

Senate File 2411

Bill Text

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1 1 DIVISION I
1 2 PUBLIC SAFETY PEACE OFFICERS' RETIREMENT,
1 3 ACCIDENT, AND DISABILITY SYSTEM
1 4 Section 1. Section [97A.5](#), subsection 1, Code 1999, is
1 5 amended to read as follows:
1 6 1. BOARD OF TRUSTEES. A board of trustees of the Iowa
1 7 department of public safety peace officers' retirement,
1 8 accident, and disability system is created. The general
1 9 responsibility for the proper operation of the system is
1 10 vested in the board of trustees. The board of trustees is
1 11 constituted as follows: The commissioner of public safety,
1 12 who is chairperson of the board, the treasurer of state,

~~and~~

1 13 an actively engaged member of the system, to be chosen by
1 14 secret ballot by the actively engaged members of the system, a
1 15 retired member of the system, to be chosen by secret ballot by
1 16 the retired members of the system, and a person appointed by
1 17 the governor. The person appointed by the governor shall be
1 18 an executive of a domestic life insurance company, an
1 19 executive of a state or national bank operating within the
1 20 state of Iowa, or an executive in the financial services
1 21 industry, and shall be subject to confirmation by the senate.
1 22 The members of the system and the person appointed by the
1 23 governor shall serve for a term of two years.

1 24 Sec. 2. Section [97A.5](#), subsection 2, Code 1999, is amended
1 25 to read as follows:

1 26 2. VOTING. Each trustee shall be entitled to one vote on
1 27 said board and

~~two~~

- three concurring votes shall be necessary

1 28 for a decision by the trustees on any question at any meeting
1 29 of said board.

1 30 Sec. 3. Section [97A.6](#), subsection 2, Code 1999, is amended
1 31 to read as follows:

1 32 2. Allowance on service retirement.

1 33 a. Upon retirement from service prior to July 1, 1990, a
1 34 member shall receive a service retirement allowance which
1 35 shall consist of a pension which equals fifty percent of the
2 1 member's average final compensation.

2 2 b. Upon retirement from service on or after July 1, 1990,
2 3 but before July 1, 1992, a member shall receive a service
2 4 retirement allowance which shall consist of a pension which
2 5 equals fifty-four percent of the member's average final
2 6 compensation.

2 7 c. Commencing July 1, 1992, but before July 1, 2000, the
2 8 board of trustees shall increase the percentage multiplier of
2 9 the member's average final compensation by an additional two
2 10 percent each July 1 until reaching sixty percent of the
2 11 member's average final compensation.

2 12 d. Upon retirement from service on or after July 1, 2000,
2 13 a member shall receive a service retirement allowance which
2 14 shall consist of a pension which equals sixty and one-half
2 15 percent of the member's average final compensation.

~~d.~~

- e. Commencing July 1, 1990, if the member has completed
2 17 more than twenty-two years of creditable service, the service
2 18 retirement allowance shall consist of a pension which equals
2 19 the amount provided in paragraphs "b"

~~and~~

- "c", or "d", plus

2 20 an additional percentage as set forth below:

2 21 (1) For a member who terminates service, other than by
2 22 death or disability, on or after July 1, 1990, but before July
2 23 1, 1991, and who does not withdraw the member's contributions
2 24 pursuant to section 97A.16, upon the member's retirement there
2 25 shall be added three-tenths percent of the member's average
2 26 final compensation for each year of service over twenty-two
2 27 years, excluding years of service after the member's fifty-
2 28 fifth birthday. However, this subparagraph does not apply to
2 29 more than eight additional years of service.

2 30 (2) For a member who terminates service, other than by
2 31 death or disability, on or after July 1, 1991, but before
2 32 October 16, 1992, and who does not withdraw the member's
2 33 contributions pursuant to section 97A.16, upon the member's
2 34 retirement there shall be added six-tenths percent of the
2 35 member's average final compensation for each year of service
3 1 over twenty-two years, excluding years of service after the
3 2 member's fifty-fifth birthday. However, this subparagraph
3 3 does not apply to more than eight additional years of service.

3 4 (3) For a member who terminates service, other than by
3 5 death or disability, on or after October 16, 1992, but before
3 6 July 1, 1996, and who does not withdraw the member's
3 7 contributions pursuant to section 97A.16, upon the member's
3 8 retirement there shall be added six-tenths percent of the
3 9 member's average final compensation for each year of service
3 10 over twenty-two years. However, this subparagraph does not
3 11 apply to more than eight additional years of service.

3 12 (4) For a member who terminates service, other than by
3 13 death or disability, on or after July 1, 1996, but before July
3 14 1, 1998, and who does not withdraw the member's contributions
3 15 pursuant to section 97A.16, upon the member's retirement there
3 16 shall be added one and one-half percent of the member's
3 17 average final compensation for each year of service over
3 18 twenty-two years. However, this subparagraph does not apply
3 19 to more than eight additional years of service.

3 20 (5) For a member who terminates service, other than by
3 21 death or disability, on or after July 1, 1998, but before July
3 22 1, 2000, and who does not withdraw the member's contributions
3 23 pursuant to section 97A.16, upon the member's retirement there
3 24 shall be added one and one-half percent of the member's
3 25 average final compensation for each year of service over
3 26 twenty-two years. However, this subparagraph does not apply
3 27 to more than ten additional years of service.

3 28 (6) For a member who terminates service, other than by
3 29 death or disability, on or after July 1, 2000, and who does
3 30 not withdraw the member's contributions pursuant to section
3 31 97A.16, upon the member's retirement there shall be added two
3 32 and three-fourths percent of the member's average final
3 33 compensation for each year of service over twenty-two years.
3 34 However, this subparagraph does not apply to more than ten
3 35 additional years of service.

4 1 Sec. 4. Section 97A.6, subsection 8, paragraph b,
4 2 unnumbered paragraph 1, Code 1999, is amended to read as
4 3 follows:

4 4 In lieu of the payment specified in paragraph "a", a
4 5 beneficiary meeting the qualifications of paragraph "c" may
4 6 elect to receive a monthly pension equal to one-twelfth of

4 7 forty percent of the average final compensation of the member,
4 8 but not less than an amount equal to

~~twenty~~

~~twenty-five~~

4 9 percent of the monthly earnable compensation paid to an active
4 10 member having the rank of senior patrol officer of the Iowa
4 11 state patrol if the member was in service at the time of
4 12 death. For a member not in service at the time of death, the
4 13 pension shall be reduced as provided in subsection 1,
4 14 paragraph "b".

4 15 Sec. 5. Section [97A.6](#), subsection 14, paragraph a, Code
4 16 1999, is amended to read as follows:

4 17 a. Effective July 1, 1980, and on each July 1 thereafter,
4 18 the monthly pensions authorized in this section payable to
4 19 retired members and to beneficiaries, except children of a
4 20 deceased member, shall be adjusted as provided in this
4 21 paragraph. The monthly pension of each retired member and
4 22 each beneficiary shall be adjusted by adding to that monthly
4 23 pension an amount equal to the amounts determined in
4 24 subparagraphs (1) and (2). The adjusted monthly pension of a
4 25 retired member shall not be less than the amount which was
4 26 paid at the time of the member's retirement.

4 27 (1) An amount equal to the

~~following percentages of the~~

4 28 difference between the monthly earnable compensation payable
4 29 to an active member of the department, of the same rank and
4 30 position on the salary scale as was held by the retired or
4 31 deceased member at the time of the member's retirement or
4 32 death, for July of the preceding year and the monthly earnable
4 33 compensation payable to an active member of the department of
4 34 the same rank and position on the salary scale for July of the
4 35 year just beginning

~~shall be added to the monthly pension of~~

5 1

~~each retired member and each beneficiary as follows~~

~~multiplied~~

5 2 by the following applicable percentage:

5 3

~~(1)~~

~~(a)~~

~~Thirty~~

~~Forty~~ percent for members receiving a

5 4 service retirement allowance and for beneficiaries receiving a

5 5 pension under subsection 9 of this section.

5 6

~~(2)~~

~~(b)~~

~~Thirty~~

~~Forty~~ percent for members with five or more

5 7 years of membership service who are receiving an ordinary

5 8 disability retirement allowance.

5 9

~~(3)~~

~~(c)~~

~~Fifteen~~

~~- Twenty-four percent for members with less
5 10 than five years of membership service who are receiving an
5 11 ordinary disability retirement allowance, and for
5 12 beneficiaries receiving a pension under subsection 8 of this
5 13 section.
5 14~~

~~-(4)
- (d)~~

~~- Thirty three and one third
- Forty percent for
5 15 members receiving an accidental disability allowance.
5 16~~

~~- The adjusted monthly pension shall not be less than the
-
5 17~~

~~- amount which was paid at the time of the member's retirement
-
5 18~~

~~- or death.~~

5 19 The amount added to the monthly pension of a surviving
5 20 spouse receiving a pension under subsection 12, paragraph "a",
5 21 of this section shall be equal to one-half the amount that
5 22 would have been added to the monthly pension of the retired
5 23 member under this subparagraph.

5 24 (2) The following applicable amount determined as follows:

5 25 (a) Fifteen dollars where the member's retirement date was
5 26 less than five years prior to the effective date of the
5 27 adjustment.

5 28 (b) Twenty dollars where the member's retirement date was
5 29 at least five years, but less than ten years, prior to the
5 30 effective date of the adjustment.

5 31 (c) Twenty-five dollars where the member's retirement date
5 32 was at least ten years, but less than fifteen years, prior to
5 33 the effective date of the adjustment.

5 34 (d) Thirty dollars where the member's retirement date was
5 35 at least fifteen years, but less than twenty years, prior to
6 1 the effective date of the adjustment.

6 2 (e) Thirty-five dollars where the member's retirement date
6 3 was at least twenty years prior to the effective date of the
6 4 adjustment.

6 5 As of the first of July of each year, the monthly pension
6 6 payable to each surviving child under the provisions of
6 7 subsections 8, 9, and 12 of this section shall be adjusted to
6 8 equal six percent of the monthly earnable compensation payable
6 9 on that July 1 to an active member having the rank of senior
6 10 patrol officer of the Iowa state patrol.

6 11 Sec. 6. Section [97A.6](#), Code 1999, is amended by adding the
6 12 following new subsection:

6 13 NEW SUBSECTION. 16. LINE OF DUTY DEATH BENEFIT.

6 14 a. If, upon the receipt of evidence and proof that the
6 15 death of a member in service was the direct and proximate
6 16 result of a traumatic personal injury incurred in the line of
6 17 duty, the board of trustees decides that death was so caused,
6 18 there shall be paid, to a person authorized to receive an
6 19 accidental death benefit as provided in subsection 9, the
6 20 amount of one hundred thousand dollars, which shall be payable
6 21 in a lump sum.

6 22 b. A line of duty death benefit shall not be payable under
6 23 this subsection if any of the following applies:

6 24 (1) The death resulted from stress, strain, occupational
6 25 illness, or a chronic, progressive, or congenital illness,

6 26 including, but not limited to, a disease of the heart, lungs,
6 27 or respiratory system, unless a traumatic personal injury was
6 28 a substantial contributing factor to the member's death.

6 29 (2) The death was caused by the intentional misconduct of
6 30 the member or by the member's intent to cause the member's own
6 31 death.

6 32 (3) The member was voluntarily intoxicated at the time of
6 33 death.

6 34 (4) The member was performing the member's duties in a
6 35 grossly negligent manner at the time of death.

7 1 (5) An individual who would otherwise be entitled to a
7 2 benefit under this subsection was, through the individual's
7 3 actions, a substantial contributing factor to the member's
7 4 death.

7 5 Sec. 7. Section [97A.8](#), subsection 1, paragraph b, Code
7 6 1999, is amended to read as follows:

7 7 b. On the basis of the rate of interest and of the
7 8 mortality, interest, and other tables adopted by the board of
7 9 trustees, the board of trustees, upon the advice of the
7 10 actuary hired by the board for that purpose, shall make each
7 11 valuation required by this chapter and shall immediately after
7 12 making such valuation, determine the "normal contribution
7 13 rate". The normal contribution rate shall be the rate percent
7 14 of the earnable compensation of all members obtained by
7 15 deducting from the total liabilities of the fund the sum of
7 16 the amount of the funds in hand to the credit of the fund and
7 17 dividing the remainder by one percent of the present value of
7 18 the prospective future compensation of all members as computed
7 19 on the basis of the rate of interest and of mortality and
7 20 service tables adopted by the board of trustees, all reduced
7 21 by the employee contribution made pursuant to this subsection.
7 22 However, the normal rate of contribution shall not be less
7 23 than seventeen percent. The normal rate of contribution shall
7 24 be determined by the board of trustees after each valuation.
7 25 To assist in determining the normal rate of contribution, the
7 26 board of trustees may adopt a smoothing method for valuing the
7 27 assets of the system. The smoothing method is designed to
7 28 reduce changes in the normal contribution rate which could
7 29 result from fluctuations in the market value of the assets of
7 30 the system.

7 31 Sec. 8. Section [97A.8](#), subsection 1, paragraph c,
7 32 unnumbered paragraph 2, Code 1999, is amended by striking the
7 33 unnumbered paragraph.

7 34 Sec. 9. EFFECTIVE DATE RETROACTIVE APPLICABILITY.
7 35 Section 4 of this Act, amending section 97A.6, subsection 8,
8 1 paragraph "b", being deemed of immediate importance, takes
8 2 effect upon enactment and is retroactively applicable to July
8 3 1, 1996, and is applicable on and after that date.

8 4 DIVISION II

8 5 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

8 6 Sec. 10. Section [97B.1A](#), Code 1999, is amended by adding
8 7 the following new subsection:

8 8 NEW SUBSECTION. 2A. "Accumulated employer contributions"
8 9 means an amount equal to the total obtained as of any date, by
8 10 accumulating each individual contribution by the employer for
8 11 the member with interest plus interest dividends as provided
8 12 in section 97B.70, for all completed calendar years and for
8 13 any completed calendar year for which the interest dividend
8 14 has not been declared and for completed months of partially
8 15 completed calendar years, compounded as provided in section
8 16 97B.70.

8 17 Sec. 11. Section [97B.1A](#), subsection 8, paragraph a,
8 18 subparagraph (1), Code 1999, is amended to read as follows:

8 19 (1) Elective officials in positions for which the
8 20 compensation is on a fee basis, elective officials of school
8 21 districts, elective officials of townships, and elective
8 22 officials of other political subdivisions who are in part-time

8 23 positions. An elective official covered under this chapter
8 24 may terminate membership under this chapter by informing the
8 25 department in writing of the expiration of the member's term
8 26 of office or by informing the department of the member's
8 27 intent to terminate membership for employment as an elective
8 28 official and establishing that the member has a bona fide
8 29 termination of employment from all employment covered under
8 30 this chapter other than as an elective official and that the
8 31 member has filed a completed application for benefits form
8 32 with the department. A county attorney is an employee for
8 33 purposes of this chapter whether that county attorney is
8 34 employed on a full-time or part-time basis.

8 35 Sec. 12. Section [97B.1A](#), subsection 8, paragraph a, Code
9 1 1999, is amended by adding the following new subparagraph:
9 2 NEW SUBPARAGRAPH. (12) Persons employed by a municipal
9 3 water utility or waterworks that has established a pension and
9 4 annuity retirement system for its employees pursuant to
9 5 chapter 412.

9 6 Sec. 13. Section [97B.1A](#), subsection 8, paragraph b,
9 7 subparagraph (3), Code 1999, is amended to read as follows:

9 8 (3) Employees hired for temporary employment of less than
9 9 six consecutive months or one thousand forty hours in a
9 10 calendar year. An employee who works for an employer for six
9 11 or more consecutive months

~~in a calendar year~~
- or who works for

9 12 an employer for more than one thousand forty hours in a
9 13 calendar year is not a temporary employee under this
9 14 subparagraph. Adjunct instructors are temporary employees for
9 15 the purposes of this chapter. As used in this section, unless
9 16 the context otherwise requires, "adjunct instructors" means
9 17 instructors employed by a community college or a university
9 18 governed by the state board of regents without a continuing
9 19 contract, whose teaching load does not exceed one-half time
9 20 for two full semesters or three full quarters per calendar
9 21 year.

9 22 Sec. 14. Section [97B.1A](#), Code 1999, is amended by adding
9 23 the following new subsection:

9 24 NEW SUBSECTION. 14A. "Member account" means the account
9 25 established for each member and includes the member's
9 26 accumulated contributions and the member's share of the
9 27 accumulated employer contributions as provided in section
9 28 97B.53. "Member account" does not mean the supplemental
9 29 account for active members.

9 30 Sec. 15. Section [97B.1A](#), Code 1999, is amended by adding
9 31 the following new subsection:

9 32 NEW SUBSECTION. 22A. "Supplemental account for active
9 33 members" or "supplemental account" means the account
9 34 established for each active member under section 97B.49H.

9 35 Sec. 16. Section [97B.1A](#), subsection 24, paragraph a, Code
10 1 1999, is amended to read as follows:

10 2 a. "Three-year average covered wage" means, for a member
10 3 who retires prior to July 1, 2003, a member's covered wages
10 4 averaged for the highest three years of the member's service,
10 5 except as otherwise provided in this subsection. The highest
10 6 three years of a member's covered wages shall be determined
10 7 using calendar years. However, if a member's final quarter of
10 8 a year of employment does not occur at the end of a calendar
10 9 year, the department may determine the wages for the third
10 10 year by computing the average quarter of all quarters from the
10 11 member's highest calendar year of covered wages not being used
10 12 in the selection of the two highest years and using the
10 13 computed average quarter for each quarter in the third year in
10 14 which no wages have been reported in combination with the
10 15 final quarter or quarters of the member's service to create a
10 16 full year. However, the department shall not use the member's

10 17 final quarter of wages if using that quarter would reduce the
10 18 member's three-year average covered wage. If the three-year
10 19 average covered wage of a member exceeds the highest maximum
10 20 covered wages in effect for a calendar year during the
10 21 member's period of service, the three-year average covered
10 22 wage of the member shall be reduced to the highest maximum
10 23 covered wages in effect during the member's period of service.
10 24 Notwithstanding any other provision of this paragraph to the
10 25 contrary, a member's wages for the third year as computed by
10 26 this paragraph shall not exceed, by more than three percent,
10 27 the member's highest actual calendar year of covered wages for
10 28 a member whose first month of entitlement is January 1999 or
10 29 later.
10 30 Sec. 17. Section [97B.1A](#), subsection 24, paragraph b,
10 31 subparagraph (4), Code 1999, is amended to read as follows:
10 32 (4) For a member who retires on or after January 1, 2000,
10 33 but before January 1,

~~2003~~

- ~~2001~~, and whose three-year average
10 34 covered wage at the time of retirement exceeds

~~fifty five~~

- ~~sixty-five~~ thousand dollars, the member's covered wages
11 1 averaged for the highest

~~seven~~

- ~~six~~ years of the member's
11 2 service or

~~fifty five~~

- ~~sixty-five~~ thousand dollars, whichever
11 3 is greater.

