

JAN 12 2000

STATE GOVERNMENT

HOUSE FILE

2043

BY WISE, LARKIN, SUNDERBRUCH,
DAVIS, CATALDO, HEATON, and
REYNOLDS

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act concerning accidental death retirement benefits under the
2 municipal fire and police retirement system and including a
3 retroactive applicability provision and effective date.

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

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HFE 2043

1 Section 1. Section 411.6, subsection 9, unnumbered
2 paragraph 1, Code 1999, is amended to read as follows:

3 If, upon the receipt of evidence and proof from the chief
4 of the police or fire department that the death of a member in
5 service was the natural and proximate result of an injury or
6 disease incurred in or aggravated by the actual performance of
7 duty at some definite time and place, or while acting pursuant
8 to order, outside of the city by which the member is regularly
9 employed, the system decides that death was so caused in the
10 performance of duty, there shall be paid, in lieu of the
11 ordinary death benefit provided in subsection 8, to the
12 member's estate or to such person having an insurable interest
13 in the member's life as the member has nominated by written
14 designation duly executed and filed with the system, the
15 benefits set forth in paragraphs "a", and "b", and "c" of this
16 subsection:

17 Sec. 2. Section 411.6, subsection 9, Code 1999, is amended
18 by adding the following new paragraph:

19 NEW PARAGRAPH. c. A lump sum payment of one hundred
20 thousand dollars.

21 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
22 retroactively to any injury or disease incurred or aggravated
23 and causing death on and after December 1, 1999.

24 Sec. 4. EFFECTIVE DATE. This Act, being deemed of
25 immediate importance, takes effect upon enactment.

26 EXPLANATION

27 This bill provides for a \$100,000 lump sum payment to the
28 estate or designated person with an insurable interest of a
29 member in service covered by the municipal fire and police
30 retirement system who dies as a result of an injury or disease
31 incurred in or aggravated by the performance of duty. The
32 benefit is in addition to the pension currently provided for
33 an accidental death while in the performance of duty. The
34 bill takes effect upon enactment and applies retroactively to
35 deaths occurring on and after December 1, 1999.

HOUSE FILE 2043
FISCAL NOTE

A fiscal note for House File 2043 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2043 provides a \$100,000 death benefit to families of members of the Municipal Fire and Police Retirement System of Iowa (MFPRSI) who meet the accidental death provision of Chapter 411.6(9), Code of Iowa.

ASSUMPTIONS

1. Families of active members of the MFPRSI who die due to work-related injury or disease will receive a \$100,000 lump sum payment. Disease refers to heart and lung disease.
2. The approximately 3,750 MFPRSI members' wages will total an estimated \$159.0 million in FY 2001 and \$165.3 million in FY 2002.
3. The employer's contribution rate is 17.0%, and the employee's contribution rate 9.35%.
4. A change in the contribution rate affects the local employers (cities) and the members of the retirement system. The General Fund contribution to the MFPRSI is not affected.
5. Only families of members of the MFPRSI will be eligible for the payment. Sheriffs, deputies, members of the Peace Officers Retirement System, and volunteer firefighters do not belong to the MFPRSI and would not be eligible for the payment.

FISCAL IMPACT

The actuary for the MFPRSI projects the cost of the enhancement will be 0.32% of covered payroll.

The FY 2001 costs will be \$328,000 for Iowa cities and \$181,000 for employees, yielding a total of approximately \$509,000.

The FY 2002 costs will be \$341,000 for Iowa cities and \$188,000 for employees, yielding a total of approximately \$529,000.

SOURCE

Municipal Fire and Police Retirement System of Iowa

(LSB 5628yh, MDF)

FILED JANUARY 26, 2000

BY DENNIS PROUTY, FISCAL DIRECTOR