

Senate Study Bill 2180

Conference Committee Text

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1 1 DIVISION I
1 2 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)
1 3 Section 1. Section 97B.4, unnumbered paragraph 1, Code
1 4 1995, is amended to read as follows:
1 5 The department, through the chief investment officer and
1 6 chief benefits officer, shall administer this chapter. The
1 7 department may adopt, amend, or rescind rules, employ persons,
1 8 execute contracts with outside parties, make expenditures,
1 9 require reports, make investigations, and take other action it
1 10 deems necessary for the administration of the system in
1 11 conformity with the requirements of this chapter, the
1 12 applicable provisions of the Internal Revenue Code, and all
1 13 other applicable federal and state laws. The rules shall be
1 14 effective upon compliance with chapter 17A. Not later than
1 15 the fifteenth day of December of each year, the department
1 16 shall submit to the governor a report covering the
1 17 administration and operation of this chapter during the
1 18 preceding fiscal year and shall make recommendations for
1 19 amendments to this chapter. The report shall include a
1 20 balance sheet of the moneys in the Iowa public employees'
1 21 retirement fund.
1 22 Sec. 2. Section 97B.7, subsection 2, paragraph b,
1 23 unnumbered paragraphs 1 through 3, Code 1995, are amended to
1 24 read as follows:
1 25 To invest the portion of the retirement fund which in the
1 26 judgment of the department is not needed for current payment
1 27 of benefits under this chapter. The department shall execute
1 28 the disposition and investment of moneys in the retirement
1 29 fund in accordance with the investment policy and goal
1 30 statement established by the investment board. In
1 31 establishing the investment policy of the fund and the
1 32 investment of the fund, the department and investment board
1 33 shall exercise the judgment and care, under the circumstances
1 34 then prevailing, which persons of prudence, discretion, and
1 35 intelligence exercise in the management of their own affairs,
2 1 not for the purpose of speculation, but with regard to the
2 2 permanent disposition of the funds, considering the probable
2 3 income, as well as the probable safety, of their capital.
2 4 Within the limitations of the standard prescribed in this
2 5 section, the treasurer of state, the department, and the board
2 6 may acquire and retain every kind of property and every kind
2 7 of investment which persons of prudence, discretion, and
2 8 intelligence acquire or retain for their own account.
2 9 The department and investment board shall give appropriate
2 10 consideration to those facts and circumstances that the
2 11 department and investment board know or should know are
2 12 relevant to the particular investment or investment policy
2 13 involved, including the role the investment plays in the total
2 14 value of the retirement fund.
2 15 For the purposes of this paragraph, appropriate con-
2 16 sideration includes, but is not limited to, a determination by
2 17 the department and investment board that the particular
2 18 investment or investment policy is reasonably designed to
2 19 further the purposes of the retirement system, taking into
2 20 consideration the risk of loss and the opportunity for gain or
2 21 other return associated with the investment or investment

2 22 policy and consideration of the following factors as they
2 23 relate to the retirement fund:

2 24 Sec. 3. Section 97B.11, Code 1995, is amended to read as
2 25 follows:

2 26 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

2 27 Each employer shall deduct from the wages of each member of
2 28 the system a contribution in the amount of three and seven-
2 29 tenths percent of the covered wages paid by the employer,
2 30 until the member's termination or retirement from employment,
2 31 whichever is earlier. The contributions of the employer shall
2 32 be in the amount of five and seventy-five hundredths percent
2 33 of the covered wages of the member.

2 34 If the total of the contributions to be deducted from the
2 35 wages of a member and contributions picked up and paid by the
3 1 employer shall not exceed one dollar for any calendar quarter,
3 2 contributions shall not be deducted or paid concerning that
3 3 member and the member shall not receive credit for membership
3 4 service for that quarter.

3 5 Sec. 4. Section 97B.14, Code 1995, is amended to read as
3 6 follows:

3 7 97B.14 CONTRIBUTIONS FORWARDED.

3 8 Contributions deducted from the wages of the member

~~or~~

3 9 under section 97B.11 prior to January 1, 1995, member
3 10 contributions picked up by the employer under section 97B.11A
3 11 beginning January 1, 1995, and the employer's contribution
3 12 shall be forwarded to the department for recording and
3 13 deposited with the treasurer of the state to the credit of the
3 14 Iowa public employees' retirement fund. Contributions shall
3 15 be remitted monthly, if total contributions by both employee
3 16 and employer amount to one hundred dollars or more each month,
3 17 and shall be otherwise paid in such manner, at such times and
3 18 under such conditions, either by copies of payrolls or other
3 19 methods necessary or helpful in securing proper identification
3 20 of the member, as may be prescribed by the department.

3 21 Sec. 5. Section 97B.15, Code 1995, is amended to read as
3 22 follows:

3 23 97B.15 RULES, POLICIES, AND PROCEDURES.

3 24 The department may adopt rules under chapter 17A and
3 25 establish procedures, not inconsistent with this chapter,
3 26 which are necessary or appropriate to implement this chapter
3 27 and shall adopt reasonable and proper rules to regulate and
3 28 provide for the nature and extent of the proofs and evidence
3 29 and the method of taking and furnishing the proofs and
3 30 evidence in order to establish the right to benefits under
3 31 this chapter. The department may adopt rules, and take action
3 32 based on the rules, to conform the requirements for receipt of
3 33 retirement benefits under this chapter to the mandates of
3 34 applicable federal statutes and regulations.

3 35 Prior to the adoption of rules, the department may
4 1 establish interim written policies and procedures, and take
4 2 action based on the policies and procedures, to conform the
4 3 requirements for receipt of retirement benefits under this
4 4 chapter to the applicable requirements of federal law.

4 5 Sec. 6. Section 97B.17, unnumbered paragraph 1, Code 1995,
4 6 is amended to read as follows:

4 7 The department shall establish and maintain records of each
4 8 member, including but not limited to, the amount of wages of
4 9 each member, the contribution of each member with interest,
4 10 and interest dividends credited. The records may be
4 11 maintained in paper, magnetic, or electronic form, including
4 12 optical disk storage. These records are the basis for the
4 13 compilation of the retirement benefits provided under this
4 14 chapter. The following records maintained under this chapter
4 15 containing personal identifiable information are not public

4 16 records for the purposes of chapter 22:

4 17 Sec. 7. Section [97B.17](#), Code 1995, is amended by adding
4 18 the following new unnumbered paragraph:

4 19 NEW UNNUMBERED PARAGRAPH. Notwithstanding any provisions
4 20 of chapter 22 to the contrary, the department's records may be
4 21 released to any political subdivision, instrumentality, or
4 22 other agency of the state solely for use in a civil or
4 23 criminal law enforcement activity pursuant to the requirements
4 24 of this paragraph. To obtain the records, the political
4 25 subdivision, instrumentality, or agency shall, in writing,
4 26 certify that the activity is authorized by law, provide a
4 27 written description of the information desired, and describe
4 28 the law enforcement activity for which the information is
4 29 sought. The department shall not be civilly or criminally
4 30 liable for the release or rerelease of records in accordance
4 31 with this paragraph.

4 32 Sec. 8. Section [97B.25](#), Code 1995, is amended to read as
4 33 follows:

4 34 97B.25 APPLICATIONS FOR BENEFITS.

4 35 A representative designated by the chief benefits officer
5 1 and referred to in this chapter as a retirement benefits
5 2 specialist shall promptly examine applications for retirement
5 3 benefits and on the basis of facts found shall determine
5 4 whether or not the claim is valid and if valid, the month with
5 5 respect to which benefits shall commence, the monthly benefit
5 6 amount payable, and the maximum duration. The retirement
5 7 benefits specialist shall promptly notify the applicant and
5 8 any other interested party of the decision and the reasons.
5 9 Unless the applicant or other interested party, within thirty
5 10 calendar days after the notification was mailed to the
5 11 applicant's or party's last known address, files an appeal as
5 12 provided in section 97B.20A, the decision is final and
5 13 benefits shall be paid or denied in accord with the decision.
5 14 A retirement application shall not be amended or revoked by
5 15 the member once the first retirement allowance is paid. A
5 16 member's death during the first month of entitlement shall not
5 17 invalidate an approved application.

5 18 Sec. 9. Section [97B.39](#), Code 1995, is amended to read as
5 19 follows:

5 20 97B.39 RIGHTS NOT TRANSFERABLE

~~— &endash; NOT~~

~~— OR SUBJECT TO LEGAL~~

5 21 PROCESS ~~&endash;~~ EXCEPTIONS.

5 22 The right of any person to any future payment under this
5 23 chapter is not transferable or assignable, at law or in
5 24 equity, and the moneys paid or payable or rights existing
5 25 under this chapter are not subject to execution, levy,
5 26 attachment, garnishment, or other legal process, or to the
5 27 operation of any bankruptcy or insolvency law except for the
5 28 purposes of enforcing child, spousal, or medical support
5 29 obligations or marital property orders. For the purposes of
5 30 enforcing child, spousal, or medical support obligations or
5 31 marital property orders, the garnishment or attachment of or
5 32 the execution against compensation due a person under

~~— chapter~~

5 33

~~— 97B~~

~~— this chapter shall not exceed the amount specified in 15~~
5 34 U.S.C. } 1673(b). A marital property order shall not require
5 35 the payment of benefits to an alternate payee prior to the
6 1 member's retirement or require the department or the member to
6 2 designate a particular person as a designated beneficiary or
6 3 contingent annuitant, or to select a particular benefit option

6 4 on behalf of the member. In addition, a marital property
6 5 order shall not require payment of benefits to an alternate
6 6 payee prior to the date the member elects to receive a refund
6 7 of accumulated contributions pursuant to section 97B.53.
6 8 Sec. 10. Section 97B.41, subsection 2, Code Supplement
6 9 1995, is amended to read as follows:
6 10 2. "Accumulated contributions" means the total obtained as
6 11 of any date, by accumulating each individual contribution by
6 12 the member

~~at two percent~~

~~with interest plus interest~~

6 13 dividends as provided in section 97B.70, for all completed
6 14 calendar years and for any completed calendar year for which
6 15 the interest dividend has not been declared and for completed
6 16 months of partially completed calendar years

~~at two percent~~

6 17

~~interest plus the interest dividend rate calculated for the~~

6 18

~~previous year~~

~~, compounded~~

~~annually, from the end of the~~

6 19

~~calendar year in which such contribution was made to the first~~

6 20

~~day of the month of such date~~

~~as provided in section 97B.70.~~

6 21 Sec. 11. Section 97B.41, subsection 8, paragraph b,
6 22 subparagraph (6), Code Supplement 1995, is amended to read as
6 23 follows:

6 24 (6) Employees hired for temporary employment of less than
6 25 six months or one thousand and forty hours in a calendar year.
6 26 An employee who works for an employer for six or more months
6 27 in a calendar year or who works for an employer for more than
6 28 one thousand forty hours in a calendar year is not a temporary
6 29 employee under this subparagraph. Adjunct instructors are
6 30 temporary employees for the purposes of this chapter. As used
6 31 in this section, unless the context otherwise requires,
6 32 "adjunct instructors" means instructors employed by a
6 33 community college or a university governed by the state board
6 34 of regents without a continuing contract, whose teaching load
6 35 does not exceed one-half time for two full semesters or three
7 1 full quarters per calendar year.

7 2 Sec. 12. Section 97B.41, subsection 8, paragraph b, Code
7 3 Supplement 1995, is amended by adding the following new
7 4 subparagraph:

7 5 NEW SUBPARAGRAPH. (20) Persons employed through any
7 6 program described in section 15.225, subsection 1, and
7 7 provided by the Iowa conservation corps.

7 8 Sec. 13. Section 97B.41, Code Supplement 1995, is amended
7 9 by adding the following new subsection:

7 10 NEW SUBSECTION. 10A. "Internal Revenue Code" means the
7 11 Internal Revenue Code as defined in section 422.3.

7 12 Sec. 14. Section 97B.41, subsection 12, Code Supplement
7 13 1995, is amended to read as follows:

7 14 12. "Membership service" means service rendered by a

7 15 member after July 4, 1953. Years of membership service shall
7 16 be counted to the complete quarter calendar year. However,
7 17 membership service for a calendar year shall not include more
7 18 than four quarters. In determining a member's period of
7 19 membership service, the department shall combine all periods
7 20 of service for which the member has made contributions. If
7 21 the department has not maintained the accumulated contribution
7 22 account of the member for a period of service, as provided
7 23 pursuant to section 97B.53, subsection 6, the department shall
7 24 credit the member for the service if the member submits
7 25 satisfactory proof to the department that the member did make
7 26 the contributions for the period of service and did not take a
7 27 refund for the period of service.

~~However, the department~~

7 28

~~shall not implement the amendments to this subsection, as~~

7 29

~~enacted in 1994 Iowa Acts, chapter 1183, unless and until the~~

7 30

~~department determines that the most recent annual actuarial~~

7 31

~~valuation of the retirement system indicates that the employer~~

7 32

~~and employee contribution rates in effect under section 97B.11~~

7 33

~~can absorb the amendments to this subsection and to section~~

7 34

~~97B.53, subsections 3 and 7, section 97B.53, subsection 6,~~

7 35

~~unnumbered paragraph 1, and section 97B.70, by enacting a new~~

8 1

~~subsection 4, contained in 1994 Iowa Acts, chapter 1183, after~~

8 2

~~meeting the other established priorities of the system. Until~~

8 3

~~the amendments are implemented, the department shall continue~~

8 4

~~to implement the provisions of section 97B.41, subsection 12,~~

8 5

~~Code Supplement 1993. As used in this subsection, unless the~~

8 6

~~context otherwise requires, "other established priorities of~~

8 7

~~the system" means that commencing January 1 following the most~~

8 8

~~recent annual actuarial valuation of the system, the~~

8 9

~~department has increased the covered wage limitation from the~~

8 10

~~previous year by three thousand dollars, in accordance with~~

8 11

~~section 97B.41, subsection 20, paragraph "b", subparagraph~~

8 12

~~(11), and that the department has implemented the amendments~~

8 13

~~to section 97B.66, unnumbered paragraphs 1 and 2, section~~

8 14

~~97B.72, unnumbered paragraphs 1 and 2, section 97B.72A,~~

8 15

~~subsection 1, unnumbered paragraph 1, section 97B.73A,~~

8 16

~~unnumbered paragraph 1, and section 97B.74, unnumbered~~

8 17

~~paragraphs 1 and 2, contained in 1994 Iowa Acts, chapter 1183.~~

8 18 Sec. 15. Section [97B.41](#), Code Supplement 1995, is amended
8 19 by adding the following new subsection:

8 20 NEW SUBSECTION. 13A. "Regular service" means service for
8 21 an employer other than special service.

8 22 Sec. 16. Section [97B.41](#), Code Supplement 1995, is amended
8 23 by adding the following new subsection:

8 24 NEW SUBSECTION. 14A. "Retirement" means that period of
8 25 time beginning when a member who has filed an approved
8 26 application for a retirement allowance has survived into at
8 27 least the first day of the member's first month of entitlement
8 28 and ending when the member dies.

8 29 Sec. 17. Section [97B.41](#), subsection 15, paragraphs a and
8 30 b, Code Supplement 1995, are amended to read as follows:

8 31 a. Service in the armed forces of the United States, if
8 32 the employee was employed by the employer immediately prior to
8 33 entry into the armed forces, and if the employee was released
8 34 from service and returns to covered employment with the
8 35 employer within twelve months of the date on which the

9 1 employee has the right of release from service or within a
9 2 longer period as

~~provided~~

- required by the applicable laws of

9 3 the United States.

9 4 b. Leave of absence or vacation authorized by the employer
9 5 for a period not exceeding twelve months. A leave of absence
9 6 authorized pursuant to the requirements of the federal Family
9 7 and Medical Leave Act of 1993 is considered a leave of absence
9 8 authorized by the employer.

9 9 Sec. 18. Section 97B.41, Code Supplement 1995, is amended
9 10 by adding the following new subsection:

9 11 NEW SUBSECTION. 16A. "Special service" means service for
9 12 an employer while employed in a protection occupation as
9 13 provided in section 97B.49, subsection 16, paragraph "a", and
9 14 as a county sheriff, deputy sheriff, or airport fire fighter
9 15 as provided in section 97B.49, subsection 16, paragraph "b".

9 16 Sec. 19. Section 97B.41, subsection 18, Code Supplement
9 17 1995, is amended to read as follows:

9 18 18. a. "Three-year average covered wage" means a member's
9 19 covered wages averaged for the highest three years of the
9 20 member's service, except as otherwise provided in this
9 21 subsection. The highest three years of a member's covered
9 22 wages shall be determined using calendar years. However, if a
9 23 member's final quarter of a year of employment does not occur
9 24 at the end of a calendar year, the department may determine
9 25 the wages for the third year by computing the average quarter
9 26 of all quarters from the member's highest calendar year of
9 27 covered wages not being used in the selection of the two
9 28 highest years and using the computed average quarter for each
9 29 quarter in the third year in which no wages have been reported
9 30 in combination with the final quarter or quarters of the
9 31 member's service to create a full year. However, the
9 32 department shall not use the member's final quarter of wages
9 33 if using that quarter would reduce the member's three-year
9 34 average covered wage. If the three-year average covered wage
9 35 of a member exceeds the highest maximum covered wages in
10 1 effect for a calendar year during the member's period of
10 2 service, the three-year average covered wage of the member
10 3 shall be reduced to the highest maximum covered wages in
10 4 effect during the member's period of service.

10 5 b. Notwithstanding any other provisions of this subsection
10 6 to the contrary, the three-year average covered wage shall be
10 7 computed as follows for the following members:

10 8 (1) For a member who retires during the calendar year
10 9 beginning January 1, 1997, and whose three-year average
10 10 covered wage at the time of retirement exceeds forty-eight
10 11 thousand dollars, the member's covered wages averaged for the
10 12 highest four years of the member's service or forty-eight
10 13 thousand dollars, whichever is greater.

10 14 (2) For a member who retires during the calendar year
10 15 beginning January 1, 1998, and whose three-year average
10 16 covered wage at the time of retirement exceeds fifty-two
10 17 thousand dollars, the member's covered wages averaged for the
10 18 highest five years of the member's service or fifty-two
10 19 thousand dollars, whichever is greater.

10 20 (3) For a member who retires during the calendar year
10 21 beginning January 1, 1999, and whose three-year average
10 22 covered wage at the time of retirement exceeds fifty-five
10 23 thousand dollars, the member's covered wages averaged for the
10 24 highest six years of the member's service or fifty-five
10 25 thousand dollars, whichever is greater.

10 26 (4) For a member who retires on or after January 1, 2000,
10 27 but before January 1, 2003, and whose three-year average
10 28 covered wage at the time of retirement exceeds fifty-five
10 29 thousand dollars, the member's covered wages averaged for the

10 30 highest seven years of the member's service or fifty-five
10 31 thousand dollars, whichever is greater.
10 32 For purposes of this paragraph, the highest years of the
10 33 member's service shall be determined using calendar years and
10 34 may be determined using one computed year calculated in the
10 35 manner and subject to the restrictions provided in paragraph
11 1 "a".