11 4 Sec. 18. Section [97B.1A](#), subsection 24, paragraph b, Code
11 5 1999, is amended by adding the following new subparagraph:

11 6 NEW SUBPARAGRAPH. (5) For a member who retires on or
11 7 after January 1, 2001, but before January 1, 2002, and whose
11 8 three-year average covered wage at the time of retirement
11 9 exceeds seventy-five thousand dollars, the member's covered
11 10 wages averaged for the highest six years of the member's
11 11 service or seventy-five thousand dollars, whichever is
11 12 greater.

11 13 Sec. 19. Section [97B.1A](#), subsection 24, Code 1999, is
11 14 amended by adding the following new paragraph:

11 15 NEW PARAGRAPH. c. "Three-year average covered wage"
11 16 means, for a member who retires on or after July 1, 2003, the
11 17 greater of the member's covered wages averaged for a member's
11 18 highest twelve consecutive quarters of service or the member's
11 19 covered wages averaged for a member's highest three calendar
11 20 years of service. The department shall adopt rules to
11 21 implement this paragraph in accordance with the requirements
11 22 of this chapter and the federal Internal Revenue Code.

11 23 Sec. 20. Section [97B.1A](#), subsection 26, paragraph a, Code
11 24 1999, is amended to read as follows:

11 25 a. (1) "Wages" means all remuneration for employment,
11 26 including

~~the~~

- ~~, but not limited to, any of the following:~~

11 27 ~~(a) The cash value of~~

~~remuneration paid in a medium other~~

-
11 28

~~than cash, but not including the cash value of remuneration~~

11 29

~~paid in a medium other than cash as
wage equivalents not~~

11 30 necessitated by the convenience of the employer. The

~~amount~~

11 31

~~agreed upon by the employer and employee for remuneration paid~~

11 32

~~in a medium other than cash
fair market value of such wage~~

11 33 equivalents shall be reported to the department by the
11 34 employer

~~and is conclusive of the value of the remuneration~~

11 35

~~"Wages" does not include special lump sum payments made as~~

12 1

~~payment for accrued sick leave or accrued vacation or payments~~

12 2

~~made as an incentive for early retirement or as payments made~~

12 3

~~upon dismissal, severance, or a special bonus payment.~~

12 4 (b) The remuneration paid to an employee before employee-
12 5 paid contributions are made to plans qualified under sections
12 6 125, 129, 401, 403, 408, and 457 of the Internal Revenue Code.
12 7 In addition, wages includes amounts that can be received in
12 8 cash in lieu of employer-paid contributions to such plans, if
12 9 the election is uniformly available and is not limited to
12 10 highly compensated employees, as defined in section 414(q) of
12 11 the Internal Revenue Code.
12 12 (c)

~~Wages for~~

~~For an elected official~~

~~means~~

~~, other than a~~

12 13 member of the general assembly, the total compensation
12 14 received by the elected official, whether paid in the form of
12 15 per diem or annual salary

~~received by an elected official~~

12 16 exclusive of expense and travel allowances.

12 17 (d)

~~Wages for~~

~~For a member of the general assembly,~~

~~means~~

12 18 the total compensation received by a member of the general
12 19 assembly, whether paid in the form of per diem or annual
12 20 salary, exclusive of expense and travel allowances paid to a
12 21 member of the general assembly except as otherwise provided in
12 22 this

— paragraph

— subparagraph subdivision. Wages includes per

12 23 diem payments paid to members of the general assembly during
12 24 interim periods between sessions of the general assembly.
12 25 Wages also includes daily allowances to members of the general
12 26 assembly for nontravel expenses of office during a session of
12 27 the general assembly, but does not include the portion of the
12 28 daily allowance which exceeds the maximum established by law
12 29 for members from Polk county.

12 30 (e) Payments for compensatory time earned that are
12 31 received in lieu of taking regular work hours off and when
12 32 paid as a lump sum. However, "wages" does not include
12 33 payments made in a lump sum for compensatory time earned in
12 34 excess of two hundred forty hours per year.

12 35 (f) Employee contributions required under section 97B.11
13 1 and picked up by the employer under section 97B.11A.

13 2 (2) "Wages" does not include any of the following:

13 3 (a) The cash value of wage equivalents necessitated by the
13 4 convenience of the employer.

13 5 (b) Payments made for accrued sick leave or accrued
13 6 vacation leave that are not being used to replace regular work
13 7 hours, whether paid in a lump sum or in installments.

13 8 (c) Payments made as an incentive for early retirement or
13 9 as payment made upon dismissal or severance from employment,
13 10 or a special bonus payment intended as an early retirement
13 11 incentive, whether paid in a lump sum or in installments.

13 12 (d) Employer-paid contributions that cannot be received by
13 13 the employee in cash and that are made to, and any
13 14 distributions from, plans, programs, or arrangements qualified
13 15 under section 117, 120, 125, 129, 401, 403, 408, or 457 of the
13 16 Internal Revenue Code.

13 17 (e) Employer-paid contributions for coverage under, or
13 18 distributions from, an accident, health, or life insurance
13 19 plan, program, or arrangement.

13 20 (f) Workers' compensation and unemployment compensation
13 21 payments.

13 22 (g) Disability payments.

13 23 (h) Reimbursements of employee business expenses except
13 24 for those expenses included as wages for a member of the
13 25 general assembly.

13 26 (i) Payments for allowances made to an employee that are
13 27 not included in an employee's federal taxable income except
13 28 for those allowances included as wages for a member of the
13 29 general assembly.

13 30 (j) Payments of damages, attorney fees, interest, and
13 31 penalties made to satisfy a grievance or wage claim.

13 32 (k) Payments for services as an independent contractor.

13 33 (l) Payments made by an entity that is not an employer
13 34 under this chapter.

13 35 (m) Payments made in lieu of any employer-paid group
14 1 insurance coverage.

14 2 (n) Payments made for the difference between the costs of
14 3 single and family insurance coverage.

14 4 Sec. 21. Section [97B.5](#), Code 1999, is amended to read as
14 5 follows:

14 6 97B.5 STAFF.

14 7 Subject to other provisions of this chapter, the department
14 8 may employ personnel as necessary for the administration of
14 9 the system, including but not limited to a chief investment
14 10 officer and a chief benefits officer. The maximum number of
14 11 full-time equivalent employees specified by the general

14 12 assembly for the department for administration of the system
14 13 for a fiscal year shall not be reduced by any authority other
14 14 than the general assembly. The staff shall be appointed
14 15 pursuant to chapter 19A. The department shall not appoint or
14 16 employ a person who is an officer or committee member of a
14 17 political party organization or who holds or is a candidate
14 18 for

~~an~~

- a partisan elective public office. The department may
14 19 employ attorneys and contract with attorneys and legal firms
14 20 for the provision of legal counsel and advice in the
14 21 administration of this chapter and chapter 97C. The
14 22 department may execute contracts with investment advisors,
14 23 consultants, and managers outside state government in the
14 24 administration of this chapter. The department may delegate
14 25 to any person such authority as it deems reasonable and proper
14 26 for the effective administration of this chapter, and may bond
14 27 any person handling moneys or signing checks under this
14 28 chapter.
14 29 Sec. 22. Section 97B.9, unnumbered paragraph 1, Code 1999,
14 30 is amended to read as follows:
14 31

~~Contributions unpaid on the date on which they are due and~~

14 32

~~payable as prescribed by the department,~~

- An employer shall

14 33

~~bear~~

- be charged the greater of ten dollars per occurrence or
14 34 interest at the combined interest and dividend rate required
14 35 under section 97B.70 for the applicable calendar year

15 1

~~provided that the~~

- for contributions unpaid on the date on
15 2 which they are due and payable as prescribed by the
15 3 department. The department may

~~prescribe fair and reasonable~~

15 4

~~regulations pursuant to~~

- adopt rules prescribing circumstances

15 5 for which the interest or charge shall not accrue with respect
15 6 to contributions required. Interest or charges collected
15 7 pursuant to this section shall be paid into the Iowa public
15 8 employees' retirement fund.

15 9 Sec. 23. Section 97B.9, subsection 4, Code 1999, is
15 10 amended to read as follows:

15 11 4. Regardless of any potentially applicable statute of
15 12 limitations, if the department finds that the employer or
15 13 employee

~~or employer~~

-, or both, have erroneously underpaid
15 14 contributions, the

~~employer shall pay the employer's share of~~

15 15

~~contributions and interest and the interest assessed to the~~

15 16

~~employee's share of contributions~~
~~department shall notify the~~

15 17 employer and employee in writing of the total amount of the
15 18 underpayment, including interest, and the employer's and
15 19 employee's share of the underpayment. The department shall
15 20 collect from the employer the total amount of the
15 21 underpayment, including the employer's share, the employee's
15 22 share, and the interest assessed to both shares of the
15 23 underpayment, regardless of whether the employee has
15 24 reimbursed the employer for the employee's share of the
15 25 underpayment. The employee shall be obligated to pay only the
15 26 employee's share of the underpaid contributions, without
15 27 interest, to the employer

~~, who shall then remit them to the~~

15 28

~~department~~

~~. The employer may collect the employee's share of~~
15 29 underpaid contributions from the employee or the employee's
15 30 estate. The employer may collect the employee's share through
15 31 a deduction from the employee's wages, or by maintaining a
15 32 legal action against the employee or the employee's estate.

15 33 For purposes of section 1526 of the federal Taxpayer Relief
15 34 Act of 1997, eligible participants, as defined by section
15 35 1526, may make payments of contributions under this section
16 1 without regard to the limitations of section 415(c)(1) of the
16 2 federal Internal Revenue Code.

16 3 Sec. 24. Section [97B.11](#), unnumbered paragraph 2, Code
16 4 1999, is amended by striking the unnumbered paragraph.

16 5 Sec. 25. NEW SECTION. 97B.14A WAGE REPORTING.

16 6 An employer shall report wages of employees covered by this
16 7 chapter to the department in a manner and form as prescribed
16 8 by the department. If the wages reported by an employer
16 9 appear to be a distortion of the normal wage progression
16 10 pattern for an employee, the department may request that the
16 11 employer provide documentation indicating that the wages were
16 12 not misreported for the purposes of causing an increase in the
16 13 retirement allowance or other payments authorized to be made
16 14 by this chapter. If the department determines that the wages
16 15 of an employee were misreported, the employer shall prepare
16 16 and file wage adjustments allocating the wages to the proper
16 17 wage reporting period.

16 18 Sec. 26. Section [97B.17](#), subsection 2, Code 1999, is
16 19 amended to read as follows:

16 20 2. Records specifying amounts accumulated in members'

16 21

~~active~~

~~accounts and supplemental accounts.~~

16 22 Sec. 27. Section [97B.25](#), Code 1999, is amended to read as
16 23 follows:

16 24 97B.25 APPLICATIONS FOR BENEFITS.

16 25 A representative designated by the chief benefits officer
16 26 and referred to in this chapter as a retirement benefits

16 27

~~specialist~~

~~officer shall promptly examine applications for~~

16 28 retirement benefits and on the basis of facts found shall
16 29 determine whether or not the claim is valid. If the claim is
16 30 valid, the retirement benefits

~~specialist~~

- ~~officer~~ shall send a
16 31 notification to the member stating the option the member has
16 32 selected pursuant to

~~sections 97B.49A through 97B.49C, as~~

16 33

~~applicable, or~~

- section 97B.51, the month with respect to which
16 34 benefits shall commence, and the monthly benefit amount
16 35 payable. If the claim is invalid, the retirement benefits
17 1

~~specialist~~

- ~~officer~~ shall promptly notify the applicant and any
17 2 other interested party of the decision and the reasons. A
17 3 retirement application shall not be amended or revoked by the
17 4 member once the first retirement allowance is paid. A
17 5 member's death during the first month of entitlement shall not
17 6 invalidate an approved application.

17 7 Sec. 28. Section [97B.42A](#), Code 1999, is amended by adding
17 8 the following new subsection:

17 9 NEW SUBSECTION. 3A. A person who is employed in a
17 10 position as an employee as defined in section 97B.1A,
17 11 subsection 8, paragraph "a", subparagraph (12), on July 1,
17 12 2000, and who has not elected out of coverage under this
17 13 chapter prior to that date, shall begin coverage under the
17 14 system on July 1, 2000, unless, on or before August 31, 2000,
17 15 the person files an application with appropriate documentation
17 16 to elect coverage under an alternative pension and annuity
17 17 retirement system established pursuant to chapter 412. If a
17 18 person elects coverage under the alternative pension and
17 19 annuity retirement system, the period of time from July 1,
17 20 2000, until the date the person's election of coverage is
17 21 effective shall not constitute service for purposes of
17 22 coverage under this chapter and a wage adjustment shall be
17 23 processed for the person based on any contributions collected
17 24 pursuant to this chapter during that period of time and shall
17 25 be credited pursuant to section 97B.10. A decision to elect
17 26 coverage under an alternative pension and annuity retirement
17 27 system established pursuant to chapter 412 under this
17 28 subsection is irrevocable upon approval from the department.

17 29 A person who becomes a member of the Iowa public employees'
17 30 retirement system pursuant to this subsection, and who has one
17 31 or more years of covered wages, may purchase credit, pursuant
17 32 to section 97B.73, for one or more quarters of service prior
17 33 to August 1, 2000, in which the person was employed in a
17 34 position as described by section 97B.1A, subsection 8,
17 35 paragraph "a", subparagraph (12), but was not a member of the
18 1 system.

18 2 Sec. 29. Section [97B.42A](#), subsection 4, Code 1999, is
18 3 amended to read as follows:

18 4 4. A person who becomes a member of the system pursuant to
18 5 subsection 3, or who is a member of the system, and who has
18 6 one or more years of covered wages, may purchase credit,
18 7 pursuant to section 97B.73, for one or more quarters of
18 8 service prior to January 1, 1999, in which the person was
18 9 employed in a position as described in section 97B.1A,
18 10 subsection 8, paragraph "a", but was not a member of the
18 11 system.

18 12 Sec. 30. Section [97B.44](#), Code 1999, is amended to read as

18 13 follows:

18 14 97B.44 BENEFICIARY.

18 15 Each member shall designate on a form to be furnished by
18 16 the department a beneficiary for death benefits payable under
18 17 this chapter on the death of the member. The designation may
18 18 be changed from time to time by the member by filing a new
18 19 designation with the department. A designation or change in
18 20 designation made by a member on or after July 1, 2000, shall
18 21 contain the written consent of the member's spouse, if
18 22 applicable. The designation of a beneficiary is not
18 23 applicable if the member receives a refund of all
18 24 contributions of the member. If a member who has received a
18 25 refund of contributions returns to employment, the member
18 26 shall file a new designation with the department.

18 27 If a member has not designated a beneficiary on a form
18 28 furnished by the department, or if there are no surviving
18 29 designated beneficiaries of a member, death benefits payable
18 30 under this chapter shall be paid to the member's estate.

18 31 Sec. 31. Section 97B.48, subsection 1, Code 1999, is
18 32 amended to read as follows:

18 33 1. Retirement allowances shall be paid monthly, except
18 34 that an allowance of less than six hundred dollars a year may,
18 35 at the member's option, be paid as a lump sum in an amount
19 1 equal to the sum of the member's and employer's accumulated
19 2 contributions and the retirement dividends standing to the
19 3 member's credit before December 31, 1966. Receipt of the
19 4 lump-sum payment by a member shall terminate any and all
19 5 entitlement for the period of service covered of the member
19 6 under this chapter and the member shall not be eligible to buy
19 7 back the period of service.

19 8 Sec. 32. Section 97B.48, subsection 3, Code 1999, is
19 9 amended to read as follows:

19 10 3. As of the first of the month in which a member attains
19 11 the age of seventy years, the department shall provide written
19 12 notification to the member that the member may commence
19 13 receiving a retirement allowance regardless of the member's
19 14 employment status. Prior to receiving a retirement allowance
19 15 pursuant to this subsection, a member shall acknowledge in
19 16 writing that the member was informed by the department of the
19 17 consequences of electing to receive a retirement allowance
19 18 pursuant to this subsection and that receipt of a retirement
19 19 allowance under this subsection is optional. Upon termination
19 20 from employment of a member receiving a retirement allowance
19 21 pursuant to this subsection, the member is entitled to have
19 22 the member's monthly retirement allowance recalculated using
19 23 the applicable formula for determining a retirement allowance
19 24 pursuant to sections 97B.49A through 97B.49G, as applicable,
19 25 in place at the time of the member's first month of
19 26 entitlement.

19 27 Sec. 33. Section 97B.48A, subsection 1, unnumbered
19 28 paragraph 1, Code 1999, is amended to read as follows:

19 29 If a member who has not reached the member's sixty-fifth
19 30 birthday and who has a bona fide retirement under this chapter
19 31 is in regular full-time employment during a calendar year, the
19 32 member's retirement allowance shall be reduced by fifty cents
19 33 for each dollar the member earns over the limit provided in
19 34 this subsection. However, employment is not full-time
19 35 employment until the member receives remuneration in an amount
20 1 in excess of

~~— twelve~~

~~— fourteen thousand dollars for a calendar~~

20 2 year, or an amount equal to the amount of remuneration

20 3 permitted for a calendar year for persons under sixty-five

20 4 years of age before a reduction in federal social security

20 5 retirement benefits is required, whichever is higher.

20 6 Effective the first of the month in which a member attains the

20 7 age of sixty-five years, a retired member may receive a
20 8 retirement allowance without a reduction after return to
20 9 covered employment regardless of the amount of remuneration
20 10 received.

