouse, the death benefit shall be paid
15 to the heirs. Otherwise, the death benefit shall remain in
16 the fund.

17 Sec. 49. NEW SECTION. 97B.52A ELIGIBILITY FOR BENEFITS -
18 - BONA FIDE RETIREMENT.

19 1. A member has a bona fide retirement when the member
20 terminates employment and remains out of employment for at
21 least one hundred twenty consecutive days, files an
22 application for benefits form with the department, and does
23 not return to employment as defined in this chapter until the
24 member has qualified for no fewer than four calendar month's
25 retirement benefits.

26 2. A member may commence receiving retirement benefits
27 under this chapter upon satisfying eligibility requirements
28 and remaining out of covered employment for one calendar
29 month. However, a retired member who commences receiving a
30 retirement allowance but returns to employment before the
31 expiration of the one hundred twenty consecutive day period,
32 does not have a bona fide retirement and any retirement
33 allowance received by such a member must be returned to the
34 system together with interest earned on the retirement
35 allowance calculated at a rate determined by the department.

1 Until the member has repaid the retirement allowance and
2 interest, the department may withhold any future retirement
3 allowance for which the member may qualify.

4 Sec. 50. Section 97B.53, Code 1991, is amended to read as
5 follows:

6 97B.53 TERMINATION OF EMPLOYMENT -- REFUND OPTIONS.

7 ~~All-rights-to-all-benefits-under~~ Membership in the
8 retirement system, and all rights to the benefits under the
9 system, will cease upon a member's termination of employment
10 with the employer prior to the member's retirement, other than
11 by death, ~~except-as-provided-hereafter:~~ and upon receipt by
12 the member of the member's accumulated contributions.

13 1. Upon the termination of employment with the employer
14 prior to retirement other than by death of a member, the
15 accumulated contributions by the member at the date of such
16 ~~the termination will~~ may be paid to ~~such~~ the member upon
17 application, except as ~~may-be~~ provided in ~~subsection~~
18 subsections 2, subsection 5, and subsection 6 of this section.

19 2. If a vested member's employment is terminated prior to
20 the member's retirement, other than by death, the member ~~shall~~
21 may receive a monthly retirement allowance commencing on the
22 first day of the month in which the member attains the age of
23 sixty-five years, if the member is then alive, or, if the
24 member so elects in accordance with section 97B.47, commencing
25 on the first day of the month in which the member attains the
26 age of fifty-five or any month thereafter prior to the date
27 the member attains the age of sixty-five years, and continuing
28 on the first day of each month thereafter during the member's
29 lifetime, provided the member does not receive prior to the
30 date the member's retirement allowance is to commence a refund
31 of accumulated contributions under any of the provisions of
32 this chapter. The amount of each such monthly retirement
33 allowance shall be determined as provided in either section
34 97B.49 or in section 97B.50, whichever is applicable.

35 3. The accumulated contributions of a terminated, vested

1 member who-is-entitled-to-the-benefits-of-subsection-2-of-this
2 section shall be credited with interest, including interest
3 dividends.

4 4. A terminated, vested member who-is-entitled-to-the
5 benefits-of-subsection-2-of-this-section-shall-have has the
6 right, prior to the commencement of the member's retirement
7 allowance, to receive a refund of the member's accumulated
8 contributions, and in the event of the death of the member
9 prior to the commencement of the member's retirement allowance
10 and prior to the receipt of any such refund the benefits of
11 subsection 1 of section 97B.52 shall be paid. No-member-shall
12 be-entitled-to-any-refund-based-upon-any-credit-for-prior
13 service-as-determined-under-the-provisions-of-section-97B:43
14 or-for-any-portion-of-any-contribution-made-by-an-employer
15 unless-otherwise-provided-by-this-chapter.

16 5. A member has not terminated employment if the member
17 accepts other covered employment in-the-state-of-Iowa-under
18 which-the-member-is-eligible-to-membership-in-the-Iowa-public
19 employees'-retirement-system, within thirty days after-the
20 member-has-left-public-employment.

21 5A. Within sixty days after a member has been issued
22 payment for a refund of the member's accumulated
23 contributions, the member may repay the accumulated
24 contributions plus interest that would have accrued, as
25 determined by the department, and receive credit for
26 membership service for the period covered by the refund
27 payment.

28 5B. Any A member who does not withdraw the member's
29 accumulated contributions upon termination of employment may
30 at any time request the return of the member's accumulated
31 contributions, but if the member receives such a return of
32 contributions the member shall-be-deemed-to-have has waived
33 all claims for any other benefits and membership rights from
34 the fund.

35 6. Any A member who terminates employment before the

1 member is entitled-to-the-benefits-of-subsection-2-of-this
2 section vested and who does not claim and receive a refund of
3 the member's accumulated contributions within five years of
4 the date of termination shall, in-event if the member makes
5 claim for such a refund more than five years after the date of
6 termination, be required to submit proof satisfactory to the
7 department of the member's entitlement to such the refund, but
8 in no case shall interest be allowed upon the accumulated
9 contributions for any period in which the member is not an
10 employee. The department ~~shall-be~~ is under no obligation to
11 maintain the accumulated contribution accounts of such former
12 members for more than five years after their dates of
13 termination.

14 Any A person who made contributions to the abolished
15 system, who is entitled to a refund in accordance with the
16 provisions of this chapter, and who has not claimed and
17 received such a refund prior to January 1, 1964, shall, in
18 event if the person makes a claim for such refund after
19 January 1, 1964, be required to submit proof satisfactory to
20 the department of the person's entitlement to such the refund.
21 The department ~~shall-be~~ is under no obligation to maintain the
22 contribution accounts of such persons after January 1, 1964.

23 7. Any Effective July 1, 1992, a member whose employment
24 is terminated ~~after-one-year-of-employment-but~~ before the
25 member has ~~accumulated-four-or-more-years-of-employment,~~
26 ~~either-under-the-provisions-of-this-chapter-or-as-a-result-of~~
27 ~~prior-service-credits,-may-elect-to-leave-the-member's~~
28 ~~accumulated-contributions-in-the-retirement-fund~~ attained
29 vested status must take a refund of the member's accumulated
30 contributions. ~~In-the-event-the-member-returns-to-public~~
31 ~~employment-at-any-time-within-four-years-after-this~~
32 ~~termination-of-employment,-the-member-shall-be-entitled-to~~
33 ~~resume-membership-in-the-system-with-the-same-credits-for~~
34 ~~prior-service-and-accumulated-contributions-that-the-member~~
35 ~~had-earned-when-the-member's-original-employment-was~~

1 terminated--No interest shall be credited on the member's
2 accumulated contributions nor on the member's employer's
3 accumulated contributions during the period from the time of
4 the member's termination of employment to the member's
5 resumption of employment. The employer shall notify the
6 department of a member's termination and upon receipt of a
7 signed application for refund, the department shall refund the
8 member's accumulated contributions.

9 Any member who has resumed employment under the provisions
10 of this subsection shall not be eligible for any second period
11 of absence from membership as a result of termination of
12 service.

13 8. If an employee hired to fill a permanent position
14 terminates the employee's employment within six months from
15 the date of employment, the employer may file a claim with the
16 department for a refund of the funds contributed to the
17 department by the employer for the employee.

18 9--The department shall refund employee and employer
19 contributions on the covered wages earned by a retired member
20 that are not used in the recomputation of monthly benefits of
21 that member.

22 Sec. 51. Section 97B.58, Code 1991, is amended to read as
23 follows:

24 97B.58 INFORMATION FURNISHED BY EMPLOYER.

25 To enable the department to perform its functions, the
26 employer shall, upon the request of and in the manner provided
27 by the department, supply full and timely information to the
28 department of all matters relating to the pay of all members,
29 date of birth, their retirement, death, or other cause for
30 termination of employment, and such other pertinent facts as
31 the department may require in the manner provided by the
32 department.

33 Sec. 52. Section 97B.73, Code 1991, is amended to read as
34 follows:

35 97B.73 MEMBERS FROM OTHER PUBLIC SYSTEMS.

1 A vested or retired member who was in public employment
2 comparable to employment covered under this chapter in another
3 state or in the federal government, or who was a member of
4 another public retirement system in this state, including but
5 not limited to the teachers insurance annuity association-
6 college retirement equities fund, but who was not retired
7 under that system, upon submitting verification of membership
8 and service in the other public retirement system to the
9 department, including proof that the member has no further
10 claim upon a retirement benefit from that other public system,
11 may make employer and employee contributions to the system
12 either for the entire period of service in the other public
13 retirement system and, or for partial service in the other
14 public system in increments of no greater than one year or
15 less than one calendar quarter. If the member wishes to
16 transfer only a portion of the service value of another public
17 system to this system and the other public system allows a
18 partial withdrawal of a member's system credits, the member
19 shall receive credit for membership service in this system
20 equivalent to the number of years of service in transferred
21 from the other public retirement system. The contribution
22 payable shall be based upon the member's covered wages for the
23 most recent full calendar year at the applicable rates in
24 effect for that calendar year under sections 97B.11 and 97B.49
25 and multiplied by the member's years of service in other
26 public employment. If the member's most recent covered wages
27 were earned prior to the most recent calendar year, the
28 member's covered wages shall be adjusted by the department by
29 an inflation factor to reflect changes in the economy since
30 the covered wages were earned.

31 This section is applicable to a vested or retired member
32 who was a member of a public retirement system established in
33 sections 294.8, 294.9, and 294.10 but was not retired under
34 that system.

35 A member ~~vested-under~~ entitled to a benefit from another

1 public system must waive, on a form provided by the Iowa
2 public employees' retirement system, all rights to a
3 retirement benefit under that the other public system before
4 receiving credit in this system for those the years of service
5 in the other public system. The waiver must be accepted by
6 the other public system.

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

13 Sec. 53. Section 97B.80, Code 1991, is amended to read as
14 follows:

15 97B.80 VETERAN'S CREDIT.

16 Effective July 1, ~~1990~~ 1992, a vested or retired member
17 with-reportable-wages-in-the-most-recent-calendar-year, who at
18 any time served on active duty in the armed forces of the
19 United States, upon submitting verification of the dates of
20 the active duty service, may make employer and employee
21 contributions to the system based upon the member's covered
22 wages for the most recent full calendar year in which the
23 member had reportable wages at the applicable rates in effect
24 for that year under sections 97B.11 and 97B.49, for the period
25 of time of the active duty service, either for the entire
26 service period or in one-year increments but-not-to-exceed
27 four-years of no greater than one year and not less than one
28 calendar quarter, and receive credit for membership service
29 and prior service for the period of time for which the
30 contributions are made. If the member's most recent covered
31 wages were earned prior to the most recent calendar year, the
32 member's covered wages shall be adjusted by the department by
33 an inflation factor to reflect changes in the economy. The
34 department shall adjust benefits for a six-month period prior
35 to the date the member pays contributions under this section

1 if the member is receiving a retirement allowance at the time
2 the contribution payment is made. Verification of active duty
3 service and payment of contributions shall be made to the
4 department. However, a member is not eligible to make
5 contributions under this section if the member is receiving,
6 or is eligible to receive, or may in the future be eligible to
7 receive retirement pay from the United States government for
8 active duty in the armed forces, except for retirement pay
9 granted by the United States government under retired pay for
10 nonregular service (10 U.S.C. § 1331, et seq.). A member
11 receiving retired pay for nonregular service who makes
12 contributions under this section shall provide information
13 required by the department documenting time periods covered
14 under retired pay for nonregular service.

15 Sec. 54. Section 411.1, subsection 11, Code Supplement
16 1991, is amended by striking the subsection and inserting in
17 lieu thereof the following:

18 11. "Earnable compensation" or "compensation earnable"
19 shall mean the annual compensation which a member receives for
20 services rendered as a police officer or fire fighter in the
21 course of employment with a participating city. However, the
22 term "earnable compensation" or "compensation earnable" shall
23 not include amounts received for overtime compensation, meal
24 or travel expenses, uniform allowances, fringe benefits,
25 severance pay, or any amount received upon termination or
26 retirement in payment for accumulated sick leave or vacation.
27 Contributions made by a member from the member's earnable
28 compensation to a plan of deferred compensation shall be
29 included in earnable compensation. Other contributions made
30 to a plan of deferred compensation shall not be included
31 except to the extent provided in rules adopted by the board of
32 trustees pursuant to section 411.5, subsection 3.