11 2 Sec. 20. Section 97B.41, subsection 20, paragraph b,
11 3 subparagraph (11), unnumbered paragraphs 1 and 2, Code
11 4 Supplement 1995, are amended by striking the unnumbered
11 5 paragraphs and inserting in lieu thereof the following:

11 6 (11) For the calendar year beginning January 1, 1991,
11 7 wages not in excess of thirty-one thousand dollars.

11 8 (11A) For the calendar year beginning January 1, 1992,
11 9 wages not in excess of thirty-four thousand dollars.

11 10 (11B) For the calendar year beginning January 1, 1993,
11 11 wages not in excess of thirty-five thousand dollars.

11 12 (11C) For the calendar year beginning January 1, 1994,
11 13 wages not in excess of thirty-eight thousand dollars.

11 14 (11D) For the calendar year beginning January 1, 1995,
11 15 wages not in excess of forty-one thousand dollars.

11 16 (11E) For the calendar year beginning January 1, 1996,
11 17 wages not in excess of forty-four thousand dollars.

11 18 (11F) Commencing with the calendar year beginning January
11 19 1, 1997, and for each subsequent calendar year, wages not in
11 20 excess of the amount permitted for that year under section
11 21 401(a)(17) of the Internal Revenue Code.

11 22 Sec. 21. Section 97B.41, subsection 20, paragraph b,
11 23 subparagraph (11), unnumbered paragraph 3, Code Supplement
11 24 1995, is amended to read as follows:

11 25 Notwithstanding any other provision of this chapter
11 26 providing for the payment of the benefits provided in section
11 27 97B.49, subsection 16 or 17, the department shall establish
11 28 the covered wages limitation which applies to members covered
11 29 under section 97B.49, subsection 16 or 17, at the same level
11 30 as is established under this subparagraph for other members of
11 31 the system.

11 32 Sec. 22. Section 97B.42, unnumbered paragraph 1, Code
11 33 1995, is amended to read as follows:

11 34 Each employee whose employment commences after July 4,
11 35 1953, or who has not qualified for credit for prior service
12 1 rendered prior to July 4, 1953, or any publicly elected
12 2 official of the state or any of its political subdivisions
12 3 shall become a member upon the first day in which such
12 4 employee is employed. The employee shall continue to be an
12 5 active member so long as the employee continues in covered
12 6 employment. The employee shall cease to be an active member
12 7 if the employee joins another retirement system in the state
12 8 which is maintained in whole or in part by public
12 9 contributions or payments and receives retirement credit for
12 10 service in that other system for the same position previously
12 11 covered under this chapter. If an employee joins another
12 12 publicly maintained retirement system and ceases to be an
12 13 active member under this chapter, the employee may elect to
12 14 leave the employee's accumulated contributions in the
12 15 retirement fund or receive a refund of the employee's
12 16 accumulated contributions in the manner provided for members
12 17 who are terminating covered employment pursuant to section
12 18 97B.53. However, if an employee joins another publicly
12 19 maintained retirement system and leaves the employee's
12 20 accumulated contributions in the retirement fund, the employee
12 21 shall not be eligible to receive retirement benefits until the
12 22 employee has a bona fide retirement from employment with a
12 23 covered employer as provided in section 97B.52A, or until the
12 24 employee would otherwise be eligible to receive benefits upon
12 25 attaining the age of seventy years as provided in section
12 26 97B.46.

12 27 Sec. 23. Section 97B.42, unnumbered paragraph 4, Code
12 28 1995, is amended to read as follows:
12 29 Persons who are members of any other retirement system in
12 30 the state which is maintained in whole or in part by public
12 31 contributions other than persons who are covered under the
12 32 provisions of chapter 97, Code 1950, as amended by the Fifty-
12 33 fourth General Assembly on the date of the repeal of said
12 34 chapter, under the provisions of sections 97.50 through 97.53
12 35 shall not become members under this chapter while still
13 1 actively participating in that other retirement system unless
13 2 the persons do not receive retirement credit for service in
13 3 that other system for the position to be covered under this
13 4 chapter.
13 5 Sec. 24. Section 97B.42, unnumbered paragraph 5, Code
13 6 1995, is amended to read as follows:
13 7 Nothing herein contained shall be construed to permit any
13 8

~~person in public employment to be an active member of~~
~~employer~~
13 9 to make any public contributions or payments on behalf of an
13 10 employee in the same position for the same period of time to
13 11 both the Iowa public employees' retirement system and of any
13 12 other retirement system in the state which is supported in
13 13 whole or in part by public contributions or payments

~~except as~~

13 14

~~heretofore provided~~

13 15 Sec. 25. Section 97B.45, unnumbered paragraph 2, Code
13 16 1995, is amended to read as follows:
13 17 A member may retire after the member's sixty-fifth birthday
13 18

~~except as otherwise provided in section 97B.46~~

13 19 A member
13 20 retiring on or after the normal retirement date, as provided
13 21 in section 97B.46, shall submit a written notice to the
13 22 department setting forth the date the retirement is to become
13 23 effective. The date shall be after the member's last day of
13 24 service and not before the first day of the sixth calendar
13 25 month preceding the month in which the notice is filed.

13 26 Sec. 26. Section [97B.46](#), subsection 2, Code 1995, is
13 27 amended by striking the subsection.

13 28 Sec. 27. Section [97B.48](#), subsection 1, Code 1995, is
13 29 amended to read as follows:

13 30 1. Retirement allowances shall be paid monthly, except
13 31 that an allowance of less than six hundred dollars a year may,
at the member's option, be paid as a lump sum in an

~~actuarial~~

13 32

~~equivalent~~

~~amount equal to the sum of the member's and~~
13 33 employer's accumulated contributions and the retirement
13 34 dividends standing to the member's credit before December 31,
13 35 1966. Receipt of the lump-sum payment by a member shall
14 1 terminate any and all entitlement for the period of service
14 2 covered of the member under this chapter.

14 3 Sec. 28. Section [97B.48A](#), subsection 1, Code 1995, is
14 4 amended to read as follows:

14 5 1. If

~~, after the first day of the month in which the~~

~~-~~
14 6

~~member attains the age of fifty five years and until the~~

~~-~~
14 7

~~member's sixty fifth birthday,~~

~~- a member who has not reached~~

14 8 the member's sixty-fifth birthday and who has a bona fide

14 9 retirement under this chapter is in regular full-time

14 10 employment during a calendar year, the member's retirement

14 11 allowance shall be

~~suspended for as long as the member remains~~

~~-~~
14 12

~~in employment for the remainder of that calendar year~~

~~- reduced~~

14 13 by fifty cents for each dollar the member earns over the limit

14 14 provided in this subsection. However,

~~effective January 1,~~

~~-~~
14 15

~~1992,~~

~~- employment is not full-time employment until the member~~

14 16 receives remuneration in an amount in excess of seven thousand

14 17 four hundred forty dollars for a calendar year, or an amount

14 18 equal to the amount of remuneration permitted for a calendar

14 19 year for persons under sixty-five years of age before a

14 20 reduction in federal Social Security retirement benefits is

14 21 required, whichever is higher. Effective the first of the

14 22 month in which a member attains the age of sixty-five years, a

14 23 retired member may receive a retirement allowance without a

14 24 reduction after return to covered employment regardless of the

14 25 amount of remuneration received.

14 26 If a member dies and the full amount of the reduction from

14 27 retirement allowances required under this subsection has not

14 28 been paid, the remaining amounts shall be deducted from the

14 29 payments made, if any, to the member's designated beneficiary

14 30 or contingent annuitant. If the member has selected an option

14 31 under which remaining payments are not required or the

14 32 remaining payments are insufficient to satisfy the full amount

14 33 of the reduction from retirement allowances required under

14 34 this subsection, the amount still unpaid shall be a claim

14 35 against the member's estate.

15 1 Sec. 29. Section 97B.48A, subsection 4, Code 1995, is

15 2 amended to read as follows:

15 3 4. The department shall pay to the member the accumulated

15 4 contributions of the member and to the employer the employer

15 5 contributions, plus

~~two percent~~

~~- interest plus interest~~

15 6 dividends as provided in section 97B.70, for all completed

15 7 calendar years, compounded

~~annually~~

~~- as provided in section~~

15 8 97B.70, on the covered wages earned by a retired member that

15 9 are not used in the recalculation of the retirement allowance

15 10 of a member.

15 11 Sec. 30. Section 97B.49, subsection 4, Code Supplement
15 12 1995, is amended by adding the following new unnumbered
15 13 paragraph:

15 14 NEW UNNUMBERED PARAGRAPH. Effective January 1, 1997, for
15 15 members who retired on or after July 1, 1953, and before July
15 16 1, 1990, with at least ten years of membership service, the
15 17 minimum monthly benefit payable at the normal retirement date
15 18 for prior and membership service shall be two hundred dollars.
15 19 The minimum monthly benefit payable shall be increased by ten
15 20 dollars for each year of membership service beyond ten years,
15 21 up to a maximum of twenty additional years of membership
15 22 service. If benefits commenced on an early retirement date,
15 23 the amount of the benefit shall be reduced in accordance with
15 24 section 97B.50. If an optional allowance was selected under
15 25 section 97B.51, the amount payable shall be the actuarial
15 26 equivalent of the minimum benefit.

15 27 Sec. 31. Section 97B.49, subsection 5, paragraph b, Code
15 28 Supplement 1995, is amended to read as follows:

15 29 b. For each active or inactive vested member retiring on
15 30 or after July 1, 1990, with four or more complete years of
15 31 service, a monthly benefit shall be computed which is equal to
15 32 one-twelfth of an amount equal to

~~— fifty two percent
— the~~

15 33 applicable percentage multiplier of the three-year average
15 34 covered wage multiplied by a fraction of years of service.

15 35 The applicable percentage multiplier shall be the following:

16 1 (1) For active or inactive vested members retiring on or
16 2 after July 1, 1990, but before July 1, 1991, fifty-two
16 3 percent.

16 4 (2) For active or inactive vested members retiring on or
16 5 after July 1, 1991, but before July 1, 1992, fifty-four
16 6 percent.

16 7 (3) For active or inactive vested members retiring on or
16 8 after July 1, 1992, but before July 1, 1993, fifty-six
16 9 percent.

16 10 (4) For active or inactive vested members retiring on or
16 11 after July 1, 1993, but before July 1, 1994, fifty-seven and
16 12 four-tenths percent.

16 13 (5) For active or inactive vested members retiring on or
16 14 after July 1, 1994, sixty percent.

16 15 The applicable percentage multiplier shall be subject to
16 16 adjustments as provided in paragraphs "e" and "f".

16 17

~~— Commencing July 1, 1991, the department shall increase the~~

~~—~~
16 18

~~— percentage multiplier of the three year average covered wage~~

~~—~~
16 19

~~— by an additional two percent each July 1 until reaching sixty~~

~~—~~
16 20

~~— percent of the three year average covered wage if the annual~~

~~—~~
16 21

~~— actuarial valuation of the retirement system indicates for~~

~~—~~
16 22

~~— that year that the cost of this increase in the percentage of~~

~~16 23~~

~~the three year average covered wage used in computing~~

~~16 24~~

~~retirement benefits can be absorbed within the employer and~~

~~16 25~~

~~employee contribution rates in effect under section 97B.11.~~

~~16 26~~

~~However, commencing July 1, 1994, if the annual actuarial~~

~~16 27~~

~~valuation of the retirement system indicates that the employer~~

~~16 28~~

~~and employee contribution rates in effect under section 97B.11~~

~~16 29~~

~~can absorb an increase in the percentage multiplier in excess~~

~~16 30~~

~~of two percent, the department shall increase the percentage~~

~~16 31~~

~~multiplier for that year beyond two percent to the extent~~

~~16 32~~

~~which the increase can be absorbed by the contribution rates~~

~~16 33~~

~~in effect, not to exceed a maximum percentage multiplier of~~

~~16 34~~

~~sixty percent. The increase in the percentage multiplier for~~

~~16 35~~

~~a year applies only to the members retiring on or after July 1~~

~~17 1~~

~~of the respective year.~~

~~17 2~~

~~If the annual actuarial valuation of the retirement system~~

~~17 3~~

~~in any year indicates that the full cost of the increase~~

~~17 4~~

~~provided under this paragraph cannot be absorbed within the~~

17 5

~~employer and employee contribution rates in effect under~~

17 6

~~section 97B.11, the department shall reduce the increase to a~~

17 7

~~level which the department determines can be so absorbed.~~

17 8 Notwithstanding any other provision of this chapter
17 9 providing for the payment of the benefits provided in
17 10 subsection 16 or 17, the department shall

~~establish~~

~~apply the~~

17 11 percentage multiplier which applies to members covered under
17 12 subsection 16 or 17 at the same level as is established under
17 13 this subsection for other members of the system, including any
17 14 modification in the percentage multiplier as provided in
17 15 paragraphs "e" and "f".

17 16

~~By November 15, 1995, the department shall set aside from~~

17 17

~~other moneys in the retirement fund three million eight~~

17 18

~~hundred sixty thousand dollars. The moneys set aside shall be~~

17 19

~~from the funds generated by the employer and employee~~

17 20

~~contributions in effect under section 97B.11 that exceed the~~

17 21

~~amount necessary to fund the system's existing liabilities, as~~

17 22

~~determined in the annual actuarial valuation of the system as~~

17 23

~~of June 30, 1995. If the annual actuarial valuation indicates~~

17 24

~~that the amount of the employer and employee contributions in~~

17 25

~~excess of the amount necessary to fund existing liabilities is~~

17 26

~~less than three million eight hundred sixty thousand dollars,~~

17 27

~~the department shall set aside all funds that are available.~~

17 28

~~The funds set aside shall not be used in determining the~~

17 29

~~covered wage limitation pursuant to section 97B.41, subsection~~

17 30

~~20, paragraph "b", subparagraph (11), on January 1, 1996.~~

17 31

~~However, any funds set aside which are not specifically~~

17 32

~~dedicated to a purpose by the Seventy sixth General Assembly~~

17 33

~~shall be used in determining the covered wage limitation~~

17 34

~~thereafter.~~

17 35

~~In accordance with sections 97D.1 and 97D.4, it is the~~

18 1

~~intent of the general assembly that once the goal of sixty~~

18 2

~~percent of the three year average covered wage is attained for~~

18 3

~~a percentage multiplier, the department shall submit to the~~

18 4

~~public retirement systems committee a plan for future benefit~~

18 5

~~enhancements. This plan shall include, but is not limited to,~~

18 6

~~continuation in the increase in the covered wage ceiling until~~

18 7

~~reaching fifty five thousand dollars for a calendar year,~~

18 8

~~providing for annual adjustments in the annual dividends paid~~

18 9

~~to retired members as provided in section 97B.49, subsection~~

18 10

~~13, and providing for the indexing of terminated vested~~

18 11

~~members' earned benefits at a rate of three percent per year~~

18 12

~~calculated from the date of termination from covered~~

18 13

~~employment until the date of retirement.~~

18 14 Sec. 32. Section 97B.49, subsection 5, Code Supplement
18 15 1995, is amended by adding the following new paragraph:

18 16 NEW PARAGRAPH. e. For each active or inactive vested
18 17 member retiring on or after July 1, 1996, the percentage
18 18 multiplier of the three-year average covered wage used under
18 19 subsections 5, 15, 16, and 17 to calculate the monthly
18 20 retirement allowance shall be increased by one-fourth of one
18 21 percentage point for each additional calendar quarter of
18 22 membership service beyond the applicable years of service, not
18 23 to exceed a total of six additional percentage points. For
18 24 purposes of this paragraph, "the applicable years of service"
18 25 shall be the following, based upon the service retirement
18 26 allowance selected:

18 27 (1) For members receiving a retirement allowance for
18 28 regular service under subsection 5 or 15, or receiving a
18 29 combined retirement allowance under subsection 17, the
18 30 applicable years of service is thirty.

18 31 (2) For members receiving a retirement allowance for
18 32 service in a protection occupation under subsection 16,
18 33 paragraph "a", or receiving a retirement allowance for service
18 34 as a sheriff, deputy sheriff, or airport fire fighter under
18 35 subsection 16, paragraph "b", subparagraph (3), the applicable
19 1 years of service is twenty-five.

19 2 (3) For members receiving a retirement allowance for
19 3 service as a sheriff, deputy sheriff, or airport fire fighter
19 4 under subsection 16, paragraph "b", subparagraph (1) or (2),
19 5 the applicable years of service is twenty-two.

19 6 Sec. 33. Section 97B.49, subsection 5, Code Supplement
19 7 1995, is amended by adding the following new paragraph:

19 8 NEW PARAGRAPH. f. Notwithstanding any other provisions of
19 9 this section to the contrary, for members retiring on or after
19 10 July 1, 1997, and whose three-year average covered wage
19 11 exceeds fifty-five thousand dollars, the monthly benefit shall
19 12 be calculated by multiplying the sum of the following amounts
19 13 by the fractions of years of service for that member.

19 14 (1) For the first fifty-five thousand dollars of the
19 15 member's three-year average covered wage, one-twelfth of an
19 16 amount equal to the applicable percentage multiplier otherwise
19 17 provided in this subsection multiplied by fifty-five thousand
19 18 dollars.

19 19 (2) For that portion of a member's three-year average
19 20 covered wage that exceeds fifty-five thousand dollars but is
19 21 less than or equal to sixty-five thousand dollars, one-twelfth
19 22 of an amount equal to the applicable percentage multiplier

19 23 otherwise provided in this subsection, reduced by ten
19 24 percentage points, multiplied by that portion.

19 25 (3) For that portion of a member's three-year average
19 26 covered wage that exceeds sixty-five thousand dollars but is
19 27 less than or equal to seventy-five thousand dollars, one-
19 28 twelfth of an amount equal to the applicable percentage
19 29 multiplier otherwise provided in this subsection, reduced by
19 30 fifteen percentage points, multiplied by that portion.

19 31 (4) For that portion of a member's three-year average
19 32 covered wage that exceeds seventy-five thousand dollars but is
19 33 less than or equal to eighty-five thousand dollars, one-
19 34 twelfth of an amount equal to the applicable percentage
19 35 multiplier otherwise provided in this subsection, reduced by
20 1 twenty percentage points, multiplied by that portion.

20 2 (5) For that portion of a member's three-year average
20 3 covered wage that exceeds eighty-five thousand dollars but is
20 4 less than or equal to ninety-five thousand dollars, one-
20 5 twelfth of an amount equal to the applicable percentage
20 6 multiplier otherwise provided in this subsection, reduced by
20 7 thirty percentage points, multiplied by that portion.

20 8 (6) For that portion of a member's three-year average
20 9 covered wage that exceeds ninety-five thousand dollars, one-
20 10 twelfth of an amount equal to the applicable percentage
20 11 multiplier otherwise provided in this subsection, reduced by
20 12 forty percentage points, multiplied by that portion.