20 11 Sec. 34. Section [97B.48A](#), subsection 3, Code 1999, is
20 12 amended to read as follows:

20 13 3. Upon a retirement after reemployment, a retired member
20 14 may have the retired member's retirement allowance
20 15 redetermined under this section or section 97B.48,

~~sections~~

20 16

~~97B.49A through 97B.49H,~~

- section 97B.50, or section 97B.51,
20 17 whichever is applicable, based upon the addition of credit for
20 18 the years of membership service of the employee after
20 19 reemployment, the covered wage during reemployment, and the
20 20 age of the employee after reemployment. The member shall
20 21 receive a single retirement allowance calculated from both
20 22 periods of membership service, one based on the initial
20 23 retirement and one based on the second retirement following
20 24 reemployment. If the total years of membership service and
20 25 prior service of a member who has been reemployed equals or
20 26 exceeds thirty, the years of membership service on which the
20 27 original retirement allowance was based may be reduced by a
20 28 fraction of the years of service equal to the number of years
20 29 by which the total years of membership service and prior
20 30 service exceeds thirty divided by thirty, if this reduction in
20 31 years of service will increase the total retirement allowance
20 32 of the member. The additional retirement allowance calculated
20 33 for the period of reemployment shall be added to the
20 34 retirement allowance calculated for the initial period of
20 35 membership service and prior service, adjusted as provided in
21 1 this subsection. The retirement allowance calculated for the
21 2 initial period of membership service and prior service shall
21 3 not be adjusted for any other factor than years of service.
21 4 The retired member shall not receive a retirement allowance
21 5 based upon more than a total of thirty years of service.
21 6 Effective July 1, 1998, a redetermination of a retirement
21 7 allowance as authorized by this subsection for a retired
21 8 member whose combined service exceeds the applicable years of
21 9 service for that member as provided in sections 97B.49A
21 10 through 97B.49G shall have the determination of the member's
21 11 reemployment benefit based upon the percentage multiplier as
21 12 determined for that member as provided in sections 97B.49A
21 13 through 97B.49G.

21 14 Sec. 35. Section [97B.48A](#), subsection 4, Code 1999, is
21 15 amended to read as follows:

21 16 4. The department shall pay to the member the accumulated
21 17 contributions of the member and all of the employer
21 18 contributions, plus interest plus interest dividends as
21 19 provided in section 97B.70, for all completed calendar years,
21 20 compounded as provided in section 97B.70, on the covered wages
21 21 earned by a retired member that are not used in the
21 22 recalculation of the retirement allowance of a member. A
21 23 payment of contributions to a member pursuant to this
21 24 subsection shall be considered a retirement payment and not a
21 25 refund and the member shall not be eligible to buy back the
21 26 period of reemployment service.

21 27 Sec. 36. Section [97B.49B](#), subsection 1, paragraph a, Code
21 28 1999, is amended to read as follows:

21 29 a. "Applicable percentage" means the greater of the
21 30 following percentages:

21 31 (1)

~~sixty~~
- Sixty percent

~~or, for~~

~~1~~
21 32 (2) For each active or inactive vested member retiring on
21 33 or after July 1, 1996, but before July 1, 2000, sixty percent
21 34 plus, if applicable, an additional one-fourth of one
21 35 percentage point for each additional calendar quarter of
22 1 eligible service beyond twenty-five years of service for the
22 2 member, not to exceed a total of five additional percentage
22 3 points.

22 4 (3) For each active or inactive vested member retiring on
22 5 or after July 1, 2000, but before July 1, 2001, sixty percent
22 6 plus, if applicable, an additional one-fourth of one
22 7 percentage point for each additional calendar quarter of
22 8 eligible service beyond twenty-four years of service for the
22 9 member, not to exceed a total of six additional percentage
22 10 points.

22 11 (4) For each active or inactive vested member retiring on
22 12 or after July 1, 2001, but before July 1, 2002, sixty percent
22 13 plus, if applicable, an additional one-fourth of one
22 14 percentage point for each additional calendar quarter of
22 15 eligible service beyond twenty-three years of service for the
22 16 member, not to exceed a total of seven additional percentage
22 17 points.

22 18 (5) For each active or inactive vested member retiring on
22 19 or after July 1, 2002, but before July 1, 2003, sixty percent
22 20 plus, if applicable, an additional one-fourth of one
22 21 percentage point for each additional calendar quarter of
22 22 eligible service beyond twenty-two years of service for the
22 23 member, not to exceed a total of eight additional percentage
22 24 points.

22 25 (6) For each active or inactive vested member retiring on
22 26 or after July 1, 2003, sixty percent plus, if applicable, an
22 27 additional three-eighths of one percentage point for each
22 28 additional calendar quarter of eligible service beyond twenty-
22 29 two years of service for the member, not to exceed a total of
22 30 twelve additional percentage points.

22 31 Sec. 37. Section [97B.49B](#), subsection 1, Code 1999, is
22 32 amended by adding the following new paragraph:

22 33 NEW PARAGRAPH. aa. "Applicable years of service" means
22 34 the following:

22 35 (1) For each active or inactive vested member retiring on
23 1 or after July 1, 1996, and before July 1, 2000, twenty-five.

23 2 (2) For each active or inactive vested member retiring on
23 3 or after July 1, 2000, and before July 1, 2001, twenty-four.

23 4 (3) For each active or inactive vested member retiring on
23 5 or after July 1, 2001, and before July 1, 2002, twenty-three.

23 6 (4) For each active or inactive vested member retiring on
23 7 or after July 1, 2002, twenty-two.

23 8 Sec. 38. Section [97B.49B](#), subsection 1, paragraph c, Code
23 9 1999, is amended to read as follows:

23 10 c. "Fraction of years of service" means a number, not to
23 11 exceed one, equal to the sum of the years of eligible service
23 12 in a protection occupation divided by

~~twenty five~~

~~the~~

23 13 applicable years of service for the member.

23 14 Sec. 39. Section [97B.49B](#), subsection 1, paragraph d, Code
23 15 1999, is amended by adding the following new subparagraph:

23 16 NEW SUBPARAGRAPH. (7) An employee covered by the merit
23 17 system as provided in chapter 19A whose primary duty is
23 18 providing airport security and who carries or is licensed to
23 19 carry a firearm while performing those duties.

23 20 Sec. 40. Section [97B.49D](#), subsection 1, paragraph b, Code

23 21 1999, is amended to read as follows:

23 22 b. One-twelfth of an amount equal to the applicable
23 23 percentage of the member's three-year average covered wage
23 24 multiplied by a fraction of years of service. The fraction of
23 25 years of service for purposes of this paragraph shall be the
23 26 actual years of service, not to exceed

~~twenty five~~

~~the~~

23 27 applicable years of service for the member as defined in
23 28 section 97B.49B, earned in a position described in section
23 29 97B.49B, for which special service contributions were made,
23 30 divided by

~~twenty five~~

~~the applicable years of service for the~~

23 31 member as defined in section 97B.49B. In calculating the
23 32 fractions of years of service under the paragraph, a member
23 33 shall not receive special service credit for years of service
23 34 for which the member and the member's employer did not make
23 35 the required special service contributions to the department.

24 1 Sec. 41. Section 97B.49F, subsection 1, paragraph b,
24 2 subparagraph (2), subparagraph subdivision (a), Code 1999, is
24 3 amended to read as follows:

24 4 (a) The percentage representing

~~eighty percent of~~

~~the~~

24 5 percentage increase in the consumer price index published in
24 6 the federal register by the federal department of labor,
24 7 bureau of labor statistics, that reflects the percentage
24 8 increase in the consumer price index for the twelve-month
24 9 period ending June 30 of the year that the dividend is to be
24 10 paid.

24 11 Sec. 42. Section 97B.49F, subsection 1, paragraph c, Code
24 12 1999, is amended to read as follows:

24 13 c. If a member eligible to receive a cost-of-living
24 14 dividend dies before November 1 of a year, a cost-of-living
24 15 dividend shall not be payable in November of that year in the
24 16 name of the member. If a member dies on or after November 1,
24 17 but before payment of a dividend is made in that month, the
24 18 full amount of the retirement dividend for that year shall be
24 19 paid in the member's name upon notification of the member's
24 20 death.

24 21 Sec. 43. Section 97B.49F, subsection 2, paragraph a, Code
24 22 1999, is amended to read as follows:

24 23 a. Commencing January 1, 1999, all members who retired on
24 24 or after July 1, 1990, and who have been retired for at least
24 25 one year as of the date the dividend is payable, or a
24 26 beneficiary or contingent annuitant of such a member who
24 27 receives a monthly benefit, shall be eligible to receive a
24 28 favorable experience dividend, payable on the last business
24 29 day in January of each year pursuant to the requirements of
24 30 this subsection. If the member, beneficiary, or contingent
24 31 annuitant eligible to receive a favorable experience dividend
24 32 dies before January 1 of a year, a favorable experience
24 33 dividend shall not be payable in January of that year in the
24 34 name of the member, beneficiary, or contingent annuitant.

24 35 However, if the member, beneficiary, or contingent annuitant
25 1 dies on or after January 1 but before the dividend is paid in
25 2 that month, the full amount of the dividend payable in that
25 3 month shall be paid in the name of the applicable member,
25 4 beneficiary, or contingent annuitant, upon notification of
25 5 death.

25 6 Sec. 44. Section 97B.49F, subsection 2, paragraph c, Code
25 7 1999, is amended by adding the following new subparagraph:

25 8 NEW SUBPARAGRAPH. (3A) Notwithstanding the provisions of

25 9 this paragraph to the contrary, moneys credited to the reserve
25 10 account in any applicable year shall not exceed an amount
25 11 which, if credited to the reserve account, would exceed an
25 12 amount that the system's actuary determines is sufficient to
25 13 pay the maximum favorable experience dividend for each of the
25 14 next following ten years, based on reasonable actuarial
25 15 assumptions.

25 16 Sec. 45. Section [97B.49F](#), subsection 2, paragraph d, Code
25 17 1999, is amended to read as follows:

25 18 d. The favorable experience dividend is calculated by
25 19 multiplying the

~~total of the~~
~~monthly~~

~~benefit payments of~~

25 20 retirement allowance payable to the retiree, beneficiary, or
25 21 contingent annuitant for the previous

~~calendar year~~
~~December,~~

25 22 or such other month as determined by the department, by
25 23 twelve, and then multiplying that amount by the number of
25 24 complete years the member has been retired or would have been
25 25 retired if living as of the date the dividend is payable, and
25 26 by the applicable percentage. For purposes of this paragraph,
25 27 the applicable percentage is the percentage, not to exceed
25 28 three percent, that the department determines shall be applied
25 29 in calculating the favorable experience dividend if the
25 30 department determines that the reserve account is sufficiently
25 31 funded to make a distribution. In making its determination,
25 32 the department shall consider, but not be limited to, the
25 33 amounts credited to the reserve account, the distributions
25 34 from the reserve account made in previous years, the
25 35 likelihood of future credits to and distributions from the
26 1 reserve account, and the distributions paid under subsection
26 2 1.

26 3 Sec. 46. Section [97B.49G](#), Code 1999, is amended by adding
26 4 the following new subsection:

26 5 NEW SUBSECTION. 12. PROBATION AND PAROLE OFFICERS III
26 6 JULY 1994 - JULY 1998. The department shall establish and
26 7 maintain additional contribution accounts for employees of
26 8 judicial district departments of correctional services who
26 9 were employed as parole officers III and probation officers
26 10 III during any portion of the period from July 1, 1994,
26 11 through June 30, 1998. A probation officer III or parole
26 12 officer III who made contributions to the retirement fund
26 13 during the period from July 1, 1994, through June 30, 1998, as
26 14 a member of a protection occupation shall have credited to an
26 15 additional contribution account for that probation or parole
26 16 officer an amount equal to the contributions made to the
26 17 retirement fund in excess of 3.7 percent of the probation or
26 18 parole officer's covered wages paid from July 1, 1994, through
26 19 June 30, 1998, plus interest at the applicable statutory
26 20 interest rates established in this chapter. Moneys deposited
26 21 in an additional contribution account established pursuant to
26 22 this section shall be payable in a lump sum to the probation
26 23 or parole officer at retirement or upon request for a refund
26 24 of moneys in the account. If the probation or parole officer
26 25 dies prior to receipt of moneys in the account, the
26 26 beneficiary designated by that probation or parole officer
26 27 shall receive a lump sum payment of moneys in the account.
26 28 The payment of moneys from the account created in this
26 29 subsection shall not be annuitized. A probation officer III
26 30 or parole officer III for which an account is established
26 31 under this subsection shall not receive credit for eligible

26 32 service as a member of a protection occupation for that
26 33 service.

26 34 Sec. 47. Section [97B.49H](#), subsection 5, paragraph c, Code
26 35 1999, is amended to read as follows:

27 1 c. Upon retirement, the member shall elect to receive in a
27 2 lump sum payment or in an annuity, in addition to any other
27 3 payment provided by this chapter, all amounts credited to the
27 4 member's supplemental account. The annuity provided under
27 5 this section shall be payable in the same form, at the same
27 6 time, and to the same persons, including beneficiaries and
27 7 contingent annuitants, that the member elects for the payments
27 8 under the other provisions of this chapter providing for the
27 9 monthly payment of allowances. The amount of an annuity
27 10 provided under this section, including amounts payable to
27 11 beneficiaries and contingent annuitants, shall be calculated
27 12 using the amount credited to the member's supplemental account
27 13 as of the date of retirement, and the assumptions underlying
27 14 the actuarial tables used to calculate optional allowances
27 15 under section 97B.51.

27 16 Sec. 48. Section [97B.50](#), subsection 1, unnumbered
27 17 paragraph 1, Code 1999, is amended to read as follows:

27 18 Except as otherwise provided in this section, a vested
27 19 member who is at least fifty-five years of age, upon
27 20 retirement prior to the normal retirement date

~~other than that~~

27 21

~~specified in section 97B.45, subsection 4~~
~~for that member, is~~

27 22 entitled to receive a monthly retirement allowance determined
27 23 in the same manner as provided for normal retirement in
27 24 sections 97B.49A, 97B.49E, and 97B.49G, reduced as follows:

27 25 Sec. 49. Section [97B.50](#), subsection 2, Code 1999, is
27 26 amended to read as follows:

27 27 2. a. A vested member who retires from the system due to
27 28 disability and commences receiving disability benefits
27 29 pursuant to the federal Social Security Act, 42 U.S.C. } 423
27 30 et seq., and who has not reached the normal retirement date,
27 31 shall receive benefits as selected under

~~sections 97B.49A~~

27 32

~~through 97B.49G, as applicable~~
~~section 97B.51, and shall not~~

27 33 have benefits reduced upon retirement as required under
27 34 subsection 1 regardless of whether the member has completed
27 35 thirty or more years of membership service. However, the
28 1 benefits shall be suspended during any period in which the
28 2 member returns to covered employment. This section takes
28 3 effect July 1, 1990, for a member meeting the requirements of
28 4 this paragraph who retired from the system at any time after
28 5 July 4, 1953. Eligible members retiring on or after July 1,
28 6 2000, are entitled to the receipt of retroactive adjustment
28 7 payments

~~back to July 1, 1990~~

~~for no more than thirty-six~~

28 8 months immediately preceding the month in which written notice
28 9 of retirement due to disability was submitted to the
28 10 department, notwithstanding the requirements of subsection 4.

28 11 b. A vested member who retires from the system due to
28 12 disability and commences receiving disability benefits
28 13 pursuant to the federal Railroad Retirement Act, 45 U.S.C. }

28 14 231 et seq., and who has not reached the normal retirement
28 15 date, shall receive benefits as selected under

~~sections~~

28 16

~~97B.49A through 97B.49C, as applicable~~

~~section 97B.51, and~~

28 17 shall not have benefits reduced upon retirement as required
28 18 under subsection 1 regardless of whether the member has
28 19 completed thirty or more years of membership service.

28 20 However, the benefits shall be suspended during any period in
28 21 which the member returns to covered employment. This section
28 22 takes effect July 1, 1990, for a member meeting the
28 23 requirements of this paragraph who retired from the system at
28 24 any time since July 4, 1953. Eligible members retiring on or
28 25 after July 1, 2000, are entitled to the receipt of retroactive
28 26 adjustment payments

~~back to July 1, 1990~~

~~for no more than~~

28 27 thirty-six months immediately preceding the month in which
28 28 written notice of retirement due to disability was submitted
28 29 to the department, notwithstanding the requirements of
28 30 subsection 4.

28 31 Sec. 50. Section 97B.50, subsection 2, Code 1999, is
28 32 amended by adding the following new paragraph:

28 33 NEW PARAGRAPH. c. A vested member who terminated service
28 34 due to a disability, who has been issued payment for a refund
28 35 pursuant to section 97B.53, and who subsequently commences
29 1 receiving disability benefits as a result of that disability
29 2 pursuant to the federal Social Security Act, 42 U.S.C. } 423
29 3 et seq. or the federal Railroad Retirement Act, 45 U.S.C. }
29 4 231 et seq., may receive credit for membership service for the
29 5 period covered by the refund payment, upon repayment to the
29 6 department of the actuarial cost of receiving service credit
29 7 for the period covered by the refund payment, as determined by
29 8 the department. For purposes of this paragraph, the actuarial
29 9 cost of the service purchase shall be determined as provided
29 10 in section 97B.74. The payment to the department as provided
29 11 in this paragraph shall be made within ninety days after July
29 12 1, 2000, or the date federal disability payments commenced,
29 13 whichever occurs later. For purposes of this paragraph, the
29 14 date federal disability payments commence shall be the date
29 15 that the member actually receives the first such payment,
29 16 regardless of any retroactive payments included in that
29 17 payment. A member who repurchases service credit under this
29 18 paragraph and applies for retirement benefits shall have the
29 19 member's monthly allowance, including retroactive adjustment
29 20 payments, determined in the same manner as provided in
29 21 paragraph "a" or "b", as applicable. This paragraph shall not
29 22 be implemented until the system has received a determination
29 23 letter from the federal internal revenue service approving the
29 24 system's plan's qualified status under Internal Revenue Code
29 25 section 401(a).

29 26 Sec. 51. NEW SECTION. 97B.50A DISABILITY BENEFITS FOR
29 27 SPECIAL SERVICE MEMBERS.

29 28 1. DEFINITIONS. For purposes of this section, unless the
29 29 context otherwise provides:

29 30 a. "Member" means a vested member who is classified as a
29 31 special service member under section 97B.1A, subsection 22, at
29 32 the time of the alleged disability. "Member" does not mean a
29 33 volunteer fire fighter.

29 34 b. "Net disability retirement allowance" means the amount
29 35 determined by subtracting the amount paid during the previous
30 1 calendar year by the member for health insurance or similar

30 2 health care coverage for the member and the member's
30 3 dependents from the amount of the member's disability
30 4 retirement allowance, including any dividends and
30 5 distributions from supplemental accounts, paid for that year
30 6 pursuant to this section.

30 7 c. "Reemployment comparison amount" means an amount equal
30 8 to the current covered wages of an active special service
30 9 member at the same position on the salary scale within the
30 10 rank or position the member held at the time the member
30 11 received a disability retirement allowance pursuant to this
30 12 section. If the rank or position held by the member at the
30 13 time of retirement pursuant to this section is abolished, the
30 14 amount shall be computed by the department as though the rank
30 15 or position had not been abolished and salary increases had
30 16 been granted on the same basis as granted to other ranks or
30 17 positions by the former employer of the member. The
30 18 reemployment comparison amount shall not be less than the
30 19 three-year average covered wage of the member, based on all
30 20 regular and special service covered under this chapter.

