

*State Board Do Pass 3/18 (p. 672)
House " 3/28 Amend (3609) - Do Pass 4/12/91*

FILED APR 11 1991

SENATE FILE 340
BY NYSTROM and KIBBIE

Passed Senate, Date 3/25/91 (p. 794) Passed House, Date 4/17/91 (p. 1317)
Vote: Ayes 47 Nays 0 Vote: Ayes 95 Nays 0

*Referred Senate Jan 6-35/11
4/24/91 (p. 1145)
48-2*

Approved May 6, 1991 (p. 1704)

A BILL FOR

1 An Act relating to retirement benefits of members of the Iowa
2 public employees' retirement system who retire due to
3 disability and providing an effective date and applicability
4 date.

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

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SF 340

1 Section 1. Section 97B.50, subsection 2, paragraph a and
2 unnumbered paragraph 1, Code 1991, are amended to read as
3 follows:

4 a. A member who retires from the system due to disability
5 and commences receiving disability benefits pursuant to the
6 United States Social Security Act (42 U.S.C.), as amended to
7 July 1, 1978, who ~~is eligible for early retirement,~~ but has
8 not reached the normal retirement date, shall receive full
9 benefits under section 97B.49 and shall not have benefits
10 reduced upon retirement as required under subsection 1
11 regardless of whether the member has completed thirty or more
12 years of membership service. However, the benefits shall be
13 suspended during any period in which the member returns to
14 covered employment. This section takes effect July 1, 1987
15 for a member meeting the requirements of this paragraph who
16 retired from the system at any time between after July 4, 1953
17 and June 30, 1987. Eligible members are entitled to the
18 receipt of retroactive adjustment payments back to July 1,
19 1987.

20 ~~Effective July 1, 1990, for members terminating on or after~~
21 ~~July 4, 1953, a member who terminates covered employment due~~
22 ~~to disability and commences receiving disability benefits~~
23 ~~pursuant to the United States Social Security Act (42 U.S.C.),~~
24 ~~who has not attained the age of fifty-five years, is eligible~~
25 ~~to receive benefits under section 97B.49, reduced by twenty~~
26 ~~five-hundredths of one percent for each month that the~~
27 ~~retirement date precedes the first day of the month in which~~
28 ~~the member attains the age of fifty-five. -- However, the~~
29 ~~benefits shall be suspended during any period in which the~~
30 ~~member returns to covered employment. -- Eligible members are~~
31 ~~entitled to receipt of retroactive adjustment payments for no~~
32 ~~more than six months immediately preceding the month after~~
33 ~~July 1, 1990, in which written notice was submitted to the~~
34 ~~department.~~

35 Sec. 2. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY.

1 This Act, being deemed of immediate importance, takes effect
2 immediately upon enactment and applies retroactively to July
3 1, 1987.

4 EXPLANATION

5 This bill provides that members of the Iowa public
6 employees' retirement system who retired due to disability,
7 receive Social Security disability benefits, and who have not
8 reached the normal retirement date, shall receive full
9 benefits upon retirement, based upon their years of service,
10 regardless of whether the members have completed 30 or more
11 years of membership service. The bill provides that these
12 members may receive retroactive benefits back to July 1, 1987.
13 Under current law, only those members who would be eligible
14 for early retirement receive full benefits, and those under
15 the age of 55 have the benefits reduced. The bill becomes
16 effective upon enactment and applies retroactively to July 1,
17 1987.

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SENATE FILE 340

H-3609

1 Amend Senate File 340, as passed by the Senate, as
2 follows:

3 1. Page 1, line 14, by striking the figure "1987"
4 and inserting the following: "~~1987~~ 1990".

5 2. Page 1, by striking line 19 and inserting the
6 following: "1990."

7 3. Page 2, line 3, by striking the figure "1987"
8 and inserting the following: "1990".

By COMMITTEE ON STATE GOVERNMENT
BLANSHAN of Greene, Chairperson

H-3609 FILED APRIL 12, 1991

Adopted 4/12/91 (p. 1317)

HOUSE AMENDMENT TO
SENATE FILE 340

S-3511

1 Amend Senate File 340, as passed by the Senate, as
2 follows:

3 1. Page 1, line 14, by striking the figure "1987"
4 and inserting the following: "~~1987~~ 1990".