33 Sec. 55. Section 411.5, subsection 6, Code Supplement
34 1991, is amended to read as follows:

35 6. RECORDS -- REPORTS. The board of trustees shall keep a

1 record of all its proceedings, which record shall be open to
2 public inspection. It shall submit an annual report to the
3 governor, the general assembly, and the city council of each
4 participating city concerning the financial condition of the
5 retirement system, its current and future liabilities, and the
6 actuarial valuation of the system. The board of trustees
7 shall submit a certified audit report prepared by a certified
8 public accountant to the auditor of state annually.

9 Sec. 56. Section 411.6, subsection 1, Code Supplement
10 1991, is amended by adding the following new paragraph:

11 NEW PARAGRAPH. c. (1) As used in this paragraph, unless
12 the context otherwise requires, "qualified member" means a
13 person who meets each of the following conditions:

14 (a) Was a member of a retirement system covered by this
15 chapter with four or more but fewer than fifteen years of
16 membership service as of July 1, 1989.

17 (b) Terminated employment with the city which employed the
18 member as of July 1, 1989, before the member attained the age
19 of fifty-five and twenty-two years of service.

20 (c) Was subsequently employed as a police officer or fire
21 fighter as of July 1, 1990, by a city which attained a
22 population of eight thousand or more as a result of the
23 federal census conducted in 1990 and which was not a parti-
24 cipating city subject to this chapter on July 1, 1990, and has
25 not subsequently joined the statewide system.

26 (2) Notwithstanding any other provision of law to the
27 contrary, a qualified member shall receive benefits pursuant
28 to this paragraph. Unless in conflict with this paragraph,
29 the provisions of this chapter pertaining to members shall
30 also pertain to qualified members. Upon attaining retirement
31 age, a qualified member shall receive a service retirement
32 allowance of one twenty-second of the retirement allowance the
33 qualified member would have received if the qualified member
34 had qualified for full benefits pursuant to section 411.6,
35 subsection 1, paragraph "a", 1989 Code of Iowa, for each year

1 of service the qualified member had served.

2 (3) The board of trustees shall adopt rules pertaining to
3 the processing of benefits pursuant to this paragraph. After
4 receipt of a written request for benefits pursuant to this
5 paragraph, the board of trustees shall notify the par-
6 ticipating city that employed the qualified member as of July
7 1, 1989, of the request. The participating city shall verify
8 the qualified member's employment and years of service in
9 writing to the board of trustees. The actuary for the
10 statewide system shall determine the funds equivalent to the
11 qualified member's accumulated contributions plus the
12 actuarial equivalent of the amount which would be necessary to
13 fund the benefits granted in this paragraph. The board of
14 trustees shall notify the participating city of the amount
15 determined by the actuary, and within thirty days of receipt
16 of the notification, the participating city shall transfer
17 that amount to the statewide system.

18 Sec. 57. Section 411.6, subsection 2, paragraphs a through
19 c, Code Supplement 1991, are amended to read as follows:

20 a. ~~Upon retirement from service, prior to July 1, 1990, a~~
21 ~~member shall receive a~~ The service retirement allowance which
22 for a member who terminates service, other than by death or
23 disability, prior to July 1, 1990, shall consist of a pension
24 given by the city which equals fifty percent of the member's
25 average final compensation.

26 b. ~~Upon retirement from service on or after July 1, 1990,~~
27 ~~but before July 1, 1992, a member shall receive a~~ The service
28 retirement allowance which for a member who terminates
29 service, other than by death or disability, on or after July
30 1, 1990, but before July 1, 1992, shall consist of a pension
31 which equals fifty-four percent of the member's average final
32 compensation.

33 c. Commencing July 1, 1992, for members who terminate
34 service, other than by death or disability, on or after that
35 date, the system shall increase the percentage multiplier of

1 the member's average final compensation by an additional two
2 percent each July 1 until reaching sixty percent of the
3 member's average final compensation. The applicable
4 percentage multiplier shall be the rate in effect on the date
5 of the member's termination from service.

6 Sec. 58. Section 411.6, subsection 3, Code Supplement
7 1991, is amended to read as follows:

8 3. ORDINARY DISABILITY RETIREMENT BENEFIT. Upon
9 application to the system, of a member in service or of the
10 chief of the police or fire departments, respectively, any
11 member shall be retired by the system, not less than thirty
12 and not more than ninety days next following the date of
13 filing the application, on an ordinary disability retirement
14 allowance, if the medical board after a medical examination of
15 the member certifies that the member is mentally or physically
16 incapacitated for further performance of duty, that the
17 incapacity is likely to be permanent, and that the member
18 should be retired. However, if a person's membership in the
19 system first commenced on or after July 1, 1992, the member
20 shall not be eligible for benefits with respect to a
21 disability which would not exist, but for a medical condition
22 that was known to exist on the date that membership commenced.

23 Sec. 59. Section 411.6, subsection 5, Code Supplement
24 1991, is amended to read as follows:

25 5. ACCIDENTAL DISABILITY BENEFIT.

26 a. Upon application to the system, of a member in service
27 or of the chief of the police or fire departments,
28 respectively, any member who has become totally and
29 permanently incapacitated for duty as the natural and
30 proximate result of an injury or disease incurred in or
31 aggravated by the actual performance of duty at some definite
32 time and place, or while acting pursuant to order, outside of
33 the city by which the member is regularly employed, shall be
34 retired by the system, if the medical board certifies that the
35 member is mentally or physically incapacitated for further

1 performance of duty, that the incapacity is likely to be
2 permanent, and that the member should be retired. However, if
3 a person's membership in the system first commenced on or
4 after July 1, 1992, the member shall not be eligible for
5 benefits with respect to a disability which would not exist,
6 but for a medical condition that was known to exist on the
7 date that membership commenced.

8 b. If a member in service of the chief of the police or
9 fire departments becomes incapacitated for duty as a natural
10 or proximate result of an injury or disease incurred in or
11 aggravated by the actual performance of duty at some definite
12 time or place or while acting, pursuant to order, outside the
13 city by which the member is regularly employed, the member,
14 upon being found to be temporarily incapacitated following a
15 medical examination as directed by the system city, is
16 entitled to receive the member's full pay and allowances from
17 the city's general fund until re-examined as directed by the
18 system city and found to be fully recovered or until the city
19 determines that the member is likely to be permanently
20 disabled. The board of trustees of the statewide system has
21 no jurisdiction over these matters until the city determines
22 that the disability is likely to be permanent.

23 c. Disease under this section shall mean heart disease or
24 any disease of the lungs or respiratory tract and shall be
25 presumed to have been contracted while on active duty as a
26 result of strain or the inhalation of noxious fumes, poison or
27 gases. However, if a person's membership in the system first
28 commenced on or after July 1, 1992, and the heart disease or
29 disease of the lungs or respiratory tract would not exist, but
30 for a medical condition that was known to exist on the date
31 that membership commenced, the presumption established in this
32 paragraph shall not apply.

33 Sec. 60. Section 411.6A, Code 1991, is amended by striking
34 the section and inserting in lieu thereof the following:

35 411.6A OPTIONAL RETIREMENT BENEFITS.

1 1. In lieu of the payment of a service retirement
2 allowance under section 411.6, subsection 2, and the payment
3 of a pension to the spouse of a deceased pensioned member
4 under section 411.6, subsection 11, a member may select an
5 option provided under this section. The board of trustees
6 shall adopt rules under section 411.5, subsection 3, providing
7 the optional forms of payment that may be selected by the
8 member. The optional forms of payment may provide adjustments
9 to the amount of the retirement allowance paid to the member,
10 may alter the pension amount and period of payment to the
11 member's spouse after the death of the member, and may provide
12 for payments to a designated recipient other than the member's
13 spouse for a designated period of time or an unlimited period
14 of time.

15 2. Prior to the member's retirement and as a part of the
16 application for a service retirement allowance, the member
17 shall elect, in writing, either the benefits provided under
18 section 411.6, subsections 2 and 11, or one of the optional
19 forms adopted by the board of trustees. If the member is
20 married at the time of application and the member elects an
21 optional form, the member's spouse must consent in writing to
22 the optional form selected and to the receipt of payments to a
23 designated recipient, if applicable. Upon acceptance by a
24 member of an initial retirement benefit paid in accordance
25 with the election under this section, the election of the
26 member is irrevocable.

27 3. The optional forms of payment determined by the board
28 of trustees under this section, shall be the actuarial
29 equivalent of the amount of retirement benefits payable to the
30 member and the member's spouse pursuant to section 411.6,
31 subsections 2 and 11. The actuarial equivalent shall be based
32 upon the actuarial assumptions adopted for this purpose
33 pursuant to section 411.5, subsection 10. Election of an
34 optional form adopted by the board of trustees shall not
35 affect the benefits, if any, payable to the member's child or

1 children pursuant to section 411.6, subsection 11.

2 Sec. 61. Section 411.8, subsection 1, paragraph f,
3 subparagraph (8), and unnumbered paragraphs 2 and 3, Code
4 Supplement 1991, are amended to read as follows:

5 (8) Beginning July 1, 1996, and each fiscal year
6 thereafter, an amount equal to the member's contribution rate
7 times each member's compensation shall be paid to the fund
8 from the earnable compensation of the member. For the
9 purposes of this subparagraph, the member's contribution rate
10 shall be the-rate-percent-of-the-earnable-compensation-of-all
11 members-obtained-by-deducting-from-the-total-liabilities-of
12 the-fund-the-amount-of-the-funds-in-hand-to-the-credit-of-the
13 fund-and-dividing-the-remainder-by-one-percent-of-the-present
14 value-of-the-prospective-future-compensation-of-all-members-as
15 computed-on-the-basis-of-the-rate-of-interest-and-of-mortality
16 and-service-tables-adopted, multiplied-by-four-tenths, or nine
17 and one-tenth percent, whichever-is-greater. However, the
18 system shall increase this-percentage-for-its-members the
19 member's contribution rate as necessary to cover any increase
20 in cost to the system resulting from statutory changes which
21 are enacted by any session of the general assembly meeting
22 after January 1, 1991, if the increase cannot be absorbed
23 within the contribution rates otherwise established pursuant
24 to this paragraph, but subject to a maximum employee
25 contribution rate of eleven and three-tenths percent. After
26 the employee contribution reaches the-maximum-rate-specified
27 in-this-subparagraph eleven and three-tenths percent, sixty
28 percent of the additional cost of such statutory changes shall
29 be paid by employers under paragraph "c" and forty percent of
30 the additional cost shall be paid by employees under this
31 paragraph.

32 ~~Beginning July 1, 1996, and each fiscal year thereafter, an~~
33 ~~amount equal to the member's contribution rate times each~~
34 ~~member's compensation shall be paid to the fund from the~~
35 ~~earnable compensation of the member.~~

1 ~~The total amount to be contributed by the member shall be~~
2 ~~determined by the actuary after each valuation.~~

3 Sec. 62. Sections 97B.26, 97B.66, and 97B.71, Code 1991,
4 are repealed.

5 Sec. 63. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

6 1. The portion of this Act which amends section 97B.50,
7 subsection 2, being deemed of immediate importance, takes
8 effect upon enactment and applies retroactively to July 1,
9 1990.

10 2. The section of this Act which amends section 411.6,
11 subsection 2, being deemed of immediate importance, takes
12 effect upon enactment and applies retroactively to January 1,
13 1992.