30 21 2. IN-SERVICE DISABILITY RETIREMENT ALLOWANCE.

30 22 a. A member who is injured in the performance of the
30 23 member's duties, and otherwise meets the requirements of this
30 24 subsection shall receive an in-service disability retirement
30 25 allowance under this subsection, in lieu of a monthly
30 26 retirement allowance as provided in section 97B.49A, 97B.49B,
30 27 97B.49C, 97B.49D, or 97B.49G, as applicable.

30 28 b. Upon application of a member, a member who has become
30 29 totally and permanently incapacitated for duty in the member's
30 30 special service occupation as the natural and proximate result
30 31 of an injury, disease, or exposure occurring or aggravated
30 32 while in the actual performance of duty at some definite place
30 33 and time shall be eligible to retire under this subsection,
30 34 provided that the medical board, as established by this
30 35 section, shall certify that the member is mentally or
31 1 physically incapacitated for further performance of duty, that
31 2 the incapacity is likely to be permanent, and that the member
31 3 should be retired. The department shall make the final
31 4 determination, based on the medical evidence received, of a
31 5 member's total and permanent disability. However, if a
31 6 person's special service membership in the system first
31 7 commenced on or after July 1, 2000, the member shall not be
31 8 eligible for benefits with respect to a disability which would
31 9 not exist, but for a medical condition that was known to exist
31 10 on the date that membership commenced. A member who is denied
31 11 a benefit under this subsection, by reason of a finding by the
31 12 department that the member is not mentally or physically
31 13 incapacitated for the further performance of duty, shall be
31 14 entitled to be restored to active service in the same or
31 15 comparable special service occupation position held by the
31 16 member immediately prior to the application for disability
31 17 benefits.

31 18 c. Disease under this subsection shall mean heart disease
31 19 or any disease of the lungs or respiratory tract and shall be
31 20 presumed to have been contracted while on active duty as a
31 21 result of strain, exposure, or the inhalation of noxious
31 22 fumes, poison, or gases. However, if a person's special
31 23 service membership in the system first commenced on or after
31 24 July 1, 2000, and the heart disease or disease of the lungs or
31 25 respiratory tract would not exist, but for a medical condition
31 26 that was known to exist on the date that special service
31 27 membership commenced, the presumption established in this
31 28 paragraph shall not apply.

31 29 d. Upon retirement for an in-service disability as
31 30 provided by this subsection, a member shall receive the
31 31 greater of a monthly in-service disability retirement
31 32 allowance calculated under this subsection or a monthly
31 33 retirement allowance as provided in section 97B.49A, 97B.49B,

31 34 97B.49C, 97B.49D, or 97B.49G, as applicable. The monthly in-
31 35 service disability allowance calculated under this subsection
32 1 shall consist of an allowance equal to one-twelfth of sixty
32 2 percent of the member's three-year average covered wage or its
32 3 actuarial equivalent as provided under section 97B.51.

32 4 3. ORDINARY DISABILITY RETIREMENT ALLOWANCE.

32 5 a. A member who otherwise meets the requirements of this
32 6 subsection shall receive an ordinary disability retirement
32 7 allowance under this subsection, in lieu of a monthly
32 8 retirement allowance as provided in section 97B.49A, 97B.49B,
32 9 97B.49C, 97B.49D, or 97B.49G, as applicable.

32 10 b. Upon application of a member, a member who has become
32 11 totally and permanently incapacitated for duty in the member's
32 12 special service occupation shall be eligible to retire under
32 13 this subsection, provided that the medical board, as
32 14 established by this section, shall certify that the member is
32 15 mentally or physically incapacitated for further performance
32 16 of duty, that the incapacity is likely to be permanent, and
32 17 that the member should be retired. The department shall make
32 18 the final determination, based on the medical evidence
32 19 received, of a member's total and permanent disability.
32 20 However, if a person's special service membership in the
32 21 system first commenced on or after July 1, 2000, the member
32 22 shall not be eligible for benefits with respect to a
32 23 disability which would not exist, but for a medical condition
32 24 that was known to exist on the date that special service
32 25 membership commenced. A member who is denied a benefit under
32 26 this subsection, by reason of a finding by the department that
32 27 the member is not mentally or physically incapacitated for the
32 28 further performance of duty, shall be entitled to be restored
32 29 to active service in the same or comparable special service
32 30 occupation position held by the member immediately prior to
32 31 the application for disability benefits.

32 32 c. Upon retirement for an ordinary disability as provided
32 33 by this subsection, a member shall receive the greater of a
32 34 monthly ordinary disability retirement allowance calculated
32 35 under this subsection or a monthly retirement allowance as
33 1 provided in section 97B.49A, 97B.49B, 97B.49C, 97B.49D, or
33 2 97B.49G, as applicable. The monthly ordinary disability
33 3 allowance calculated under this subsection shall consist of an
33 4 allowance equal to one-twelfth of fifty percent of the
33 5 member's three-year average covered wage or its actuarial
33 6 equivalent as provided under section 97B.51.

33 7 4. WAIVER OF ALLOWANCE. A member receiving a disability
33 8 retirement allowance under this section may file an
33 9 application to receive benefits pursuant to section 97B.50,
33 10 subsection 2, in lieu of receiving a disability retirement
33 11 allowance under this section, if the member becomes eligible
33 12 for benefits under section 97B.50, subsection 2. An
33 13 application to receive benefits pursuant to section 97B.50,
33 14 subsection 2, shall be filed with the department within sixty
33 15 days after the member becomes eligible for benefits pursuant
33 16 to that section or the member shall be ineligible to elect
33 17 coverage under that section. On the first of the month
33 18 following the month in which a member's application is
33 19 approved by the department, the member's election of coverage
33 20 under section 97B.50, subsection 2, shall become effective and
33 21 the member's eligibility to receive a disability retirement
33 22 allowance pursuant to this section shall cease. Benefits
33 23 payable pursuant to section 97B.50, subsection 2, shall be
33 24 calculated using the option choice the member selected for
33 25 payment of a disability retirement allowance pursuant to this
33 26 section. An application to elect coverage under section
33 27 97B.50, subsection 2, is irrevocable upon approval by the
33 28 department.

33 29 5. OFFSET TO ALLOWANCE. Notwithstanding any provisions to
33 30 the contrary in state law, or any applicable contract or

33 31 policy, any amounts which may be paid or payable by the
33 32 employer under any workers' compensation, unemployment
33 33 compensation, or other law to a member, and any disability
33 34 payments the member receives pursuant to the federal Social
33 35 Security Act, 42 U.S.C. } 423 et seq., shall be offset against
34 1 and payable in lieu of any retirement allowance payable
34 2 pursuant to this section on account of the same disability.

34 3 6. REEXAMINATION OF MEMBERS RETIRED ON ACCOUNT OF
34 4 DISABILITY.

34 5 a. Once each year during the first five years following
34 6 the retirement of a member under this section, and once in
34 7 every three-year period thereafter, the department may, and
34 8 upon the member's application shall, require any member
34 9 receiving an in-service or ordinary disability retirement
34 10 allowance who has not yet attained the age of fifty-five years
34 11 to undergo a medical examination as arranged by the medical
34 12 board as established by this section. The examination shall
34 13 be made by the medical board or by an additional physician or
34 14 physicians designated by the medical board. If any member
34 15 receiving an in-service or ordinary disability retirement
34 16 allowance who has not attained the age of fifty-five years
34 17 refuses to submit to the medical examination, the allowance
34 18 may be discontinued until the member's withdrawal of the
34 19 refusal, and should the member's refusal continue for one
34 20 year, all rights in and to the member's disability retirement
34 21 allowance shall be revoked by the department.

34 22 b. If a member is determined under paragraph "a" to be no
34 23 longer eligible for in-service or ordinary disability
34 24 benefits, all benefits paid under this section shall cease.
34 25 The member shall be eligible to receive benefits calculated
34 26 under section 97B.49B or 97B.49C, as applicable, when the
34 27 member reaches age fifty-five.

34 28 7. REEMPLOYMENT.

34 29 a. If a member receiving a disability retirement allowance
34 30 is returned to covered employment, the member's disability
34 31 retirement allowance shall cease, the member shall again
34 32 become an active member, and shall contribute thereafter at
34 33 the same rate payable by similarly classified members. If a
34 34 member receiving a disability retirement allowance returns to
34 35 special service employment, then the period of time the member
35 1 received a disability retirement allowance shall constitute
35 2 eligible service as defined in section 97B.49B, subsection 1,
35 3 or section 97B.49C, subsection 1, as applicable. Upon
35 4 subsequent retirement, the member's retirement allowance shall
35 5 be calculated as provided in section 97B.48A.

35 6 b. (1) If a member receiving a disability retirement
35 7 allowance is engaged in a gainful occupation that is not
35 8 covered employment, the member's disability retirement
35 9 allowance shall be reduced, if applicable, as provided in this
35 10 paragraph.

35 11 (2) If the member is engaged in a gainful occupation
35 12 paying more than the difference between the member's net
35 13 disability retirement allowance and one and one-half times the
35 14 reemployment comparison amount for that member, then the
35 15 amount of the member's disability retirement allowance shall
35 16 be reduced to an amount such that the member's net disability
35 17 retirement allowance plus the amount earned by the member
35 18 shall equal one and one-half times the reemployment comparison
35 19 amount for that member.

35 20 (3) The member shall submit sufficient documentation to
35 21 the system to permit the system to determine the member's net
35 22 disability retirement allowance and earnings from a gainful
35 23 occupation that is not covered employment for the applicable
35 24 year.

35 25 (4) This paragraph does not apply to a member who is at
35 26 least fifty-five years of age and would have completed a
35 27 sufficient number of years of service if the member had

35 28 remained in active special service employment. For purposes
35 29 of this subparagraph, a sufficient number of years of service
35 30 shall be twenty-five for a special service member as described
35 31 in section 97B.49B or twenty-two for a special service member
35 32 as described in section 97B.49C.

35 33 8. DEATH BENEFITS. A member who is receiving an in-
35 34 service or ordinary disability retirement allowance under this
35 35 section shall be treated as having elected a lifetime monthly
36 1 retirement allowance with death benefits payable under section
36 2 97B.52, subsection 2, unless the member elects an optional
36 3 form of benefit provided under section 97B.51, which shall be
36 4 actuarially equivalent to the lifetime monthly retirement
36 5 allowance provided under this section.

36 6 9. MEDICAL BOARD. The system shall designate a medical
36 7 board to be composed of three physicians from the university
36 8 of Iowa hospitals and clinics who shall arrange for and pass
36 9 upon the medical examinations required under this section and
36 10 shall report in writing to the department the conclusions and
36 11 recommendations upon all matters duly referred to the medical
36 12 board. Each report of a medical examination under this
36 13 section shall include the medical board's findings as to the
36 14 extent of the member's physical or mental impairment. Except
36 15 as required by this section, each report shall be confidential
36 16 and shall be maintained in accordance with the federal
36 17 Americans with Disabilities Act, and any other state or
36 18 federal law containing requirements for confidentiality of
36 19 medical records.

36 20 10. LIABILITY OF THIRD PARTIES SUBROGATION.

36 21 a. If a member receives an injury for which benefits are
36 22 payable under this section, and if the injury is caused under
36 23 circumstances creating a legal liability for damages against a
36 24 third party other than the system, the member or the member's
36 25 legal representative may maintain an action for damages
36 26 against the third party. If a member or a member's legal
36 27 representative commences such an action, the plaintiff member
36 28 or representative shall serve a copy of the original notice
36 29 upon the system not less than ten days before the trial of the
36 30 action, but a failure to serve the notice does not prejudice
36 31 the rights of the system, and the following rights and duties
36 32 ensue:

36 33 (1) The system shall be indemnified out of the recovery of
36 34 damages to the extent of benefit payments made by the system,
36 35 with legal interest, except that the plaintiff member's
37 1 attorney fees may be first allowed by the district court.

37 2 (2) The system has a lien on the damage claim against the
37 3 third party and on any judgment on the damage claim for
37 4 benefits for which the system is liable. In order to continue
37 5 and preserve the lien, the system shall file a notice of the
37 6 lien within thirty days after receiving a copy of the original
37 7 notice in the office of the clerk of the district court in
37 8 which the action is filed.

37 9 b. If a member fails to bring an action for damages
37 10 against a third party within thirty days after the system
37 11 requests the member in writing to do so, the system is
37 12 subrogated to the rights of the member and may maintain the
37 13 action against the third party, and may recover damages for
37 14 the injury to the same extent that the member may recover
37 15 damages for the injury. If the system recovers damages in the
37 16 action, the court shall enter judgment for distribution of the
37 17 recovery as follows:

37 18 (1) A sum sufficient to repay the system for the amount of
37 19 such benefits actually paid by the system up to the time of
37 20 the entering of the judgment.

37 21 (2) A sum sufficient to pay the system the present worth,
37 22 computed at the interest rate provided in section 535.3 for
37 23 court judgments and decrees, of the future payments of such
37 24 benefits, for which the system is liable, but the sum is not a

37 25 final adjudication of the future payment which the member is
37 26 entitled to receive.

37 27 (3) Any balance shall be paid to the member.

37 28 c. Before a settlement is effective between the system and
37 29 a third party who is liable for any injury, the member must
37 30 consent in writing to the settlement; and if the settlement is
37 31 between the member and a third party, the system must consent
37 32 in writing to the settlement; or on refusal to consent, in
37 33 either case, the district court in the county in which either
37 34 the employer of the member or the system is located must
37 35 consent in writing to the settlement.

38 1 d. For purposes of subrogation under this section, a
38 2 payment made to an injured member or the member's legal
38 3 representative, by or on behalf of a third party or the third
38 4 party's principal or agent, who is liable for, connected with,
38 5 or involved in causing the injury to the member, shall be
38 6 considered paid as damages because the injury was caused under
38 7 circumstances creating a legal liability against the third
38 8 party, whether the payment is made under a covenant not to
38 9 sue, compromise settlement, denial of liability, or is
38 10 otherwise made.

38 11 11. DOCUMENT SUBMISSIONS. A member retired under this
38 12 section, in order to be eligible for continued receipt of
38 13 retirement benefits, shall submit to the department any
38 14 documentation the department may reasonably request which will
38 15 provide information needed to determine payments to the member
38 16 under this section.

38 17 12. ADDITIONAL CONTRIBUTIONS. The expenses incurred in
38 18 the administration of this section by the system shall be paid
38 19 through additional contributions as determined pursuant to
38 20 section 97B.49B, subsection 3, or section 97B.49C, subsection
38 21 3, as applicable.

38 22 13. APPLICABILITY RETROACTIVITY.

38 23 a. This section applies to a member who becomes disabled
38 24 on or after July 1, 2000, and also applies to a member who
38 25 becomes disabled prior to July 1, 2000, if the member has not
38 26 terminated special service employment as of June 30, 2000.

38 27 b. To qualify for benefits under this section, a member
38 28 must file a completed application with the department within
38 29 one year of the member's termination of employment. A member
38 30 eligible for a disability retirement allowance under this
38 31 section is entitled to receipt of retroactive adjustment
38 32 payments for no more than six months immediately preceding the
38 33 month in which the completed application for receipt of a
38 34 disability retirement allowance under this section is
38 35 approved.

39 1 14. RULES. The department shall adopt rules pursuant to
39 2 chapter 17A specifying the application procedure for members
39 3 pursuant to this section.

39 4 Sec. 52. Section [97B.51](#), Code 1999, is amended by striking
39 5 the section and inserting in lieu thereof the following:

39 6 97B.51 ALLOWANCE UPON RETIREMENT.

39 7 1. Each member has the right prior to the member's
39 8 retirement date to elect to have the member's retirement
39 9 allowance payable under one of the options set forth in this
39 10 section. The amount of the optional retirement allowance
39 11 selected in paragraph "a", "c", "d", or "e", shall be the
39 12 actuarial equivalent of the amount of the retirement allowance
39 13 otherwise payable to the member as determined by the system in
39 14 consultation with the system's actuary. The member shall make
39 15 an election by written request to the department and the
39 16 election is subject to the approval of the department. If the
39 17 member is married, election of an option under this section
39 18 requires the written acknowledgment of the member's spouse.
39 19 The member may select one of the following options:

39 20 a. At retirement, a member may designate that upon the
39 21 member's death, a specified amount of money shall be paid to a

39 22 named beneficiary, and the member's monthly retirement
39 23 allowance shall be reduced by an actuarially determined amount
39 24 to provide for the lump sum payment. The amount designated by
39 25 the member must be in thousand dollar increments and shall be
39 26 limited to the amount of the member's accumulated
39 27 contributions. The amount designated shall not lower the
39 28 monthly retirement allowance of the member by more than one-
39 29 half the amount payable as provided in paragraph "b". A
39 30 member may designate a different beneficiary at any time,
39 31 except as limited by an order that has been accepted by the
39 32 department as complying with the requirements of section
39 33 97B.39.

39 34 b. A member may elect a retirement allowance otherwise
39 35 payable to the member upon retirement under the retirement
40 1 system pursuant to this chapter, to include the applicable
40 2 provisions of sections 97B.49A through 97B.49G, and a death
40 3 benefit as provided in section 97B.52, subsection 2.

40 4 c. A member may elect an increased retirement allowance
40 5 during the member's lifetime with no death benefit after the
40 6 member's retirement date.

40 7 d. (1) A member may elect to receive a decreased
40 8 retirement allowance during the member's lifetime and have the
40 9 decreased retirement allowance, or a designated fraction
40 10 thereof, continued after the member's death to another person,
40 11 called a contingent annuitant, during the lifetime of the
40 12 contingent annuitant. The member cannot change the contingent
40 13 annuitant after the member's retirement. In case of the
40 14 election of a contingent annuitant, no death benefits, as
40 15 might otherwise be provided by this chapter, will be payable
40 16 upon the death of either the member or the contingent
40 17 annuitant after the member's retirement.

40 18 (2) In lieu of a benefit as calculated under subparagraph
40 19 (1), a member may elect to receive a decreased retirement
40 20 allowance during the member's lifetime and have the decreased
40 21 retirement allowance, or a designated fraction thereof,
40 22 continued after the member's death to another person, called a
40 23 contingent annuitant, during the lifetime of the contingent
40 24 annuitant, as determined by this subparagraph. In addition,
40 25 if the contingent annuitant dies prior to the death of the
40 26 member, the member shall receive a retirement allowance
40 27 beginning with the first month following the death of the
40 28 contingent annuitant as if the member had selected the option
40 29 provided by paragraph "b" at the time of the member's first
40 30 retirement. The member cannot change the contingent annuitant
40 31 after the member's retirement. If a contingent annuitant
40 32 receives a decreased retirement allowance under this
40 33 subparagraph following the death of the member, no death
40 34 benefits, as might otherwise be provided by this chapter, will
40 35 be payable upon the death of the contingent annuitant.