20 13 The covered wage categories referred to in subparagraphs
20 14 (1) through (6) of this paragraph and the fifty-five thousand
20 15 dollar amount otherwise specified in this paragraph shall be
20 16 increased by the department for each calendar year, beginning
20 17 January 1, 1998, by an amount that represents the percentage
20 18 increase in the consumer price index during the previous
20 19 calendar year, as published annually in the federal register
20 20 by the federal department of labor, bureau of labor
20 21 statistics.

20 22 Sec. 34. Section 97B.49, subsection 13, Code Supplement
20 23 1995, is amended to read as follows:

20 24 13. a. A member who retired from the system between
20 25 January 1, 1976, and June 30, 1982, or a contingent annuitant
20 26 or beneficiary of such a member, shall receive with the
20 27 November

~~1994 and the November 1995~~

~~- 1996 monthly benefit~~

20 28

~~- payments~~

~~- payment a retirement dividend equal to~~

~~- one~~

~~- two~~

20 29 hundred

~~- eighty one~~

~~- twenty-three percent of the monthly benefit~~

20 30 payment the member received for the preceding June, or the
20 31 most recently received benefit payment, whichever is greater.

20 32 The retirement dividend does not affect the amount of a
20 33 monthly benefit payment.

20 34 b. Each member who retired from the system between July 4,
20 35 1953, and December 31, 1975, or a contingent annuitant or

21 1 beneficiary of such a member, shall receive with the November
21 2

~~1994 and the November 1995~~

~~- 1996 monthly benefit~~

~~- payments~~

21 3 payment a retirement dividend equal to two hundred

~~thirty six~~

21 4 ninety-two percent of the monthly benefit payment the member
21 5 received for the preceding June, or the most recently received
21 6 benefit payment, whichever is greater. The retirement
21 7 dividend does not affect the amount of a monthly benefit
21 8 payment.

21 9 c. Notwithstanding the determination of the amount of a
21 10 retirement dividend under paragraph "a", "b", "d",

~~or~~

~~"f", or~~

21 11 "g", a retirement dividend shall not be less than twenty-five
21 12 dollars.

21 13 d. A member who retired from the system between July 1,
21 14 1982, and June 30, 1986, or a contingent annuitant or
21 15 beneficiary of such a member, shall receive with the November
21 16

~~1994 and the November 1995~~

~~1996 monthly benefit~~

~~payments~~

21 17 payment a retirement dividend equal to

~~forty nine~~

~~seventy-four~~

21 18 percent of the monthly benefit payment the member received for
21 19 the preceding June, or the most recently received benefit
21 20 payment, whichever is greater. The retirement dividend does
21 21 not affect the amount of a monthly benefit payment.

21 22 e. If the member dies on or after July 1 of the dividend
21 23 year but before the payment date, the full amount of the
21 24 retirement dividend for that year shall be paid

~~to the~~

21 25

~~designated beneficiary~~

~~to the member's account, upon~~

21 26 notification of the member's death.

~~If there is no~~

21 27

~~beneficiary designated by the member, the department shall pay~~

21 28

~~the dividend to the member's estate. The beneficiary, or the~~

21 29

~~representative of the member's estate, must apply for the~~

21 30

~~dividend within two years after the dividend is payable or the~~

21 31

~~dividend is forfeited.~~

21 32 f. A member who retired from the system between July 1,
21 33 1986, and June 30, 1990, or a contingent annuitant or
21 34 beneficiary of such a member, shall receive with the November
21 35 1996

~~and the November 1997~~

~~monthly benefit~~

~~payments~~

~~payment a~~

22 1 retirement dividend

~~in an amount determined by the general~~

22 2

~~assembly~~

~~equal to twenty-four percent of the monthly benefit~~

22 3 payment the member received for the preceding June, or the
22 4 most recently received benefit payment, whichever is greater.

22 5 The retirement dividend does not affect the amount of a
22 6 monthly benefit payment.

22 7 Sec. 35. Section 97B.49, subsection 13, Code Supplement
22 8 1995, is amended by adding the following new paragraph:

22 9 NEW PARAGRAPH. g. Effective July 1, 1997, commencing with
22 10 dividends payable in November 1997, and for each subsequent
22 11 year, all members who retired prior to July 1, 1990, shall be
22 12 eligible for annual dividend payments, payable in November of
22 13 that year, pursuant to the requirements of this paragraph.

22 14 The dividend payable in any given year shall be the sum of the
22 15 dollar amount of the dividend payable in the previous November
22 16 and the dividend adjustment.

22 17 The dividend adjustment for a given year shall be
22 18 calculated by multiplying the total of the retiree's monthly
22 19 benefit payments and the dividend payable to the retiree in
22 20 the previous calendar year by the applicable percentage as
22 21 determined by this paragraph. The applicable percentage shall
22 22 be the least of the following percentages:

22 23 (1) The percentage representing eighty percent of the
22 24 percentage increase in the consumer price index published in
22 25 the federal register by the federal department of labor,
22 26 bureau of labor statistics, that reflects the percentage
22 27 increase in the consumer price index for the twelve-month
22 28 period ending June 30 of the year that the dividend is to be
22 29 paid.

22 30 (2) The percentage representing the percentage amount the
22 31 actuary has certified, in the annual actuarial valuation of
22 32 the system as of June 30 of the year in which the dividend is
22 33 to be paid, that the fund can absorb without requiring an
22 34 increase in the employer and employee contributions to the
22 35 fund.

23 1 (3) Three percent.

23 2 The dividend determined pursuant to this paragraph shall
23 3 not be used to increase the monthly benefit amount payable.

23 4 Sec. 36. Section 97B.49, subsection 15, paragraph b, Code
23 5 Supplement 1995, is amended to read as follows:

23 6 b. For each active or inactive vested member retiring on
23 7 or after July 1, 1990, and before July 1, 1996, who is at
23 8 least fifty-five years of age and for which the sum of the
23 9 number of years of membership service and prior service and
23 10 the member's age in years as of the member's last birthday
23 11 equals or exceeds ninety-two, a monthly benefit shall be
23 12 computed which is equal to one-twelfth of the same percentage
23 13 of the three-year average covered wage of the member as is
23 14 provided in subsection 5.

23 15 Sec. 37. Section 97B.49, subsection 15, Code Supplement
23 16 1995, is amended by adding the following new paragraph:
23 17 NEW PARAGRAPH. c. For each active or inactive vested
23 18 member retiring on or after July 1, 1996, who is at least
23 19 fifty-five years of age and for which the sum of the number of
23 20 years of membership service and prior service and the member's
23 21 age in years as of the member's last birthday equals or
23 22 exceeds eighty-eight, a monthly benefit shall be computed
23 23 which is equal to one-twelfth of the same percentage of the
23 24 three-year average covered wage of the member as is provided
23 25 in subsection 5, multiplied by a fraction of years of service
23 26 as is provided in subsection 5.

23 27 Sec. 38. Section 97B.49, subsection 16, paragraph b, Code
23 28 Supplement 1995, is amended by adding the following new
23 29 subparagraph:

23 30 NEW SUBPARAGRAPH. (3) A member who retires from
23 31 employment as a county sheriff, deputy sheriff, or airport
23 32 fire fighter, who retires on or after July 1, 1996, and at the
23 33 time of retirement has completed a total of twenty-five years
23 34 of membership service with the last twelve years of membership
23 35 service as a county sheriff, deputy sheriff, or airport fire
24 1 fighter, may elect to receive in lieu of the receipt of any
24 2 benefits under subsection 5 or 15, or subparagraphs (1) and
24 3 (2) of this paragraph, a monthly retirement allowance equal to
24 4 one-twelfth of the applicable percentage multiplier of the
24 5 member's three-year average covered wage as is provided in
24 6 paragraph "a", with benefits payable during the member's
24 7 lifetime.

24 8 Sec. 39. Section 97B.49, subsection 16, paragraph d,
24 9 subparagraph (9), Code Supplement 1995, is amended to read as
24 10 follows:

24 11 (9) An employee of a judicial district department of
24 12 correctional services who is employed as a probation officer
24 13 II or III,

~~or~~

- a parole officer II or III, or a residential
24 14 counselor.

24 15 Sec. 40. Section 97B.49, subsection 16, paragraph e, Code
24 16 Supplement 1995, is amended to read as follows:

24 17 e. Annually, the department of personnel shall actuarially
24 18 determine the cost of the additional benefits provided for
24 19 members covered under paragraph "a" and the cost of the
24 20 additional benefits provided for members covered under
24 21 paragraph "b" as percents of the covered wages of the
24 22 employees covered by this subsection. Sixty percent of the
24 23 cost shall be paid by the employers of employees covered under
24 24 this subsection and forty percent of the cost shall be paid by
24 25 the employees. The employer and employee contributions
24 26 required under this paragraph are in addition to the
24 27 contributions paid under

~~section~~

- sections 97B.11 and 97B.11A.

24 28 Sec. 41. Section 97B.49, subsection 16, Code Supplement
24 29 1995, is amended by adding the following new paragraph:

24 30 NEW PARAGRAPH. m. For the fiscal year commencing July 1,
24 31 1992, and each succeeding fiscal year, the department of
24 32 public safety shall pay to the department of personnel from
24 33 funds appropriated to the department of public safety, the
24 34 amount necessary to pay the employer share of the cost of the
24 35 additional benefits provided to a fire protection inspector
25 1 peace officer pursuant to paragraph "d", subparagraph (8).

25 2 Sec. 42. Section 97B.49, Code Supplement 1995, is amended
25 3 by adding the following new subsection:

25 4 NEW SUBSECTION. 17. a. An active or inactive vested
25 5 member, who is or has been employed in both special service

25 6 and regular service, who retires on or after July 1, 1996,
25 7 with four or more completed years of service and at the time
25 8 of retirement is at least fifty-five years of age, may elect
25 9 to receive, in lieu of the receipt of any other benefits under
25 10 this section, a combined monthly retirement allowance equal to
25 11 the sum of the following:

25 12 (1) One-twelfth of an amount equal to the applicable
25 13 percentage multiplier established in subsection 5 of the
25 14 member's three-year average covered wage multiplied by a
25 15 fraction of years of service. The fraction of years of
25 16 service for purposes of this subparagraph shall be the actual
25 17 years of service, not to exceed twenty-two, earned in a
25 18 position described in subsection 16, paragraph "b", for which
25 19 special service contributions were made, divided by twenty-
25 20 two.

25 21 (2) One-twelfth of an amount equal to the applicable
25 22 percentage multiplier established in subsection 5 of the
25 23 member's three-year average covered wage multiplied by a
25 24 fraction of years of service. The fraction of years of
25 25 service for purposes of this subparagraph shall be the actual
25 26 years of service, not to exceed twenty-five, earned in a
25 27 position described in subsection 16, paragraph "a", for which
25 28 special service contributions were made, divided by twenty-
25 29 five.

25 30 (3) One-twelfth of an amount equal to the applicable
25 31 percentage multiplier established in subsection 5 of the
25 32 member's three-year average covered wage multiplied by a
25 33 fraction of years of service. The fraction of years of
25 34 service for purposes of this subparagraph shall be the actual
25 35 years of service, not to exceed thirty, for which regular
26 1 service contributions were made, divided by thirty. However,
26 2 any otherwise applicable age reduction for early retirement
26 3 shall apply to the calculation under this subparagraph.

26 4 In calculating the fractions of years of service under
26 5 subparagraphs (1) and (2), a member shall not receive special
26 6 service credit for years of service for which the member and
26 7 the member's employer did not make the required special
26 8 service contributions to the department.

26 9 b. In calculating the combined monthly retirement
26 10 allowance pursuant to paragraph "a", the sum of the fraction
26 11 of years of service provided in paragraph "a", subparagraphs
26 12 (1), (2), and (3), shall not exceed one. If the sum of the
26 13 fractions of years of service would exceed one, the department
26 14 shall deduct years of service first from the calculation under
26 15 paragraph "a", subparagraph (3), and then from the calculation
26 16 under paragraph "a", subparagraph (2), if necessary, so that
26 17 the sum of the fractions of years of service shall equal one.

26 18 c. (1) In calculating the combined monthly retirement
26 19 allowance pursuant to paragraph "a", and in determining the
26 20 applicable percentage multiplier established in subsection 5,
26 21 the member shall be entitled to an addition in the percentage
26 22 multiplier in accordance with subsection 5, paragraph "e",
26 23 only for those years of service in excess of thirty years.
26 24 Any addition in the percentage multiplier shall be included in
26 25 the calculations required under paragraph "a", subparagraphs
26 26 (1), (2), and (3) of this subsection.

26 27 (2) In calculating the combined monthly retirement
26 28 allowance pursuant to paragraph "a", for members retiring on
26 29 or after July 1, 1997, whose three-year average covered wage
26 30 exceeds fifty-five thousand dollars, each calculation under
26 31 paragraph "a", subparagraphs (1), (2), and (3) of this
26 32 subsection shall be subject to reduction, calculated in the
26 33 manner provided in subsection 5, paragraph "f".

26 34 Sec. 43. Section [97B.50](#), subsection 2, Code 1995, is
26 35 amended to read as follows:

27 1 2. a. A vested member who retires from the system due to
27 2 disability and commences receiving disability benefits

27 3 pursuant to the federal Social Security Act, 42 U.S.C. } 423
27 4 et seq., and who has not reached the normal retirement date,
27 5 shall receive benefits under section 97B.49 and shall not have
27 6 benefits reduced upon retirement as required under subsection
27 7 1 regardless of whether the member has completed thirty or
27 8 more years of membership service. However, the benefits shall
27 9 be suspended during any period in which the member returns to
27 10 covered employment. This section takes effect July 1, 1990,
27 11 for a member meeting the requirements of this paragraph who
27 12 retired from the system at any time after July 4, 1953.
27 13 Eligible members are entitled to the receipt of retroactive
27 14 adjustment payments back to July 1, 1990, notwithstanding the
27 15 requirements of subsection 4.

27 16 b. A vested member who retires from the system due to
27 17 disability and commences receiving disability benefits
27 18 pursuant to the federal Railroad Retirement Act, 45 U.S.C. }
27 19 231 et seq., and who has not reached the normal retirement
27 20 date, shall receive benefits under section 97B.49 and shall
27 21 not have benefits reduced upon retirement as required under
27 22 subsection 1 regardless of whether the member has completed
27 23 thirty or more years of membership service. However, the
27 24 benefits shall be suspended during any period in which the
27 25 member returns to covered employment. This section takes
27 26 effect July 1, 1990, for a member meeting the requirements of
27 27 this paragraph who retired from the system at any time since
27 28 July 4, 1953. Eligible members are entitled to the receipt of
27 29 retroactive adjustment payments back to July 1, 1990,
27 30 notwithstanding the requirements of subsection 4.

27 31 Sec. 44. NEW SECTION. 97B.50A ACCIDENTAL DISABILITY
27 32 BENEFITS FOR SHERIFFS, DEPUTY SHERIFFS, AIRPORT FIRE FIGHTERS,
27 33 AND MEMBERS OF A PROTECTION OCCUPATION.

27 34 1. DEFINITIONS. For purposes of this section, unless the
27 35 context otherwise provides, "member" means a vested member who
28 1 is classified as a sheriff, deputy sheriff, or airport fire
28 2 fighter or as a vested member of a protection occupation under
28 3 section 97B.49, subsection 16, at the time of the alleged
28 4 disability.

28 5 2. ACCIDENTAL DISABILITY RETIREMENT ALLOWANCE.

28 6 a. Effective January 1, 1997, a member who is injured in
28 7 the performance of the member's duties, and otherwise meets
28 8 the requirements of this section shall receive an accidental
28 9 disability retirement allowance under the provisions of this
28 10 section, in lieu of a monthly retirement allowance as provided
28 11 in section 97B.49 or benefits calculated as provided in
28 12 section 97B.50, subsection 2.

28 13 b. Upon application of a member, a member who has become
28 14 totally and permanently incapacitated for duty as the natural
28 15 and proximate result of an injury, disease, or exposure
28 16 occurring or aggravated while in the actual performance of
28 17 duty shall be retired by the department, provided that the
28 18 medical board shall certify that the member is mentally or
28 19 physically incapacitated for further performance of duty, that
28 20 the incapacity is likely to be permanent, and that the member
28 21 should be retired. The department shall make the final
28 22 determination, based on the medical evidence received, of a
28 23 member's total and permanent disability. However, if a
28 24 person's membership in the system first commenced on or after
28 25 January 1, 1997, the member shall not be eligible for benefits
28 26 with respect to a disability which would not exist, but for a
28 27 medical condition that was known to exist on the date that
28 28 membership commenced.

28 29 c. Disease under this section shall mean heart disease or
28 30 any disease of the lungs or respiratory tract and shall be
28 31 presumed to have been contracted while on active duty as a
28 32 result of strain, exposure, or the inhalation of noxious
28 33 fumes, poison, or gases. However, if a person's membership in
28 34 the system first commenced on or after January 1, 1997, and

28 35 the heart disease or disease of the lungs or respiratory tract
29 1 would not exist, but for a medical condition that was known to
29 2 exist on the date that membership commenced, the presumption
29 3 established in this paragraph shall not apply.

29 4 d. Any amounts which may be paid or payable by the
29 5 employer under the provisions of any workers' compensation or
29 6 other law to a member, or to the dependents of a member on
29 7 account of any disability, shall not be offset against and
29 8 payable in lieu of any retirement allowance payable pursuant
29 9 to this section on account of the same disability.

29 10 3. RETIREMENT AFTER ACCIDENT.

29 11 Upon retirement for an accidental disability as provided by
29 12 this section, a member shall receive the greater of a monthly
29 13 accidental disability retirement allowance calculated under
29 14 this section or a disability retirement allowance calculated
29 15 under section 97B.50, subsection 2. The monthly accidental
29 16 disability allowance calculated under this section shall
29 17 consist of an allowance equal to one-twelfth of thirty-three
29 18 and one-third percent of the member's three-year average
29 19 covered wage at the time of disability.

29 20 4. REEXAMINATION & REEMPLOYMENT OF MEMBERS RETIRED ON
29 21 ACCOUNT OF AN ACCIDENTAL DISABILITY.

29 22 a. Once each year during the first five years following
29 23 the retirement of a member under this section, and once in
29 24 every three-year period thereafter, the department may, and
29 25 upon the member's application shall, require any member
29 26 receiving an accidental disability retirement allowance who
29 27 has not yet attained the age of fifty-five years to undergo a
29 28 medical examination as arranged by the medical board. The
29 29 examination shall be made by the medical board or by an
29 30 additional physician or physicians designated by the board.
29 31 If any member receiving an accidental disability retirement
29 32 allowance who has not attained the age of fifty-five years
29 33 refuses to submit to the medical examination, the allowance
29 34 may be discontinued until the member's withdrawal of the
29 35 refusal, and should the member's refusal continue for one
30 1 year, all rights in and to the member's disability retirement
30 2 allowance shall be revoked by the department.