5 2. Page 1, by striking line 19 and inserting the
6 following: "1990."

7 3. Page 2, line 3, by striking the figure "1987"
8 and inserting the following: "1990".

RECEIVED FROM THE HOUSE

S-3511 FILED APRIL 19, 1991

Senate concurred 4/24/91 (p. 1445)

**SENATE FILE 340
FISCAL NOTE**

A fiscal note for Senate File 340 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 340 removes the reduction to retirement benefits for those who have not reached the required minimum age and retire due to disability. The bill suspends benefits if the person returns to covered employment. It also makes benefits adjustments retroactive to July 1, 1987.

Assumptions:

1. The retroactive provision (to July 1, 1987) takes effect.
2. The age reduction for early retirement is totally eliminated for all retirements due to disability.
3. Cost estimates are based on the 26 persons known to be affected by this change. The number of potentially eligible persons is not known.
4. The cost estimate includes (a) payment to all 26 persons of the additional amount to which they would be eligible (i.e., repaying the 3% reduction in benefits applied for each year they retired before age 55), retroactive to July 1, 1990, (b) payment to 15 (of the 26) who, because of the retroactive clause, are eligible for disability retirement benefits prior to July 1, 1990, and (c) current retirement benefits for the 26 persons without the 3% per year early retirement reduction.

Fiscal Impact:

The cost of the retroactive payments and the retirement benefits payments without the early retirement reduction for the 26 affected persons is estimated to be \$138,461 in FY 1992. The cost of the benefits payments without the early retirement reduction for the 26 affected persons is estimated to be \$18,923 in FY 1993.

Source: IPERS

(LSB 2426ss, MDF)

FILED APRIL 16, 1991

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 340

AN ACT

RELATING TO RETIREMENT BENEFITS OF MEMBERS OF THE IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM WHO RETIRE DUE TO DISABILITY AND PROVIDING AN EFFECTIVE DATE AND APPLICABILITY DATE.

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

Section 1. Section 97B.50, subsection 2, paragraph a and unnumbered paragraph 1, Code 1991, are amended to read as follows:

a. A member who retires from the system due to disability and commences receiving disability benefits pursuant to the United States Social Security Act (42 U.S.C.), as amended to July 1, 1978, who ~~is eligible for early retirement, but~~ has not reached the normal retirement date, shall receive full benefits under section 97B.49 and shall not have benefits reduced upon retirement as required under subsection 1 regardless of whether the member has completed thirty or more years of membership service. However, the benefits shall be suspended during any period in which the member returns to covered employment. This section takes effect July 1, 1987 1990 for a member meeting the requirements of this paragraph who retired from the system at any time between after July 4, 1953 and June 30, 1987. Eligible members are entitled to the receipt of retroactive adjustment payments back to July 1, 1990.

~~Effective July 1, 1990, for members terminating on or after July 4, 1953, a member who terminates covered employment due to disability and commences receiving disability benefits pursuant to the United States Social Security Act (42 U.S.C.), who has not attained the age of fifty-five years, is eligible to receive benefits under section 97B.49, reduced by twenty-five hundredths of one percent for each month that the retirement date precedes the first day of the month in which~~

~~the member attains the age of fifty-five. However, the benefits shall be suspended during any period in which the member returns to covered employment. Eligible members are entitled to receipt of retroactive adjustment payments for no more than six months immediately preceding the month after July 1, 1990, in which written notice was submitted to the department.~~

Sec. 2. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY. This Act, being deemed of immediate importance, takes effect immediately upon enactment and applies retroactively to July 1, 1990.

.....
JOE J. WELSH
President of the Senate

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ROBERT C. ARNOULD
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 340, Seventy-fourth General Assembly.

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JOHN F. DWYER
Secretary of the Senate

Approved May 6, 1991

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TERRY E. BRANSTAD
Governor

SF 340