

FILED FEB 7 1995

SENATE FILE 103
BY MADDOX

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

A BILL FOR

1 An Act relating to eligibility for receipt of contingent
2 annuitant allowances under the Iowa public employees'
3 retirement system, 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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S.F. 103

1 Section 1. Section 97B.45, unnumbered paragraph 2, Code
2 1995, is amended to read as follows:

3 A member may retire after the member's sixty-fifth birthday
4 except as otherwise provided in section 97B.46. A member
5 retiring on or after the normal retirement date, as provided
6 in section 97B.46, shall submit a written notice to the
7 department setting forth the date the retirement is to become
8 effective. The Except as otherwise provided in section
9 97B.52, subsection 1A, the date shall be after the member's
10 last day of service and not before the first day of the sixth
11 calendar month preceding the month in which the notice is
12 filed.

13 Sec. 2. Section 97B.47, Code 1995, is amended to read as
14 follows:

15 97B.47 EARLY RETIREMENT DATE.

16 A Except as otherwise provided in section 97B.52,
17 subsection 1A, a member's early retirement date shall be the
18 first of the month in which a member attains the age of fifty-
19 five years or the first of any month after attaining the age
20 of fifty-five years prior to the member's normal retirement
21 date, provided such date shall be after the last day of
22 service. A member may retire on the member's early retirement
23 date by submitting written notice to the department setting
24 forth the early retirement date which shall not be before the
25 first day of the sixth calendar month preceding the month in
26 which such notice is filed.

27 Sec. 3. Section 97B.48, subsection 2, Code 1995, is
28 amended to read as follows:

29 2. The Except as otherwise provided in section 97B.52,
30 subsection 1A, the first monthly payment of a normal
31 retirement allowance shall be paid as of the normal retirement
32 effective date, which date shall be the later of the normal
33 retirement date or the first day of the sixth calendar month
34 preceding the month in which written notice of normal
35 retirement is submitted to the department. Written notice

1 under this section may consist of submission of a completed
2 estimate request form, a completed application for retirement
3 form, or a letter from the member requesting information on
4 retirement benefits, whichever is received first by the
5 department. However, a letter requesting information on
6 benefits or submission of a completed estimate request form is
7 only valid for six months following the date of its receipt by
8 the department, unless during that six-month period the
9 department receives a completed application for retirement
10 form from the member. A retirement allowance may only be
11 provided retroactively for a single six-month period. Payment
12 of an early retirement allowance or an allowance for
13 retirement after the normal retirement date shall be paid as
14 of the effective date of retirement subject to section 97B.45,
15 97B.46, or 97B.47. The payments shall be continued thereafter
16 for the lifetime of the retired member except as provided in
17 section 97B.48A.

18 Sec. 4. Section 97B.51, subsection 2, Code 1995, is
19 amended to read as follows:

20 2. The Except as otherwise provided in section 97B.52,
21 subsection 1A, the election by a member or the contingent
22 annuitant of the option stated under subsection 1 of this
23 section shall be null and void if the member dies prior to the
24 department issuing payment of the member's first retirement
25 allowance.

26 Sec. 5. Section 97B.52, Code 1995, is amended by adding
27 the following new subsection:

28 NEW SUBSECTION. 1A. If a member dies prior to the date
29 the member's first retirement allowance is issued by the
30 system but the member meets all of the following criteria, the
31 member's contingent annuitant is eligible to receive the
32 retirement allowance provided under section 97B.51, subsection
33 1:

34 a. The member is eligible to retire under the system and
35 has set a retirement date to take effect not more than sixty

1 days after the member's death.

2 b. The member has elected to have the member's retirement
3 allowance payable under section 97B.51, subsection 1.

4 c. The member is in employment, but is unable to work and
5 is using sick leave provided by the employer at the time of
6 the member's death.

7 Sec. 6. Section 97B.52, subsection 2, unnumbered paragraph
8 1, Code 1995, is amended to read as follows:

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

18 Sec. 7. Section 97B.52A, subsection 2, Code 1995, is
19 amended to read as follows:

20 2. A Except as otherwise provided in section 97B.52,
21 subsection 1A, a member may commence receiving retirement
22 benefits under this chapter upon satisfying eligibility
23 requirements and remaining out of covered employment for one
24 calendar month. However, a retired member who commences
25 receiving a retirement allowance but returns to employment
26 before the expiration of the one hundred twenty consecutive
27 day period, does not have a bona fide retirement and any
28 retirement allowance received by such a member must be
29 returned to the system together with interest earned on the
30 retirement allowance calculated at a rate determined by the
31 department. Until the member has repaid the retirement
32 allowance and interest, the department may withhold any future
33 retirement allowance for which the member may qualify.

34 Sec. 8. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

35 This Act, being deemed of immediate importance, takes effect

1 upon enactment and applies retroactively to July 1, 1994.

2 EXPLANATION

3 This bill provides for payment of a retirement allowance
4 under the Iowa public employees' retirement system to a
5 contingent annuitant named by a member if the member is
6 eligible to retire and has specified a retirement date but has
7 not yet received a retirement allowance because the member has
8 died within 60 days of the retirement date specified by the
9 member, if the member is unable to work and is using sick
10 leave at the time of the member's death. The member must have
11 selected an optional method of payment of retirement benefits
12 under which the member would have received a reduced
13 retirement allowance which continues to be paid during the
14 lifetime of the specified contingent annuitant.

15 The bill takes effect upon enactment and applies
16 retroactively to July 1, 1994.

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