30 3 b. If a member receiving a disability retirement allowance
30 4 is returned to covered employment, the member's disability
30 5 retirement allowance shall cease, the member shall again
30 6 become an active member, and shall contribute thereafter at
30 7 the same rate payable by similarly classified members. Upon
30 8 subsequent retirement, the member's retirement allowance shall
30 9 be calculated as provided in section 97B.48A.

30 10 5. DEATH BENEFITS. A member who is receiving an
30 11 accidental disability retirement allowance under this section
30 12 shall be treated as having elected a lifetime monthly
30 13 retirement allowance with no death benefit unless the member
30 14 elects an optional form of benefit provided under section
30 15 97B.51, which shall be actuarially equivalent to the lifetime
30 16 monthly retirement allowance provided under subsection 3.

30 17 6. MEDICAL BOARD. The system shall designate a medical
30 18 board to be composed of three physicians who shall arrange for
30 19 and pass upon the medical examinations required under the
30 20 provisions of this section and shall report in writing to the
30 21 department the conclusions and recommendations upon all
30 22 matters duly referred to the medical board. Each report of a
30 23 medical examination under this section shall include the
30 24 medical board's findings as to the extent of the member's
30 25 physical impairment.

30 26 7. RULES. The department shall adopt rules pursuant to
30 27 chapter 17A specifying the application procedure for members
30 28 pursuant to this section.

30 29 Sec. 45. Section 97B.51, subsection 3, Code Supplement
30 30 1995, is amended to read as follows:

30 31 3. A member who had elected to take the option stated in

30 32 subsection 1 of this section may, at any time prior to
30 33 retirement, revoke such an election by written notice to the
30 34 department. A member shall not change or revoke an election
30 35 once the first retirement allowance is paid.

31 1 Sec. 46. Section 97B.51, subsection 5, Code Supplement
31 2 1995, is amended to read as follows:

31 3 5. At retirement, a member may designate that upon the
31 4 member's death, a specified amount of money shall be paid to a
31 5 named beneficiary, and the member's monthly retirement
31 6 allowance shall be reduced by an actuarially determined amount
31 7 to provide for the lump sum payment. The amount designated by
31 8 the member must be in thousand dollar increments

~~and the~~

~~and~~

31 9 shall be limited to the amount of the member's accumulated
31 10 contributions. The amount designated shall not lower the
31 11 monthly retirement allowance of the member by more than one-
31 12 half the amount payable under section 97B.49, subsection 1 or
31 13 5. A member may designate a different beneficiary if the
31 14 original named beneficiary predeceases the member.

31 15 Sec. 47. Section 97B.51, subsection 6, Code Supplement
31 16 1995, is amended to read as follows:

31 17 6. A member may elect to receive a decreased retirement
31 18 allowance during the member's lifetime with provision that in
31 19 event of the member's death during the first one hundred
31 20 twenty months of retirement, monthly payments of the member's
31 21 decreased retirement allowance shall be made to the member's
31 22 beneficiary until a combined total of one hundred twenty
31 23 monthly payments have been made to the member and the member's
31 24 beneficiary. When the member designates multiple
31 25 beneficiaries, the present value of the remaining payments
31 26 shall be paid in a lump sum to each beneficiary, either in
31 27 equal shares to the beneficiaries, or if the member specifies
31 28 otherwise in a written request, in the specified proportion.

31 29 A member may designate a different beneficiary if the original
31 30 named beneficiary predeceases the member.

31 31 Sec. 48. Section 97B.52, subsection 1, Code Supplement
31 32 1995, is amended to read as follows:

31 33 1. If a member dies prior to the member's first month of
31 34 entitlement, the accumulated contributions of the member at
31 35 the date of death plus the product of an amount equal to the
32 1 highest year of covered wages of the deceased member and the
32 2 number of years of membership service divided by

~~thirty~~

~~the~~

32 3 applicable denominator shall be paid to the member's
32 4 beneficiary in a lump sum payment. However, a lump sum
32 5 payment made to a beneficiary under this subsection due to the
32 6 death of a member shall not be less than the amount that would
32 7 have been payable on the death of the member on June 30, 1984,
32 8 under this subsection as it appeared in the 1983 Code.

32 9 As used in this subsection, "applicable denominator" means
32 10 the following, based upon the type of membership service in
32 11 which the member served either on the date of death, or if the
32 12 member died after terminating service, on the date of the
32 13 member's last termination of service:

32 14 a. For regular service, the applicable denominator is
32 15 thirty.

32 16 b. For service in a protection occupation, as defined in
32 17 section 97B.49, subsection 16, paragraph "d", the applicable
32 18 denominator is twenty-five.

32 19 c. For service as a sheriff, deputy sheriff, or airport
32 20 fire fighter, as provided in section 97B.49, subsection 16,
32 21 paragraph "b", the applicable denominator is twenty-two.

32 22 Effective July 1, 1978, a method of payment under this

32 23 subsection filed with the department by a member does not
32 24 apply.

32 25 Sec. 49. Section 97B.52, subsection 3, paragraph b, Code
32 26 Supplement 1995, is amended to read as follows:

32 27 b. If a death benefit is due and payable, interest shall
32 28 continue to accumulate through the month preceding the month
32 29 in which payment is made to the designated beneficiary, heirs
32 30 at law, or the estate unless the payment of the death benefit
32 31 is delayed because of a dispute between alleged heirs, in
32 32 which case the benefit due and payable shall be placed in a
32 33 noninterest bearing escrow account until the beneficiary is
32 34 determined in accordance with this section. In order to
32 35 receive the death benefit, the beneficiary, heirs at law, or
33 1 the estate, or any other third-party payee, must apply to the
33 2 department within

~~two~~

~~five~~ years of the member's death.

33 3 The department shall reinstate a designated beneficiary's
33 4 right to receive a death benefit beyond the five-year
33 5 limitation if the designated beneficiary was the member's
33 6 spouse at the time of the member's death and the distribution
33 7 is required or permitted pursuant to Internal Revenue Code
33 8 section 401(a)(9) and the applicable treasury regulations.

33 9 Sec. 50. Section 97B.52, subsection 5, Code Supplement
33 10 1995, is amended to read as follows:

33 11 5. Following written notification to the department, a
33 12 beneficiary of a deceased member may waive current and future
33 13 rights to payments to which the beneficiary would otherwise be
33 14 entitled under sections 97B.51 and this section. Upon receipt
33 15 of the waiver, the department shall pay

~~to the estate of the~~

~~deceased member~~

~~the amount designated to be received by~~

~~the~~

33 17 that beneficiary to the member's other surviving beneficiary
33 18 or beneficiaries or to the estate of the deceased member, as
33 19 elected by the beneficiary in the waiver. If the payments
33 20 being waived are payable to the member's estate and an estate
33 21 is not probated, the payments shall be paid to the deceased
33 22 member's surviving spouse, or if there is no surviving spouse,
33 23 to the member's heirs other than the beneficiary who waived
33 24 the payments.

33 25 Sec. 51. Section [97B.52A](#), Code Supplement 1995, is amended
33 26 by adding the following new subsection:

33 27 **NEW SUBSECTION.** 3. A member who terminates covered
33 28 employment but maintains an employment relationship with an
33 29 employer that made contributions to the system on the member's
33 30 behalf does not have a bona fide retirement until all
33 31 employment, including employment which is not covered by this
33 32 chapter, with such employer is terminated for at least thirty
33 33 days. In order to receive retirement benefits, the member
33 34 must file a completed application for benefits form with the
33 35 department before returning to any employment with the same
34 1 employer.

34 2 Sec. 52. Section 97B.53, subsection 3, Code Supplement
34 3 1995, is amended to read as follows:

34 4 3. The accumulated contributions of a terminated, vested
34 5 member shall be credited with interest, including interest
34 6 dividends, in the manner provided in section 97B.70. Interest
34 7 and interest dividends shall be credited to the accumulated

34 8 contributions of members who terminate service and
34 9 subsequently become vested in accordance with section 97B.70.
34 10

~~However, the department shall not implement the amendments to~~

34 11

~~this subsection or to subsection 6, unnumbered paragraph 1, or~~

34 12

~~to subsection 7, as enacted in 1994 Iowa Acts, chapter 1183,~~

34 13

~~unless and until the department determines that the most~~

34 14

~~recent annual actuarial valuation of the retirement system~~

34 15

~~indicates that the employer and employee contribution rates in~~

34 16

~~effect under section 97B.11 can absorb the amendments to these~~

34 17

~~provisions of this section and the amendments to section~~

34 18

~~97B.41, subsection 12, and section 97B.70, by enacting a new~~

34 19

~~subsection 4, contained in 1994 Iowa Acts, chapter 1183, after~~

34 20

~~meeting the other established priorities of the system, as~~

34 21

~~defined in section 97B.41, subsection 12. Until the~~

34 22

~~amendments are implemented, the department shall continue to~~

34 23

~~implement the provisions of section 97B.53, subsections 3 and~~

34 24

~~7, and section 97B.53, subsection 6, unnumbered paragraph 1,~~

34 25

~~1993 Code of Iowa.~~

34 26 Sec. 53. Section 97B.53B, subsection 1, paragraph c,

34 27 subparagraph (4), Code 1995, is amended to read as follows:
34 28 (4)

~~A distribution~~

- ~~Annual distributions~~ of less than two

34 29 hundred dollars of taxable income.

34 30 Sec. 54. Section 97B.66, unnumbered paragraph 1, Code
34 31 Supplement 1995, is amended to read as follows:

34 32 A vested or retired member who was a member of the teachers
34 33 insurance and annuity association-college retirement equity
34 34 fund at any time between July 1, 1967 and June 30, 1971 and
34 35 who became a member of the system on July 1, 1971, upon
35 1 submitting verification of service and wages earned during the
35 2 applicable period of service under the teachers insurance and
35 3 annuity association-college retirement equity fund, may make
35 4 employer and employee contributions to the system based upon
35 5 the covered wages of the member and the covered wages and the
35 6 contribution rates in effect for all or a portion of that
35 7 period of service and receive credit for membership service
35 8 under this system equivalent to the applicable period of
35 9 membership service in the teachers insurance and annuity
35 10 association-college retirement equity fund for which the
35 11 contributions have been made. In addition, a member making
35 12 employer and employee contributions because of membership in
35 13 the teachers insurance and annuity association-college
35 14 retirement equity fund under this section who was a member of
35 15 the system on June 30, 1967 and withdrew the member's
35 16 accumulated contributions because of membership on July 1,
35 17 1967 in the teachers insurance and annuity association-college
35 18 retirement equity fund, may make employee contributions to the
35 19 system for all or a portion of the period of service under the
35 20 system prior to July 1, 1967. A member making contributions
35 21 pursuant to this section may make the contributions either for
35 22 the entire applicable period of service, or

~~, effective upon~~

35 23

~~the date that the department determines that the amendments to~~

35 24

~~this paragraph and unnumbered paragraph 2 contained in 1994~~

35 25

~~Iowa Acts, chapter 1183, shall be implemented,~~

- for portions of

35 26 the period of service, and if contributions are made for
35 27 portions of the period of service, the contributions shall be
35 28 in increments of one or more

~~years, as long as the increments~~

35 29

~~represent full years and not a portion of a year~~

- calendar

35 30 quarters.

~~However, the department shall not implement the~~

35 31

~~amendments to this paragraph or unnumbered paragraph 2, as~~

35 32

~~enacted in 1994 Iowa Acts, chapter 1183, unless and until the~~

35 33

~~department determines that the most recent annual actuarial~~

35 34

~~valuation of the retirement system indicates that the employer~~

35 35

~~and employee contribution rates in effect under section 97B.11~~

36 1

~~can absorb the amendments to this paragraph and unnumbered~~

36 2

~~paragraph 2 and to section 97B.72, unnumbered paragraphs 1 and~~

36 3

~~2, section 97B.72A, subsection 1, unnumbered paragraph 1,~~

36 4

~~section 97B.73A, unnumbered paragraph 1, and section 97B.74,~~

36 5

~~unnumbered paragraphs 1 and 2, contained in 1994 Iowa Acts,~~

36 6

~~chapter 1183, after meeting the other established priority of~~

36 7

~~the system. Until the amendments are implemented, the~~

36 8

~~department shall continue to implement the provisions of~~

36 9

~~section 97B.66, unnumbered paragraphs 1 and 2, Code Supplement~~

36 10

~~1993. As used in this section, unless the context otherwise~~

36 11

~~requires, "other established priority of the system" means~~

36 12

~~that commencing January 1 following the most recent annual~~

36 13

~~actuarial valuation of the system, the department has~~

36 14

~~increased the covered wage limitation from the previous year~~

36 15

~~by three thousand dollars, in accordance with section 97B.41,~~

36 16

~~subsection 20, paragraph "b", subparagraph (11).~~

36 17 Sec. 55. Section 97B.66, unnumbered paragraph 2, Code
36 18 Supplement 1995, is amended to read as follows:

36 19 The contributions paid by the vested or retired member
36 20 shall be equal to the accumulated contributions as defined in
36 21 section 97B.41, subsection 2, by the member for the applicable
36 22 period of service, and the employer contribution for the
36 23 applicable period of service under the teachers insurance and
36 24 annuity association-college retirement equity fund, that would
36 25 have been or had been contributed by the vested or retired
36 26 member and the employer, if applicable, plus interest on the
36 27 contributions that would have accrued for the applicable
36 28 period from the date the previous applicable period of service
36 29 commenced under this system or from the date the service of
36 30 the member in the teachers insurance and annuity association-
36 31 college retirement equity fund commenced to the date of
36 32 payment of the contributions by the member

~~equal to two~~

36 33

~~percent plus the interest dividend rate applicable for each~~

36 34

~~year~~

~~as provided in section 97B.70.~~

36 35 Sec. 56. Section [97B.68](#), subsection 1, Code 1995, is
37 1 amended to read as follows:

37 2 1. Effective July 1,

~~1988~~

~~1996~~, a person who is a member

37 3 of the federal civil service retirement program or the federal
37 4 employee's retirement system is not eligible for membership in
37 5 the Iowa public employees' retirement system for the same
37 6 position, and this chapter does not apply to that employee.
37 7 An employee whose membership in the federal civil service
37 8 retirement program or the federal employee's retirement system
37 9 is subsequently terminated shall immediately notify the
37 10 employee's employer and the department of personnel of that
37 11 fact, and the employee shall become subject to this chapter on
37 12 the date the notification is received by the department.

37 13 Sec. 57. Section [97B.68](#), Code 1995, is amended by adding
37 14 the following new subsection:

37 15 NEW SUBSECTION. 3. Effective July 1, 1996, an employee
37 16 who participates in the federal civil service retirement
37 17 program or the federal employee's retirement system may be
37 18 covered under this chapter if otherwise eligible. The
37 19 employee shall not be covered under this chapter, however,
37 20 unless the employee is not credited for service in the federal
37 21 civil service retirement system or the federal employee's
37 22 retirement system for the position to be covered under this
37 23 chapter. This subsection shall not be construed to permit any

37 24 employer to contribute on behalf of an employee for the same
37 25 position for and the same period of service to both the Iowa
37 26 public employees' retirement system and either the federal
37 27 civil service retirement program or the federal employee's
37 28 retirement system.
37 29 Sec. 58. Section 97B.70, Code Supplement 1995, is amended
37 30 to read as follows:
37 31 97B.70 INTEREST AND DIVIDENDS TO MEMBERS.
37 32 1.

~~Interest~~

~~For calendar years prior to January 1, 1997.~~

37 33 ~~interest~~ at two percent per annum and interest dividends
37 34 declared by the department shall be credited to the member's
37 35 contributions and the employer's contributions to become part
38 1 of the accumulated contributions thereby.
38 2

~~1.~~

~~a.~~ The average rate of interest earned shall be
38 3 determined upon the following basis:
38 4

~~a.~~

~~(1)~~ Investment income shall include interest and cash
38 5 dividends on stock.
38 6

~~b.~~

~~(2)~~ Investment income shall be accounted for on an
38 7 accrual basis.
38 8

~~c.~~

~~(3)~~ Capital gains and losses, realized or unrealized,
38 9 shall not be included in investment income.
38 10

~~d.~~

~~(4)~~ Mean assets shall include fixed income investments
38 11 valued at cost or on an amortized basis, and common stocks at
38 12 market values or cost, whichever is lower.
38 13

~~e.~~

~~(5)~~ The average rate of earned interest shall be the
38 14 quotient of the investment income and the mean assets of the
38 15 retirement fund.
38 16

~~2.~~

~~b.~~ The interest dividend shall be determined within
38 17 sixty days after the end of each calendar year as follows:
38 18 The dividend rate for a calendar year shall be the excess
38 19 of the average rate of interest earned for the year over the
38 20 statutory two percent rate plus twenty-five hundredths of one
38 21 percent. The average rate of interest earned and the interest
38 22 dividend rate in percent shall be calculated to the nearest
38 23 one hundredth, that is, to two decimal places. Interest and
38 24 interest dividends calculated pursuant to this subsection
38 25 shall be compounded annually.
38 26 2. For calendar years beginning January 1, 1997, a per
38 27 annum interest rate at one percent above the interest rate on
38 28 one-year certificates of deposit shall be credited to the
38 29 member's contributions and the employer's contributions to
38 30 become part of the accumulated contributions. For purposes of
38 31 this subsection, the interest rate on one-year certificates of

38 32 deposit shall be determined by the department based on the
38 33 average rate for such certificates of deposit as of January 10
38 34 of each year as published in a publication of general
38 35 acceptance in the business community. The per annum interest
39 1 rate shall be credited on a quarterly basis by applying one-
39 2 quarter of the annual interest rate to the sum of the
39 3 accumulated contributions as of the end of the previous
39 4 calendar quarter.

39 5 3. Interest and interest dividends shall be credited to
39 6 the contributions of active members and inactive vested
39 7 members until the first of the month coinciding with or next
39 8 following the member's retirement date.

39 9 4.

~~Effective upon the date that the department determines~~

39 10

~~that this subsection shall be implemented, interest~~

~~Interest~~

39 11 and interest dividends shall be credited to the contributions
39 12 of a person who leaves the contributions in the retirement
39 13 fund upon termination from covered employment prior to
39 14 achieving vested status, but who subsequently achieves vested
39 15 status. The interest and interest dividends shall be credited
39 16 to the contributions commencing

~~either~~

~~upon~~

~~the date that the~~

39 17

~~department determines that this subsection shall be~~

39 18

~~implemented, or~~

~~the date on which the person becomes a vested~~

39 19 member

~~, whichever is later~~

~~Interest and interest dividends~~

39 20 shall cease upon the first of the month coinciding with or
39 21 next following the person's retirement date. If the
39 22 department no longer maintains the accumulated contribution
39 23 account of the person pursuant to section 97B.53, but the
39 24 person submits satisfactory proof to the department that the
39 25 person did make the contributions, the department shall credit
39 26 interest and interest dividends in the manner provided in this
39 27 subsection.