14 EXPLANATION

15 This bill makes a number of changes concerning public
16 retirement systems.

17 With respect to the Iowa department of public safety peace
18 officers' retirement, accident and disability system pursuant
19 to chapter 97A, the bill provides the following changes:

20 Section 97A.6, subsection 7, is amended by providing that
21 with respect to provisions covering employment in a gainful
22 occupation after receiving ordinary or accidental disability,
23 if the salary scale associated with a member's rank at
24 retirement is subsequently changed, earnable compensation
25 shall be based upon the salary an active member currently
26 would receive with the same rank and seniority. The changes
27 also include technical corrective changes. The changes also
28 provide that if a disability beneficiary under the age of 55
29 becomes an active member, these persons shall contribute at
30 the rate payable by other members of comparable rank,
31 seniority, and age.

32 Section 97A.6, subsection 9, is amended by changing the
33 qualifications for receipt of accidental death benefits to
34 include death as a result of accident, disease, or exposure
35 occurring or aggravated at some definite time and place while

1 the member was in the actual performance of duty.

2 This bill makes the following changes to the Iowa public
3 employees' retirement system in chapter 97B:

4 Sections 97B.4 and 97B.5 changes add authority for the
5 department of personnel to contract with outside parties for
6 various purposes.

7 Section 97B.5 also provides that the maximum number of
8 full-time equivalent positions specified by the general
9 assembly for administration of the system for a fiscal year
10 shall not be reduced by any authority other than the general
11 assembly.

12 Section 97B.6 change establishes a policy for destruction
13 of old records of deceased members.

14 Section 97B.7 changes specify that the fund is for the
15 benefit of the members and to be used for administration of
16 the retirement system. Section 97B.7 also provides if the
17 moneys appropriated from the retirement fund for the operation
18 of the system are subject to an across-the-board cut, the
19 amount by which the appropriation has been reduced is
20 appropriated. The changes also eliminate a provision that the
21 fund may be used for other purposes specified by the general
22 assembly.

23 Section 97B.8 change allows a member of the investment
24 board to be an executive of any industrial corporation rather
25 than a major industrial corporation.

26 Section 97B.10 change allows refunds of contributions to be
27 made to employers and employees after the three-year deadline
28 specified for just and equitable refunds.

29 Section 97B.11 change deletes obsolete contribution
30 percentages.

31 Section 97B.17 change makes grammatical changes.

32 Section 97B.18 change allows the department to provide
33 additional information concerning the members' contributions
34 and benefit credits.

35 New sections 97B.20A and 97B.20B relate to the appeal

1 procedure, including the departmental review and appeal to an
2 administrative law judge from the department of inspections
3 and appeals.

4 Section 97B.22 updates references to the old employment
5 security commission and from appeal referee to administrative
6 law judge.

7 Section 97B.23 change revises archaic language.

8 Section 97B.25 change adds a reference to the appeal
9 procedure provided in the new section 97B.20A and changes a
10 reference from benefits deputy to retirement benefits
11 specialist.

12 Section 97B.34 change allows the department to adopt rules
13 for making payments to a representative of an applicant for
14 benefits.

15 New section 97B.34A provides procedures for payment of
16 benefits to minors.

17 Section 97B.41 changes allow calendar quarters to be
18 counted regardless of remuneration received by a member during
19 the quarter, add agencies to the definition of employer,
20 define termination under the system for an elected member, and
21 make technical changes regarding coverage of students,
22 drainage district employees, temporary employees, and
23 employees of community action programs. The changes expand
24 the definitions of member, vested member, and retired member,
25 and define bona fide retirement. The changes provide that the
26 final quarter of a member's wages not be used in calculating
27 the member's retirement allowance if it would reduce the
28 retirement allowance. The changes also specify that an
29 elected official shall be employed within a calendar quarter
30 for all quarters of the term of office, even if the official
31 selects a method of payment which results in not being
32 credited with wages for the quarter.

33 Section 97B.42 changes make technical Code changes and also
34 allow community college employees who join TIAA-CREF to
35 withdraw their IPERS contributions.

1 Section 97B.43 changes allow prior service credit to be
2 used in computation of a member's retirement benefits.

3 Section 97B.44 changes clarify that a member who takes a
4 refund of contributions also cancels a designation of
5 beneficiary.

6 Section 97B.48 changes relate to the notification required
7 for retirement and establish a policy that benefits will not
8 be figured to start retroactively beyond six months prior to
9 the time the member notifies the department of the member's
10 wish to retire.

11 New section 97B.48A adjusts to match the social security
12 level the amount which a reemployed retired member can earn
13 without having benefit payments suspended, outlines the
14 procedure for calculating benefits if a member retires,
15 returns to employment, and retires a second time, and provides
16 for refund with interest of employer and employee
17 contributions not used in calculating the retirement benefit.

18 Section 97B.49 changes specify that the 2 percent annual
19 increases in the percentage multiplier apply only to members
20 retiring during the specific year in which the 2 percent
21 increase is applied, provide for payment of dividends in
22 November 1992 and November 1993, provide that if a retired
23 member dies, application for the dividend for that year by a
24 beneficiary or the estate of the member must be made within 2
25 years after the dividend is payable, and allow years of
26 membership service to include both protection occupation years
27 and sheriff or deputy sheriff years of service. These changes
28 also include intent language concerning proposals by the
29 department to the public retirement systems committee
30 concerning increases in the covered wage, annual dividends to
31 retired members and indexing of earned benefits for terminated
32 vested members.

33 Section 97B.50 changes specify that members must be vested
34 to apply for early retirement benefits. These changes also
35 provides that members who retire due to disability and receive

1 disability benefits under the United States Railroad
2 Retirement Act, and have not reached the normal retirement
3 date, shall receive retirement benefits based upon years of
4 service, and removes limitations that require eligibility for
5 early retirement and reductions based upon age. These changes
6 are retroactive to July 1, 1990.

7 Sections 97B.51 and 97B.52 changes provide that a member
8 may change the member's beneficiary if the beneficiary dies
9 prior to the death of the member, provide that if the member
10 dies prior to the issuance of the first month's benefit, the
11 election of a retirement payment option is null, provide a
12 time limitation of 2 years for application by a beneficiary,
13 heirs, or the estate for a member's death benefit, and provide
14 for payment of the death benefit if the member has not filed a
15 designation of beneficiary with the department.

16 New section 97B.52A provides that a member must remain out
17 of employment for 120 days in order for the member's
18 retirement to be a bona fide retirement. If the member
19 returns to employment during that period, the member must
20 return any retirement allowance received plus interest.

21 Section 97B.53 changes provide that membership in the
22 retirement system ceases when the member receives a refund of
23 the member's contributions, remove the prohibition against a
24 member taking a refund based upon prior service credit, and
25 require members who terminate employment prior to vesting to
26 file for a refund of contributions.

27 Section 97B.58 change grants the department rulemaking
28 authority to specify the information required to be provided
29 to the department by employers.

30 Section 97B.73 changes specify the type of public
31 employment that can be transferred to IPERS, provide for
32 credit for a portion of the other public employment, provide
33 for the department to use an inflation factor for members
34 buying back service based upon previous service, and state
35 that both the department and the other public retirement

1 system must agree to the waiver of service in the other system
2 for the transfer of service to be valid.

3 Section 97B.80 changes are similar to those made in section
4 97B.73 and also the changes remove the four-year limit on the
5 buyback of veteran's credit.

6 The bill makes the following changes to the statewide fire
7 and police retirement system established in chapter 411:

8 Section 411.1 change rewrites the definition of earnable
9 compensation.

10 Section 411.5 change requires the board of trustees of the
11 statewide system to submit a certified audit to the auditor of
12 state annually.

13 The change to section 411.6, subsection 1, provides
14 benefits to certain persons who terminated employment from a
15 participating city in the statewide fire and police retirement
16 system before the statewide system was formed. According to
17 these changes, to qualify for these benefits, the member must
18 have been employed by a chapter 411 city as of July 1, 1989,
19 with four or more but fewer than 15 years of membership
20 service, must have terminated that employment before retire-
21 ment, and must have been subsequently employed by a city as a
22 police officer or fire fighter as of July 1, 1990. Moreover,
23 under the bill, the city which employed the person as of July
24 1, 1990, must be a city that has not joined the statewide
25 system, but which attained a population of 8,000 or more as a
26 result of the 1990 federal census. The bill provides that
27 upon attaining retirement age, these persons shall receive a
28 benefit of one twenty-second of the retirement allowance that
29 the person would have received if the person had qualified for
30 full retirement benefits pursuant to chapter 411 in the 1989
31 Code of Iowa, for each year of service. The bill requires the
32 city that employed the person on July 1, 1989, to transfer to
33 the statewide system an amount determined by the actuary of
34 the statewide system that is sufficient to fund these
35 benefits.

1 Section 411.6, subsection 2, changes clarify provisions
2 concerning service retirement allowances.

3 Section 411.6, subsection 3, and subsection 5, paragraphs
4 "a" and "c" changes provide that for persons whose membership
5 in the system first commenced on or after July 1, 1992, the
6 member shall not be eligible for benefits with respect to a
7 disability which would not exist, but for a medical condition
8 that was known to exist on the date of membership.

9 Section 411.6, subsection 5, paragraph "b", changes provide
10 that the participating city performs certain functions per-
11 taining to temporary disability, and that the board of
12 trustees of the statewide system has no jurisdiction until the
13 city finds that the disability is likely to be permanent.

14 Section 411.6A changes add a provision concerning optional
15 retirement benefits. The changes specify that the board of
16 trustees shall adopt rules providing for optional forms of
17 retirement benefits. The changes eliminate provisions from
18 the current Code pertaining to the death of members without a
19 beneficiary and the death of the beneficiary prior to the
20 receipt of benefits.

21 Section 411.8 changes make technical changes to the
22 calculation of the member's contribution rate commencing July
23 1, 1996.

24 The bill also changes the provisions concerning the
25 member's contribution rate after July 1, 1996, by specifying
26 that the rate shall be 9.1 percent, unless benefit
27 enhancements are approved by the general assembly. If benefit
28 enhancements occur, the bill provides that the member's
29 contribution shall increase as necessary to pay for the
30 benefits until the contribution rate reaches 11.3 percent, at
31 which point any additional costs shall be paid at a ratio of
32 60 percent by the city and 40 percent by the member.

33 This bill establishes a state mandate under chapter 25B.

34

35



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR.

STATE CAPITOL
DES MOINES, IOWA 50319

515 281-5211

April 30, 1992

The Honorable Robert Arnould
Speaker of the House
State Capitol Building
L O C A L

Dear Mr. Speaker:

I hereby transmit House File 2450, an act relating to public retirement systems and administration and benefits of the Iowa public employees' retirement system, including penalties, making an appropriation, and providing effective and retroactive applicability dates.

House File 2450 is, therefore, approved on this date with the following exception which I hereby disapprove.

I am unable to approve the item designated as Section 74, in its entirety. This section would establish a standing unlimited appropriation for the Iowa Senior Judge Act. Given the pending action of the General Assembly to eliminate many standing unlimited appropriations in order to regain control of government spending, it is inconsistent and inappropriate to establish a new standing unlimited appropriation. Because there is an imperative need to remove automatic appropriations from the general fund budget, I am unable to approve this item.

For the above reason, I hereby respectfully disapprove this item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2450 are hereby approved as of this date.

Sincerely,

Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House
Secretary of State

Sec. 7. Section 802.3, Code 1991, is amended to read as follows:

802.3 FELONY — AGGRAVATED OR SERIOUS MISDEMEANOR.

1. In all cases, except those enumerated in subsection 2 and in sections 802.1 and 802.2, an indictment or information for a felony or aggravated or serious misdemeanor shall be found within three years after its commission.

2. An indictment or information for sexual exploitation by a counselor or therapist under section 709.15 shall be found within five years of the date the victim was last treated by the counselor or therapist.

Approved May 4, 1992

CHAPTER 1200

REPEAL OF SEED CAPITAL TAX CREDIT

H.F. 2478

AN ACT relating to the repeal of the seed capital tax credit and providing an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 422.33, subsection 8, Code Supplement 1991, is amended by striking the subsection.