41 1 e. A member may elect to receive a decreased retirement
41 2 allowance during the member's lifetime with provision that in
41 3 event of the member's death during the first one hundred
41 4 twenty months of retirement, monthly payments of the member's
41 5 decreased retirement allowance shall be made to the member's
41 6 beneficiary until a combined total of one hundred twenty
41 7 monthly payments have been made to the member and the member's
41 8 beneficiary. When the member designates multiple
41 9 beneficiaries, the present value of the remaining payments
41 10 shall be paid in a lump sum to each beneficiary, either in
41 11 equal shares to the beneficiaries, or if the member specifies
41 12 otherwise in a written request, in the specified proportion.
41 13 A member may designate a different beneficiary at any time,
41 14 except as limited by an order that has been accepted by the
41 15 department as complying with the requirements of section
41 16 97B.39.

41 17 2. The election by a member of an option stated under this
41 18 section shall be null and void if the member dies prior to the

41 19 member's first month of entitlement.

41 20 3. A member who had elected to take an option stated in
41 21 this section, may, at any time prior to retirement, revoke
41 22 such an election by written notice to the department. A
41 23 member shall not change or revoke an election once the first
41 24 retirement allowance is paid.

41 25 Sec. 53. Section 97B.52, subsection 1, Code 1999, is
41 26 amended to read as follows:

41 27 1. If a member dies prior to the member's first month of
41 28 entitlement, the member's beneficiary shall be entitled to
41 29 receive a death benefit equal to the greater of the amount
41 30 provided in paragraph "a" or "b".

41 31 a. A lump sum payment equal to the accumulated
41 32 contributions of the member at the date of death plus the
41 33 product of an amount equal to the highest year of covered
41 34 wages of the deceased member and the number of years of
41 35 membership service divided by the applicable denominator

~~shall~~

42 1

~~be paid to the member's beneficiary in a lump sum payment~~

42 2 However, a lump sum payment made to a beneficiary under this
42 3

~~subsection~~

~~paragraph~~ due to the death of a member shall not be

42 4 less than the amount that would have been payable on the death
42 5 of the member on June 30, 1984, under this

~~subsection~~

42 6 paragraph as it appeared in the 1983 Code.

42 7 As used in this

~~subsection~~

~~paragraph~~, "applicable

42 8 denominator" means the following, based upon the type of
42 9 membership service in which the member served either on the
42 10 date of death, or if the member died after terminating
42 11 service, on the date of the member's last termination of
42 12 service:

42 13

~~a.~~

~~(1)~~ For regular service, the applicable denominator is

42 14 thirty.

42 15

~~b.~~

~~(2)~~ For service in a protection occupation, as defined

42 16 in section 97B.49B, the applicable denominator is

~~twenty five~~

42 17 the applicable years of service for the member as defined in
42 18 section 97B.49B if the member had retired on the date of
42 19 death.

42 20

~~c.~~

~~(3)~~ For service as a sheriff, deputy sheriff, or

42 21 airport fire fighter, as provided in section 97B.49C, the
42 22 applicable denominator is twenty-two.

42 23 Effective July 1, 1978, a method of payment under this

~~subsection~~

- ~~paragraph~~ filed with the department by a member
42 25 does not apply.

42 26 b. For a member who dies on or after January 1, 2001, a
42 27 lump sum payment equal to the actuarial present value of the
42 28 member's accrued benefit as of the date of death. The
42 29 actuarial equivalent present value of the member's accrued
42 30 benefit as of the date of death shall be calculated using the
42 31 same interest rate and mortality tables that are used by the
42 32 system and the system's actuary under section 97B.51, and
42 33 shall assume that the member would have retired at the
42 34 member's earliest normal retirement date.

42 35 c. The payment of a death benefit to a designated
43 1 beneficiary as provided by this subsection shall be in a lump
43 2 sum payment. However, if the designated beneficiary is a sole
43 3 individual, the beneficiary may elect to receive, in lieu of a
43 4 lump sum payment under this subsection, a monthly annuity
43 5 payable for the life of the beneficiary. The monthly annuity
43 6 shall be calculated by applying the annuity tables used by the
43 7 department to the lump sum payment under this subsection based
43 8 on the beneficiary's age. If the designated beneficiary is
43 9 more than one individual, or if the designated beneficiary is
43 10 an estate, trust, church, charity, or other similar
43 11 organization, a death benefit under this subsection shall only
43 12 be paid in a lump sum.

43 13 Sec. 54. Section [97B.52](#), Code 1999, is amended by adding
43 14 the following new subsection:

43 15 NEW SUBSECTION. 1A. a. If the department determines,
43 16 upon the receipt of evidence and proof, that the death of a
43 17 member in special service was the direct and proximate result
43 18 of a traumatic personal injury incurred in the line of duty as
43 19 a member in special service, a line of duty death benefit in
43 20 an amount of one hundred thousand dollars shall be paid in a
43 21 lump sum to the special service member's beneficiary. A line
43 22 of duty death benefit payable under this subsection shall be
43 23 in addition to any death benefit payable as provided in
43 24 subsection 1.

43 25 b. A line of duty death benefit shall not be payable under
43 26 this subsection if any of the following applies:

43 27 (1) The death resulted from stress, strain, occupational
43 28 illness, or a chronic, progressive, or congenital illness,
43 29 including, but not limited to, a disease of the heart, lungs,
43 30 or respiratory system, unless a traumatic personal injury was
43 31 a substantial contributing factor to the special service
43 32 member's death.

43 33 (2) The death was caused by the intentional misconduct of
43 34 the special service member or by the special service member's
43 35 intent to cause the special service member's own death.

44 1 (3) The special service member was voluntarily intoxicated
44 2 at the time of death.

44 3 (4) The special service member was performing the special
44 4 service member's duties in a grossly negligent manner at the
44 5 time of death.

44 6 (5) A beneficiary who would otherwise be entitled to a
44 7 benefit under this subsection was, through the beneficiary's
44 8 actions, a substantial contributing factor to the special
44 9 service member's death.

44 10 Sec. 55. Section [97B.52](#), subsection 2, Code 1999, is
44 11 amended to read as follows:

44 12 2. If a member dies on or after the first day of the
44 13 member's first month of entitlement, the excess, if any, of
44 14 the accumulated contributions by the member as of said date,
44 15 over the total gross monthly retirement allowances received by
44 16 the member under the retirement system will be paid to the
44 17 member's beneficiary unless the retirement allowance is then

44 18 being paid in accordance with section 97B.48 or with section
44 19 97B.51, subsection 1,

~~4, 5, or 6~~

~~paragraph "a", "c", "d", or
"e".~~

44 20
44 21 Sec. 56. Section [97B.52](#), subsection 3, paragraph a, Code
44 22 1999, is amended to read as follows:

44 23 a. Other than as provided in subsections 1, ~~1A~~, and 2 of
44 24 this section, or section 97B.51, all rights to any benefits
44 25 under the retirement system shall cease upon the death of a
44 26 member.

44 27 Sec. 57. Section [97B.52](#), subsection 4, unnumbered
44 28 paragraph 1, Code 1999, is amended to read as follows:

44 29 In order to receive the death benefit, the beneficiary,
44 30 heirs at law, or the estate, or any other third-party payee,
44 31 must apply to the department within five years of the member's
44 32 death. However, death benefits payable under this section
44 33 shall not exceed the amount permitted pursuant to Internal
44 34 Revenue Code section 401(a)(9) and the applicable treasury
44 35 regulations.

45 1 Sec. 58. Section [97B.52](#), subsection 5, Code 1999, is
45 2 amended to read as follows:

45 3 5. Following written notification to the department, a
45 4 beneficiary of a deceased member may waive current and future
45 5 rights to payments to which the beneficiary would otherwise be
45 6 entitled under section 97B.51,

~~subsections 5 and 6 and this~~

45 7

~~section~~

~~subsection 1, paragraphs "a", "b", and "e".~~ Upon

45 8 receipt of the waiver, the department shall pay the amount
45 9 designated to be received by that beneficiary to the member's
45 10 other surviving beneficiary or beneficiaries or to the estate
45 11 of the deceased member, as elected by the beneficiary in the
45 12 waiver. If the payments being waived are payable to the
45 13 member's estate and an estate is not probated, the payments
45 14 shall be paid to the deceased member's surviving spouse, or if
45 15 there is no surviving spouse, to the member's heirs other than
45 16 the beneficiary who waived the payments.

45 17 Sec. 59. Section [97B.52A](#), subsection 1, paragraph b, Code
45 18 1999, is amended to read as follows:

45 19 b. For a member whose first month of entitlement is July
45 20 1998 or later, but before July 2000, the member does not
45 21 return to any employment with a covered employer until the
45 22 member has qualified for no fewer than four calendar months of
45 23 retirement benefits.

45 24 Sec. 60. Section [97B.52A](#), subsection 1, Code 1999, is
45 25 amended by adding the following new paragraph:

45 26 NEW PARAGRAPH. c. For a member whose first month of
45 27 entitlement is July 2000 or later, the member does not return
45 28 to any employment with a covered employer until the member has
45 29 qualified for at least one calendar month of retirement
45 30 benefits, and the member does not return to covered employment
45 31 until the member has qualified for no fewer than four calendar
45 32 months of retirement benefits. For purposes of this
45 33 paragraph, effective July 1, 2000, any employment with a
45 34 covered employer does not include employment as an elective
45 35 official or member of the general assembly if the member is
46 1 not covered under this chapter for that employment.

46 2 Sec. 61. Section [97B.52A](#), subsection 2, Code 1999, is
46 3 amended to read as follows:

46 4 2. A member may commence receiving retirement benefits
46 5 under this chapter upon satisfying eligibility requirements.

46 6 However, a retired member who commences receiving a retirement
46 7 allowance but

~~returns to employment before qualifying for no~~

46 8

~~fewer than four calendar months of retirement benefits~~

~~fails~~

46 9 to meet the applicable requirements of subsection 1 does not
46 10 have a bona fide retirement and any retirement allowance
46 11 received by such a member must be returned to the system
46 12 together with interest earned on the retirement allowance
46 13 calculated at a rate determined by the department. Until the
46 14 member has repaid the retirement allowance and interest, the
46 15 department may withhold any future retirement allowance for
46 16 which the member may qualify.

46 17 Sec. 62. Section [97B.52A](#), Code 1999, is amended by adding
46 18 the following new subsection:

46 19 NEW SUBSECTION. 4. The requirements of this section shall
46 20 apply to a lump sum payment as provided by section 97B.48,
46 21 subsection 1, and the payment of contributions as provided in
46 22 section 97B.48A, subsection 4.

46 23 Sec. 63. Section [97B.53](#), Code Supplement 1999, is amended
46 24 to read as follows:

46 25 97B.53 TERMINATION OF EMPLOYMENT REFUND OPTIONS.

46 26 Membership in the retirement system, and all rights to the
46 27 benefits under the system,

~~will~~

~~cease upon a member's~~

46 28 termination of employment with the employer prior to the
46 29 member's retirement, other than by death, and upon receipt by
46 30 the member of

~~the~~

~~a refund of moneys in the member's~~

46 31

~~accumulated contributions~~

~~account as provided in this section.~~

46 32 1. Upon the termination of employment with the employer
46 33 prior to retirement other than by death of a member, the
46 34 member's account, consisting of accumulated contributions by
46 35 the member and, for a

~~vested~~

~~member who is vested on the date~~

47 1 an application for a refund is filed, the member's share of
47 2 the accumulated employer contributions for the vested member
47 3 at the date of the termination, may be paid to the member upon
47 4 application, except as provided in subsections 2, 5, and 6.
47 5 For the purpose of this subsection, the "member's share of the
47 6 accumulated employer contributions" is an amount equal to the
47 7

~~total obtained as of any date, by accumulating each individual~~

47 8

~~contribution by the employer for the member with interest plus~~

47 9

~~interest dividends as provided in section 97B.70, for all~~

47 10

~~completed calendar years and for any completed calendar year~~

47 11

~~for which the interest dividend has not been declared and for~~

47 12

~~completed months of partially completed calendar years,~~

47 13

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

~~accumulated employer~~

47 14 contributions of the member multiplied by a fraction of years
47 15 of service for that member as defined in section 97B.49A,
47 16 97B.49B, or 97B.49C.

47 17 2. If a vested member's employment is terminated prior to
47 18 the member's retirement, other than by death, the member may
47 19 receive a monthly retirement allowance commencing on the first
47 20 day of the month in which the member attains the age of sixty-
47 21 five years, if the member is then alive, or, if the member so
47 22 elects in accordance with section 97B.47, commencing on the
47 23 first day of the month in which the member attains the age of
47 24 fifty-five or any month thereafter prior to the date the
47 25 member attains the age of sixty-five years, and continuing on
47 26 the first day of each month thereafter during the member's
47 27 lifetime, provided the member does not receive prior to the
47 28 date the member's retirement allowance is to commence a refund
47 29 of

~~accumulated contributions~~

~~moneys in the member's account as~~

47 30 provided under any of the provisions of this chapter. The
47 31 amount of each such monthly retirement allowance shall be
47 32 determined as provided in either sections 97B.49A through
47 33 97B.49G, or in section 97B.50, whichever is applicable.
47 34

~~3. The accumulated contributions account of a terminated,~~

47 35

~~vested member shall be credited with interest, including~~

48 1

~~interest dividends, in the manner provided in section 97B.70.~~

48 2

~~4.~~

~~3.~~ A terminated, vested member has the right, prior to
48 3 the commencement of the member's retirement allowance, to
48 4 receive a refund of moneys in the member's

~~accumulated~~

48 5

~~contributions~~

~~account,~~ and in the event of the death of the

48 6 member prior to the commencement of the member's retirement
48 7 allowance and prior to the receipt of any such refund, the
48 8 benefits

~~—of~~

- authorized by subsection 1 and subsection 1A of
48 9 section 97B.52 shall be paid.
48 10

~~—5.~~

- 4. A member has not terminated employment for purposes
48 11 of this section if the member accepts other covered employment
48 12 within

~~—thirty days~~

- four months after receiving the last
48 13 payment of wages for covered employment, or if the member
48 14 begins covered employment prior to filing a request for a
48 15 refund with the department.
48 16

~~—5A.~~

- 5. Within sixty days after a member has been issued
48 17 payment for a refund of moneys in the member's

~~—accumulated~~

-
48 18

~~—contributions~~

- account, the member may repay the

~~—accumulated~~

-
48 19

~~—contributions~~

- moneys refunded, plus interest that would have
48 20 accrued, as determined by the department, and receive credit
48 21 for membership service for the period covered by the refund
48 22 payment.
48 23

~~—5B.~~

- 6. A member who does not withdraw moneys in the
48 24 member's

~~—accumulated contributions~~

- account upon termination of
48 25 employment may at any time request the return of the moneys in
48 26 the member's

~~—accumulated contributions~~

- account, but if the
48 27 member receives a return of

~~—contributions~~

- moneys in the
48 28 member's account the member has waived all claims for any
48 29 other benefits and membership rights from the fund.
48 30 7. If a member is involuntarily terminated from covered
48 31 employment, has been issued payment for a refund, and is
48 32 retroactively reinstated in covered employment as a remedy for
48 33 an employment dispute, the member may receive credit for
48 34 membership service for the period covered by the refund
48 35 payment upon repayment to the department within ninety days
49 1 after the date of the order or agreement requiring
49 2 reinstatement of the amount of the refund plus interest that
49 3 would have accrued, as determined by the department.

49 4

~~6.~~

- 8. The system is under no obligation to maintain the
49 5

~~accumulated contribution~~

- member account of a member who
49 6 terminates covered employment prior to December 31, 1998, if
49 7 the member was not vested at the time of termination. A
49 8 person who made contributions to the abolished system, who is
49 9 entitled to a refund in accordance with the provisions of this
49 10 chapter, and who has not claimed and received such a refund
49 11 prior to January 1, 1964, shall, if the person makes a claim
49 12 for refund after January 1, 1964, be required to submit proof
49 13 satisfactory to the department of the person's entitlement to
49 14 the refund. The department is under no obligation to maintain
49 15 the

~~contribution~~

- member accounts of such persons after January
49 16 1, 1964.
49 17

~~7.~~

- 9. Any member whose employment is terminated may elect
49 18 to leave the moneys in the member's

~~accumulated contributions~~

-
49 19 member account in the retirement fund.
49 20

~~8.~~

- 10. If an employee hired to fill a permanent position
49 21 terminates the employee's employment within six months from
49 22 the date of employment, the employer may file a claim with the
49 23 department for a refund of the funds contributed to the
49 24 department by the employer for the employee.
49 25 Sec. 64. Section [97B.53A](#), Code 1999, is amended to read as
49 26 follows:
49 27 97B.53A DUTY OF DEPARTMENT.
49 28

~~Effective July 1, 1991, upon~~

- Upon a member's termination of
49 29 covered employment prior to the member's retirement, the
49 30 department shall send the member by first class mail, to the
49 31 member's last known mailing address, a notice setting forth
49 32 the balance and status of the member's account and
49 33 supplemental account and an explanation of the courses of
49 34 action available to the member under this chapter.
49 35 Sec. 65. Section [97B.53B](#), subsection 1, paragraph c,
50 1 unnumbered paragraph 1, Code 1999, is amended to read as
50 2 follows:
50 3 "Eligible rollover distribution" means all or any portion
50 4 of a member's account and supplemental account, except that an
50 5 eligible rollover distribution does not include any of the
50 6 following:
50 7 Sec. 66. Section [97B.60](#), Code 1999, is amended to read as
50 8 follows:
50 9 97B.60 ACTUARIAL INVESTIGATION.
50 10

~~At least once in each two year period~~

- During calendar year
50 11 2002, and every four years thereafter, the department shall
50 12 cause an actuarial investigation to be made of all experience
50 13 under the retirement system. Pursuant to such an

50 14 investigation, the department shall, from time to time,
50 15 determine upon an actuarial basis the condition of the system
50 16 and shall report to the general assembly its findings and
50 17 recommendations. The department shall adopt from time to time
50 18 mortality tables and all other necessary factors for use in
50 19 all actuarial calculations required in connection with the
50 20 retirement system.