~~However, the department shall not implement this~~

39 28

~~subsection, unless and until the department determines that~~

39 29

~~the most recent annual actuarial valuation of the retirement~~

39 30

~~system indicates that the employer and employee contribution~~

39 31

~~rates in effect under section 97B.11 can absorb the enactment~~

39 32

~~of this subsection and the amendments to section 97B.41,~~

39 33

~~subsection 12, section 97B.53, subsections 3 and 7, and~~

39 34

~~section 97B.53, subsection 6, unnumbered paragraph 1,~~

39 35

~~contained in 1994 Iowa Acts, chapter 1183, after meeting the~~

40 1

~~other established priorities of the system, as defined in~~

40 2

~~section 97B.41, subsection 12.~~

40 3 Sec. 59. Section 97B.72, unnumbered paragraphs 1 and 2,

40 4 Code Supplement 1995, are amended to read as follows:

40 5 Persons who are members of the Seventy-first General

40 6 Assembly or a succeeding general assembly who submit proof to

40 7 the department of membership in the general assembly during

40 8 any period beginning July 4, 1953, may make contributions to

40 9 the system for all or a portion of the period of service in

40 10 the general assembly, and receive credit for the applicable

40 11 period for which contributions are made. The contributions

40 12 made by the member shall be equal to the accumulated

40 13 contributions as defined in section 97B.41, subsection 2,

40 14 which would have been made if the member of the general

40 15 assembly had been a member of the system during the applicable

40 16 period. The proof of membership in the general assembly and

40 17 payment of accumulated contributions shall be transmitted to

40 18 the department. A member making contributions pursuant to

40 19 this section may make the contributions either for the entire

40 20 applicable period of service, or

~~, effective upon the date that~~

40 21

~~the department determines that the amendments to this~~

40 22

~~paragraph and unnumbered paragraph 2 contained in 1994 Iowa~~

40 23

~~Acts, chapter 1183, shall be implemented,~~

~~for portions of the~~

40 24 period of service, and if contributions are made for portions

40 25 of the period of service, the contributions shall be in

40 26 increments of one or more

~~years, as long as the increments~~

40 27

~~represent full years and not a portion of a year
calendar
40 28 quarters.~~

~~However, the department shall not implement the~~

40 29

~~amendments to this paragraph or unnumbered paragraph 2, as~~

40 30

~~enacted in 1994 Iowa Acts, chapter 1183, unless and until the~~

40 31

~~department determines that the most recent annual actuarial~~

40 32

~~valuation of the retirement system indicates that the employer~~

40 33

~~and employee contribution rates in effect under section 97B.11~~

40 34

~~can absorb the amendments to this paragraph and unnumbered~~

40 35

~~paragraph 2 and to section 97B.66, unnumbered paragraphs 1 and~~

41 1

~~2, section 97B.72A, subsection 1, unnumbered paragraph 1,~~

41 2

~~section 97B.73A, unnumbered paragraph 1, and section 97B.74,~~

41 3

~~unnumbered paragraphs 1 and 2, contained in 1994 Iowa Acts,~~

41 4

~~chapter 1183, after meeting the other established priority of~~

41 5

~~the system, as defined in section 97B.66. Until the~~

41 6

~~amendments are implemented, the department shall continue to~~

41 7

~~implement the provisions of section 97B.72, unnumbered~~

41 8

~~paragraphs 1 and 2, Code Supplement 1993.~~

41 9 There is appropriated from moneys available to the general
41 10 assembly under section 2.12 an amount sufficient to pay the
41 11 contributions of the employer based on the period of service
41 12 for which the members have paid accumulated contributions in
41 13 an amount equal to the contributions which would have been
41 14 made if the members of the general assembly who made employee
41 15 contributions had been members of the system during the
41 16 applicable period of service in the general assembly plus

~~two~~

41 17

~~percent~~

~~interest~~

~~plus~~

~~and interest dividends at the rate~~

41 18 provided in section 97B.70 for all completed calendar years,
41 19 and for any completed calendar year for which the interest
41 20 dividend has not been declared and for completed months of
41 21 partially completed calendar years

~~at two percent interest~~

41 22

~~plus the interest dividend rate calculated for the previous~~

41 23

~~year~~

~~, compounded~~

~~annually, from the end of the calendar year~~

41 24

~~in which contribution was made to the first day of the month~~

41 25

~~of such date~~

~~as provided in section 97B.70.~~

41 26 Sec. 60. Section 97B.72A, subsection 1, Code Supplement
41 27 1995, is amended to read as follows:
41 28 1.

~~An active or~~

~~A vested or retired member of the system~~

41 29 who was a member of the general assembly prior to July 1,
41 30 1988, may make contributions to the system for all or a
41 31 portion of the period of service in the general assembly. The
41 32 contributions made by the member shall be equal to the
41 33 accumulated contributions as defined in section 97B.41,
41 34 subsection 2, which would have been made if the member of the
41 35 general assembly had been a member of the system during the
42 1 applicable period of service in the general assembly. A
42 2 member making contributions pursuant to this section may make
42 3 the contributions either for the entire applicable period of
42 4 service, or for portions of the period of service, and

42 5

~~effective upon the date that the department determines that~~

~~42 6~~

~~the amendments to this paragraph contained in 1994 Iowa Acts,~~

~~42 7~~

~~chapter 1183, shall be implemented,~~

~~if contributions are made~~

42 8 for portions of the period of service, the contributions shall

42 9 be in increments of one or more

~~years, as long as the~~

~~42 10~~

~~increments represent full years and not a portion of a year~~

42 11 calendar quarters. The member of the system shall submit

42 12 proof to the department of membership in the general assembly.

42 13 The department shall credit the member with the period of

42 14 membership service for which contributions are made.

~~However,~~

~~42 15~~

~~the department shall not implement the amendments to this~~

~~42 16~~

~~paragraph, as enacted in 1994 Iowa Acts, chapter 1183, unless~~

~~42 17~~

~~and until the department determines that the most recent~~

~~42 18~~

~~annual actuarial valuation of the retirement system indicates~~

~~42 19~~

~~that the employer and employee contribution rates in effect~~

~~42 20~~

~~under section 97B.11 can absorb the amendments to this~~

~~42 21~~

~~paragraph and to section 97B.66, unnumbered paragraphs 1 and~~

~~42 22~~

~~2, section 97B.72, unnumbered paragraphs 1 and 2, section~~

~~42 23~~

~~97B.73A, unnumbered paragraph 1, and section 97B.74,~~

~~42 24~~

~~unnumbered paragraphs 1 and 2, contained in 1994 Iowa Acts,~~

~~42 25~~

~~chapter 1183, after meeting the other established priority of~~

42 26

~~the system, as defined in section 97B.66. Until the~~

42 27

~~amendments are implemented, the department shall continue to~~

42 28

~~implement the provisions of section 97B.72A, subsection 1,~~

42 29

~~unnumbered paragraph 1, Code Supplement 1993.~~

42 30 There is appropriated from the general fund of the state to
42 31 the department an amount sufficient to pay the contributions
42 32 of the employer based on the period of service of members of
42 33 the general assembly for which the member paid accumulated
42 34 contributions under this section. The amount appropriated is
42 35 equal to the employer contributions which would have been made
43 1 if the members of the system who made employee contributions
43 2 had been members of the system during the period for which
43 3 they made employee contributions plus

~~two percent~~

~~interest~~

43 4

~~plus the interest dividend rate applicable~~

~~at the rate~~

43 5 provided in section 97B.70 for each year compounded

~~annually~~

43 6 as provided in section 97B.70.

43 7 Sec. 61. Section 97B.73, unnumbered paragraph 1, Code
43 8 1995, is amended to read as follows:

43 9 A vested or retired member who was in public employment
43 10 comparable to employment covered under this chapter in another
43 11 state or in the federal government, or who was a member of
43 12 another public retirement system in this state, including but
43 13 not limited to the teachers insurance annuity association-
43 14 college retirement equities fund, but who was not retired
43 15 under that system, upon submitting verification of membership
43 16 and service in the other public system to the department,
43 17 including proof that the member has no further claim upon a
43 18 retirement benefit from that other public system, may make
43 19 employer and employee contributions to the system either for
43 20 the entire period of service in the other public system, or
43 21 for partial service in the other public system in increments
43 22 of one or more

~~years, as long as the increments represent full~~

43 23

~~years and not a portion of a year~~

~~calendar quarters.~~

~~The~~

43 24

~~member may also make one lump sum contribution to the system~~

43 25

~~which represents the entire period of service in the other~~

43 26

~~public system, even if the period of time exceeds one year or~~

43 27

~~includes a portion of a year.~~

- If the member wishes to

43 28 transfer only a portion of the service value of another public

43 29 system to this system and the other public system allows a

43 30 partial withdrawal of a member's system credits, the member

43 31 shall receive credit for membership service in this system

43 32 equivalent to the

~~number of years~~

- period of service

43 33 transferred from the other public system. The contribution

43 34 payable shall be based upon the member's covered wages for the

43 35 most recent full calendar year at the applicable rates in

44 1 effect for that calendar year under sections 97B.11 and 97B.49

44 2 and multiplied by the member's years of service in other

44 3 public employment. If the member's most recent covered wages

44 4 were earned prior to the most recent calendar year, the

44 5 member's covered wages shall be adjusted by the department by

44 6 an inflation factor to reflect changes in the economy since

44 7 the covered wages were earned.

44 8 Sec. 62. Section 97B.73A, unnumbered paragraph 1, Code

44 9 Supplement 1995, is amended to read as follows:

44 10 A part-time county attorney may elect in writing to the

44 11 department to make employee contributions to the system for

44 12 the county attorney's previous service as a county attorney

44 13 and receive credit for membership service in the system for

44 14 the applicable period of service as a part-time county

44 15 attorney for which employee contributions are made. The

44 16 contributions paid by the member shall be equal to the

44 17 accumulated contributions, as defined in section 97B.41,

44 18 subsection 2, for the applicable period of membership service.

44 19 A member making contributions pursuant to this section may

44 20 make the contributions either for the entire applicable period

44 21 of service, or

~~, effective upon the date that the department~~

44 22

~~determines that the amendments to this paragraph contained in~~

44 23

~~1994 Iowa Acts, chapter 1183, shall be implemented,~~

- for

44 24 portions of the period of service, and if contributions are

44 25 made for portions of the period of service, the contributions

44 26 shall be in increments of one or more

~~years, as long as the~~

44 27

~~increments represent full years and not a portion of a year~~

44 28 calendar quarters. A member who elects to make contributions
44 29 under this section shall notify the applicable county board of
44 30 supervisors of the member's election, and the county board of
44 31 supervisors shall pay to the department the employer
44 32 contributions that would have been contributed by the employer
44 33 under section 97B.11 plus interest on the contributions that
44 34 would have accrued if the county attorney had been a member of
44 35 the system for the applicable period of service.

~~However, the~~

45 1

~~department shall not implement the amendments to this~~

45 2

~~paragraph, as enacted in 1994 Iowa Acts, chapter 1183, unless~~

45 3

~~and until the department determines that the most recent~~

45 4

~~annual actuarial valuation of the retirement system indicates~~

45 5

~~that the employer and employee contribution rates in effect~~

45 6

~~under section 97B.11 can absorb the amendments to this~~

45 7

~~paragraph and to section 97B.66, unnumbered paragraphs 1 and~~

45 8

~~2, section 97B.72, unnumbered paragraphs 1 and 2, section~~

45 9

~~97B.72A, subsection 1, unnumbered paragraph 1, and section~~

45 10

~~97B.74, unnumbered paragraphs 1 and 2, contained in 1994 Iowa~~

45 11

~~Acts, chapter 1183, after meeting the other established~~

45 12

~~priority of the system, as defined in section 97B.66. Until~~

45 13

~~the amendments are implemented, the department shall continue~~

45 14

~~to implement the provisions of section 97B.73A, unnumbered~~

45 15

~~paragraph 1, Code Supplement 1993.~~

45 16 Sec. 63. Section 97B.74, unnumbered paragraphs 1 and 2,
45 17 Code Supplement 1995, are amended to read as follows:
45 18

~~An active,~~
- A vested

~~,~~
- or retired member who was a member of
45 19 the system at any time on or after July 4, 1953, and who
45 20 received a refund of the member's contributions for that
45 21 period of membership service, may elect in writing to the
45 22 department to make contributions to the system for all or a
45 23 portion of the period of membership service for which a refund
45 24 of contributions was made, and receive credit for the period
45 25 of membership service for which contributions are made. The
45 26 contributions repaid by the member for such service shall be
45 27 equal to the accumulated contributions, as defined in section
45 28 97B.41, subsection 2, received by the member for the
45 29 applicable period of membership service plus interest on the
45 30 accumulated contributions for the applicable period from the
45 31 date of receipt by the member to the date of repayment

~~equal~~

45 32

~~to two percent plus~~
- at the interest

~~dividend~~

- rate provided in

45 33 section 97B.70 applicable for each year compounded

~~annually~~

- as

45 34 provided in section 97B.70.

45 35

~~An active member must have at least one quarter's~~

46 1

~~reportable wages on file and have membership service,~~

46 2

~~including that period of membership service for which a refund~~

46 3

~~of contributions was made, sufficient to give the member~~

46 4

~~vested status.~~

- A member making contributions pursuant to this

46 5 section may make the contributions either for the entire

46 6 applicable period of service, or

~~, effective upon the date that~~

46 7

~~the department determines that the amendments to this~~

46 8

~~paragraph and unnumbered paragraph 1 contained in 1994 Iowa~~

46 9

~~Acts, chapter 1183, shall be implemented,~~

~~for portions of the~~

46 10 period of service, and if contributions are made for portions

46 11 of the period of service, the contributions shall be in

46 12 increments of one or more

~~years, as long as the increments~~

46 13

~~represent full years and not a portion of a year~~

~~calendar~~

46 14 quarters.

~~However, the department shall not implement the~~

46 15

~~amendments to this paragraph or unnumbered paragraph 1, as~~

46 16

~~enacted in 1994 Iowa Acts, chapter 1183, unless and until the~~

46 17

~~department determines that the most recent annual actuarial~~

46 18

~~valuation of the retirement system indicates that the employer~~

46 19

~~and employee contribution rates in effect under section 97B.11~~

46 20

~~can absorb the amendments to this paragraph and to unnumbered~~

46 21

~~paragraph 1 and to section 97B.66, unnumbered paragraphs 1 and~~

46 22

~~2, section 97B.72, unnumbered paragraphs 1 and 2, section~~

46 23

~~97B.72A, subsection 1, unnumbered paragraph 1, and section~~

46 24

~~97B.73A, unnumbered paragraph 1, contained in 1994 Iowa Acts,~~

46 25

~~chapter 1183, after meeting the other established priority of~~

46 26

~~the system, as defined in section 97B.66. Until the~~

46 27

~~amendments are implemented, the department shall continue to~~

46 28

~~implement the provisions of section 97B.74, unnumbered~~

46 29

~~paragraphs 1 and 2, Code Supplement 1993.~~

46 30 Sec. 64. Section 97B.80, unnumbered paragraph 1, Code
46 31 1995, is amended to read as follows:

46 32 Effective July 1, 1992, a vested or retired member, who at
46 33 any time served on active duty in the armed forces of the
46 34 United States, upon submitting verification of the dates of
46 35 the active duty service, may make employer and employee
47 1 contributions to the system based upon the member's covered
47 2 wages for the most recent full calendar year in which the
47 3 member had reportable wages at the applicable rates in effect
47 4 for that year under sections 97B.11 and 97B.49, for all or a
47 5 portion of the period of time of the active duty service, in
47 6 increments of

~~no greater than one year and not less than~~
~~one~~

47 7 or more calendar

~~quarter~~

~~quarters~~, and receive credit for

47 8 membership service and prior service for the period of time
47 9 for which the contributions are made.

~~However, the member may~~

47 10

~~not make contributions in an increment of less than one year~~

47 11

~~more than once. The member may also make one lump sum~~

47 12

~~contribution to the system which represents the period of time~~

47 13

~~of the active duty service, even if the period of time exceeds~~

47 14

~~one year.~~

- If the member's most recent covered wages were

47 15 earned prior to the most recent calendar year, the member's
47 16 covered wages shall be adjusted by the department by an
47 17 inflation factor to reflect changes in the economy. The
47 18 department shall adjust benefits for a six-month period prior

47 19 to the date the member pays contributions under this section
47 20 if the member is receiving a retirement allowance at the time
47 21 the contribution payment is made. Verification of active duty
47 22 service and payment of contributions shall be made to the
47 23 department. However, a member is not eligible to make
47 24 contributions under this section if the member is receiving,
47 25 is eligible to receive, or may in the future be eligible to
47 26 receive retirement pay from the United States government for
47 27 active duty in the armed forces, except for retirement pay
47 28 granted by the United States government under retired pay for
47 29 nonregular service (10 U.S.C. } 1331, et seq.). A member
47 30 receiving retired pay for nonregular service who makes
47 31 contributions under this section shall provide information
47 32 required by the department documenting time periods covered
47 33 under retired pay for nonregular service.

47 34 DIVISION II
47 35 PUBLIC SAFETY PEACE OFFICERS' RETIREMENT,
48 1 ACCIDENT, AND DISABILITY SYSTEM
48 2 Sec. 65. Section [97A.5](#), subsection 9, Code 1995, is
48 3 amended to read as follows:
48 4 9. DUTIES OF

~~COMMISSIONER OF INSURANCE~~
~~ACTUARY.~~ The

~~state~~

48 5

~~commissioner of insurance~~
~~actuary hired by the board of~~

48 6 trustees shall be the technical advisor of the board of
48 7 trustees on matters regarding the operation of the funds
48 8 created by the provisions of this chapter and shall perform
48 9 such other duties as are required in connection therewith.

48 10 Sec. 66. Section 97A.5, subsections 10 through 12, Code
48 11 1995, are amended to read as follows:

48 12 10. TABLES & RATES.

~~Immediately after the establishment~~

48 13

~~of this system, the state commissioner of insurance~~

~~The~~

48 14 actuary hired by the board of trustees shall make such
48 15 investigation of anticipated interest earnings and of the
48 16 mortality, service, and compensation experience of the members
48 17 of the system as the actuary

~~shall recommend and the board of~~

48 18

~~trustees shall authorize~~
~~recommends,~~ and on the basis of

~~such~~

48 19 the investigation, the

~~actuary shall recommend for adoption by~~

48 20

~~the~~

~~board of trustees~~

~~such~~

- shall adopt the tables and

~~such~~

- the

48 21 rates as are required in subsection 11 of this section. The
48 22 board of trustees shall adopt the rate of interest and tables,
48 23 and certify rates of contributions to be used by the system.
48 24 11. ACTUARIAL INVESTIGATION.