Sec. 2. Section 422.11C, Code Supplement 1991, is repealed.

Sec. 3. 1990 Iowa Acts, chapter 1196, sections 8 and 9, are repealed.

Sec. 4. Sections 1 and 2 of this Act take effect January 1, 1996, for tax years beginning on or after that date and all credits allowed prior to that date shall continue until their expiration.

Approved May 4, 1992

CHAPTER 1201

PUBLIC RETIREMENT SYSTEMS

H.F. 2450

AN ACT relating to public retirement systems and administration and benefits of the Iowa public employees' retirement system, including penalties, making an appropriation, and providing effective and retroactive applicability dates.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 97.51, Code 1991, is amended by adding the following new subsection:
NEW SUBSECTION. 10. Effective July 1, 1992, a person receiving benefits, on or after July 1, 1992, under this chapter, shall receive a monthly increase in benefits of ten dollars per month. A person who becomes eligible for benefits under chapter 97, Code 1950, on or after July 1, 1992, shall receive the ten dollar increase.

There is appropriated annually from the general fund of the state to the Iowa old-age and survivors' insurance liquidation fund from funds not otherwise appropriated an amount sufficient to pay the benefit increases provided in this subsection.

Sec. 2. Section 97A.6, subsections 3 through 5, Code Supplement 1991, are amended to read as follows:

3. **ORDINARY DISABILITY RETIREMENT BENEFIT.** Upon the application of a member in service or of the commissioner of public safety, any member shall be retired by the board of trustees, not less than thirty and not more than ninety days next following the date of filing such application, on an ordinary disability retirement allowance, provided, that the medical board after a medical examination of such member shall certify that said member is mentally or physically incapacitated for further performance of duty, that such incapacity is likely to be permanent and that such member should be retired. However, if a person's membership in the system first commenced on or after July 1, 1992, the member shall not be eligible for benefits with respect to a disability which would not exist, but for a medical condition that was known to exist on the date that membership commenced.

4. **ALLOWANCE ON ORDINARY DISABILITY RETIREMENT.** Upon retirement for ordinary disability a member shall receive an ordinary disability retirement allowance which shall consist of a pension which shall equal fifty percent of the member's average final compensation except if unless either of the following conditions exist:

a. If the member has not had five or more years of membership service, the member shall receive a disability pension equal to one-fourth of the member's average final compensation.

b. If the member has had twenty-two or more years of membership service, the member shall receive a disability retirement allowance that is equal to the greater of the benefit that the member would receive under subsection 2 if the member were fifty-five years of age or the disability pension otherwise calculated under this subsection.

5. **ACCIDENTAL DISABILITY BENEFIT.**

a. Upon application of a member in service or of the commissioner of public safety, any member who has become totally and permanently incapacitated for duty as the natural and proximate result of an injury, disease or exposure occurring or aggravated while in the actual performance of duty at some definite time and place shall be retired by the board of trustees, provided, that the medical board shall certify that such member is mentally or physically incapacitated for further performance of duty, that such incapacity is likely to be permanent and that such member should be retired. However, if a person's membership in the system first commenced on or after July 1, 1992, the member shall not be eligible for benefits with respect to a disability which would not exist, but for a medical condition that was known to exist on the date that membership commenced.

b. Should a member in service become incapacitated for duty as a natural and proximate result of an injury, disease, or exposure incurred or aggravated while in the actual performance of duty at some definite time or place, the member shall, upon being found to be temporarily incapacitated following an examination by the board of trustees, be entitled to receive the member's fixed pay and allowances until re-examined by the board and found to be fully recovered or permanently disabled.

c. Disease under this section shall mean heart disease or any disease of the lungs or respiratory tract and shall be presumed to have been contracted while on active duty as a result of strain, exposure, or the inhalation of noxious fumes, poison, or gases. However, if a person's membership in the system first commenced on or after July 1, 1992, and the heart disease or disease of the lungs or respiratory tract would not exist, but for a medical condition that was known to exist on the date that membership commenced, the presumption established in this paragraph shall not apply.

Sec. 3. Section 97A.6, subsection 6, paragraph b, Code Supplement 1991, is amended to read as follows:

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. However, if the member has had twenty-two or more years of membership service, the member shall receive a disability retirement allowance that is equal to the greater of the retirement allowance that the member would receive

under subsection 2 if the member were fifty-five years of age or the disability retirement allowance calculated under this paragraph.

Sec. 4. Section 97A.6, subsection 7, paragraphs a and b, Code Supplement 1991, are amended to read as follows:

a. Should any beneficiary for either ordinary or accidental disability, except a beneficiary who is fifty-five years of age or over and would have completed twenty-two years of service if the beneficiary had remained in active service, be engaged in a gainful occupation paying more than the difference between the member's retirement allowance and one and one-half times the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement, then the amount of the retirement allowance shall be reduced to an amount which together with the amount earned by the member shall equal one and one-half times the amount of the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. Should the member's earning capacity be later changed, the amount of the retirement allowance may be further modified, provided, that the new retirement allowance shall not exceed the amount of the retirement allowance originally granted adjusted by annual readjustments of pensions pursuant to subsection 15 14 of this section nor an amount which, when added to the amount earned by the beneficiary, equals one and one-half times the amount of the current earnable compensation of an active member at the same position on the salary scale within the member's rank as the member held at retirement. A beneficiary restored to active service at a salary less than the average final compensation upon the basis of which the member was retired at age fifty-five or greater, shall not again become a member of the retirement system and shall have the member's retirement allowance suspended while in active service. If the rank or position held by the retired member is subsequently abolished, adjustments to the allowable limit on the amount of income which can be earned in a gainful occupation shall be computed in the same manner as provided in subsection 15 14, paragraph "d," "c", of this section for readjustment of pensions when a rank or position has been abolished. If the salary scale associated with a member's rank at retirement is changed after the member retires, earnable compensation for purposes of this section shall be based upon the salary an active member currently would receive at the same rank and with seniority equal to that of the retired member at the time of retirement.

A beneficiary retired under the provisions of 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 a copy of the beneficiary's state income tax return for the preceding year.

Retroactive to July 1, 1976, the limitations on pay of a member engaged in a gainful occupation who is retired under accidental disability prescribed in this paragraph shall not apply to a member who retired before July 1, 1976.

b. Should a disability beneficiary under age fifty-five be restored to active service at a compensation not less than the disability beneficiary's average final compensation, the disability beneficiary's retirement allowance shall cease, the disability beneficiary shall again become a member and shall contribute thereafter at the same rate paid prior to disability payable by other members of comparable rank, seniority, and age, and former service on the basis of which the disability beneficiary's service was computed at the time of retirement shall be restored to full force and effect and upon. Upon subsequent retirement the disability beneficiary shall be credited with all service as a member, and also with the period of disability retirement.

Sec. 5. Section 97A.6, subsection 9, unnumbered paragraph 1, Code Supplement 1991, is amended to read as follows:

If, upon the receipt of evidence and proof that the death of a member in service was the natural and proximate result of an accident, disease, or exposure occurring or aggravated at some definite time and place while the member was in the actual performance of duty, the board of trustees shall decide 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 nominated by written designation duly executed and filed with the board of trustees:

Sec. 6. Section 97B.1, subsection 2, paragraph a, Code 1991, is amended by striking the paragraph.

Sec. 7. Section 97B.4, unnumbered paragraph 1, Code 1991, is amended to read as follows:

The department, through the ~~administrator~~ chief investment officer and chief benefits officer, shall administer this chapter. The department may adopt, amend, or rescind rules, employ persons, execute contracts with outside parties, make expenditures, require reports, make investigations, and take other action it deems necessary for the administration of the system. The rules shall be effective upon compliance with chapter 17A. Not later than the fifteenth day of December of each year, the department shall submit to the governor a report covering the administration and operation of this chapter during the preceding fiscal year and shall make recommendations for amendments to this chapter. The report shall include a balance sheet of the moneys in the Iowa public employees' retirement fund.

Sec. 8. Section 97B.5, Code 1991, is amended to read as follows:

97B.5 STAFF.

Subject to other provisions of this chapter, the department may employ personnel as necessary for the administration of the system, including but not limited to a chief investment officer and a chief benefits officer. The maximum number of full-time equivalent employees specified by the general assembly for the department for administration of the system for a fiscal year shall not be reduced by any authority other than the general assembly. The staff shall be appointed pursuant to chapter 19A. The department shall not appoint or employ a person who is an officer or committee member of a political party organization or who holds or is a candidate for an elective public office. The department may employ attorneys and contract with attorneys and legal firms for the provision of legal counsel and advice in the administration of this chapter, chapter 97C, and chapter 12A. The department may execute contracts with investment advisors, consultants, and managers outside state government in the administration of this chapter and chapter 12A. The department may delegate to any person such authority as it deems reasonable and proper for the effective administration of this chapter, and may bond any person handling moneys or signing checks under this chapter.

Sec. 9. Section 97B.6, Code 1991, is amended to read as follows:

97B.6 OLD RECORDS.

The department may destroy or dispose of such original reports or records as have been properly recorded or summarized in the permanent records of the department and are deemed by the director ~~and state records commission~~ to be no longer necessary to the proper administration of this chapter. ~~Such~~ The destruction or disposition shall be made only by order of the director. Records of deceased members of the system may be destroyed ten years after the later of the final payment made to a third party on behalf of the member or the death of the member. Any moneys received from the disposition of such these records shall be deposited to the credit of the public employees' retirement fund subject to rules promulgated adopted by the department.

Sec. 10. Section 97B.7, subsection 3, Code 1991, is amended to read as follows:

3. All moneys which are paid or deposited into this fund are hereby appropriated and made available to the department to be used only for the purposes herein for the exclusive benefit of the members and their beneficiaries or contingent annuitants as provided in this chapter:

a. To be used by the department for the payment of retirement claims for benefits under this chapter; or such other purposes as may be authorized by the general assembly.

b. To be used by the department to pay refunds provided for in this chapter.

c. To be used for the costs of administering the retirement system. If as a result of action under section 8.31, the governor has reduced the moneys appropriated from the Iowa public

employees' retirement system fund to the department of personnel for salaries, support, maintenance, and other operational purposes to pay the costs of the Iowa public employees' retirement system for a fiscal year, it is the intent of the general assembly that the amount by which the appropriation has been reduced should be transferred from that fund to the department of personnel for salaries, support, maintenance, and other operational purposes to pay the costs of the Iowa public employees' retirement system for that fiscal year.

Sec. 11. Section 97B.8, unnumbered paragraph 1, Code Supplement 1991, is amended to read as follows:

A board is established to be known as the "Investment Board of the Iowa Public Employees' Retirement System", referred to in this chapter as the "board", whose duties are to establish policy for the department in matters relating to the investment of the trust funds of the Iowa public employees' retirement system. At least annually the board shall review the investment policies and procedures used by the department under section 97B.7, subsection 2, paragraph "b", and shall hold a public meeting on the investment policies and investment performance of the fund. Following its review and the public meeting, the board shall establish an investment policy and goal statement which shall direct the investment activities of the department. The development of the investment policy and goal statement and its subsequent execution shall be performed cooperatively between the board and the department. ~~In accordance with section 97B.8, the board shall recommend to the director a set of candidates for selection as the administrator.~~

Sec. 12. Section 97B.8, unnumbered paragraph 2, Code Supplement 1991, is amended to read as follows:

The board consists of nine members. Six of the members shall be appointed by the governor. One member shall be an executive of a domestic life insurance company, one an executive of a state or national bank operating within the state of Iowa, one an executive of a major industrial corporation located within the state of Iowa, and three shall be members of the system, one of whom shall be is an active member who is an employee of a school district, area education agency, or merged area, one of whom shall be is an active member who is not an employee of a school district, area education agency, or merged area, and one of whom is a retired member of the system. The president of the senate, after consultation with the majority leader and the minority leader of the senate, shall appoint one member from the membership of the senate and the speaker of the house of representatives shall appoint one member from the membership of the house. The two members appointed by the president of the senate, after consultation with the majority leader and the minority leader of the senate, and the speaker of the house of representatives and the two active members of the system appointed by the governor are ex officio members of the board. The director of the department of personnel is an ex officio, nonvoting member of the board.