50 21 Sec. 67. Section 97B.70, Code 1999, is amended to read as
50 22 follows:

50 23 97B.70 INTEREST AND DIVIDENDS TO MEMBERS.

50 24 1. For calendar years prior to January 1, 1997, interest
50 25 at two percent per annum and interest dividends declared by
50 26 the department shall be credited to the member's contributions
50 27 and the employer's contributions to become part of the
50 28 accumulated contributions and accumulated employer
50 29 contributions thereby.

50 30 a. The average rate of interest earned shall be determined
50 31 upon the following basis:

50 32 (1) Investment income shall include interest and cash
50 33 dividends on stock.

50 34 (2) Investment income shall be accounted for on an accrual
50 35 basis.

51 1 (3) Capital gains and losses, realized or unrealized,
51 2 shall not be included in investment income.

51 3 (4) Mean assets shall include fixed income investments
51 4 valued at cost or on an amortized basis, and common stocks at
51 5 market values or cost, whichever is lower.

51 6 (5) The average rate of earned interest shall be the
51 7 quotient of the investment income and the mean assets of the
51 8 retirement fund.

51 9 b. The interest dividend shall be determined within sixty
51 10 days after the end of each calendar year as follows:

51 11 The dividend rate for a calendar year shall be the excess
51 12 of the average rate of interest earned for the year over the
51 13 statutory two percent rate plus twenty-five hundredths of one
51 14 percent. The average rate of interest earned and the interest
51 15 dividend rate in percent shall be calculated to the nearest
51 16 one hundredth, that is, to two decimal places. Interest and
51 17 interest dividends calculated pursuant to this subsection
51 18 shall be compounded annually.

51 19 2. For calendar years beginning January 1, 1997, a per
51 20 annum interest rate at one percent above the interest rate on
51 21 one-year certificates of deposit shall be credited to the
51 22 member's contributions and the employer's contributions to
51 23 become part of the accumulated contributions and accumulated
51 24 employer contributions account. For purposes of this
51 25 subsection, the interest rate on one-year certificates of
51 26 deposit shall be determined by the department based on the
51 27 average rate for such certificates of deposit as of the first
51 28 business day of each year as published in a publication of
51 29 general acceptance in the business community. The per annum
51 30 interest rate shall be credited on a quarterly basis by
51 31 applying one-quarter of the annual interest rate to the sum of
51 32 the accumulated contributions and the accumulated employer
51 33 contributions as of the end of the previous calendar quarter.

51 34 3. Interest shall be credited to the accumulated
51 35 contributions and accumulated employer contributions accounts,
52 1 and supplemental accounts of active members, inactive vested
52 2 members, and, effective January 1, 1999, to inactive nonvested
52 3 members, until the quarter prior to the quarter in which the
52 4 member's first retirement allowance is paid or in which the
52 5 member is issued a refund under section 97B.53, or in which a
52 6 death benefit is issued.

52 7 4. Prior to January 1, 1999, interest and interest
52 8 dividends shall be credited to the accumulated contributions
52 9 and accumulated employer contributions account of a person who
52 10 leaves the contributions in the retirement fund upon

52 11 termination from covered employment prior to achieving vested
52 12 status, but who subsequently returns to covered employment.
52 13 Upon return to covered employment but prior to January 1,
52 14 1999, interest and interest dividends shall be credited to the
52 15 accumulated contributions and accumulated employer
52 16 contributions account of the person commencing upon the date
52 17 on which the person has covered wages.

52 18 5. If the department no longer maintains the accumulated
52 19 contribution and accumulated employer contributions account of
52 20 the person pursuant to this chapter, but the person submits
52 21 satisfactory proof to the department that the person, or the
52 22 person's employer, did make

~~the~~

- contributions that should be

52 23 included in the accumulated contributions and accumulated
52 24 employer contributions account, the department shall credit
52 25 interest and interest dividends in the manner provided in
52 26 subsection 4.

52 27 Sec. 68. Section 97B.73, subsection 1, Code 1999, is
52 28 amended to read as follows:

52 29 1. a. A vested or retired member who has one or more full
52 30 calendar years of covered wages who was in public employment
52 31 comparable to employment covered under this chapter in another
52 32 state or in the federal government, or who was a member of
52 33 another public retirement system in this state, including but
52 34 not limited to the teachers insurance annuity association-
52 35 college retirement equities fund, but who was not retired
53 1 under that system, upon submitting verification of membership
53 2 and service in the other public system to the department,
53 3 including proof that the member has no further claim upon a
53 4 retirement benefit from that other public system, may make
53 5 contributions as provided by this section to the system either
53 6 for the entire period of service in the other public system,
53 7 or for partial service in the other public system in
53 8 increments of one or more calendar quarters. If the member
53 9 wishes to transfer only a portion of the service value of
53 10 another public system to this system and the other public
53 11 system allows a partial withdrawal of a member's system
53 12 credits, the member shall receive credit for membership
53 13 service in this system equivalent to the period of service
53 14 transferred from the other public system.

53 15 b. A vested or retired member who has five or more full
53 16 calendar years of covered wages who was in public employment
53 17 comparable to employment covered under this chapter in a
53 18 qualified Canadian governmental entity may make contributions
53 19 as provided by this section to the system and receive service
53 20 credit, in increments of one or more calendar quarters, for up
53 21 to the lesser of twenty quarters of service credit for such
53 22 employment or the entire period of service in the other public
53 23 system. Prior to receiving service credit, the member shall
53 24 submit verification of membership and service in the other
53 25 public system to the department, including proof that the
53 26 member has no further claim upon a retirement benefit from
53 27 that other public system. If the member wishes to transfer
53 28 only a portion of the service value of another public system
53 29 to this system and the other public system allows a partial
53 30 withdrawal of a member's system credits, the member shall
53 31 receive credit for membership service in this system
53 32 equivalent to the period of service transferred from the other
53 33 public system. For purposes of this paragraph, "qualified
53 34 Canadian governmental entity" means an elementary school,
53 35 secondary school, college, or university that is organized,
54 1 administered, and primarily supported by the provincial,
54 2 territorial, or federal governments of Canada, or any
54 3 combination of the same.

54 4 Sec. 69. NEW SECTION. 97B.73B PATIENT ADVOCATES

54 5 UNPAID CONTRIBUTIONS SERVICE PURCHASE.

54 6 1. Notwithstanding the provisions of section 97B.9, to the
54 7 contrary, unpaid contributions for a person classified as a
54 8 patient advocate under section 229.19, for service as a
54 9 patient advocate prior to July 1, 2000, shall be determined
54 10 and collected as provided under section 97B.9, subsection 4,
54 11 but shall be limited to the collection of underpaid
54 12 contributions for a maximum of one year of service.

54 13 2. A patient advocate who becomes covered under this
54 14 chapter and for whom underpaid contributions for one year of
54 15 service have been paid shall be eligible to purchase
54 16 membership service for service as a patient advocate prior to
54 17 July 1, 2000, in excess of the one year of service provided in
54 18 this section by paying the department of personnel an amount
54 19 determined as follows:

54 20 a. For a purchase of membership service prior to July 1,
54 21 2002, the total of the employee and employer contributions,
54 22 without interest, on the covered wages that would have been
54 23 reported to the department under the provisions of this
54 24 chapter in effect for the applicable period of service.

54 25 b. For a purchase of membership service on or after July
54 26 1, 2002, the actuarial cost of the service purchase in a
54 27 manner as provided in section 97B.73.

54 28 Sec. 70. NEW SECTION. 97B.80A PUBLIC EMPLOYMENT SERVICE
54 29 CREDIT.

54 30 1. A vested or retired member who has five or more full
54 31 calendar years of covered wages and who at any time was
54 32 employed by a covered employer under this chapter but at the
54 33 time of the employment was not covered by this chapter and did
54 34 not opt out of coverage under this chapter, upon submitting
54 35 verification of the public employment and the dates of the
55 1 public employment, may make contributions to the system for up
55 2 to the lesser of twenty quarters of service credit for such
55 3 public employment or the entire period of the public
55 4 employment, in increments of one or more calendar quarters,
55 5 and receive credit for membership service and prior service
55 6 for the period of time for which the contributions are made.

55 7 2. The contributions required to be made for purposes of
55 8 this section shall be in an amount equal to the actuarial cost
55 9 of the service purchase. For purposes of this subsection, the
55 10 actuarial cost of the service purchase is an amount determined
55 11 by the department in accordance with actuarial tables, as
55 12 reported to the department by the system's actuary, which
55 13 reflects the actuarial cost necessary to fund an increased
55 14 retirement allowance resulting from the purchase of additional
55 15 service.

55 16 3. The verification of the public employment and the dates
55 17 of such public employment shall be made by the department
55 18 prior to receiving contributions from the member.

55 19 4. A member eligible for an increased retirement allowance
55 20 because of the payment of contributions under this section is
55 21 entitled to receipt of retroactive adjustment payments for no
55 22 more than six months immediately preceding the month in which
55 23 the member pays contributions under this section.

55 24 5. A purchase of service made in accordance with this
55 25 section by a retired reemployed member shall be applied to
55 26 either the member's original retirement allowance, or to the
55 27 member's reemployment service, whichever is more beneficial to
55 28 the member. If applied to a member's original retirement
55 29 allowance, or to the member's reemployment service after the
55 30 retirement allowance payments for such service begin, the
55 31 member is eligible to receive retroactive adjustment payments
55 32 for no more than six months prior to completion of the
55 33 purchase.

55 34 6. The department shall ensure that the member, in
55 35 exercising an option provided in this section, does not exceed
56 1 the amount of annual additions to a member's account permitted

56 2 pursuant to section 415 of the federal Internal Revenue Code.
56 3 Sec. 71. NEW SECTION. 97B.80B VOLUNTEER PUBLIC SERVICE
56 4 CREDIT.

56 5 1. A vested or retired member who has five or more full
56 6 calendar years of covered wages and who at any time was in
56 7 full-time volunteer public service, upon submitting
56 8 verification of the full-time volunteer public service and the
56 9 dates of the service, may make contributions to the system for
56 10 up to the lesser of twenty quarters of service credit for such
56 11 volunteer public service or the entire period of the volunteer
56 12 public service, in increments of one or more calendar
56 13 quarters, and receive credit for membership service and prior
56 14 service for the period of time for which the contributions are
56 15 made. For purposes of this section, "full-time volunteer
56 16 public service" means service in the federal peace corps
56 17 program.

56 18 2. The contributions required to be made for purposes of
56 19 this section shall be in an amount equal to the actuarial cost
56 20 of the service purchase. For purposes of this subsection, the
56 21 actuarial cost of the service purchase is an amount determined
56 22 by the department in accordance with actuarial tables, as
56 23 reported to the department by the system's actuary, which
56 24 reflects the actuarial cost necessary to fund an increased
56 25 retirement allowance resulting from the purchase of additional
56 26 service.

56 27 3. The verification of the full-time volunteer public
56 28 service and the dates of such service shall be made by the
56 29 department prior to receiving contributions from the member.

56 30 4. A member eligible for an increased retirement allowance
56 31 because of the payment of contributions under this section is
56 32 entitled to receipt of retroactive adjustment payments for no
56 33 more than six months immediately preceding the month in which
56 34 the member pays contributions under this section.

56 35 5. A purchase of service made in accordance with this
57 1 section by a retired reemployed member shall be applied to
57 2 either the member's original retirement allowance, or to the
57 3 member's reemployment service, whichever is more beneficial to
57 4 the member. If applied to a member's original retirement
57 5 allowance, or to the member's reemployment service after the
57 6 retirement allowance payments for such service begin, the
57 7 member is eligible to receive retroactive adjustment payments
57 8 for no more than six months prior to completion of the
57 9 purchase.

57 10 6. The department shall ensure that the member, in
57 11 exercising an option provided in this section, does not exceed
57 12 the amount of annual additions to a member's account permitted
57 13 pursuant to section 415 of the federal Internal Revenue Code.

57 14 Sec. 72. NEW SECTION. 97B.82 PURCHASE OF SERVICE CREDIT
57 15 DIRECT ROLLOVERS.

57 16 Effective July 1, 2002, a member may purchase any service
57 17 credit permitted under this chapter by means of a direct
57 18 rollover pursuant to rules adopted by the department and
57 19 consistent with applicable requirements of the Internal
57 20 Revenue Code. For purposes of this section, a "direct
57 21 rollover" means a transfer to the system of an eligible
57 22 rollover distribution from a qualified plan, including an
57 23 eligible rollover distribution of qualified plan assets made
57 24 through a conduit eligible retirement plan, all as described
57 25 under the Internal Revenue Code. The amount of the direct
57 26 rollover into the system cannot exceed the cost of the service
57 27 purchase by a member under this chapter. Once a direct
57 28 rollover is made, the member must forfeit the applicable
57 29 service credit under the qualified plan from which the
57 30 eligible rollover distribution is received.

57 31 Sec. 73. Section 97B.13, Code 1999, is repealed.

57 32 Sec. 74. IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
57 33 PAYMENT OF ALLOWANCES ACTIVE MEMBER RETIREMENT.

57 34 Notwithstanding any provision of chapter 97B to the contrary,
57 35 an eligible member who terminates employment covered by
58 1 chapter 97B on or after January 1, 2000, shall have the
58 2 member's monthly retirement allowance recalculated using the
58 3 applicable formula for determining a retirement allowance
58 4 pursuant to sections 97B.49A through 97B.49G, as applicable,
58 5 in place at the time of the member's termination from
58 6 employment. For purposes of this section, an "eligible
58 7 member" is a member who commenced receiving a retirement
58 8 allowance pursuant to section 97B.48, subsection 3, prior to
58 9 July 1, 2000.

58 10 Sec. 75. IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM DEATH
58 11 BENEFIT ELECTION.

58 12 1. Notwithstanding any provision of chapter 97B to the
58 13 contrary, an eligible beneficiary may elect to receive a death
58 14 benefit as provided by this section in an amount as authorized
58 15 pursuant to section 53 of this Act. For purposes of this
58 16 section, an "eligible beneficiary" means a person who is
58 17 eligible to receive, or has received, a death benefit pursuant
58 18 to Iowa Code section [97B.52](#), subsection 1, Code 1999, as a
58 19 beneficiary of a member of the Iowa public employees'
58 20 retirement system who died on or after January 1, 1999, but
58 21 before the date section 53 of this Act is implemented pursuant
58 22 to section 81 of this Act.

58 23 2. An eligible beneficiary may elect to receive a death
58 24 benefit in an amount as provided in section 53 of this Act in
58 25 lieu of a benefit as provided pursuant to section [97B.52](#),
58 26 subsection 1, Code 1999, by filing a valid election with the
58 27 Iowa public employees' retirement system in a manner
58 28 prescribed by the system no later than one year following the
58 29 date section 53 of this Act is implemented pursuant to section
58 30 81 of this Act.

58 31 3. An eligible beneficiary who has received a death
58 32 benefit pursuant to section [97B.52](#), subsection 1, Code 1999,
58 33 but who files an election to receive a death benefit as
58 34 provided in this section shall make arrangements with the Iowa
58 35 public employees' retirement system to repay any death
59 1 benefits paid by the system to the eligible beneficiary prior
59 2 to receipt of a death benefit as provided in this section.

59 3 4. The Iowa public employees' retirement system shall make
59 4 all reasonable efforts to notify, in writing, each eligible
59 5 beneficiary of the ability to elect to receive a death benefit
59 6 as provided in this section in lieu of a death benefit
59 7 provided pursuant to section [97B.52](#), subsection 1, Code 1999.

59 8 Sec. 76. EFFECTIVE DATE RETROACTIVE APPLICABILITY.
59 9 Section 17 of this Act, amending section 97B.1A, subsection
59 10 24, paragraph "b", being deemed of immediate importance, takes
59 11 effect upon enactment and is retroactively applicable to
59 12 January 1, 2000, and is applicable on and after that date.

59 13 Sec. 77. EFFECTIVE DATE. Section 44 of this Act, amending
59 14 section 97B.49F, subsection 2, paragraph "c", being deemed of
59 15 immediate importance, takes effect upon enactment.

59 16 Sec. 78. APPLICABILITY. Section 97B.51, subsection 1,
59 17 paragraph "d", subparagraph (2), as enacted in section 52 of
59 18 this Act, shall be applicable on or after July 1, 2001.

59 19 Sec. 79. EFFECTIVE DATE RETROACTIVE APPLICABILITY.
59 20 Section 74 of this Act, being deemed of immediate importance,
59 21 takes effect upon enactment and is retroactively applicable to
59 22 January 1, 2000, and is applicable on and after that date.

59 23 Sec. 80. IMPLEMENTATION PROVISION. The department of
59 24 personnel shall implement the amendment to section 97B.50,
59 25 subsection 1, as provided in section 48 of this Act, on
59 26 January 1, 2001, or on the date that the department determines
59 27 that the most recent annual actuarial valuation of the system
59 28 indicates that the employer and employee contribution rates in
59 29 effect under section 97B.11 can absorb the costs of the
59 30 amendment to section 97B.50, subsection 1, whichever is later,

59 31 after meeting the other established priorities of the system.
59 32 As used in this section, "other established priorities of the
59 33 system" means the implementation of the amendment to section
59 34 97B.52, subsection 1, as provided in section 53 of this Act.
59 35 However, the amendment to section 97B.50, subsection 1, shall
60 1 not be implemented until the Iowa public employees' retirement
60 2 system has received a determination letter from the federal
60 3 internal revenue service approving the retirement system
60 4 plan's qualified status under Internal Revenue Code section
60 5 401(a), as amended by section 97B.50, subsection 1. In
60 6 addition, notwithstanding section 97B.49H, the department
60 7 shall not credit amounts to active member supplemental
60 8 accounts provided in section 97B.49H for the calendar year
60 9 beginning January 1, 2001, and each subsequent calendar year,
60 10 until the amendment to section 97B.50, subsection 1, is
60 11 implemented.

60 12 Sec. 81. IMPLEMENTATION PROVISION. The department of
60 13 personnel shall implement the amendment to section 97B.52,
60 14 subsection 1, as provided in section 53 of this Act on January
60 15 1, 2001, or on the date that the department determines that
60 16 the most recent annual actuarial valuation of the system
60 17 indicates that the employer and employee contribution rates in
60 18 effect under section 97B.11 can absorb the costs of the
60 19 amendment to section 97B.52, subsection 1, whichever is later.
60 20 However, notwithstanding section 97B.49H, the department shall
60 21 not credit amounts to active member supplemental accounts
60 22 provided in section 97B.49H for the calendar year beginning
60 23 January 1, 2001, and each subsequent calendar year, until the
60 24 amendment to section 97B.52, subsection 1, is implemented.