~~In the year 1952, and at~~

- At

48 25 least once in each two-year period

~~thereafter~~

- ,

~~the state~~

-

48 26

~~commissioner of insurance~~

- the actuary hired by the board of

48 27 trustees shall make an actuarial investigation in the
48 28 mortality, service, and compensation experience of the members
48 29 and beneficiaries of the system, and the interest and other
48 30 earnings on the moneys and other assets of the system, and
48 31 shall make a valuation of the assets and liabilities of the
48 32 funds of the system, and taking into account the results of
48 33

~~such~~

- the investigation and valuation, the board of trustees

48 34 shall:

48 35 a. Adopt for the system such interest rate, mortality and
49 1 other tables as shall be deemed necessary;

49 2 b. Certify the rates of contribution payable by the state
49 3 of Iowa in accordance with section 97A.8.

49 4 12. VALUATION. On the basis of

~~such~~

- the rate of interest

49 5 and

~~such~~

- tables

~~as~~

- adopted by the board of trustees

~~shall~~

-

49 6

~~adopt~~

- ,

~~the state commissioner of insurance~~

- the actuary hired

49 7 by the board of trustees shall make an annual valuation of the
49 8 assets and liabilities of the funds of the system created by
49 9 this chapter.

49 10 Sec. 67. Section [97A.5](#), Code 1995, is amended by adding
49 11 the following new subsections:

49 12 NEW SUBSECTION. 14. INVESTMENT CONTRACTS. The board of
49 13 trustees may execute contracts and agreements with investment

49 14 advisors, consultants, and investment management and benefit
49 15 consultant firms in the administration of the funds
49 16 established in section 97A.8.

49 17 NEW SUBSECTION. 15. LIABILITY. The department, the board
49 18 of trustees, and the treasurer of state are not personally
49 19 liable for claims based upon an act or omission of the person
49 20 performed in the discharge of the person's duties under this
49 21 chapter, even if those actions or omissions violate the
49 22 standards established in section 97A.7, except for acts or
49 23 omissions which involve malicious or wanton misconduct.

49 24 Sec. 68. Section 97A.6, subsection 1, paragraph a, Code
49 25 1995, is amended to read as follows:

49 26 a. Any member in service may retire upon the member's
49 27 written application to the board of trustees, setting forth at
49 28 what time, not less than thirty nor more than ninety days
49 29 subsequent to the execution and filing therefor, the member
49 30 desires to be retired, provided, that the said member at the
49 31 time so specified for retirement shall have attained the age
49 32 of fifty-five and shall have completed twenty-two years or
49 33 more of creditable service, and notwithstanding that, during
49 34 such period of notification, the member may have separated
49 35 from the service. However, a member may retire at fifty years
50 1 of age and receive a reduced retirement allowance pursuant to
50 2 subsection 2A.

50 3 Sec. 69. Section 97A.6, subsection 2, paragraph d,
50 4 subparagraph (3), Code 1995, is amended to read as follows:

50 5 (3) For a member who terminates service, other than by
50 6 death or disability, on or after October 16, 1992, but before
50 7 July 1, 1996, and who does not withdraw the member's
50 8 contributions pursuant to section 97A.16, upon the member's
50 9 retirement there shall be added six-tenths percent of the
50 10 member's average final compensation for each year of service
50 11 over twenty-two years. However, this subparagraph does not
50 12 apply to more than eight additional years of service.

50 13 Sec. 70. Section 97A.6, subsection 2, paragraph d, Code
50 14 1995, is amended by adding the following new subparagraph:

50 15 NEW SUBPARAGRAPH. (4) For a member who terminates
50 16 service, other than by death or disability, on or after July
50 17 1, 1996, and who does not withdraw the member's contributions
50 18 pursuant to section 97A.16, upon the member's retirement there
50 19 shall be added one and one-half percent of the member's
50 20 average final compensation for each year of service over
50 21 twenty-two years. However, this subparagraph does not apply
50 22 to more than eight additional years of service.

50 23 Sec. 71. Section 97A.6, subsection 10, Code 1995, is
50 24 amended to read as follows:

50 25 10. OPTIONAL ALLOWANCE. With the provision that no
50 26 optional selection shall be effective in case a beneficiary
50 27 dies within thirty days after retirement, in which event such
50 28 a beneficiary shall be considered as an active member at the
50 29 time of death, until the first payment on account of any
50 30 benefit becomes normally due, any beneficiary may elect to
50 31 receive the beneficiary's benefit in a retirement allowance
50 32 payable throughout life, or may elect to receive the actuarial
50 33 equivalent at that time of the beneficiary's retirement
50 34 allowance in a lesser retirement allowance payable throughout
50 35 life with the provision that an amount in money not exceeding
51 1 the amount of the beneficiary's accumulated contributions
51 2 shall be immediately paid in cash to such member or some other
51 3 benefit or benefits shall be paid either to the member or to
51 4 such person or persons as the member shall nominate, provided
51 5 such cash payment or other benefit or benefits, together with
51 6 the lesser retirement allowance, shall be certified by the
51 7

51 8 actuarial value to the member's retirement allowance and shall
51 9 be approved by the board of trustees; provided, that a cash
51 10 payment to such member or beneficiary at the time of
51 11 retirement of an amount not exceeding fifty percent of the
51 12 member's or beneficiary's accumulated contributions shall be
51 13 made by the board of trustees upon said member's or
51 14 beneficiary's election.

51 15 Sec. 72. Section 97A.6, subsection 12, unnumbered
51 16 paragraph 1, Code 1995, is amended to read as follows:

51 17 Pension to surviving spouse and children of deceased
51 18 pensioned members. In the event of the death of any member
51 19 receiving a retirement allowance under the provisions of
51 20 subsections 2, 2A, 4, or 6 of this section there shall be paid
51 21 a pension:

51 22 Sec. 73. Section 97A.6, subsection 12, paragraph a, Code
51 23 1995, is amended to read as follows:

51 24 a. To the member's surviving spouse, equal to one-half the
51 25 amount received by the deceased beneficiary, but in no
51 26 instance less than an amount equal to

~~twenty~~

~~twenty-five~~

51 27 percent of the monthly earnable compensation paid to an active
51 28 member having the rank of senior patrol officer of the Iowa
51 29 highway safety patrol, and in addition a monthly pension equal
51 30 to the monthly pension payable under subsection 9, paragraph
51 31 "c," of this section for each child under eighteen years of
51 32 age or twenty-two years of age if applicable; or

51 33 Sec. 74. Section 97A.6, subsection 14, paragraph a,
51 34 subparagraphs (1), (2), and (3), Code 1995, are amended to
51 35 read as follows:

52 1 (1)

~~Twenty five~~

~~Thirty percent for members receiving a~~

52 2 service retirement allowance and for beneficiaries receiving a
52 3 pension under subsection 9 of this section.

~~However,~~

52 4

~~effective July 1, 1990, for members who retired before that~~

52 5

~~date, thirty percent shall be the applicable percentage for~~

52 6

~~members and beneficiaries under this subparagraph.~~

52 7 (2)

~~Twenty five~~

~~Thirty percent for members with five or~~

52 8 more years of membership service who are receiving an ordinary
52 9 disability retirement allowance.

~~However, effective July 1,~~

52 10

~~1990, for members who retired before that date, thirty percent~~

52 11

~~shall be the applicable percentage for members under this~~

52 12

~~subparagraph.~~

52 13 (3)

~~Twelve and one half~~

~~Fifteen~~ percent for members with

52 14 less than five years of membership service who are receiving
52 15 an ordinary disability retirement allowance, and for
52 16 beneficiaries receiving a pension under subsection 8 of this
52 17 section.

~~However, effective July 1, 1990, for members who~~

52 18

~~retired before that date, fifteen percent shall be the~~

52 19

~~applicable percentage for members and beneficiaries under this~~

52 20

~~subparagraph.~~

52 21 Sec. 75. Section 97A.6, subsection 14, paragraph d, Code
52 22 1995, is amended to read as follows:

52 23 d. A retired member eligible for benefits under the
52 24 provisions of subsection 1 is not eligible for the annual
52 25 readjustment of pensions provided in this subsection unless
52 26 the member served at least twenty-two years

~~and attained the~~

52 27

~~age of fifty five years~~

~~prior to the member's termination of~~
52 28 employment.

52 29 Sec. 76. Section 97A.6, Code 1995, is amended by adding
52 30 the following new subsection:

52 31 NEW SUBSECTION. 2A. EARLY RETIREMENT BENEFITS.

52 32 a. Notwithstanding the calculation of the service
52 33 retirement allowance under subsection 2, beginning July 1,
52 34 1996, a member who has completed twenty-two years or more of
52 35 creditable service and is at least fifty years of age, but
53 1 less than fifty-five years of age, who has otherwise completed
53 2 the requirements for retirement under subsection 1, may retire
53 3 and receive a reduced service retirement allowance pursuant to
53 4 this subsection. The service retirement allowance for a
53 5 member less than fifty-five years of age shall be calculated
53 6 in the manner prescribed in subsection 2, except that the
53 7 percentage multiplier of the member's average final
53 8 compensation used in the determination of the service
53 9 retirement allowance shall be reduced by the board of trustees
53 10 pursuant to paragraph "b".

53 11 b. On July 1, 1996, and on each July 1 thereafter, the
53 12 board of trustees shall determine for the respective fiscal
53 13 year the percent by which the percentage multiplier under
53 14 subsection 2 shall be reduced for each month that a member's
53 15 retirement date precedes the member's fifty-fifth birthday.
53 16 The board of trustees shall make this determination based upon
53 17 the most recent actuarial valuation of the system, the

53 18 calculation of the actuarial cost for each month of retirement
53 19 of a member prior to age fifty-five, and the premise that the
53 20 provision of a service retirement allowance to a member who is
53 21 less than fifty-five years of age will not result in any
53 22 increase in cost to the system.

53 23 Sec. 77. Section 97A.7, subsection 2, Code 1995, is
53 24 amended to read as follows:

53 25 2. The several funds created by this chapter may be
53 26 invested in

53 27

~~a. Bonds or other evidences of indebtedness issued,~~

53 28

~~assumed, or guaranteed by the United States of America, or by~~

53 29

~~any agency or instrumentality thereof.~~

53 30

~~b. In savings accounts or time deposits in Iowa banks~~

53 31

~~approved as depositories by the executive council.~~

53 32

~~c. In~~

~~any investments authorized for the Iowa public~~

53 33 employees' retirement system in section 97B.7, subsection 2,
53 34 paragraph "b".

53 35 Sec. 78. Section 97A.8, subsection 1, paragraph b, Code
54 1 1995, is amended to read as follows:

54 2 b. On the basis of the rate of interest and of the
54 3 mortality, interest, and other tables adopted by the board of
54 4 trustees, the

~~state commissioner of insurance~~

~~board of~~

54 5 trustees, upon the advice of the actuary hired by the board
54 6 for that purpose, shall make each valuation required by this
54 7 chapter and shall immediately after making such valuation,
54 8 determine the "normal contribution rate". The normal
54 9 contribution rate shall be the rate percent of the earnable
54 10 compensation of all members obtained by deducting from the
54 11 total liabilities of the fund the sum of the amount of the
54 12 funds in hand to the credit of the fund and dividing the
54 13 remainder by one percent of the present value of the
54 14 prospective future compensation of all members as computed on
54 15 the basis of the rate of interest and of mortality and service
54 16 tables adopted by the board of trustees, all reduced by the
54 17 employee contribution made pursuant to this subsection.
54 18 However, the normal rate of contribution shall not be less
54 19 than seventeen percent. The normal rate of contribution shall
54 20 be determined by the

~~state commissioner of insurance~~

~~board of~~

54 21 trustees after each valuation.

54 22 Sec. 79. Section 97A.8, subsection 1, paragraph c,

54 23 unnumbered paragraph 3, Code 1995, is amended by striking the
54 24 unnumbered paragraph.
54 25 Sec. 80. Section 97A.8, subsection 1, paragraph f,
54 26 subparagraph (8), Code 1995, is amended to read as follows:
54 27 (8) Notwithstanding any other provision of this chapter,
54 28 beginning July 1, 1996, and each fiscal year thereafter,

~~the~~

54 29

~~member's contribution rate shall be equivalent to the member's~~

54 30

~~contribution rate provided under section 411.8, subsection 1,~~

54 31

~~paragraph "f", for the statewide fire and police retirement~~

54 32

~~system for the applicable fiscal year
an amount equal to the~~

54 33 member's contribution rate times each member's compensation
54 34 shall be paid to the pension accumulation fund from the
54 35 earnable compensation of the member. For the purposes of this
55 1 subparagraph, the member's contribution rate shall be nine and
55 2 thirty-five hundredths percent. However, the system shall
55 3 increase the member's contribution rate as necessary to cover
55 4 any increase in cost to the system resulting from statutory
55 5 changes which are enacted by any session of the general
55 6 assembly meeting after January 1, 1995, if the increase cannot
55 7 be absorbed within the contribution rates otherwise
55 8 established pursuant to this paragraph, but subject to a
55 9 maximum employee contribution rate of eleven and three-tenths
55 10 percent. After the employee contribution reaches eleven and
55 11 three-tenths percent, sixty percent of the additional cost of
55 12 such statutory changes shall be paid by the employer under
55 13 paragraph "c" and forty percent of the additional cost shall
55 14 be paid by employees under this paragraph.

55 15 Sec. 81. Section 97A.8, subsection 3, Code 1995, is
55 16 amended to read as follows:

55 17 3. EXPENSE FUND. The expense fund shall be the fund to
55 18 which shall be credited all money provided by the state of
55 19 Iowa to pay the administration expenses of the system and from
55 20 which shall be paid all the expenses necessary in connection
55 21 with the administration and operation of the system.

55 22 Biennially the board of trustees shall estimate the amount of
55 23 money necessary to be paid into the expense fund during the
55 24 ensuing biennium to provide for the expense of operation of
55 25 the system. Investment management expenses shall be charged
55 26 to the investment income of the system and there is
55 27 appropriated from the system an amount required for the
55 28 investment management expenses. The board of trustees shall
55 29 report the investment management expenses for the fiscal year
55 30 as a percent of the market value of the system.

55 31 For purposes of this subsection, investment management
55 32 expenses are limited to the following:

- 55 33 a. Fees for investment advisors, consultants, and
55 34 investment management and benefit consultant firms hired by
55 35 the board of trustees in administering this chapter.
56 1 b. Fees and costs for safekeeping fund assets.
56 2 c. Costs for performance and compliance monitoring, and
56 3 accounting for fund investments.
56 4 d. Any other costs necessary to prudently invest or

56 5 protect the assets of the fund.

56 6 Sec. 82. Section 97A.12, Code 1995, is amended to read as
56 7 follows:

56 8 97A.12 EXEMPTION FROM EXECUTION AND OTHER PROCESS OR
56 9 ASSIGNMENT.

56 10 The right of any person to a pension, annuity, or
56 11 retirement allowance, to the return of contributions, the
56 12 pension, annuity, or retirement allowance itself, any optional
56 13 benefit or death benefit, any other right accrued or accruing
56 14 to any person under this chapter, and the moneys in the
56 15 various funds created under this chapter, are not subject to
56 16 execution, garnishment, attachment, or any other process
56 17 whatsoever, and are unassignable except for the purposes of
56 18 enforcing child, spousal, or medical support obligations or
56 19 marital property orders, or as

~~in this chapter~~

~~otherwise~~

56 20 specifically provided in this chapter. For the purposes of
56 21 enforcing child, spousal, or medical support obligations or
56 22 marital property orders, the garnishment or attachment of or
56 23 the execution against compensation due a person under this
56 24 chapter shall not exceed the amount specified in 15 U.S.C. }
56 25 1673(b).

56 26 Sec. 83. NEW SECTION. 97A.17 OPTIONAL TRANSFERS WITH
56 27 CHAPTER 411.

56 28 1. For purposes of this section unless the context
56 29 otherwise requires:

56 30 a. "Average accrued benefit" means the average of the
56 31 amounts representing the present value of the accrued benefit
56 32 earned by the member determined by the former system and the
56 33 present value of the accrued benefit earned by the member
56 34 determined by the current system.

56 35 b. "Current system" means the eligible retirement system
57 1 in which a person has commenced employment covered by the
57 2 system after having terminated employment covered by the
57 3 former system.

57 4 c. "Eligible retirement system" means the system created
57 5 under this chapter and the statewide fire and police
57 6 retirement system established in chapter 411.

57 7 d. "Former system" means the eligible retirement system in
57 8 which a person has terminated employment covered by the system
57 9 prior to commencing employment covered by the current system.

57 10 2. Commencing July 1, 1996, a vested member of an eligible
57 11 retirement system who terminates employment covered by one
57 12 eligible retirement system and, within sixty days, commences
57 13 employment covered by the other eligible retirement system may
57 14 elect to transfer the average accrued benefit earned from the
57 15 former system to the current system. The member shall file an
57 16 application with the current system for transfer of the
57 17 average accrued benefit within ninety days of the commencement
57 18 of employment with the current system.

57 19 3. Notwithstanding subsection 2, a vested member whose
57 20 employment with the current system commenced prior to July 1,
57 21 1996, may elect to transfer the average accrued benefit earned
57 22 under the former system to the current system by filing an
57 23 application with the current system for transfer of the
57 24 average accrued benefit on or before July 1, 1997.

57 25 4. Upon receipt of an application for transfer of the
57 26 average accrued benefit, the current system shall calculate
57 27 the average accrued benefit and the former system shall
57 28 transfer to the current system assets in an amount equal to
57 29 the average accrued benefit. Once the transfer of the average
57 30 accrued benefit is completed, the member's service under the
57 31 former system shall be treated as membership service under the
57 32 current system for purposes of this chapter and chapter 411.

57 33

DIVISION III

57 34 STATEWIDE FIRE AND POLICE RETIREMENT SYSTEM

57 35 Sec. 84. Section 400.8, subsection 1, Code 1995, is
58 1 amended to read as follows:

58 2 1. The commission, when necessary under the rules,
58 3 including minimum and maximum age limits, which shall be
58 4 prescribed and published in advance by the commission and
58 5 posted in the city hall, shall hold examinations for the
58 6 purpose of determining the qualifications of applicants for
58 7 positions under civil service, other than promotions, which
58 8 examinations shall be practical in character and shall relate
58 9 to matters which will fairly test the mental and physical
58 10 ability of the applicant to discharge the duties of the
58 11 position to which the applicant seeks appointment. The
58 12 physical examination of applicants for appointment to the
58 13 positions of police officer, police matron, or fire fighter
58 14 shall be held in accordance with medical protocols established
58 15 by the board of trustees of the fire and police retirement
58 16 system established by section 411.5. The board of trustees
58 17 may change the medical protocols at any time the board so
58 18 determines. The commission shall conduct a medical
58 19 examination of an applicant for the position of police
58 20 officer, police matron, or fire fighter after a conditional
58 21 offer of employment has been made to the applicant. An
58 22 applicant shall not be discriminated against on the basis of
58 23 height, weight, sex, or race in determining physical or mental
58 24 ability of the applicant. Reasonable rules relating to
58 25 strength, agility, and general health of applicants shall be
58 26 prescribed. The costs of the physical examination required
58 27 under this subsection shall be paid from the trust and agency
58 28 fund of the city.