Sec. 13. Section 97B.10, Code 1991, is amended to read as follows:

97B.10 REFUNDS.

In any case in which If the department finds the employee or employer has, or both, have erroneously paid contributions thereon which have been erroneously paid, and has filed application for an adjustment thereof, the department shall make such an adjustment, compromise, or settlement and make such a refund of such payments to the employee or employer, or both, as it finds just and equitable in the premises. Refunds so made shall be charged to the fund to which the erroneous collections have been credited and shall be paid to the claimant employee or employer, or both, without interest. Any A claim of an employee or employer for such a refund shall be made within three years of date of payment and not thereafter. However, the department may make refund payments to employees or employers after the expiration of the three-year deadline if the department finds that the payment of the refund is just and equitable.

Sec. 14. Section 97B.11, Code 1991, is amended to read as follows:

97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

Each employer shall deduct from the wages of each member of the system a contribution in the amount of ~~three and six-tenths percent of the covered wages paid by the employer through June 30, 1979, and commencing July 1, 1979 in the amount of three and seven-tenths percent of the covered wages paid by the employer, until the member's termination or retirement from employment, whichever is earlier. The contributions of the employer shall be in the amount of three and one-half percent of the covered wages of the member for service through December 31, 1976, and in the amount of five and twenty-five hundredths percent of the covered wages of the member for service commencing July 1, 1977, through June 30, 1979, and in the amount of five and seventy-five hundredths percent of the covered wages of the member for service commencing July 1, 1979.~~

Sec. 15. Section 97B.17, unnumbered paragraph 1, Code 1991, is amended to read as follows:

The department shall establish and maintain records of each member, including but not limited to, the amount of wages of each member, the contribution of each member with interest, and interest dividends credited, ~~and these.~~ These records are the basis for the compilation of the retirement benefits provided under this chapter. The following records maintained under this chapter containing personal identifiable information are not public records for the purposes of chapter 22:

Sec. 16. Section 97B.18, Code 1991, is amended to read as follows:

97B.18 STATEMENT OF ACCUMULATED CREDIT.

After the expiration of each calendar year and prior to July 1 of the succeeding year, the department shall furnish each member with a statement of the member's accumulated contributions and benefit credits accrued under this chapter up to the end of ~~such that~~ such that calendar year and additional information the department deems useful to a member. The department may furnish an estimate of such the credits as of the projected normal retirement date of the member under section 97B.45. The department shall mail such the statement to each employer not later than June 30 of the succeeding calendar year. The employer shall distribute such the statements to its employees, and the records of the department as shown by said the statement as to the wages of such each individual member for such a year and the periods of payment shall be conclusive for the purpose of this chapter, except as hereinafter otherwise provided in this chapter.

Effective for the calendar year beginning January 1, 1994, the department may transmit the statements directly to the members in lieu of mailing them to the employers.

Sec. 17. NEW SECTION. 97B.20A APPEAL PROCEDURE.

Members and third-party payees may appeal any decision made by the department that affects their rights under this chapter. The appeal shall be filed with the department within thirty days after the notification of the decision was mailed to the party's last known mailing address, or the decision of the department is final. If the party appeals the decision of the department, the department shall conduct an internal review of the decision and the chief benefits officer shall notify the individual who has filed the appeal in writing of the department's decision. The individual who has filed the appeal may file an appeal of the department's final decision with the department under chapter 17A by notifying the department of the appeal in writing within thirty days after the notification of its final decision was mailed to the party's last known mailing address. Once notified, the department shall forward the appeal to the department of inspections and appeals.

Sec. 18. NEW SECTION. 97B.20B HEARING BY ADMINISTRATIVE LAW JUDGE.

If an appeal is filed and is not withdrawn, an administrative law judge in the department of inspections and appeals, after affording the parties reasonable opportunity for fair hearing, shall affirm, modify, or reverse the decision of the department. The hearing shall be recorded by mechanical means and a transcript of the hearing shall be made. The transcript shall then be made available for use by the employment appeal board and by the courts at subsequent

judicial review proceedings under the Iowa administrative procedure Act, if any. The parties shall be duly notified of the administrative law judge's decision, together with the administrative law judge's reasons. The decision is final unless, within thirty days after the date of notification or mailing of the decision, review by the employment appeal board is initiated pursuant to section 97B.27.

Sec. 19. Section 97B.22, Code 1991, is amended to read as follows:

97B.22 WITNESSES AND EVIDENCE.

For the purpose of any hearing, investigation, or other proceeding authorized or directed under this chapter, or relative to any other matter within its jurisdiction hereunder under this chapter, the department or appeal referee shall have the power to administrative law judge may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation or in question before the commission department. Such attendance Attendance of witnesses and production of evidence at the designated place of such the hearing, investigation, or other proceedings may be required from any political subdivision in the state. Subpoenas of the department shall be served by anyone authorized by it (4) by delivering a copy thereof of the subpoena to the individual named therein in it, or (2) by certified mail addressed to such the individual at the individual's last known dwelling place or principal place of business. A verified return by the individual so serving the subpoena setting forth the manner of service, or, in the case of service by certified mail, the return post-office receipt therefor signed by the individual so served, shall be proof of service. Witnesses so subpoenaed shall be paid the same fees and mileage as are paid witnesses in the district courts of the state of Iowa. In the discharge of the duties imposed by this chapter, the chairperson or an appeal referee department or an administrative law judge and any duly authorized representative or member of the department shall have power to may administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with the administration of this chapter.

Sec. 20. Section 97B.23, Code 1991, is amended to read as follows:

97B.23 PENALTY FOR CONTUMACY NONCOMPLIANCE.

In case of contumacy by, or refusal to obey a subpoena duly served upon any person, any district court of the state of Iowa for the district in which said the person charged with contumacy or refusal to obey is found or resides or transacts business, upon application by the department, shall have jurisdiction to may issue an order requiring such that person to appear and give testimony, or to appear and produce evidence, or both. Any failure to obey such the order of the court may be punished by said the court as contempt thereof.

Sec. 21. Section 97B.25, Code 1991, is amended to read as follows:

97B.25 APPLICATIONS FOR BENEFITS.

A representative designated by the administrator and referred to in this chapter as a retirement benefits deputy specialist, shall promptly examine applications for retirement benefits and on the basis of facts found shall determine whether or not the claim is valid and if valid, the month with respect to which benefits shall commence, the monthly benefit amount payable, and the maximum duration. The deputy retirement benefits specialist shall promptly notify the applicant and any other interested party of the decision and the reasons. Unless the applicant or other interested party, within thirty calendar days after the notification was mailed to the applicant's or party's last known address, files an appeal to an administrative law judge in the department of inspections and appeals as provided in section 97B.20A, the decision is final and benefits shall be paid or denied in accord with the decision.

Sec. 22. Section 97B.34, Code 1991, is amended to read as follows:

97B.34 PAYMENT TO INCOMPETENTS REPRESENTATIVES.

When it appears to the department that the interest of an applicant entitled to a payment would be served thereby, certification of payment may be made, regardless of the legal competency or incompetency of the individual entitled thereto to the payment, either for direct payment to such the applicant, or for the applicant's use and benefit to a relative or some other person representative of an applicant. The department may adopt rules under chapter 17A for making payments to a representative of an applicant if the department determines that it can sufficiently safeguard the member's rights under this chapter.

Sec. 23. NEW SECTION. 97B.34A PAYMENT TO MINORS.

The department may make payments to a minor, as defined in section 599.1, as follows:

1. If the total sum to be paid to the minor is less than ten thousand dollars, the funds may be paid to an adult as custodian for the minor. The custodian must complete the proper forms as determined by the department.

2. If the total sum to be paid to the minor is equal to or more than ten thousand dollars, the funds must be paid to a court-established conservator. The department shall not make payment until the conservatorship has been established and the department has received the appropriate documentation.

3. Interest shall be paid on the funds, at a rate determined by the department, until disbursement of the funds.

If the department makes payments to a minor pursuant to this section, the department may make payments directly to the person when the person attains the age of eighteen or is declared to be emancipated by a court of competent jurisdiction.

Sec. 24. Section 97B.41, subsection 1, paragraph a, unnumbered paragraph 1, Code 1991, is amended to read as follows:

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

Sec. 25. Section 97B.41, subsection 1, paragraph b, subparagraph (12), Code 1991, is amended to read as follows:

(12) Effective July 1, 1988 1992, covered wages does not include wages to a member on or after the effective date of the member's retirement unless the member is reemployed, as provided under section ~~97B.48~~, subsection 3 97B.48A.

Sec. 26. Section 97B.41, subsection 2, Code 1991, is amended to read as follows:

2. "Employment for any calendar quarter" means any service performed under an employer-employee relationship under the provisions of this chapter if the remuneration equals or exceeds three hundred dollars for which wages are reported in the calendar quarter. For the purposes of this chapter, elected officials are deemed to be in employment for all quarters of the elected officials' respective terms of office, even if the elected officials have selected a method of payment of wages which results in the elected officials not being credited with wages every quarter of a year.

Sec. 27. Section 97B.41, subsection 3, paragraph a, unnumbered paragraph 1, Code 1991, is amended to read as follows:

"Employer" means the state of Iowa, the counties, municipalities, and agencies, public school districts, and all of the political subdivisions, and all of their departments and instrumentalities, including joint planning commissions created under the provisions of chapter 28I.

Sec. 28. Section 97B.41, subsection 3, paragraph b, unnumbered paragraph 1, and subparagraphs (1), (2), (3), (4), (5), and (7), Code 1991, are amended to read as follows:

"Employee" means any individual who is in employment employed as defined in this chapter, except:

(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 expiration of the member's termination term of office. 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.

(1A) Individuals who are enrolled as students and whose primary occupations are as students who are incidentally employed by employers.

(1B) 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.

(2) Members of the general assembly of Iowa and temporary employees of the general assembly of Iowa, unless such members or employees shall make an application to the department to be covered under the provisions of this chapter. A member of the general assembly or temporary employee of the general assembly 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 or temporary employee's termination intent to terminate.

Temporary employees of the general assembly who have elected coverage under this chapter may terminate membership by sending written notification to the department of their separation from service.

(3) Employees Nonvested employees of drainage and levee districts not vested, unless such drainage and levee districts shall those employees make an application to the department to be covered under the provisions of this chapter. However, any drainage or levee district which has made contributions against which no application for benefits has been made shall be entitled to withdraw all such contributions by making application to the department prior to December 31, 1969. Each drainage or levee district which withdraws its contributions shall refund to its employees contributions deducted from their wages.

(4) Employees hired for temporary employment of less than six months or less duration or one thousand and forty hours in a calendar year. An employee who works for an employer for six or more months in a calendar year or who works for an employer for more than one thousand forty hours in a calendar year is not a temporary employee under this subparagraph. Adjunct instructors are temporary employees for the purposes of this chapter. As used in this section, unless the context otherwise requires, "adjunct instructors" means instructors employed by a community college without a continuing contract, whose teaching load does not exceed one-half time for two full semesters or three full quarters per calendar year.

(5) Employees of a community action programs program, determined to be an instrumentality of the state or a political subdivision, unless such the employees elect by filing an application with the department to be covered under the provisions of this chapter and the department has approved the election. Coverage will begin when the election has been approved by the department.

(7) Persons employed under the federal Job Training Partnership Act of 1982, Pub. L. No. 97-300, unless these employees make an application to the department to be covered under this chapter and the department has approved the election. Coverage will begin when the election has been approved by the department.

Sec. 29. Section 97B.41, subsection 3, paragraph b, Code 1991, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (16) Persons employed by the board of trustees for the statewide fire and police retirement system established in section 411.36, unless these employees make an application to the department to be covered under this chapter and the department has approved the election. Coverage will begin when the election has been approved by the department.