60 25 Sec. 82. IMPLEMENTATION DATE. Section 72 of this Act,
60 26 creating new section 97B.82 which establishes a direct
60 27 rollover for the purchase of service credit, shall not be
60 28 implemented until the Iowa public employees' retirement system
60 29 has received a determination letter from the federal internal
60 30 revenue service approving the retirement system plan's
60 31 qualified status under Internal Revenue Code section 401(a),
60 32 as amended by section 97B.82.

60 33 Sec. 83. IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
60 34 PENSION PORTABILITY STUDY REPORT. The Iowa public
60 35 employees' retirement system division shall conduct a study to
61 1 consider various proposals to provide persons covered under
61 2 the Iowa public employees' retirement system increased
61 3 portability of pensions earned prior to coverage under the
61 4 Iowa public employees' retirement system and of the pension
61 5 earned under the Iowa public employees' retirement system. In
61 6 conducting its study, the Iowa public employees' retirement
61 7 system division shall consider proposals for allowing
61 8 employees covered under the Iowa public employees' retirement
61 9 system to purchase additional service credit under the Iowa
61 10 public employees' retirement system based on prior public
61 11 sector or private sector employment that is not covered under
61 12 the system as well as proposals for enhancing the ability of
61 13 employees covered under the Iowa public employees' retirement
61 14 system to transfer a greater portion of the value of the
61 15 pension earned under the Iowa public employees' retirement
61 16 system to another pension plan upon the employee's termination
61 17 of employment covered by the Iowa public employees' retirement
61 18 system. On or before September 1, 2001, the Iowa public
61 19 employees' retirement system division shall file a report with
61 20 the legislative service bureau, for distribution to the public
61 21 retirement systems committee established in section 97D.4,
61 22 which contains its findings and recommendations, including any
61 23 proposal or proposals for enhancing pension portability for
61 24 persons covered by the Iowa public employees' retirement
61 25 system. The report shall also contain any applicable
61 26 actuarial information concerning the costs of any proposal or
61 27 proposals included in the report.

61 28

DIVISION III

61 29

STATEWIDE FIRE AND POLICE RETIREMENT SYSTEM

61 30

Sec. 84. Section [400.8](#), subsection 1, Code 1999, is

61 31

amended to read as follows:

61 32

1. The commission, when necessary under the rules,

61 33

including minimum and maximum age limits, which shall be

61 34

prescribed and published in advance by the commission and

61 35

posted in the city hall, shall hold examinations for the

62 1

purpose of determining the qualifications of applicants for

62 2

positions under civil service, other than promotions, which

62 3

examinations shall be practical in character and shall relate

62 4

to matters which will fairly test the mental and physical

62 5

ability of the applicant to discharge the duties of the

62 6

position to which the applicant seeks appointment. The

62 7

physical examination of applicants for appointment to the

62 8

positions of police officer, police matron, or fire fighter

62 9

shall be held in accordance with medical protocols established

62 10

by the board of trustees of the fire and police retirement

62 11

system established by section 411.5 and shall be conducted by

62 12

the medical board as established in section 411.5. The board

62 13

of trustees may change the medical protocols at any time the

62 14

board so determines. The

~~commission shall conduct a medical~~

62 15

physical examination of an applicant for the position of

62 16

police officer, police matron, or fire fighter shall be

62 17

conducted after a conditional offer of employment has been

62 18

made to the applicant. An applicant shall not be

62 19

discriminated against on the basis of height, weight, sex, or

62 20

race in determining physical or mental ability of the

62 21

applicant. Reasonable rules relating to strength, agility,

62 22

and general health of applicants shall be prescribed. The

62 23

costs of the physical examination required under this

62 24

subsection shall be paid from the trust and agency fund of the

62 25

city.

62 26

Sec. 85. NEW SECTION. 400.8A GUIDELINES FOR ONGOING

62 27

FITNESS FOR POLICE OFFICERS AND FIRE FIGHTERS.

62 28

The board of trustees of the fire and police retirement

62 29

system established by section 411.5, in consultation with the

62 30

medical board established in section 411.5, shall establish

62 31

and maintain protocols and guidelines for ongoing wellness and

62 32

fitness for police officers and fire fighters while in

62 33

service. The board of trustees may change the protocols and

62 34

guidelines at any time the board so determines. The protocols

62 35

and guidelines shall be established by the board of trustees

63 1

for the consideration of cities covered by this chapter and

63 2

may be applied by a city for the purpose of determining

63 3

continued wellness and fitness for members of the city's

63 4

police and fire departments. However, the protocols and

63 5

guidelines shall not be applied to members of a police or fire

63 6

department of a city who are covered by chapter 20 except

63 7

through the collective bargaining process as provided under

63 8

chapter 20. The medical board established in section 411.5

63 9

shall provide to cities and fire and police departments

63 10

assistance regarding the possible implementation and operation

63 11

of the protocols and guidelines for ongoing wellness and

63 12

fitness provided by this section. For purposes of this

63 13

section, "wellness and fitness" means the process by which

63 14

police officers and fire fighters maintain fitness for duty.

63 15

Sec. 86. Section [411.1](#), subsection 6, Code 1999, is

63 16

amended to read as follows:

63 17

6. "Child" means only surviving issue of a deceased active

63 18

or retired member, or a child legally adopted by a deceased

63 19

member prior to the member's retirement. "Child" includes

63 20

only an individual who is under the age of eighteen years, an

63 21

individual who is under the age of twenty-two years and is a

63 22 full-time student, or an individual who is disabled at the
63 23 time under the definitions used in section

~~402~~

~~202~~ of the

63 24 Social Security Act as amended if the disability occurred to
63 25 the individual during the time the individual was under the
63 26 age of eighteen years and the parent of the individual was an
63 27 active member of the system.

63 28 Sec. 87. Section [411.1](#), subsection 10, Code 1999, is
63 29 amended to read as follows:

63 30 10. "Medical board" shall mean the

~~board of physicians~~

~~single medical provider network designated by the system as
the medical board as provided for in section 411.5.~~

63 33 Sec. 88. Section [411.1](#), subsection 12, Code 1999, is
63 34 amended to read as follows:

63 35 12. "Membership service" shall mean service as a police

64 1

~~officers~~

~~officer~~ or a fire

~~fighters~~

~~fighter~~ rendered

~~since~~

64 2

~~last becoming a member, or, where membership is regained as~~

64 3

~~provided in this chapter, all of such service~~

~~for a city which~~

64 4 ~~is credited as service pursuant to section 411.4.~~

64 5 Sec. 89. Section [411.1](#), subsection 19, Code 1999, is
64 6 amended to read as follows:

64 7 19. "Surviving spouse" shall mean the surviving spouse of

64 8 a

~~marriage solemnized prior to retirement of a~~

~~deceased member~~

64 9 from active service. Surviving spouse shall include a former
64 10 spouse only if the division of assets in the dissolution of
64 11 marriage decree pursuant to section 598.17 grants the former
64 12 spouse rights of a spouse under this chapter.

~~If there is no~~

64 13

~~surviving spouse of a marriage solemnized prior to retirement~~

64 14

~~of a deceased member, surviving spouse includes a surviving~~

64 15

~~spouse of a marriage of two years or more duration solemnized~~

64 16

~~subsequent to retirement of the member.~~

64 17 Sec. 90. Section [411.1A](#), Code 1999, is amended to read as
64 18 follows:
64 19 411.1A PURPOSE OF CHAPTER.
64 20 The purpose of this chapter is to promote economy and
64 21 efficiency in the municipal public safety service by

~~providing~~

64 22 doing the following:

64 23 1. Provide an orderly means for police officers and fire
64 24 fighters to have a retirement system which will provide for
64 25 the payment of pensions to retired members and members
64 26 incurring disabilities, and to the surviving spouses and
64 27 dependents of deceased members.

64 28 2. Provide a comprehensive disability program for police
64 29 officers and fire fighters to include standards for entrance
64 30 physical examinations, guidelines for ongoing fitness and
64 31 wellness, disability pensions, and postdisability retirement
64 32 compliance requirements.

64 33 Sec. 91. Section [411.3](#), subsection 2, Code 1999, is
64 34 amended to read as follows:

64 35 2. Should any member

~~in any period of five consecutive~~

65 1

~~years after last becoming a member, be absent from service for~~

65 2

~~more than four years~~

~~cease to be employed as a police officer~~

65 3 or fire fighter by a city, or should the member become a
65 4 beneficiary or die, the member shall thereupon cease to be a
65 5 member of the system.

65 6 Sec. 92. Section [411.4](#), Code 1999, is amended to read as
65 7 follows:

65 8 411.4 SERVICE CREDITABLE.

65 9 1. Service for fewer than six months of a year is not
65 10 creditable as service. Service of six months or more of a
65 11 year is equivalent to one year of service, but in no case
65 12 shall more than one year of service be creditable for all
65 13 service in one calendar year, nor shall the system allow
65 14 credit as service for any period of more than one month
65 15 duration during which the member was absent without pay.

65 16 2. The system shall credit as service for a member of the
65 17 system a previous period of service

~~for which the~~

~~only under~~

65 18 any of the following circumstances:

65 19 a. The member had withdrawn the member's accumulated
65 20 contributions, as defined in section 411.21, for the previous
65 21 period of service.

65 22 b. The member returned to service after an absence of
65 23 service of a period of less than four years from the last day
65 24 of the prior period of service.

65 25 c. The member returned to service after an absence of
65 26 service of a period of four or more years from the last day of
65 27 the prior period of service and the member had sufficient
65 28 service as of the last day of the prior period of service to
65 29 have been entitled to a retirement allowance on that date
65 30 under section 411.6, subsection 1, paragraph "b".

65 31 Sec. 93. Section [411.5](#), subsection 6, Code 1999, is

65 32 amended by adding the following new paragraph:

65 33 NEW PARAGRAPH. c. Notwithstanding any provision of
65 34 chapter 22 to the contrary, the system's records may be
65 35 released to any political subdivision, instrumentality, or
66 1 agency of the state solely for use in a civil or criminal law
66 2 enforcement activity pursuant to the requirements of this
66 3 paragraph. To obtain the records, the political subdivision,
66 4 instrumentality, or agency of the state shall, in writing,
66 5 certify to the system that the activity is authorized by law,
66 6 provide a written description of the information desired, and
66 7 describe the law enforcement activity for which the
66 8 information is sought. The system shall not be civilly or
66 9 criminally liable for the release of records in accordance
66 10 with the requirements of this paragraph.

66 11 Sec. 94. Section 411.5, subsection 8, Code 1999, is
66 12 amended to read as follows:

66 13 8. MEDICAL BOARD. The

~~system~~

- board of trustees shall

66 14 designate a single medical provider network as the medical
66 15 board

~~to be composed of three physicians who~~

- for the system.

66 16 The medical board shall arrange for and pass upon all medical
66 17 examinations required under the provisions of chapter 400 and
66 18 this chapter

~~, except that for~~

- and shall assist the system in

66 19 all aspects of the comprehensive disability program described
66 20 in section 411.1A. For examinations required because of
66 21 disability

~~three physicians~~

- a physician from the

~~university~~

-
66 22

~~of Iowa hospitals and clinics who~~

- medical board specializing

66 23 in occupational medicine, and a second physician specializing
66 24 in an appropriate field of medicine as determined by the
66 25 occupational medicine physician shall pass upon the medical
66 26 examinations required for disability retirements, and shall
66 27 report to the system in writing

~~its~~

- their conclusions and

66 28 recommendations upon all matters referred to

~~it~~

- the medical

66 29 board. Each report of a medical examination under section
66 30 411.6, subsections 3 and 5, shall include the medical board's
66 31 findings in accordance with section 411.6 as to the extent of
66 32 the member's physical impairment.

66 33 Sec. 95. Section 411.6, subsection 2, Code 1999, is
66 34 amended to read as follows:

66 35 2. ALLOWANCE ON SERVICE RETIREMENT.

67 1 a. The service retirement allowance for a member who
67 2 terminates service, other than by death or disability, prior
67 3 to July 1, 1990, shall consist of a pension which equals fifty
67 4 percent of the member's average final compensation.

67 5 b. The service retirement allowance for a member who
67 6 terminates service, other than by death or disability, on or
67 7 after July 1, 1990, but before July 1, 1992, shall consist of
67 8 a pension which equals fifty-four percent of the member's
67 9 average final compensation.

67 10 c. Commencing July 1, 1992, for members who terminate
67 11 service, other than by death or disability, on or after that
67 12 date, but before July 1, 2000, the system shall increase the
67 13 percentage multiplier of the member's average final
67 14 compensation by an additional two percent each July 1 until
67 15 reaching sixty percent of the member's average final
67 16 compensation. The applicable percentage multiplier shall be
67 17 the rate in effect on the date of the member's termination
67 18 from service.

67 19 d. Upon retirement from service on or after July 1, 2000,
67 20 a member shall receive a service retirement allowance which
67 21 shall consist of a pension which equals sixty-six percent of
67 22 the member's average final compensation.
67 23

~~- d.~~

- e. Commencing July 1, 1990, if the member has completed
67 24 more than twenty-two years of creditable service, the service
67 25 retirement allowance shall consist of a pension which equals
67 26 the amount provided in

~~- paragraphs~~

- paragraph "b".

~~- and~~

- "c", or

67 27 "d", plus an additional percentage as set forth below:

67 28 (1) For a member who terminates service, other than by
67 29 death or disability, on or after July 1, 1990, but before July
67 30 1, 1991, and who does not withdraw the member's contributions
67 31 pursuant to section 411.23, upon the member's retirement there
67 32 shall be added three-tenths percent of the member's average
67 33 final compensation for each year of service over twenty-two
67 34 years, excluding years of service after the member's fifty-
67 35 fifth birthday. However, this subparagraph does not apply to
68 1 more than eight additional years of service.

68 2 (2) For a member who terminates service, other than by
68 3 death or disability, on or after July 1, 1991, but before
68 4 October 16, 1992, and who does not withdraw the member's
68 5 contributions pursuant to section 411.23, upon the member's
68 6 retirement there shall be added six-tenths percent of the
68 7 member's average final compensation for each year of service
68 8 over twenty-two years, excluding years of service after the
68 9 member's fifty-fifth birthday. However, this subparagraph
68 10 does not apply to more than eight additional years of service.

68 11 (3) For a member who terminates service, other than by
68 12 death or disability, on or after October 16, 1992, but before
68 13 July 1, 1998, and who does not withdraw the member's
68 14 contributions pursuant to section 411.23, upon the member's
68 15 retirement there shall be added six-tenths percent of the
68 16 member's average final compensation for each year of service
68 17 over twenty-two years. However, this subparagraph does not
68 18 apply to more than eight additional years of service.

68 19 (4) For a member who terminates service, other than by
68 20 death or disability, on or after July 1, 1998, but before July
68 21 1, 2000, and who does not withdraw the member's contributions
68 22 pursuant to section 411.23, upon the member's retirement there
68 23 shall be added one and one-half percent of the member's
68 24 average final compensation for each year of service over
68 25 twenty-two years. However, this subparagraph does not apply
68 26 to more than eight additional years of service.

68 27 (5) For a member who terminates service, other than by

68 28 death or disability, on or after July 1, 2000, and who does
68 29 not withdraw the member's contributions pursuant to section
68 30 411.23, upon the member's retirement there shall be added two
68 31 percent of the member's average final compensation for each
68 32 year of service over twenty-two years. However, this
68 33 subparagraph does not apply to more than eight additional
68 34 years of service.

68 35 Sec. 96. Section 411.6, subsection 5, paragraph b, Code
69 1 1999, is amended to read as follows:

69 2 b. If a member in service or the chief of the police or
69 3 fire departments becomes incapacitated for duty as a natural
69 4 or proximate result of an injury or disease incurred in or
69 5 aggravated by the actual performance of duty at some definite
69 6 time or place or while acting, pursuant to order, outside the
69 7 city by which the member is regularly employed, the member,
69 8 upon being found to be temporarily incapacitated following a
69 9 medical examination as directed by the city, is entitled to
69 10 receive the member's full pay and allowances from the city's
69 11 general fund until re-examined as directed by the city and
69 12 found to be fully recovered or until the city determines that
69 13 the member is likely to be permanently disabled.

~~The~~

~~- If the~~

69 14 temporary incapacity of a member continues more than sixty
69 15 days, or if the city expects the incapacity to continue more
69 16 than sixty days, the city shall notify the system of the
69 17 temporary incapacity. Upon notification by a city, the system
69 18 may refer the matter to the medical board for review and
69 19 consultation with the member's treating physician during the
69 20 temporary incapacity. Except as provided by this paragraph,
69 21 the board of trustees of the statewide system has no
69 22 jurisdiction over these matters until the city determines that
69 23 the disability is likely to be permanent.

69 24 Sec. 97. Section 411.6, subsection 6, paragraph c, Code
69 25 1999, is amended to read as follows:

69 26 c. Upon retirement for accidental disability on or after
69 27 July 1, 1998, a member shall receive an accidental disability
69 28 retirement allowance which shall consist of a pension in an
69 29 amount equal to the greater of sixty percent of the member's
69 30 average final compensation or the retirement allowance that
69 31 the member would receive under subsection 2 if the member

~~has~~

~~-~~

69 32 had attained fifty-five years of age.

69 33 Sec. 98. Section 411.6, subsection 7, unnumbered paragraph
69 34 1, Code 1999, is amended to read as follows:

69 35 Once each year during the first five years following the
70 1 retirement of a member on a disability retirement allowance,
70 2 and once in every three-year period thereafter, the system
70 3 may, and upon the member's application shall, require any
70 4 disability beneficiary who has not yet attained age fifty-five
70 5 to undergo a medical examination at a place designated by the
70 6 medical board. The examination shall be made by the medical
70 7 board or in special cases, by an additional physician or
70 8 physicians designated by such board. If any disability
70 9 beneficiary who has not attained the age of fifty-five refuses
70 10 to submit to the medical examination, the member's allowance
70 11 may be discontinued until withdrawal of such refusal, and if
70 12 the refusal continues for one year all rights in and to the
70 13 member's pension may be revoked by the system. For a
70 14 disability beneficiary who has not attained the age of fifty-
70 15 five and whose entitlement to a disability retirement
70 16 commenced on or after July 1, 2000, the medical board may, as
70 17 part of the examination required by this subsection, suggest
70 18 appropriate medical treatment or rehabilitation if, in the

70 19 opinion of the medical board, the recommended treatment or
70 20 rehabilitation would likely restore the disability beneficiary
70 21 to duty.