58 29 Sec. 85. Section 411.5, Code 1995, is amended by adding
58 30 the following new subsection:

58 31 NEW SUBSECTION. 13. VOLUNTARY BENEFIT PROGRAMS. The
58 32 board of trustees shall be responsible for the administration
58 33 of the voluntary benefit programs established under section
58 34 411.40. The board may take any necessary action, including
58 35 the adoption of rules, for purposes of administering the
59 1 programs.

59 2 Sec. 86. Section 411.6, subsection 7, paragraph a,
59 3 unnumbered paragraph 1, Code 1995, is amended to read as
59 4 follows:

59 5 Should any beneficiary for either ordinary or accidental
59 6 disability, except a beneficiary who is fifty-five years of
59 7 age or over and would have completed twenty-two years of
59 8 service if the beneficiary had remained in active service, be
59 9 engaged in a gainful occupation paying more than the
59 10 difference between the member's retirement allowance and one
59 11 and one-half times the earnable compensation of an active
59 12 member at the same position on the salary scale within the
59 13 member's rank as the member held at retirement, then the
59 14 amount of the member's retirement allowance shall be reduced
59 15 to an amount which together with the amount earned by the
59 16 member shall equal one and one-half times the amount of the
59 17 current earnable compensation of an active member at the same
59 18 position on the salary scale within the member's rank as the
59 19 member held at retirement. Should the member's earning
59 20 capacity be later changed, the amount of the member's
59 21 retirement allowance may be further modified, provided, that
59 22 the new retirement allowance shall not exceed the amount of
59 23 the retirement allowance adjusted by annual readjustments of
59 24 pensions pursuant to subsection 12 of this section nor an
59 25 amount which, when added to the amount earned by the
59 26 beneficiary, equals one and one-half times the amount of the
59 27 earnable compensation of an active member at the same position
59 28 on the salary scale within the member's rank as the member
59 29 held at retirement. A beneficiary restored to active service
59 30 at a salary less than the average final compensation upon the

59 31 basis of which the member was retired at age fifty-five or
59 32 greater, shall not again become a member of the retirement
59 33 system and shall have the member's retirement allowance
59 34 suspended while in active service. If the rank or position
59 35 held by the retired member is subsequently abolished,
60 1 adjustments to the allowable limit on the amount of income
60 2 which can be earned in a gainful occupation shall be computed
60 3

~~in the same manner as provided in subsection 12, paragraph~~

60 4

~~"c", of this section for readjustment of pensions when a rank~~

60 5

~~or position has been abolished~~

~~by the board of trustees as~~

60 6 through such rank or position had not been abolished and
60 7 salary increases had been granted to such rank or position on
60 8 the same basis as increases granted to other ranks and
60 9 positions in the department.

60 10 Sec. 87. Section [411.6](#), subsection 12, paragraphs a
60 11 through c, Code 1995, are amended by striking the paragraphs
60 12 and inserting in lieu thereof the following:

60 13 a. On each July 1, the monthly pensions authorized in this
60 14 section payable to retired members and to beneficiaries shall
60 15 be adjusted as provided in this subsection. An amount equal
60 16 to the sum of one and one-half percent of the monthly pension
60 17 of each retired member and beneficiary and the applicable
60 18 incremental amount shall be added to the monthly pension of
60 19 each retired member and beneficiary. The board of trustees
60 20 shall report to the general assembly every six years, by
60 21 September 15 of that year, beginning with September 15, 2001,
60 22 on whether the provisions of this subsection continue to pro-
60 23 vide an equitable method for the annual readjustment of
60 24 pensions payable under this chapter.

60 25 b. For purposes of this subsection, "applicable
60 26 incremental amount" means the following amount for members
60 27 receiving a pension under subsection 2, 4, or 6 and for
60 28 beneficiaries receiving a pension under subsection 11:

60 29 (1) Fifteen dollars where the member's retirement date was
60 30 less than five years prior to the effective date of the
60 31 increase.

60 32 (2) Twenty dollars where the member's retirement date was
60 33 at least five years, but less than ten years, prior to the
60 34 effective date of the increase.

60 35 (3) Twenty-five dollars where the member's retirement date
61 1 was at least ten years, but less than fifteen years, prior to
61 2 the effective date of the increase.

61 3 (4) Thirty dollars where the member's retirement date was
61 4 at least fifteen years, but less than twenty years, prior to
61 5 the effective date of the increase.

61 6 (5) Thirty-five dollars where the member's retirement date
61 7 was at least twenty years prior to the effective date of the
61 8 increase.

61 9 c. For beneficiaries receiving a pension under subsection
61 10 8 or 9, the applicable incremental amount shall be determined
61 11 as set forth in paragraph "b", except that the date of the
61 12 member's death shall be substituted for the member's
61 13 retirement date.

61 14 Sec. 88. Section [411.6](#), subsection 12, Code 1995, is
61 15 amended by adding the following new paragraph:

61 16 NEW PARAGRAPH. e. A retired member eligible for benefits
61 17 under this section and otherwise eligible for the readjustment
61 18 of benefits provided in this subsection is not eligible for

61 19 the readjustment unless the member was retired on or before
61 20 the effective date of the readjustment.

61 21 Sec. 89. Section 411.13, Code 1995, is amended to read as
61 22 follows:

61 23 411.13 EXEMPTION FROM EXECUTION AND OTHER PROCESS, OR
61 24 ASSIGNMENT ~~&endash;~~ EXCEPTIONS.

61 25 The right of any person to a pension, annuity, or
61 26 retirement allowance, to the return of contributions, the
61 27 pension, annuity, or retirement allowance itself, any optional
61 28 benefit or death benefit, any other right accrued or accruing
61 29 to any person under this chapter, and the moneys in the fire
61 30 and police retirement fund created under this chapter, are not
61 31 subject to execution, garnishment, attachment, or any other
61 32 process whatsoever, and are unassignable except for the
61 33 purposes of enforcing child, spousal, or medical support obli-
61 34 gations or marital property orders, or as

~~in this chapter~~

61 35 otherwise specifically provided in this chapter. For the
62 1 purposes of enforcing child, spousal, or medical support
62 2 obligations or marital property orders, the garnishment or
62 3 attachment of or the execution against compensation due a
62 4 person under this chapter shall not exceed the amount
62 5 specified in 15 U.S.C. } 1673(b).

62 6 Sec. 90. NEW SECTION. 411.31 OPTIONAL TRANSFERS WITH
62 7 CHAPTER 97A.

62 8 1. For purposes of this section, unless the context
62 9 otherwise requires:

62 10 a. "Average accrued benefit" means the average of the
62 11 amounts representing the present value of the accrued benefit
62 12 earned by the member determined by the former system and the
62 13 present value of the accrued benefit earned by the member
62 14 determined by the current system.

62 15 b. "Current system" means the eligible retirement system
62 16 in which a person has commenced employment covered by the
62 17 system after having terminated employment covered by the
62 18 former system.

62 19 c. "Eligible retirement system" means the system created
62 20 under this chapter and the Iowa department of public safety
62 21 peace officers' retirement, accident, and disability system
62 22 established in chapter 97A.

62 23 d. "Former system" means the eligible retirement system in
62 24 which a person has terminated employment covered by the system
62 25 prior to commencing employment covered by the current system.

62 26 2. Commencing July 1, 1996, a vested member of an eligible
62 27 retirement system who terminates employment covered by one
62 28 eligible retirement system and, within sixty days, commences
62 29 employment covered by the other eligible retirement system may
62 30 elect to transfer the average accrued benefit earned from the
62 31 former system to the current system. The member shall file an
62 32 application with the current system for transfer of the
62 33 average accrued benefit within ninety days of the commencement
62 34 of employment with the current system.

62 35 3. Notwithstanding subsection 2, a vested member whose
63 1 employment with the current system commenced prior to July 1,
63 2 1996, may elect to transfer the average accrued benefit earned
63 3 under the former system to the current system by filing an
63 4 application with the current system for transfer of the
63 5 average accrued benefit on or before July 1, 1997.

63 6 4. Upon receipt of an application for transfer of the
63 7 average accrued benefit, the current system shall calculate
63 8 the average accrued benefit and the former system shall
63 9 transfer to the current system assets in an amount equal to
63 10 the average accrued benefit. Once the transfer of the average
63 11 accrued benefit is completed, the member's service under the
63 12 former system shall be treated as membership service under the

63 13 current system for purposes of this chapter and chapter 97A.
63 14 Sec. 91. Section 411.37, subsection 2, Code 1995, is
63 15 amended to read as follows:
63 16 2. The board shall include in the transition plan or other
63 17 transition documents, provisions to facilitate continuity
63 18 under sections 411.20, 411.21, and 411.30

~~and a recommendation~~

63 19

~~for an equitable process for determining earnable compensation~~

63 20

~~changes when calculating adjustments to pensions under section~~

63 21

~~411.6, subsection 12, to be submitted to the general assembly~~

63 22

~~meeting in 1991~~

63 23 Sec. 92. Section 411.38, subsection 1, paragraph b,
63 24 unnumbered paragraph 1, Code 1995, is amended to read as
63 25 follows:

63 26 Transfer from each terminated city fire or police
63 27 retirement system to the statewide system amounts sufficient
63 28 to cover the accrued liabilities of that terminated system as
63 29 determined by the actuary of the statewide system. The
63 30 actuary of the statewide system shall redetermine the accrued
63 31 liabilities of the terminated systems as necessary to take
63 32 into account additional amounts payable by the city which are
63 33 attributable to errors or omissions which occurred prior to
63 34 January 1, 1992, or to matters pending as of January 1, 1992.
63 35 If the actuary of the statewide system determines that the
64 1 assets transferred by a terminated system are insufficient to
64 2 fully fund the accrued liabilities of the terminated system as
64 3 determined by the actuary as of January 1, 1992, the
64 4 participating city shall pay to the statewide system an amount
64 5 equal to the unfunded liability plus interest for the period
64 6 beginning January 1, 1992, and ending with the date of payment
64 7 or the date of entry into an amortization agreement pursuant
64 8 to this section. Interest on the unfunded liability shall be
64 9 computed at a rate equal to the greater of the actuarial
64 10 interest rate assumption on investments of the moneys in the
64 11 fund or the actual investment earnings of the fund for the
64 12 applicable calendar year. The participating city may enter
64 13 into an agreement with the statewide system to make additional
64 14 annual contributions sufficient to amortize the unfunded
64 15 accrued liability of the terminated system. The terms of an
64 16 amortization agreement shall be based upon the recommendation
64 17 of the actuary of the statewide system, and the agreement
64 18 shall do each of the following:

64 19 Sec. 93. NEW SECTION. 411.40 VOLUNTARY BENEFIT PROGRAMS.

64 20 The board of trustees may establish voluntary benefit
64 21 programs for members subject to the following conditions:

64 22 1. The voluntary benefit programs may provide benefits
64 23 including, but not limited to, retiree health benefits, long-
64 24 term care, and life insurance.

64 25 2. Participation in the voluntary benefit programs by
64 26 members shall be voluntary.

64 27 3. Contributions to the voluntary benefit programs shall
64 28 be paid entirely by each participating member by means of
64 29 payroll deduction. Cities employing members participating in

64 30 voluntary benefit programs shall forward the amounts deducted
64 31 to the board of trustees for deposit in the voluntary benefit
64 32 fund.

64 33 4. The voluntary benefit programs and the voluntary
64 34 benefit fund shall be administered under the direction of the
64 35 board of trustees for the exclusive benefit of members paying
65 1 contributions as provided in subsection 3.

65 2 5. The assets of the voluntary benefit programs shall be
65 3 credited to the voluntary benefit fund, which is hereby
65 4 created. The voluntary benefit fund shall include
65 5 contributions deposited in accordance with subsection 3, and
65 6 any interest and earnings on the contributions. The board of
65 7 trustees shall annually establish an investment policy to
65 8 govern the investment and reinvestment of the assets in the
65 9 voluntary benefit fund. The voluntary benefit fund created
65 10 under this section and the fire and police retirement fund
65 11 created under section 411.8 shall not be used to subsidize any
65 12 portion of the liabilities of the other fund.

65 13 6. The board of trustees shall include in its annual
65 14 budget the amount of money necessary during the following year
65 15 to provide for the expense of operation of the voluntary
65 16 benefit programs. The operating expenses shall be paid from
65 17 the voluntary benefit fund under the direction of the board of
65 18 trustees.

65 19 DIVISION IV

65 20 JUDICIAL RETIREMENT SYSTEM

65 21 Sec. 94. Section [602.9111](#), Code 1995, is amended to read
65 22 as follows:

65 23 602.9111 INVESTMENT OF FUND.

65 24 So much of the judicial retirement fund as may not be
65 25 necessary to be kept on hand for the making of disbursements
65 26 under this article shall be invested by the treasurer of state
65 27 in

~~bonds or other evidences of indebtedness issued, assumed,~~

65 28

~~or guaranteed by the United States of America, or by any~~

65 29

~~agency or instrumentality thereof or in~~

~~any investments~~

65 30 authorized for the Iowa public employees' retirement system in
65 31 section 97B.7, subsection 2, paragraph "b", and the earnings
65 32 therefrom shall be credited to

~~said~~

~~the fund. The treasurer~~

65 33 of state may execute contracts and agreements with investment
65 34 advisors, consultants, and investment management and benefit
65 35 consultant firms in the administration of the judicial
66 1 retirement fund.

66 2 Investment management expenses shall be charged to the
66 3 investment income of the fund and there is appropriated from
66 4 the fund an amount required for the investment management
66 5 expenses. The court administrator shall report the investment
66 6 management expenses for the fiscal year as a percent of the
66 7 market value of the system.

66 8 For purposes of this section, investment management
66 9 expenses are limited to the following:

66 10 a. Fees for investment advisors, consultants, and
66 11 investment management and benefit consultant firms hired by
66 12 the treasurer of state in administering the fund.

66 13 b. Fees and costs for safekeeping fund assets.

66 14 c. Costs for performance and compliance monitoring, and

66 15 accounting for fund investments.
66 16 d. Any other costs necessary to prudently invest or
66 17 protect the assets of the fund. The state court administrator
66 18 and the treasurer of state, and their employees, are not
66 19 personally liable for claims based upon an act or omission of
66 20 the person performed in the discharge of the person's duties
66 21 concerning the judicial retirement fund, except for acts or
66 22 omissions which involve malicious or wanton misconduct.

66 23 DIVISION V

66 24 EFFECTIVE AND APPLICABILITY PROVISIONS

66 25 Sec. 95. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

66 26 1. The section of this Act which amends section 97B.49,
66 27 subsection 16, by enacting a new paragraph "m", being deemed
66 28 of immediate importance, takes effect upon enactment and
66 29 applies retroactively to July 1, 1992.

66 30 2. The section of this Act which amends section 411.6,
66 31 subsection 12, paragraphs "a" through "c", takes effect July
66 32 1, 1997.

66 33 EXPLANATION

66 34 This bill provides numerous changes to public retirement
66 35 systems. This bill may include a state mandate as defined in
67 1 section 25B.3. The state mandate funding requirement in
67 2 section 25B.2, however, does not apply to public employee
67 3 retirement systems.

67 4 The changes to each public retirement system are as
67 5 follows:

67 6 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

67 7 Section 97B.4 is amended to state that the department of
67 8 personnel shall comply with applicable federal and state laws.

67 9 Section 97B.7 is amended to provide that the department
67 10 follow the same standards in establishing investment policy as
67 11 are required in making particular investments for the fund.

67 12 Section 97B.11 is amended to provide that no contributions
67 13 shall be deducted from wages, and no membership service
67 14 credited, from a member whose contributions for any calendar
67 15 quarter would amount to one dollar or less.

67 16 Section 97B.14 is amended concerning which contributions
67 17 are forwarded to the department. The change references the
67 18 date established in section 97B.11A concerning the employer
67 19 pickup of employee contributions.

67 20 Section 97B.15 is amended to provide that the department
67 21 may adopt interim written policies and procedures to conform
67 22 the requirements of the retirement system with federal law
67 23 without complying with the rulemaking requirements of chapter
67 24 17A.

67 25 Section 97B.17 is amended to provide that the records
67 26 maintained by the department concerning IPERS members may be
67 27 stored on paper, in a magnetic format, or in electronic form,
67 28 including optical disk storage.

67 29 The section is also amended by adding a new paragraph
67 30 authorizing the department to release records to a
67 31 governmental entity for the purposes of civil or criminal law
67 32 enforcement activity. The section further provides that the
67 33 department is not liable for the release of records pursuant
67 34 to this new paragraph.

67 35 Section 97B.25 is amended to provide that a retirement
68 1 application shall not be amended or revoked by the member once
68 2 the first retirement allowance is paid and a member's death
68 3 during the member's first month of entitlement shall not
68 4 invalidate an approved application.

68 5 Section 97B.39 is amended to provide that a member's right
68 6 to payments under IPERS is subject to marital property orders.
68 7 This amendment further provides that a marital property order
68 8 shall not attempt to require payment prior to retirement or
68 9 mandate a member's right to select certain options upon
68 10 retirement.

68 11 Section 97B.41, concerning definitions, is amended.

68 12 Subsection 8, concerning the definition of employees under
68 13 IPERS, is amended to provide that certain university
68 14 instructors governed by the board of regents who work less
68 15 than half-time for a school year are considered temporary
68 16 employees and not covered by IPERS. Currently, this reference
68 17 applies to half-time community college instructors.

68 18 In addition, subsection 8 is amended to provide that
68 19 persons employed through programs provided through the Iowa
68 20 conservation corps under chapter 15 are not employees for
68 21 purposes of IPERS.

68 22 New subsection 10A provides that reference to the Internal
68 23 Revenue Code means the Internal Revenue Code as defined in
68 24 section 422.3.

68 25 Subsection 12, concerning the definition of membership
68 26 service is amended to eliminate contingent language concerning
68 27 the implementation of certain amendments to this subsection.

68 28 New subsections 13A and 16A add two definitions concerning
68 29 regular and special service. Special service is defined as
68 30 service as a member of a protected occupation, and service as
68 31 a county sheriff, deputy sheriff, or airport fire fighter, all
68 32 as described in section 97B.49, subsection 16. Regular
68 33 service is defined as service other than special service.

68 34 New subsection 14A defines retirement as the period of time
68 35 from when a member has survived into the first day of the
69 1 member's first month of entitlement until the member dies.

69 2 Subsection 15, concerning the definition of service, is
69 3 amended to provide that a leave of absence authorized pursuant
69 4 to the federal Family and Medical Leave Act is deemed to be a
69 5 leave authorized by the person's employer.

69 6 Subsection 18, concerning the definition of three-year
69 7 average covered wage is amended to provide that, for certain
69 8 members who retire between January 1, 1997, and December 31,
69 9 2003, the member's three-year average covered wage shall be
69 10 determined on the member's wages from four to seven years if
69 11 the member's three-year average covered wage exceeds a certain
69 12 dollar amount for the year the member decides to retire.