Sec. 30. Section 97B.41, subsection 7, Code 1991, is amended to read as follows:

7. "Member" means an employee or a former employee required to become a member of the system by sections 97B.43 and 97B.43 who maintains the employee's or former employee's accumulated contributions in the system. The former employee is not a member if the former employee has received a refund of the former employee's accumulated contributions.

Sec. 31. Section 97B.41, subsection 10, paragraph a, unnumbered paragraph 1, Code 1991, is amended to read as follows:

"Vested member" means a member who meets who has attained through age or sufficient years of service eligibility to receive monthly retirement benefits upon the member's retirement. A vested member must meet one of the following requirements:

Sec. 32. Section 97B.41, subsection 11, Code 1991, is amended to read as follows:

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

Sec. 33. Section 97B.41, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 11A. "Bona fide retirement" means a retirement by a vested member which meets the requirements of section 97B.52A, subsection 1, and in which the member is eligible to receive benefits under this chapter.

Sec. 34. Section 97B.41, subsections 16 and 17, Code 1991, are amended to read as follows:

16. "Beneficiary" means the person or persons who are entitled to receive any benefits payable under this chapter at the death of a member payable under this chapter who has or, if the person or persons have been designated in writing by the member on a form provided by the department and filed with the department; or if. If no such designation is in effect at the time of death of the member or if no person so designated is living at that time, then the beneficiary shall be is the estate of the member.

17. "Membership service" means service rendered by a member after July 4, 1953. Years of membership service shall be counted to the complete quarter calendar year. However, membership service for a calendar year shall not include more than four quarters.

Sec. 35. Section 97B.41, subsection 19, Code 1991, is amended to read as follows:

19. "Three-year average covered wage" means a member's covered wages averaged for the highest three years of the member's service, except as otherwise provided in this subsection. The highest three years of a member's covered wages shall be determined using calendar years. However, if a member's final quarter of a year of employment does not occur at the end of a calendar year, the department may determine the wages for the third year by combining the wages from the highest quarter or quarters not being used in the selection of the two highest years with the final quarter or quarters of the member's service to create a full year. However, the department shall not use the member's final quarter of wages if using that quarter would reduce the member's three-year average covered wage. If the three-year average covered wage of a member exceeds the highest maximum covered wages in effect for a calendar year during the member's period of service, the three-year average covered wage of the member shall be reduced to the highest maximum covered wages in effect during the member's period of service.

Sec. 36. Section 97B.42, unnumbered paragraph 1, Code 1991, is amended to read as follows:

Each employee whose employment commences after July 4, 1953, or who has not qualified for credit for prior service rendered prior to July 4, 1953, or any publicly elected official of the state or any of its political subdivisions, ~~other than individuals who are students and who devote their time and efforts chiefly to their studies, rather than to incidental employment,~~ shall become a member upon the first day in which such employee is employed. The employee shall continue to be a member so long as the employee continues in public employment ~~except that the~~. The employee shall cease to be a member if ~~after making said election the employee joins another retirement system in the state which is maintained in whole or in part by public contributions or payments which has been in operation prior to July 4, 1953, and was subsequently liquidated and may have thereafter been re-established.~~ However, the participation in such other retirement system shall be voluntary and shall not be a condition for continuance of employment.

Sec. 37. Section 97B.42, unnumbered paragraph 5, Code 1991, is amended to read as follows:

Notwithstanding any other provision of this section, commencing July 1, 1994, a member who is employed by a 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 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.~~ A member employed by a community college who elects coverage under an alternative retirement benefits system may withdraw the member's accumulated contributions effective when coverage under the alternative benefits system commences. The department shall cooperate with the boards of directors of the community colleges to facilitate the implementation of this unnumbered paragraph provision.

Sec. 38. Section 97B.43, unnumbered paragraph 1, Code 1991, is amended to read as follows:

Each member in service on July 4, 1953, who made contributions under the abolished system, and who has not applied for and qualified for benefit payments under the abolished system, shall receive credit for years of prior service in the determination of retirement allowance payments under any of the provisions of this chapter, ~~provided (1) such if the member elects to become a member on or before October 1, 1953, (2) such the member has not made application for a refund of such the part of the member's contributions under the abolished system as is which are payable under the provisions of sections 97.50 to 97.53, and (3) such the member gives written authorization prior to October 1, 1953, to the commission to credit to the retirement fund the amount of the member's contribution which would be subject to a claim for refund.~~ The amount so credited shall, after such transfer, be considered as a contribution to the system made as of July 4, 1953, by the member and shall be included as such in the determination of the amount of any accumulated contributions payable under this chapter in the event of the death prior to retirement or termination of employment of the member, but shall not be included in the accumulated contributions of the member in the determination of the amount of any retirement allowance payable under this chapter moneys payable under this chapter. ~~Provided, however~~ However, an employee who was under a contract of employment as a teacher in the public schools of the state of Iowa at the end of the school year 1952-1953, or any person covered by the provisions of paragraph "c" or "d", of subsection 13, of section 97B.41, shall be considered as in service as of July 4, 1953, if they were members of the abolished system.

Sec. 39. Section 97B.44, Code 1991, is amended to read as follows:

97B.44 BENEFICIARY.

Each member shall designate on a form to be furnished by the department a beneficiary for any death benefits payable hereunder under this chapter on the death of such the member. Such The designation may be changed from time to time by the member by filing a new designation with the department. The designation of a beneficiary is not applicable if the member receives a refund of all contributions of the member. If a member who has received a refund of contributions returns to employment, the member shall file a new designation with the department.

If a member has not designated a beneficiary on a form furnished by the department, or if there are no surviving designated beneficiaries of a member, death benefits payable under this chapter shall be paid to the member's estate.

Sec. 40. Section 97B.48, subsection 2, Code 1991, is amended to read as follows:

2. The first monthly payment of a normal retirement allowance shall be paid as of the normal retirement effective date, which date shall be the later of the normal retirement date or the first day of the sixth calendar month preceding the month in which written notice of normal retirement is submitted to the department. Written notice under this section may consist of submission of a completed estimate request form, a completed application for retirement form, or a letter from the member requesting information on retirement benefits, whichever is received first by the department. However, a letter requesting information on benefits or submission of a completed estimate request form is only valid for six months following the date of its receipt by the department, unless during that six-month period the department receives a completed application for retirement form from the member. A retirement allowance may only be provided retroactively for a single six-month period. Payment of an early retirement allowance or an allowance for retirement after the normal retirement date shall be paid as of the effective date of retirement subject to the provisions of section 97B.45, 97B.46, or 97B.47. The payments shall be continued thereafter for the lifetime of the retired member except as provided in subsection 3 section 97B.48A.

Sec. 41. Section 97B.48, subsection 3, Code 1991, is amended by striking the subsection and inserting in lieu thereof the following:

3. As of the first of the month in which a member attains the age of seventy years, the member may commence receiving a retirement allowance regardless of the member's employment status.

Sec. 42. NEW SECTION. 97B.48A REEMPLOYMENT.

1. 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 has a bona fide retirement under this chapter is in regular full-time employment during a calendar year, the member's retirement allowance shall be suspended for as long as the member remains in employment for the remainder of that calendar year. However, effective January 1, 1992, employment is not full-time employment until the member receives remuneration in an amount in excess of seven thousand four 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.

2. 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.

3. 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 member shall receive a single retirement allowance calculated from both periods of membership service, one based on the initial retirement and

one based on the second retirement following reemployment. If the total years of membership service and prior service of a member who has been reemployed equals or exceeds thirty, the years of membership service on which the original retirement allowance was based may be reduced by a fraction of the years of service equal to the number of years by which the total years of membership service and prior service exceeds thirty divided by thirty, if this reduction in years of service will increase the total retirement allowance of the member. The additional retirement allowance calculated for the period of reemployment shall be added to the retirement allowance calculated for the initial period of membership service and prior service, adjusted as provided in this subsection. The retirement allowance calculated for the initial period of membership service and prior service shall not be adjusted for any other factor than years of service. The retired member shall not receive a retirement allowance based upon more than a total of thirty years of service.

4. The department shall pay to the member the accumulated contributions of the member and to the employer the employer contributions, plus two percent interest plus interest dividends for all completed calendar years, compounded annually, on the covered wages earned by a retired member that are not used in the recalculation of the retirement allowance of a member.

Sec. 43. Section 97B.49, subsection 5, unnumbered paragraph 1, Code 1991, is amended to read as follows:

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. The two percent increase in the percentage multiplier for a year applies only to the members retiring on or after July 1 of the respective year.

Sec. 44. Section 97B.49, subsection 5, Code 1991, is amended by adding the following new unnumbered paragraph after unnumbered paragraph 2:

NEW UNNUMBERED PARAGRAPH. In accordance with sections 97D.1 and 97D.4, it is the intent of the general assembly that once the goal of sixty percent of the three-year average covered wage is attained for a percentage multiplier, the department shall submit to the public retirement systems committee a plan for future benefit enhancements. This plan shall include, but is not limited to, continuation in the increase in the covered wage ceiling until reaching fifty-five thousand dollars for a calendar year, providing for annual adjustments in the annual dividends paid to retired members as provided in section 97B.49, subsection 13, and providing for the indexing of terminated vested members' earned benefits at a rate of three percent per year calculated from the date of termination from covered employment until the date of retirement.

Sec. 45. Section 97B.49, subsection 13, Code 1991, is amended to read as follows:

13. 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 ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit payments a retirement dividend equal to 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 ~~1990~~ 1992 and the November ~~1991~~ 1993 monthly benefit payments a retirement dividend equal to one hundred 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.

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

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 1992 and the November 1991 1993 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.

e. If the member dies on or after July 1 of the dividend year but before the payment date, the full amount of the retirement dividend for that year shall be paid to the designated beneficiary. If there is no beneficiary designated by the member, the department shall pay the dividend to the member's estate. The beneficiary, or the representative of the member's estate, must apply for the dividend within two years after the dividend is payable or the dividend is forfeited.

Sec. 46. Section 97B.49, subsection 16, paragraph a, Code 1991, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (4) The years of membership service required under this paragraph include membership service as a sheriff or deputy sheriff and membership service as an employee in a protection occupation under paragraph "d", subparagraph (2).

Sec. 47. Section 97B.49, subsection 16, paragraph d, Code 1991, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (8) A fire prevention inspector peace officer employed by the department of public safety.

Sec. 48. Section 97B.50, subsection 1, unnumbered paragraph 1, Code Supplement 1991, is amended to read as follows:

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

Sec. 49. Section 97B.50, subsections 2 and 4, Code Supplement 1991, are amended to read as follows:

2. a. A vested 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, and who 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. However, the benefits shall be suspended during any period in which the member returns to covered employment. This section takes effect July 1, 1990, for a member meeting the requirements of this paragraph who retired from the system at any time after July 4, 1953. Eligible members are entitled to the receipt of retroactive adjustment payments back to July 1, 1990.

b. A vested 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.), and 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. However, the benefits shall be suspended during any period in which the member returns to covered employment. 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 Eligible members are entitled to the

receipt of retroactive adjustment payments for no more than six months immediately preceding the month after back to July 1, 1990, in which written notice was submitted to the department.

Effective July 1, 1990, for members terminating on or after July 4, 1988, 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.40, 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.

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

Sec. 50. Section 97B.51, subsections 2, 5, and 6, Code 1991, are amended to read as follows:

2. The election by a member or the contingent annuitant of the option stated under subsection 1 of this section shall be null and void if the member dies prior to retirement the department issuing payment of the member's first retirement allowance.

5. At retirement, a member may designate that upon the member's death, a specified amount of money shall be paid to a named beneficiary, and the member's monthly retirement allowance will shall be reduced by an actuarially determined amount to provide for the lump sum payment. The amount designated by the member must be in thousand dollar increments, and the amount designated shall not lower the monthly retirement allowance of the member by more than one-half the amount payable under section 97B.49, subsection 1 or 5. A member may designate a different beneficiary if the original named beneficiary predeceases the member.

