

MAR 13 1995

STATE GOVERNMENT

HOUSE FILE 382
BY JOCHUM

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

A BILL FOR

1 An Act providing retirement benefits for members of the public
2 safety peace officers' retirement, accident, and disability
3 system and members of the statewide fire and police retirement
4 system who have attained the age of fifty years, and providing
5 effective and applicability date provisions.

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

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HF 382

1 Section 1. Section 97A.6, subsection 1, paragraph a, Code
2 1995, is amended to read as follows:

3 a. Any member in service may retire upon the member's
4 written application to the board of trustees, setting forth at
5 what time, not less than thirty nor more than ninety days
6 subsequent to the execution and filing therefor, the member
7 desires to be retired, provided, that the said member at the
8 time so specified for retirement shall have attained the age
9 of fifty-five and shall have completed twenty-two years or
10 more of creditable service, and notwithstanding that, during
11 such period of notification, the member may have separated
12 from the service. However, a member may retire at fifty years
13 of age and receive a reduced retirement allowance pursuant to
14 subsection 2A.

15 Sec. 2. Section 97A.6, subsection 14, paragraph d, Code
16 1995, is amended to read as follows:

17 d. A retired member eligible for benefits under the
18 provisions of subsection 1 is not eligible for the annual
19 readjustment of pensions provided in this subsection unless
20 the member served twenty-two years and attained the age of
21 fifty-five years, or fifty years as provided in subsection 2A,
22 prior to the member's termination of employment.

23 Sec. 3. Section 97A.6, Code 1995, is amended by adding the
24 following new subsection:

25 NEW SUBSECTION. 2A. EARLY RETIREMENT BENEFITS.
26 Notwithstanding the calculation of retirement benefits under
27 subsection 2, a member who has completed twenty-two years or
28 more of creditable service and is at least fifty years of age,
29 but less than fifty-five years of age, who has otherwise
30 completed the requirements for retirement under subsection 1
31 may retire and receive a reduced service retirement allowance
32 pursuant to this subsection. The amount of the member's
33 service retirement allowance under this subsection shall be
34 calculated pursuant to subsection 2 after reducing the percent
35 of the average final compensation determined under subsection

1 2 by one percent for each year the member is retiring prior to
2 attaining fifty-five years of age.

3 Sec. 4. Section 411.6, subsection 1, paragraph a, Code
4 1995, is amended to read as follows:

5 a. Any member in service may retire upon written
6 application to the system, setting forth at what time, not
7 less than thirty nor more than ninety days subsequent to the
8 execution and filing of the application, the member desires to
9 be retired. However, the member at the time specified for
10 retirement shall have attained the age of fifty-five and shall
11 have served twenty-two years or more, and notwithstanding
12 that, during the period of notification, the member may have
13 separated from the service. However, a member may retire at
14 fifty years of age and receive a reduced retirement allowance
15 pursuant to subsection 2A.

16 Sec. 5. Section 411.6, subsection 12, paragraph d, Code
17 1995, is amended to read as follows:

18 d. A retired member eligible for benefits under subsection
19 1 of this section is not eligible for the readjustment of
20 pensions provided in this subsection unless the member served
21 twenty-two years and attained the age of fifty-five years, or
22 fifty years as provided in subsection 2A, prior to the
23 member's termination of employment.

24 Sec. 6. Section 411.6, Code 1995, is amended by adding the
25 following new subsection:

26 NEW SUBSECTION. 2A. EARLY RETIREMENT BENEFITS.

27 Notwithstanding the calculation of retirement benefits under
28 subsection 2, a member who has completed twenty-two years or
29 more of creditable service and is at least fifty years of age,
30 but less than fifty-five years of age, who has otherwise
31 completed the requirements for retirement under subsection 1
32 may retire and receive a reduced service retirement allowance
33 pursuant to this subsection. The amount of the member's
34 service retirement allowance under this subsection shall be
35 calculated pursuant to subsection 2 after reducing the percent

1 of the average final compensation determined under subsection
2 2 by one percent for each year the member is retiring prior to
3 attaining fifty-five years of age.

4 Sec. 7. Section 411.6A, subsections 1, 2, and 3, Code
5 1995, are amended to read as follows:

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

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

32 3. The optional forms of payment determined by the board
33 of trustees under this section, shall be the actuarial
34 equivalent of the amount of retirement benefits payable to the
35 member and the member's spouse pursuant to section 411.6,

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

8 Sec. 8. EFFECTIVE AND APPLICABILITY DATE PROVISIONS. This
9 Act takes effect July 1, 1995, and applies to members of the
10 retirement systems established in chapters 97A and 411 who
11 retire on or after July 1, 1995.

12 EXPLANATION

13 This bill provides that members of the peace officers'
14 retirement, accident, and disability system and members of the
15 statewide police and fire retirement system who have at least
16 22 years of creditable service under their respective systems
17 may retire at 50 years of age rather than at the present 55
18 years of age. However, the percent of the member's average
19 annual compensation used to calculate the benefits is reduced
20 by 1 percent for each year the member retires prior to
21 attaining 55 years of age.

22 The bill takes effect July 1, 1995, and applies to members
23 retiring on or after that date.

24 The bill may include a state mandate as defined in section
25 25B.3. However, under section 25B.2, public employee
26 retirement systems are excluded from provisions concerning
27 state appropriations to fund a mandate.

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