69 13 Subsection 20, concerning the definition of covered wages,
69 14 provides that, beginning January 1, 1997, the covered wage
69 15 limitation is eliminated subject to the amount permitted under
69 16 the Internal Revenue Code. Currently, the covered wage
69 17 limitation for 1996 is \$44,000 and current law provides that
69 18 this amount will increase by \$3,000 a year up to a maximum of
69 19 \$55,000, provided that the actuarial valuation of the system
69 20 indicates that the increase can be absorbed within existing
69 21 contribution rates.

69 22 Section 97B.42 is amended to provide that an employee
69 23 ceases to be an active member of IPERS if the employee
69 24 receives service credit for service in another public
69 25 retirement system for the same position previously covered
69 26 under IPERS. Current law provides that an employee shall
69 27 cease to be an active member of IPERS upon joining another
69 28 public retirement system maintained by public contributions.
69 29 The bill adds similar language to a provision which currently
69 30 prohibits a person from being a member of another public
69 31 retirement system in the state and a member under IPERS.

69 32 Section 97B.42 is further amended to state that an employer
69 33 shall not make contributions on behalf of an employee to both
69 34 IPERS and any other public retirement system in the state
69 35 which is supported by public contributions. Current law
70 1 provides that a person in public employment shall not be an
70 2 active member of both IPERS and any other public retirement
70 3 system in the state which is supported by public
70 4 contributions.

70 5 Sections 97B.45 and 97B.46 are amended by striking the
70 6 provision that a member shall not be employed as a peace
70 7 officer or fire fighter after attaining 65 years of age.

70 8 Section 97B.48, subsection 1, is amended to provide that a

70 9 member who would have received a retirement allowance of less
70 10 than \$600 a year may elect to receive a lump sum equal to the
70 11 member's and the employer's accumulated contributions and any
70 12 retirement dividends credited before December 31, 1966.
70 13 Current law provides that the lump sum received shall be an
70 14 actuarial equivalent amount, defined as a benefit of equal
70 15 value when computed pursuant to actuarial tables.

70 16 Section 97B.48A, concerning reemployment, is amended to
70 17 provide that for members under 65 years of age, a member's
70 18 retirement allowance shall be reduced by 50 cents for each
70 19 dollar the member earns over the limit for extra income
70 20 provided in section 97B.48A. This section of the bill also
70 21 provides that the earned income limit is the greater of \$7,440
70 22 or the amount of income permitted under Social Security.
70 23 Current law provides for a suspension of the retirement
70 24 allowance for earnings over \$7,440. The section provides for
70 25 recouping these reductions from beneficiaries of the member if
70 26 the member dies prior to IPERS recovering the full amount of
70 27 the reductions.

70 28 Section 97B.49, subsection 4, is amended to provide,
70 29 beginning January 1, 1997, that the minimum monthly benefit
70 30 for members who retired between July 1, 1953, and July 1,
70 31 1990, with at least 10 years of service is \$200. For each
70 32 year of service from 10 to 30 years of total service, the
70 33 minimum benefit shall increase by \$10 per year of additional
70 34 service.

70 35 Section 97B.49, subsection 5, paragraph "b", is amended to
71 1 reflect the history of the increase in the percentage
71 2 multiplier up to the current 60 percent. The section reflects
71 3 that vested members retiring on or after July 1, 1994, get a
71 4 monthly retirement allowance based on 60 percent of the
71 5 member's three-year average covered wage. The paragraph is
71 6 also amended to provide that the increase in the percentage
71 7 multiplier for years of service as provided in section 97B.49,
71 8 subsection 5, new paragraph "e", in this bill applies to
71 9 members covered under subsection 16 or 17 which apply to
71 10 protection occupations, sheriffs, deputies, and airport fire
71 11 fighters and that these members are also subject to the
71 12 reduction in the percentage multiplier if the member's three-
71 13 year average covered wage exceeds certain income levels.

71 14 Section 97B.49, subsection 5 is amended by adding new
71 15 paragraph "e" which provides that a member retiring after July
71 16 1, 1996, gets an additional one-fourth of one percent added to
71 17 the applicable percentage multiplier for each quarter year of
71 18 service in addition to the number of years of service required
71 19 for a member to receive the maximum percentage multiplier, up
71 20 to a maximum of an additional 6 percentage points. This
71 21 additional percentage applies to all members under IPERS.

71 22 Section 97B.49, subsection 13, concerning retirement
71 23 dividends, is amended to provide for the payment of a
71 24 retirement dividend based on a percentage of a member's
71 25 monthly retirement allowance for certain retirees in November
71 26 1996. Members who retired between July 4, 1953, and December
71 27 31, 1975, receive a dividend of 292 percent of the monthly
71 28 benefit, members who retired between January 1, 1976, and June
71 29 30, 1982, receive a dividend of 223 percent of the monthly
71 30 benefit, members who retired between July 1, 1982, and June
71 31 30, 1986, receive a dividend of 74 percent of the monthly
71 32 benefit, and members who retired between July 1, 1986, and
71 33 June 30, 1990, receive a dividend of 24 percent of the monthly
71 34 benefit.

71 35 Section 97B.49, subsection 13, concerning retirement
72 1 dividends, is further amended by adding a new paragraph "g" to
72 2 provide for the payment of a retirement dividend every
72 3 November, beginning in November 1997, for members who retired
72 4 before July 1, 1990. The percentage applied to calculate the
72 5 adjustment of the dividend is the lesser of 80 percent of the

72 6 increase in the federal consumer price index, the amount the
72 7 actuary determines the system can afford without an increase
72 8 in contribution rates, or 3 percent.

72 9 Section 97B.49, subsection 15, is amended to provide that a
72 10 member retiring on or after July 1, 1996, is eligible for
72 11 normal retirement without penalty based upon a rule of 88
72 12 where the combination of a member's age and years of service
72 13 equals or exceeds 88, and the member is at least 55 years of
72 14 age. Currently, the law provides for a rule of 92.

72 15 Section 97B.49, subsection 16, is amended to provide that
72 16 for members retiring on or after July 1, 1996, a county
72 17 sheriff, deputy sheriff, or airport fire fighter may elect to
72 18 retire at any age without a penalty after 25 years of service,
72 19 so long as the last 12 years of service were as a sheriff,
72 20 deputy, or fire fighter. A sheriff, deputy, or fire fighter
72 21 may still elect, as is provided under current law, to obtain
72 22 full retirement at 55 years of age with 22 years of service.

72 23 Section 97B.49, subsection 16, paragraph "d", is amended to
72 24 add probation officer II, parole officer II, and residential
72 25 counselor to the classifications of employees of a judicial
72 26 district department of correctional services who are included
72 27 within the definition of a member of a protection occupation.

72 28 Section 97B.49, subsection 16, is amended by adding a new
72 29 paragraph "m" requiring that the department of public safety
72 30 shall pay the department of personnel the costs of additional
72 31 benefits provided a fire protection inspector peace officer.
72 32 This provision is immediately effective and retroactive to
72 33 July 1, 1992.

72 34 Section 97B.49 is amended to add a new subsection 17 that
72 35 establishes a hybrid retirement formula to be used in
73 1 computing the retirement allowance for members who earned
73 2 service as a regular IPERS member and who earned service as a
73 3 member of a protection occupation or a county sheriff, deputy
73 4 sheriff, or airport fire fighter.

73 5 New section 97B.50A is added to provide for a disability
73 6 retirement allowance for members of a protection occupation or
73 7 a county sheriff, deputy sheriff, or airport fire fighter,
73 8 effective January 1, 1997. The section provides for a monthly
73 9 accidental disability benefit equal to 1/12 of 33 1/3 percent
73 10 of the member's three-year average covered wage. Accidental
73 11 disability is based on job-related injury or disease. The
73 12 section provides that certain heart and lung diseases qualify
73 13 an eligible member for an accidental disability. The section
73 14 also establishes a medical board and provides for the medical
73 15 reexamination of certain disabled retirees.

73 16 Section 97B.51 is amended to provide that a member shall
73 17 not change an election of an optional retirement allowance
73 18 once the first retirement allowance is paid.

73 19 Section 97B.51, subsection 5, provides that a member may
73 20 elect, at retirement, to provide a lump sum payment to a
73 21 beneficiary on the member's death. This section of the bill
73 22 provides that the lump sum payment shall not exceed the
73 23 member's accumulated contributions. Current law does not
73 24 specify that the lump sum payment cannot exceed the member's
73 25 accumulated contributions.

73 26 Section 97B.51, subsection 6, is amended to provide for an
73 27 equal distribution of a member's reduced retirement allowance
73 28 payments upon the member's death if multiple beneficiaries are
73 29 designated unless the member provides in writing for a
73 30 different distribution.

73 31 Section 97B.52 is amended to provide that payment to a
73 32 member's beneficiary, if the member dies prior to the member's
73 33 first month of entitlement, is calculated based on years of
73 34 service divided by 22, 25, or 30, depending upon the member's
73 35 last membership service.

74 1 Section 97B.52, subsection 3, is amended to provide that a
74 2 beneficiary, heirs, or the estate, have five years, and not

74 3 two years, after the member's death to apply to the department
74 4 to receive the member's death benefit. The section of the
74 5 bill also requires the department to reinstate a surviving
74 6 spouse's right to receive a death benefit after five years if
74 7 required or permitted pursuant to the Internal Revenue Code.

74 8 Section 97B.52, subsection 5, is amended to provide for the
74 9 payment of benefits that are waived by the eligible
74 10 beneficiary.

74 11 Section 97B.52A is amended to provide that a member does
74 12 not have a bona fide retirement until all employment with the
74 13 employer, even noncovered employment, is terminated for at
74 14 least 30 days.

74 15 Section 97B.53 is amended to eliminate contingent language
74 16 concerning the implementation of amendments to this section.

74 17 Section 97B.53B is amended to provide that annual
74 18 distributions of less than \$200 of taxable income are not
74 19 considered an eligible rollover distribution. Current law
74 20 refers to a distribution of less than \$200 of taxable income.

74 21 Section 97B.66 is amended to provide that members may make
74 22 contributions as "buy-backs" in increments of calendar
74 23 quarters rather than full years concerning former service in
74 24 the teachers insurance and annuity association-college
74 25 retirement equity fund (TIAA-CREF). This section also
74 26 eliminates contingency language concerning the implementation
74 27 of partial "buy-backs", and contains a conforming change
74 28 pertaining to interest accrual under section 97B.70.

74 29 Section 97B.68 is amended to provide that a member of a
74 30 federal retirement system is not eligible for membership in
74 31 IPERS for the same position. Current law prohibits membership
74 32 in both systems regardless of the position.

74 33 Section 97B.68 is amended by adding a new subsection 3 to
74 34 provide that effective July 1, 1996, employees under the
74 35 federal retirement system may be covered under IPERS if
75 1 service under IPERS is not counted for their federal system
75 2 retirement.

75 3 Section 97B.70 is amended to provide that, effective for
75 4 years beginning January 1997, the interest credited to the
75 5 member's and the employer's contributions for purposes of
75 6 determining the accumulated contributions shall be equal to 1
75 7 percent higher than the interest rate for one year
75 8 certificates of deposit as of January of each year. This
75 9 section also provides that interest shall be credited on a
75 10 quarterly basis, and removes contingency language.

75 11 Sections 97B.72, concerning members of the general assembly
75 12 or after the 71st General Assembly, 97B.72A, concerning
75 13 members of the general assembly before July 1, 1988, 97B.73,
75 14 for members of other public retirement systems, and 97B.73A,
75 15 concerning part-time county attorneys, are amended to provide
75 16 that members may make contributions in increments of calendar
75 17 quarters rather than full years concerning former service.
75 18 The sections also eliminate contingency language concerning
75 19 the implementation of partial "buy-ins", or "buy-backs", as
75 20 applicable, and contain conforming change pertaining to
75 21 interest accrual under section 97B.70. Section 97B.72A is
75 22 also amended to provide that only vested or retired members,
75 23 and not active members, may make contributions.

75 24 Section 97B.74 is amended to provide that members may make
75 25 contributions as "buy-backs" in increments of calendar
75 26 quarters rather than full years concerning members seeking
75 27 reinstatement as a vested member. The section also provides
75 28 that only former vested or retired members, and not former
75 29 active members who were not vested, can buy back refunds
75 30 received. The section also eliminates contingent language
75 31 concerning the implementation of amendments to this Code
75 32 section.

75 33 Section 97B.80 is amended to provide that members may make
75 34 contributions as "buy-ins" in increments of one or more

75 35 calendar quarters rather than full years for active duty
76 1 service in the armed forces. The section eliminates the
76 2 restriction on making contributions in increments of less than
76 3 one year only once.

76 4 PUBLIC SAFETY PEACE OFFICERS' RETIREMENT,
76 5 ACCIDENT, AND DISABILITY SYSTEM

76 6 Sections 97A.5, 97A.6, and 97A.8 are amended to provide
76 7 that the board of trustees shall, upon the advice of an
76 8 actuary hired by the board, make the necessary valuations for
76 9 determining the contribution rate into the fund. Currently,
76 10 the commissioner of insurance is given the responsibility to
76 11 perform these functions.

76 12 Section 97A.5 is further amended to provide that the board
76 13 of trustees may hire investment and benefit advisors and
76 14 consultants in order to administer the system. The section is
76 15 also amended to provide that the department of public safety,
76 16 the board of trustees, and the treasurer of state shall not be
76 17 liable for their actions that do not constitute malicious or
76 18 wanton misconduct, even if the actions violate standards
76 19 established in section 97A.7.

76 20 Section 97A.6, subsection 2, is amended to increase, from
76 21 .6 percent to 1.5 percent the additional benefit for members
76 22 for each additional year of service in the system from 22 to
76 23 30 years of service for members terminating service on or
76 24 after July 1, 1996.

76 25 Section 97A.6, subsection 12, is amended to increase the
76 26 minimum benefit for surviving spouses of members from 20
76 27 percent to 25 percent of the compensation for a senior patrol
76 28 officer.

76 29 Section 97A.6, subsection 14, is amended to provide for an
76 30 increase in the percentages used to provide an annual
76 31 readjustment of the pension payable from the current 12.5
76 32 percent and 25 percent to 15 percent and 30 percent,
76 33 respectively. Currently, only those members who retired prior
76 34 to July 1, 1990, get the higher percentage readjustment. The
76 35 bill also provides that a retired member is eligible for this
77 1 readjustment if the member served 22 years. Currently, a
77 2 member must serve 22 years and attain the age of 55 years
77 3 before retirement in order to be eligible for the
77 4 readjustment.

77 5 Section 97A.6 is amended by adding a new subsection
77 6 providing for early retirement benefits for members who retire
77 7 between the ages of 50 and 55 years but who have 22 years of
77 8 service. The member's benefit will be reduced by an amount
77 9 for each month of early retirement to reflect the actuarial
77 10 cost, so that the early retirement does not result in any
77 11 increase in cost to the system.

77 12 Section 97A.8, subsection 1, is amended to eliminate the
77 13 requirement that, beginning July 1, 1996, the normal
77 14 contribution rate and the members contribution rate be
77 15 equivalent to the respective rates provided under the
77 16 statewide fire and police retirement system. Instead, these
77 17 sections provide for establishing both rates based on the
77 18 costs associated with the peace officers' retirement system,
77 19 subject to certain existing limitations.

77 20 Section 97A.8, subsection 3, is amended to specify which
77 21 investment management expenses may be paid for by the expense
77 22 fund established for the system.

77 23 Section 97A.12 is amended to provide that a member's
77 24 pension under the system is subject to assignment based on a
77 25 marital property order or a child, spousal, or medical support
77 26 order.

77 27 New section 97A.17 establishes a mechanism for allowing
77 28 vested members of the system and vested members of the
77 29 statewide fire and police retirement system established in
77 30 chapter 411 to transfer to the other system with credit for
77 31 the period of service in the former system. The section

77 32 permits a member who transferred to the other system before
77 33 the effective date of this section to transfer credit from the
77 34 former system to the current system within one year from the
77 35 effective date of this section.

78 1 STATEWIDE FIRE AND POLICE RETIREMENT SYSTEM

78 2 Section 400.8 is amended to authorize the board of trustees
78 3 of the statewide fire and police retirement system to update
78 4 the medical protocols used for examining applicants for
78 5 employment as a police officer or fire fighter.

78 6 Section 411.5 is amended to provide that the board of
78 7 trustees is given the authority to take any necessary action
78 8 to administer the voluntary benefit programs established in
78 9 new section 411.40.

78 10 Section 411.6, subsection 12, is amended to replace the
78 11 current method for annually readjusting the pensions of
78 12 members of the system effective July 1, 1997. The bill
78 13 provides that the monthly pensions of members shall be
78 14 adjusted each July 1 by adding an amount to the pension that
78 15 represents an increase of 1.5 percent over the previous year's
78 16 monthly pension plus a set dollar amount based on the number
78 17 of years the member has been retired. This section provides
78 18 that a retired member must be retired on or before the
78 19 effective date of the pension readjustment to be eligible for
78 20 the readjustment.

78 21 Section 411.31 is amended to provide that a member's
78 22 pension under the system is subject to assignment based on a
78 23 marital property order or a child, spousal, or medical support
78 24 order.

78 25 New section 411.31 establishes a mechanism for allowing
78 26 vested members of the system and vested members of the public
78 27 safety peace officers', accident and disability system in
78 28 chapter 97A to transfer to the other system with credit for
78 29 the period of service in the former system. The section
78 30 permits a member who transferred to the other system before
78 31 the effective date of this section to transfer credit from the
78 32 former system to the current system within one year from the
78 33 effective date of this section.

78 34 Section 411.38 is amended to establish a mechanism to
78 35 charge participating cities in the system with the unfunded
79 1 liability of that city along with interest calculated based on
79 2 the investment performance or actuarial assumptions of the
79 3 system.

79 4 New section 411.40 establishes voluntary benefit programs
79 5 for members of the system. The board of trustees is
79 6 authorized to establish programs for the benefit of members,
79 7 to include retiree health, long-term care, and life insurance.
79 8 The section establishes a voluntary benefit fund for the
79 9 purpose of investing assets transferred to the fund from
79 10 employee contributions. Participation in the program by
79 11 members is voluntary.

79 12 JUDICIAL RETIREMENT SYSTEM

79 13 Section 602.9111 is amended to provide that the state
79 14 treasurer may hire investment and benefit advisors and
79 15 consultants in order to administer the system and is amended
79 16 to provide for what investment management expenses may be paid
79 17 for from the judicial retirement fund. The bill provides that
79 18 the state court administrator and the treasurer of state shall
79 19 not be liable for their actions concerning the fund that do
79 20 not constitute malicious or wanton misconduct even if the
79 21 actions violate standards established for the fund.

79 22 LSB 3538SC 76

79 23 ec/cf/24.1