6. A member may elect to receive a decreased retirement allowance during the member's lifetime with provision that in event of the member's death during the first one hundred twenty months of retirement, monthly payments of the member's decreased retirement allowance shall be made to the member's beneficiary until a combined total of one hundred twenty monthly payments have been made to the member and the member's beneficiary. A member may designate a different beneficiary if the original named beneficiary predeceases the member.

Sec. 51. Section 97B.52, subsections 1 and 2, Code 1991, are amended to read as follows:

1. If a member dies prior to the date the member's first retirement allowance is payable under issued by the system, the accumulated contributions of the member at the date of death plus the product of an amount equal to the highest year of covered wages of the deceased member and the number of years of membership service divided by thirty shall be paid to the member's beneficiary in a lump sum payment. However, a lump sum payment made to a beneficiary under this subsection due to the death of a member shall not be less than the amount that would have been payable on the death of the member on June 30, 1984, under this subsection as it appeared in the 1983 Code.

Effective July 1, 1978, a method of payment under this subsection filed with the department by a member does not apply.

2. If a member dies after the date the member's first retirement allowance is payable under issued by the retirement system, the excess, if any, of the accumulated contributions by the member as of said date, over the total monthly retirement allowances received by the member under the retirement system will be paid to the member's beneficiary unless the retirement allowance is then being paid in accordance with subsection 1, 4, 5, or 6 of section 97B.51.

Sec. 52. Section 97B.52, subsection 3, paragraph b, Code 1991, is amended to read as follows:

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. In order to receive the death benefit, the beneficiary, heirs at law, or the estate, or any other third-party payee, must apply to the department within two years of the member's death.

Sec. 53. Section 97B.52, subsection 4, Code 1991, is amended to read as follows:

4. If the department cannot locate the beneficiary within eighteen months following the member's death and receipt of verification that a certified letter with return receipt requested, addressee only, has been delivered mailed to the beneficiary, the department shall pay to the estate of the deceased member the amount otherwise designated to be received by the beneficiary. If a beneficiary is known to exist but cannot be notified, the department shall not pay the death benefits to the estate.

Sec. 54. Section 97B.52, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 6. If a member has not filed a designation of beneficiary with the department, the death benefit is payable to the member's estate. If no designation has been filed and an estate is not probated, the death benefit shall be paid to the surviving spouse, if any. If no designation has been filed, no estate has been probated, and there is no surviving spouse, the death benefit shall be paid to the heirs. Otherwise, the death benefit shall remain in the fund.

Sec. 55. NEW SECTION. 97B.52A ELIGIBILITY FOR BENEFITS - BONA FIDE RETIREMENT.

1. A member has a bona fide retirement when the member terminates employment and remains out of employment for at least one hundred twenty consecutive days, files an application for benefits form with the department, and does not return to employment as defined in this chapter until the member has qualified for no fewer than four calendar month's retirement benefits.

2. A member may commence receiving retirement benefits under this chapter upon satisfying eligibility requirements and remaining out of covered employment for one calendar month. However, a retired member who commences receiving a retirement allowance but returns to employment before the expiration of the one hundred twenty consecutive day period, does not have a bona fide retirement and any retirement allowance received by such a member must be returned to the system together with interest earned on the retirement allowance calculated at a rate determined by the department. Until the member has repaid the retirement allowance and interest, the department may withhold any future retirement allowance for which the member may qualify.

Sec. 56. Section 97B.53, Code 1991, is amended to read as follows:

97B.53 TERMINATION OF EMPLOYMENT - REFUND OPTIONS.

All rights to all benefits under Membership in the retirement system, and all rights to the benefits under the system, will cease upon a member's termination of employment with the employer prior to the member's retirement, other than by death, except as provided hereafter: and upon receipt by the member of the member's accumulated contributions.

1. Upon the termination of employment with the employer prior to retirement other than by death of a member, the accumulated contributions by the member at the date of such the termination ~~will~~ may be paid to such the member upon application, except as ~~may~~ be provided in ~~subsection~~ subsections 2, subsection 5, and subsection 6 of this section.

2. If a vested member's employment is terminated prior to the member's retirement, other than by death, the member ~~shall~~ may receive a monthly retirement allowance commencing on the first day of the month in which the member attains the age of sixty-five years, if the member is then alive, or, if the member so elects in accordance with section 97B.47, commencing on the first day of the month in which the member attains the age of fifty-five or any month thereafter prior to the date the member attains the age of sixty-five years, and continuing

on the first day of each month thereafter during the member's lifetime, provided the member does not receive prior to the date the member's retirement allowance is to commence a refund of accumulated contributions under any of the provisions of this chapter. The amount of each such monthly retirement allowance shall be determined as provided in either section 97B.49 or in section 97B.50, whichever is applicable.

3. The accumulated contributions of a terminated, vested member who is entitled to the benefits of subsection 2 of this section shall be credited with interest, including interest dividends.

4. A terminated, vested member who is entitled to the benefits of subsection 2 of this section shall have the right, prior to the commencement of the member's retirement allowance, to receive a refund of the member's accumulated contributions, and in the event of the death of the member prior to the commencement of the member's retirement allowance and prior to the receipt of any such refund the benefits of subsection 1 of section 97B.52 shall be paid. No member shall be entitled to any refund based upon any credit for prior service as determined under the provisions of section 97B.43 or for any portion of any contribution made by an employer unless otherwise provided by this chapter.

5. A member has not terminated employment if the member accepts other covered employment in the state of Iowa under which the member is eligible to membership in the Iowa public employees' retirement system, within thirty days after the member has left public employment.

5A. Within sixty days after a member has been issued payment for a refund of the member's accumulated contributions, the member may repay the accumulated contributions plus interest that would have accrued, as determined by the department, and receive credit for membership service for the period covered by the refund payment.

5B. Any A member who does not withdraw the member's accumulated contributions upon termination of employment may at any time request the return of the member's accumulated contributions, but if the member receives such a return of contributions the member shall be deemed to have has waived all claims for any other benefits and membership rights from the fund.

6. Any A member who terminates employment before the member is entitled to the benefits of subsection 2 of this section vested and who does not claim and receive a refund of the member's accumulated contributions within five years of the date of termination shall, in event if the member makes claim for such a refund more than five years after the date of termination, be required to submit proof satisfactory to the department of the member's entitlement to such the refund, but in no case shall interest be allowed upon the accumulated contributions for any period in which the member is not an employee. The department shall be is under no obligation to maintain the accumulated contribution accounts of such former members for more than five years after their dates of termination.

Any A person who made contributions to the abolished system, who is entitled to a refund in accordance with the provisions of this chapter, and who has not claimed and received such a refund prior to January 1, 1964, shall, in event if the person makes a claim for such refund after January 1, 1964, be required to submit proof satisfactory to the department of the person's entitlement to such the refund. The department shall be is under no obligation to maintain the contribution accounts of such persons after January 1, 1964.

7. Any member whose employment is terminated after one year of employment but before the member has accumulated four or more years of employment, either under the provisions of this chapter or as a result of prior service credits, may elect to leave the member's accumulated contributions in the retirement fund. In the event the member returns to public employment at any time within four years after this termination of employment, the member shall be entitled to resume membership in the system with the same credits for prior service and accumulated contributions that the member had earned when the member's original employment was terminated. No interest shall be credited on the member's accumulated contributions nor on the member's employer's accumulated contributions during the period from the time of the member's termination of employment to the member's resumption of employment.

Any member who has resumed employment under the provisions of this subsection shall not be eligible for any second period of absence from membership as a result of termination of service.

8. If an employee hired to fill a permanent position terminates the employee's employment within six months from the date of employment, the employer may file a claim with the department for a refund of the funds contributed to the department by the employer for the employee.

9. ~~The department shall refund employee and employer contributions on the covered wages earned by a retired member that are not used in the recomputation of monthly benefits of that member.~~

Sec. 57. Section 97B.58, Code 1991, is amended to read as follows:

97B.58 INFORMATION FURNISHED BY EMPLOYER.

To enable the department to perform its functions, the employer shall, upon the request of and in the manner provided by the department, supply full and timely information to the department of all matters relating to the pay of all members, date of birth, their retirement, death, or other cause for termination of employment, and such other pertinent facts as the department may require in the manner provided by the department.

Sec. 58. Section 97B.66, unnumbered paragraph 3, Code 1991, is amended by striking the unnumbered paragraph.

Sec. 59. Section 97B.73, Code 1991, is amended to read as follows:

97B.73 MEMBERS FROM OTHER PUBLIC SYSTEMS.

A vested or retired member who was in public employment comparable to employment covered under this chapter in another state 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 either for the entire period of service in the other public retirement system and, or for partial service in the other public system in increments of one or more years, as long as the increments represent full years and not a portion of a year. The member may also make one lump sum contribution to the system which represents the entire period of service in the other public system, even if the period of time exceeds one year or includes a portion of a year. If the member wishes to transfer only a portion of the service value of another public system to this system and the other public system allows a partial withdrawal of a member's system credits, the member shall receive credit for membership service in this system equivalent to the number of years of service transferred from the other public retirement system. The 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. If the member's most recent covered wages were earned prior to the most recent calendar year, the member's covered wages shall be adjusted by the department by an inflation factor to reflect changes in the economy since the covered wages were earned.

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 retired under that system.

A member vested under entitled to a benefit from another public system must waive, on a form provided by the Iowa public employees' retirement system, all rights to a retirement benefit under that the other public system before receiving credit in this system for those the years of service in the other public system. The waiver must be accepted by 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. 60. Section 97B.80, Code 1991, is amended to read as follows:
97B.80 VETERAN'S CREDIT.

Effective July 1, ~~1990~~ 1992, 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 in which the member had reportable wages 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 of no greater than one year and not less than one calendar quarter, and receive credit for membership service and prior service for the period of time for which the contributions are made. However, the member may not make contributions in an increment of less than one year more than once. The member may also make one lump sum contribution to the system which represents the period of time of the active duty service, even if the period of time exceeds one year. If the member's most recent covered wages were earned prior to the most recent calendar year, the member's covered wages shall be adjusted by the department by an inflation factor to reflect changes in the economy. The department shall adjust benefits for a six-month period prior to the date the member pays contributions under this section if the member is receiving a retirement allowance at the time the contribution payment is 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, or may in the future be eligible to receive retirement pay from the United States government for active duty in the armed forces, except for retirement pay granted by the United States government under retired pay for nonregular service (10 U.S.C. § 1331, et seq.). A member receiving retired pay for nonregular service who makes contributions under this section shall provide information required by the department documenting time periods covered under retired pay for nonregular service.

Sec. 61. Section 294.15, unnumbered paragraphs 1 and 2, Code 1991, are amended to read as follows:

A person attaining the age of sixty-five who was an employee, holding a valid teaching certificate, in the public schools of this state with a record of service of twenty-five years or more, including a maximum of five years' out-of-state service followed by at least ten years' service in this state prior to retirement and who retired prior to July 4, 1953, may receive, effective July 1, ~~1984~~ 1992, retirement allowance payments from the state of Iowa equal to two hundred twenty three dollars per month. An amount necessary to meet this requirement shall be added to the retirement allowance payments, if any, now being received from the state of Iowa by individuals covered under this section. No such person shall receive retirement benefits from the state of more than two hundred twenty three dollars per month. The word "employee" as used in this section includes persons who were state superintendents, county superintendents, or deputy county superintendents.

However, a person receiving retirement allowance payments under this section may elect in writing to the department of personnel to continue to receive two hundred dollars or two hundred twenty dollars per month.

Sec. 62. Section 411.1, subsection 11, Code Supplement 1991, is amended by striking the subsection and inserting in lieu thereof the following:

11. "Earnable compensation" or "compensation earnable" shall mean the annual compensation which a member receives for services rendered as a police officer or fire fighter in the course of employment with a participating city. However, the term "earnable compensation"

or "compensation earnable" shall not include amounts received for overtime compensation, meal or travel expenses, uniform allowances, fringe benefits, severance pay, or any amount received upon termination or retirement in payment for accumulated sick leave or vacation. Contributions made by a member from the member's earnable compensation to a plan of deferred compensation shall be included in earnable compensation. Other contributions made to a plan of deferred compensation shall not be included except to the extent provided in rules adopted by the board of trustees pursuant to section 411.5, subsection 3.

Sec. 63. Section 411.5, subsection 6, Code Supplement 1991, is amended to read as follows:

6. **RECORDS - REPORTS.** The board of trustees shall keep a record of all its proceedings, which record shall be open to public inspection. It shall submit an annual report to the governor, the general assembly, and the city council of each participating city concerning the financial condition of the retirement system, its current and future liabilities, and the actuarial valuation of the system. The board of trustees shall submit a certified audit report prepared by a certified public accountant to the auditor of state annually. The system shall comply with the filing fee requirement of section 11.6, subsection 10.

Sec. 64. Section 411.6, subsection 2, paragraphs a through c, Code Supplement 1991, are amended to read as follows:

a. Upon retirement from service, prior to July 1, 1990, a member shall receive a The service retirement allowance which for a member who terminates service, other than by death or disability, prior to July 1, 1990, shall consist of a pension given by the city which 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 The service retirement allowance which for a member who terminates service, other than by death or disability, on or after July 1, 1990, but before July 1, 1992, shall consist of a pension which equals fifty-four percent of the member's average final compensation.

c. Commencing July 1, 1992, for members who terminate service, other than by death or disability, on or after that date, 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. The applicable percentage multiplier shall be the rate in effect on the date of the member's termination from service.

Sec. 65. Section 411.6, subsection 3, Code Supplement 1991, is amended to read as follows:

3. **ORDINARY DISABILITY RETIREMENT BENEFIT.** Upon 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 system, not less than thirty and not more than ninety days next following the date of filing the application, on an ordinary disability retirement allowance, if the medical board after a medical examination of the member certifies that the member is mentally or physically incapacitated for further performance of duty, that the incapacity is likely to be permanent, and that the member should be retired. However, if a person's membership in the system first commenced on or after July 1, 1992, the member shall not be eligible for benefits with respect to a disability which would not exist, but for a medical condition that was known to exist on the date that membership commenced.

Sec. 66. Section 411.6, subsection 4, Code Supplement 1991, is amended to read as follows:

4. **Allowance on ordinary disability retirement.** Upon retirement for ordinary disability a member shall receive an ordinary disability retirement allowance which shall consist of a pension which shall equal fifty percent of the member's average final compensation except if unless either of the following conditions exist:

a. If the member has not had five or more years of membership service the member shall receive a pension equal to one-fourth of the member's average final compensation.

b. If the member has had twenty-two or more years of membership service, the member shall receive a disability retirement allowance that is equal to the greater of the benefit that the member would receive under subsection 2 if the member were fifty-five years of age or the disability pension otherwise calculated under this subsection.

Sec. 67. Section 411.6, subsection 5, Code Supplement 1991, is amended to read as follows:

5. ACCIDENTAL DISABILITY BENEFIT.

a. 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 system, if the medical board certifies that the member is mentally or physically incapacitated for further performance of duty, that the incapacity is likely to be permanent, and that the member should be retired. However, if a person's membership in the system first commenced on or after July 1, 1992, the member shall not be eligible for benefits with respect to a disability which would not exist, but for a medical condition that was known to exist on the date that membership commenced.

b. If a member in service or the chief of the police or fire departments 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, upon being found to be temporarily incapacitated following a medical examination as directed by the system city, is entitled to receive the member's full pay and allowances from the city's general fund until re-examined as directed by the system city and found to be fully recovered or until the city determines that the member is likely to be permanently disabled. The board of trustees of the statewide system has no jurisdiction over these matters until the city determines that the disability is likely to be permanent.

c. Disease under this section shall mean heart disease or any disease of the lungs or respiratory tract and shall be presumed to have been contracted while on active duty as a result of strain or the inhalation of noxious fumes, poison or gases. However, if a person's membership in the system first commenced on or after July 1, 1992, and the heart disease or disease of the lungs or respiratory tract would not exist, but for a medical condition that was known to exist on the date that membership commenced, the presumption established in this paragraph shall not apply.

Sec. 68. Section 411.6, subsection 6, paragraph b, Code Supplement 1991, is amended to read as follows:

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. However, if the member has had twenty-two or more years of membership service, the member shall receive a disability retirement allowance that is equal to the greater of the retirement allowance that the member would receive under subsection 2 if the members were fifty-five years of age or the disability retirement allowance calculated under this paragraph.

Sec. 69. Section 411.6A, Code 1991, is amended by striking the section and inserting in lieu thereof the following:

411.6A OPTIONAL RETIREMENT BENEFITS.

1. In lieu of the payment of a service retirement allowance under section 411.6, subsection 2, and the payment of a pension to the spouse of a deceased pensioned member under section 411.6, subsection 11, a member may select an option provided under this section. The board of trustees shall adopt rules under section 411.5, subsection 3, providing the optional forms of payment that may be selected by the member. The optional forms of payment may provide adjustments to the amount of the retirement allowance paid to the member, may alter the pension amount and period of payment to the member's spouse after the death of the member, and may provide for payments to a designated recipient other than the member's spouse for a designated period of time or an unlimited period of time.

2. Prior to the member's retirement and as a part of the application for a service retirement allowance, the member shall elect, in writing, either the benefits provided under section 411.6, subsections 2 and 11, or one of the optional forms adopted by the board of trustees. If the member is married at the time of application and the member elects an optional form, the member's spouse must consent in writing to the optional form selected and to the receipt of payments to a designated recipient, if applicable. Upon acceptance by a member of an initial retirement benefit paid in accordance with the election under this section, the election of the member is irrevocable.

3. The optional forms of payment determined by the board of trustees under this section, shall be the actuarial equivalent of the amount of retirement benefits payable to the member and the member's spouse pursuant to section 411.6, subsections 2 and 11. The actuarial equivalent shall be based upon the actuarial assumptions adopted for this purpose pursuant to section 411.5. Election of an optional form adopted by the board of trustees shall not affect the benefits, if any, payable to the member's child or children pursuant to section 411.6, subsection 11.

Sec. 70. Section 411.8, subsection 1, paragraph f, subparagraph (8), and unnumbered paragraphs 2 and 3, Code Supplement 1991, are amended to read as follows:

(8) 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. For the purposes of this subparagraph, 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 the member's contribution rate 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 eleven and three-tenths percent, 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. 71. Section 411.38, subsection 2, Code 1991, is amended to read as follows:

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. The actuary of the statewide system shall redetermine the accrued liabilities of the terminated systems as necessary to take into account additional amounts payable by the city which are attributable to errors or omissions which occurred prior to January 1, 1992, or to matters pending as of January 1, 1992.

Sec. 72. NEW SECTION. 602.9107A OPTIONAL RETIREMENT AND DECREASED ANNUITY.

1. Notwithstanding section 602.9106, a judge who is fifty-five years of age or older and who has served at least twenty consecutive years as a judge of one or more of the courts included in this article shall be entitled to receive a decreased annuity.

2. The amount of the decreased annuity shall be the actuarial equivalent of the amount of the annuity payable to judges pursuant to section 602.9107, subsections 1 and 2. A judge shall make an election request in writing to the state court administrator prior to retirement in order to receive an annuity pursuant to this section. A judge may revoke the election prior to retirement by providing a written request to the state court administrator.

3. The decreased annuity provided in this section shall be in lieu of the annuities and refunds provided for in sections 602.9107, 602.9108, 602.9115, 602.9204, 602.9208, and 602.9209.

Sec. 73. Section 602.9204, Code 1991, 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 up to and including the twelve-month period during which the senior judge or retired senior judge attains seventy-eight years of age, 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 used in calculating the annuity. However, following the twelve-month period during which the senior judge or retired senior judge attains seventy-eight years of age, the annuity paid to the person shall be an amount equal to three percent of the basic salary cap, 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 that the annuity shall not exceed fifty percent of the basic salary cap. A senior judge or retired senior judge shall not receive benefits calculated using a basic salary established after the twelve-month period in which the senior judge or retired senior judge attains seventy-eight years of age. In addition, if a senior judge is under sixty-five years of age at the time the judge becomes 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.

As used in this section, unless the context otherwise requires, "basic salary cap" means the basic salary, at the end of the twelve-month period during which the senior judge or retired senior judge attained seventy-eight years of age, of the office in which the person last served as a judge before retirement as a judge or senior judge.

*Sec. 74. Section 602.9204, Code 1991, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. *Effective with the fiscal year commencing July 1, 1993, and for each subsequent fiscal year, there is appropriated annually from the general fund of the state to the judicial retirement fund from funds not otherwise appropriated an amount sufficient to pay the annual costs of this part 2 of chapter 602, article 9, the Iowa senior judge Act, which shall include the costs of all additional benefits paid as a result of the Iowa senior judge Act.**

Sec. 75. MEMBERSHIP IN FIRE AND POLICE RETIREMENT SYSTEMS.

1. As used in this section, unless the context otherwise requires, "qualified member" means a person who meets each of the following conditions:

a. Was a member of the retirement system established in chapter 411 with four or more but fewer than fifteen years of membership service as of July 1, 1989.

b. Terminated employment with the city which employed the member as of July 1, 1989, before the member attained the age of fifty-five and twenty-two years of service.

c. Was subsequently employed as a police officer or fire fighter as of July 1, 1990, by a city which attained a population of eight thousand or more as a result of the federal census

*Item veto, see message at end of the Act

conducted in 1990 and which was not a participating city subject to this chapter on July 1, 1990, and has not subsequently joined the statewide system established in chapter 411.

2. Notwithstanding any other provision of law to the contrary, a qualified member shall receive benefits under chapter 411 pursuant to this section. Unless in conflict with this section, the provisions of chapter 411 pertaining to members shall also pertain to qualified members. Upon attaining retirement age, a qualified member shall receive a service retirement allowance of one twenty-second of the retirement allowance the qualified member would have received if the qualified member had qualified for full benefits pursuant to section 411.6, subsection 1, paragraph "a", 1989 Code of Iowa, for each year of service the qualified member had served.

3. A qualified member must submit an application for coverage pursuant to this section to the board of trustees for membership in the system no later than September 1, 1992. The board of trustees shall notify the city which employed the member as of July 1, 1989, that it must transfer to the board of trustees an amount sufficient to cover the accrued liability of the member, including interest on the accrued liability from December 31, 1991, through the date of payment. The participating city shall transfer that amount to the statewide system.

Sec. 76. SENIOR JUDGES — IMPLEMENTATION. Notwithstanding the amendments to section 602.9204 contained in section 73 of this Act, all judges whose names are entered on the roster of senior judges pursuant to section 602.9203, subsection 3, as of June 30, 1992, and all persons who are retired senior judges as of June 30, 1992, shall continue to receive an annuity calculated pursuant to section 602.9204, 1991 Code of Iowa, and shall not be subject to the amendments to that section contained in this Act. This Act shall not be construed in a manner which reduces benefits to persons who participated as senior judges prior to July 1, 1992.

Sec. 77. Sections 97B.3, 97B.26, and 97B.71, Code 1991, are repealed.

Sec. 78. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

1. The portion of this Act which amends section 97B.41, subsection 3, paragraph "b", by adding a new subparagraph (16), being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 1992.

2. The portion of this Act which amends section 97B.50, subsection 2, being deemed of immediate importance, takes effect upon enactment and applies retroactively to July 1, 1990.

3. The section of this Act which amends section 411.6, subsection 2, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 1992.

4. The section of this Act which amends section 411.38, subsection 2, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 1992.

Approved April 30, 1992, except the item which I hereby disapprove and which is designated as Section 74 in its entirety. My reason for vetoing the item is delineated in the item veto message pertaining to this Act to the Speaker of the House this same date, a copy of which is attached hereto.

TERRY E. BRANSTAD, Governor