70 22 Sec. 99. Section [411.6](#), subsection 7, paragraph a,
70 23 unnumbered paragraph 1, Code 1999, is amended to read as
70 24 follows:

70 25 Should any beneficiary for either ordinary or accidental
70 26 disability, except a beneficiary who is fifty-five years of
70 27 age or over

~~and would have completed twenty two years of~~

70 28

~~service if the beneficiary had remained in active service~~

~~, be~~

70 29 engaged in a gainful occupation paying more than the
70 30 difference between the member's net retirement allowance and
70 31 one and one-half times the earnable compensation of an active
70 32 member at the same position on the salary scale within the
70 33 member's rank as the member held at retirement, then the
70 34 amount of the member's retirement allowance shall be reduced
70 35 to an amount such that the member's net retirement allowance
71 1 plus the amount earned by the member shall equal one and one-
71 2 half times the amount of the current earnable compensation of
71 3 an active member at the same position on the salary scale
71 4 within the member's rank as the member held at retirement.
71 5 Should the member's

~~earning capacity~~

~~earnings be later~~

71 6 changed, the amount of the member's retirement allowance may
71 7 be further modified, provided that the new retirement
71 8 allowance shall not exceed the amount of the retirement
71 9 allowance adjusted by annual readjustments of pensions
71 10 pursuant to subsection 12 of this section nor an amount which
71 11 would cause the member's net retirement allowance, when added
71 12 to the amount earned by the beneficiary, to equal one and one-
71 13 half times the amount of the earnable compensation of an
71 14 active member at the same position on the salary scale within
71 15 the member's rank as the member held at retirement. A
71 16 beneficiary restored to active service at a salary less than
71 17 the average final compensation upon the basis of which the
71 18 member was retired at age fifty-five or greater, shall not
71 19 again become a member of the retirement system and shall have
71 20 the member's retirement allowance suspended while in active
71 21 service. If the rank or position held by the retired member
71 22 is subsequently abolished, adjustments to the allowable limit
71 23 on the amount of income which can be earned in a gainful
71 24 occupation shall be computed by the board of trustees as
71 25 though such rank or position had not been abolished and salary
71 26 increases had been granted to such rank or position on the
71 27 same basis as increases granted to other ranks and positions
71 28 in the department. For purposes of this paragraph, "net
71 29 retirement allowance" means the amount determined by
71 30 subtracting the amount paid during the previous calendar year
71 31 by the beneficiary for health insurance or similar health care
71 32 coverage for the beneficiary and the beneficiary's dependents
71 33 from the amount of the member's retirement allowance paid for
71 34 that year pursuant to this chapter. The beneficiary shall
71 35 submit sufficient documentation to the system to permit the
72 1 system to determine the member's net retirement allowance for
72 2 the applicable year.

72 3 Sec. 100. Section [411.6](#), subsection 7, Code 1999, is
72 4 amended by adding the following new paragraph:

72 5 NEW PARAGRAPH. c. Should a disability beneficiary under
72 6 age fifty-five be employed in a public safety occupation, the

72 7 disability beneficiary's retirement allowance shall cease.
72 8 Notwithstanding any provision of this chapter to the contrary,
72 9 if a disability beneficiary is employed in a public safety
72 10 occupation that would otherwise constitute membership service,
72 11 the disability beneficiary shall not become a member of the
72 12 system. For purposes of this paragraph, "public safety
72 13 occupation" means a peace officer, as defined in section
72 14 97A.1; a protection occupation, as defined in section 97B.49B;
72 15 a sheriff, deputy sheriff, or airport fire fighter, as defined
72 16 in section 97B.49C; and a police officer or fire fighter as
72 17 defined in section 411.1, who was not restored to active
72 18 service as provided by this subsection.

72 19 Sec. 101. Section 411.6, subsection 8, Code 1999, is
72 20 amended to read as follows:

72 21 8. ORDINARY DEATH BENEFIT.

72 22 a. Upon the receipt of proof of the death of a member in
72 23 service, or a member not in service who has completed four or
72 24 more years of service as provided in subsection 1, paragraph
72 25 "b", there shall be paid to the person designated by the
72 26 member to the system as the member's beneficiary, if the
72 27 member has had one or more years of membership service and no
72 28 pension is payable under subsection 9,

~~—an~~

~~— the greater of the~~

72 29 following:

72 30 (1) An amount equal to fifty percent of the compensation
72 31 earnable by the member during the year immediately preceding
72 32 the member's death if the member is in service, or an amount
72 33 equal to fifty percent of the compensation earned by the
72 34 member during the member's last year of service if the member
72 35 is not in service.

73 1 (2) An amount the member would have been entitled to
73 2 withdraw pursuant to section 411.23 if the member had
73 3 terminated service on the date of the member's death.

73 4 b. In lieu of the payment specified in paragraph "a", a
73 5 beneficiary meeting the qualifications of paragraph "c" may
73 6 elect to receive a monthly pension equal to one-twelfth of
73 7 forty percent of the average final compensation of the member,
73 8 but not less than twenty percent of the monthly earnable
73 9 compensation paid to an active member holding the highest
73 10 grade in the rank of fire fighter, for a beneficiary of a
73 11 deceased member of a fire department, or the highest grade in
73 12 the rank of police patrol officer, for a beneficiary of a
73 13 deceased member of a police department, if the member was in
73 14 service at the time of death. For a member not in service at
73 15 the time of death, the pension shall be reduced as provided in
73 16 subsection 1, paragraph "b".

73 17 For a member not in service at the time of death, the
73 18 pension shall be paid commencing when the member would have
73 19 attained the age of fifty-five except that if there is a child
73 20 of the member, the pension shall be paid commencing with the
73 21 member's death until the

~~— children reach the age of eighteen,~~

73 22

~~— or twenty two if applicable~~

~~— child of the member no longer~~

73 23 meets the definition of child as provided in section 411.1.

73 24 The pension shall resume

~~— commencing~~

~~— when the member would have~~

73 25 attained the age of fifty-five.

73 26 For a member in service at the time of death, the pension

73 27 shall be paid commencing with the member's death. In addition
73 28 to the pension, there shall also be paid for each child of a
73 29 member, a monthly pension equal to six percent of the monthly
73 30 earnable compensation paid to an active member holding the
73 31 highest grade in the rank of fire fighter, for a child of a
73 32 deceased member of a fire department, or the highest grade in
73 33 the rank of police patrol officer, for a child of a deceased
73 34 member of a police department.

73 35 Notwithstanding section 411.6, subsection 8, Code 1985,
74 1 effective July 1, 1990, for a member's surviving spouse who,
74 2 prior to July 1, 1986, elected to receive pension benefits
74 3 under this paragraph, the monthly pension benefit shall be
74 4 equal to the higher of one-twelfth of forty percent of the
74 5 average final compensation of the member, or the amount the
74 6 surviving spouse was receiving on July 1, 1990.

74 7 c. The pension under paragraph "b" may be selected only by
74 8 the following beneficiaries:

74 9 (1) The spouse.

74 10 (2) If there is no spouse, or if the spouse dies and there
74 11 is a child of a member, then the

~~guardian of the~~

~~member's~~

74 12 child or children,

~~divided as the system determines, to~~

74 13

~~continue as a joint and survivor pension until every child of~~

74 14

~~the member dies or attains the age of eighteen, or twenty two~~

74 15

~~if applicable~~

~~in equal shares. The pension to each child~~

74 16 shall terminate when the child no longer meets the definition

74 17 of child in section 411.1.

74 18 (3) If there is no surviving spouse or child, then the
74 19 member's dependent father or mother, or both, as the system
74 20 determines, to continue until remarriage or death.

74 21 d. If

~~there is no nomination of~~

~~the member failed to~~

74 22 designate a beneficiary, or if the beneficiary designated by

74 23 the member predeceases the member, the benefits provided in

74 24 paragraph "a" of this subsection shall be paid

~~to the member's~~

74 25

~~estate.~~

~~as follows in the following order of priority:~~

74 26 (1) To the member's surviving spouse.

74 27 (2) To the member's surviving children, including any

74 28 adult children, in equal shares.

74 29 (3) To the member's surviving parents, in equal shares.

74 30 (4) To the member's estate.

74 31 (5) To the member's heirs if the estate is not probated.

74 32 Sec. 102. Section 411.6, subsection 9, Code 1999, is

74 33 amended to read as follows:

74 34 9. ACCIDENTAL DEATH BENEFIT.

74 35 a. If, upon the receipt of evidence and proof from the
75 1 chief of the police or fire department that the death of a
75 2 member in service was the natural and proximate result of an
75 3 injury or disease incurred in or aggravated by the actual
75 4 performance of duty at some definite time and place, or while
75 5 acting pursuant to order, outside of the city by which the
75 6 member is regularly employed, the system decides that death
75 7 was so caused in the performance of duty, there shall be paid,
75 8 in lieu of the ordinary death benefit provided in subsection
75 9 8,

~~to the member's estate or to such person having an~~

75 10

~~insurable interest in the member's life as the member has~~

75 11

~~nominated by written designation duly executed and filed with~~

75 12

~~the system, the benefits~~
~~an accidental death benefit as set~~
75 13 forth in

~~paragraphs "a" and "b" of~~
~~this subsection~~

~~;~~
~~Disease~~

75 14 under this subsection shall mean heart disease or any disease
75 15 of the lungs or respiratory tract and shall be presumed to
75 16 have been contracted while on active duty as a result of
75 17 strain or the inhalation of noxious fumes, poison, or gases.
75 18

~~a.~~

~~b.~~

~~A~~

~~An accidental death benefit pension equal to one-~~
75 19 half of the average final compensation of the member shall be
75 20 paid

~~to the member's spouse, children or dependent parents as~~

75 21

~~provided in paragraphs "c", "d", and "e" of subsection 8 of~~

75 22

~~this section. There~~

~~as follows:~~

75 23 (1) To the member's spouse.

75 24 (2) If there is no spouse, or if the spouse dies and there
75 25 is a child of the member, then to the member's child or
75 26 children in equal shares. The pension to each child shall
75 27 terminate when the child no longer meets the definition of
75 28 child in section 411.1.

75 29 (3) If there is no surviving spouse or child, then to the
75 30 member's dependent father or mother, or both, as the system
75 31 determines, to continue until remarriage or death.

75 32 c. In addition to the accidental death benefit pension
75 33 provided in paragraph "b", there shall also be paid for each

75 34 child of a member a monthly pension equal to six percent of
75 35 the monthly earnable compensation paid to an active member
76 1 holding the highest grade in the rank of fire fighter, for a
76 2 child of a deceased member of a fire department, or holding
76 3 the highest grade in the rank of police patrol officer, for a
76 4 child of a deceased member of a police department.

76 5 d. A person eligible to receive the pension payable under
76 6 paragraph "b" of this subsection may elect to receive the
76 7 benefit payable under subsection 8, paragraph "a", in lieu of
76 8 the pension provided in paragraph "b" of this subsection.
76 9

~~b.~~

~~e. If there is no~~

~~spouse, child, or dependent parent~~

~~76 10~~

~~surviving a deceased member~~

~~person entitled to the pension~~

76 11 payable under paragraph "b" of this subsection, the death
76 12 shall be treated as an ordinary death case and the benefit
76 13 payable under subsection 8, paragraph "a", in lieu of the
76 14 pension provided in paragraph "a" of this subsection, shall be
76 15 paid

~~to the member's estate~~

~~as provided by that subsection.~~

~~76 16~~

~~Disease under this subsection shall mean heart disease or~~

~~76 17~~

~~any disease of the lungs or respiratory tract and shall be~~

~~76 18~~

~~presumed to have been contracted while on active duty as a~~

~~76 19~~

~~result of strain or the inhalation of noxious fumes, poison,~~

~~76 20~~

~~or gases.~~

76 21 Sec. 103. Section [411.6](#), subsection 11, Code 1999, is
76 22 amended to read as follows:

76 23 11. Pension to spouse and children of deceased pensioned
76 24 member. In the event of the death of any member receiving a
76 25 retirement allowance under the provisions of subsections 2, 4,
76 26 or 6 of this section there shall be paid a pension:

76 27 a. To the spouse, equal to one-half the amount received by
76 28 the deceased beneficiary, but in no instance less than twenty
76 29 percent of the monthly earnable compensation paid to an active
76 30 member holding the highest grade in the rank of fire fighter,
76 31 for a beneficiary of a deceased member of the fire department,
76 32 or the highest grade in the rank of police patrol officer, for
76 33 a beneficiary of a deceased member of a police department, and
76 34 in addition a monthly pension equal to the monthly pension
76 35 payable under subsection 9 of this section for each child

77 1

~~under eighteen years of age or twenty two years of age if~~

~~applicable~~

~~;~~ or

77 3 b. If the spouse dies either prior or subsequent to the
77 4 death of the member, to the guardian of each surviving child,
77 5 a monthly pension equal to the monthly pension payable under
77 6 subsection 9 of this section for the support of the child.

77 7 Sec. 104. Section [411.6](#), Code 1999, is amended by adding
77 8 the following new subsection:

77 9 NEW SUBSECTION. 14. BENEFICIARY DESIGNATION. A member
77 10 may designate, in writing on a form prescribed by the system,
77 11 any person or persons to whom the system will pay a death
77 12 benefit under this section in the event of the member's death.
77 13 If the member is married at the time a designation is signed,
77 14 a designation of a beneficiary other than the member's spouse
77 15 shall not be valid unless the member's spouse consents in
77 16 writing to the designation. A designation filed with the
77 17 system shall be deemed revoked if, subsequent to the
77 18 designation, a new designation is filed with the system, the
77 19 member marries, or the member divorces the individual who was
77 20 the member's named beneficiary.

77 21 Sec. 105. Section [411.6](#), Code 1999, is amended by adding
77 22 the following new subsection:

77 23 NEW SUBSECTION. 15. LINE OF DUTY DEATH BENEFIT.

77 24 a. If, upon the receipt of evidence and proof from the
77 25 chief of the police or fire department that the death of a
77 26 member in service was the direct and proximate result of a
77 27 traumatic personal injury incurred in the line of duty, the
77 28 system decides that death was so caused, there shall be paid,
77 29 to a person authorized to receive an accidental death benefit
77 30 as provided in subsection 9, paragraph "b", the amount of one
77 31 hundred thousand dollars, which shall be payable in a lump
77 32 sum.

77 33 b. A line of duty death benefit shall not be payable under
77 34 this subsection if any of the following applies:

77 35 (1) The death resulted from stress, strain, occupational
78 1 illness, or a chronic, progressive, or congenital illness,
78 2 including, but not limited to, a disease of the heart, lungs,
78 3 or respiratory system, unless a traumatic personal injury was
78 4 a substantial contributing factor to the member's death.

78 5 (2) The death was caused by the intentional misconduct of
78 6 the member or by the member's intent to cause the member's own
78 7 death.

78 8 (3) The member was voluntarily intoxicated at the time of
78 9 death.

78 10 (4) The member was performing the member's duties in a
78 11 grossly negligent manner at the time of death.

78 12 (5) An individual who would otherwise be entitled to a
78 13 benefit under this subsection was, through the individual's
78 14 actions, a substantial contributing factor to the member's
78 15 death.

78 16 Sec. 106. Section [411.6](#), Code 1999, is amended by adding
78 17 the following new subsection:

78 18 NEW SUBSECTION. 16. INELIGIBILITY FOR DISABILITY
78 19 BENEFITS.

78 20 a. A member otherwise eligible to receive a disability
78 21 retirement benefit under this chapter shall not be eligible to
78 22 receive such a benefit if the system determines that any of
78 23 the following conditions for ineligibility apply:

78 24 (1) The disability would not exist but for the member's
78 25 chemical dependency, as defined in section 125.2, on a
78 26 schedule I controlled substance, as defined in section
78 27 124.204, or the member's chemical dependency on a schedule II
78 28 controlled substance, as defined in section 124.206, resulting
78 29 from the inappropriate use of the schedule II controlled

78 30 substance.

78 31 (2) The disability is a mental disability proximately
78 32 caused by appropriate disciplinary actions taken against the
78 33 member, or by conflicts with a superior or coworker if the
78 34 superior or coworker was acting legally and appropriately
78 35 toward the member when the conflicts occurred.

79 1 b. A member otherwise eligible to receive a disability
79 2 retirement benefit under this chapter, or who is receiving
79 3 such a benefit, shall not be eligible to receive such a
79 4 benefit beginning with the month following the determination
79 5 by the system that the disability would not exist but for the
79 6 action of the member for which the member has been convicted
79 7 of a felony.

79 8 c. A member eligible to commence receiving a disability
79 9 benefit on or after July 1, 2000, may be ineligible to receive
79 10 a disability retirement benefit if the system determines that
79 11 the member's alcoholism or drug addiction was a contributing
79 12 factor material to the determination of the member's
79 13 disability. Upon a determination that the member's alcoholism
79 14 or drug addiction was a contributing factor in the member's
79 15 disability, the system shall direct the member to undergo
79 16 substance abuse treatment that the medical board determines is
79 17 appropriate to treat the member's alcoholism or drug
79 18 addiction. After the end of a twenty-four-month period
79 19 following the member's first month of entitlement to a
79 20 disability benefit, the system shall reevaluate the member's
79 21 disability. If the system determines that the member failed
79 22 to comply with the treatment program prescribed by this
79 23 paragraph and that the member would not be disabled but for
79 24 the member's alcoholism or drug addiction, the member's
79 25 entitlement to a disability benefit under this chapter shall
79 26 terminate effective the first day of the first month following
79 27 the month the member is notified of the system's
79 28 determination.

79 29 Sec. 107. Section [411.6](#), Code 1999, is amended by adding
79 30 the following new subsection:

79 31 NEW SUBSECTION. 17. LIMITATIONS ON BENEFITS PRISONERS.

79 32 a. An individual who is otherwise entitled to a retirement
79 33 allowance under this chapter shall not receive a retirement
79 34 allowance for any month during which both of the following
79 35 conditions exist:

80 1 (1) The individual is confined in a jail, prison, or
80 2 correctional facility pursuant to the individual's conviction
80 3 of a felony.

80 4 (2) The individual has a spouse, or a child or children,
80 5 as defined in section 411.1.

80 6 b. The amount of the retirement allowance not paid to the
80 7 individual under paragraph "a" shall be paid in the following
80 8 order of priority:

80 9 (1) To the individual's spouse, if any.

80 10 (2) If there is no spouse, then to the individual's child
80 11 or children, as defined in section 411.1.

80 12 c. This subsection shall not be construed in a manner that
80 13 impairs the rights of any individual under a marital property,
80 14 spousal support, or child support order. In addition, this
80 15 subsection shall not be construed to impair the statutory
80 16 rights of a governmental entity, including, but not limited
80 17 to, the right of a governmental entity to collect an amount
80 18 for deposit in the victim compensation fund established in
80 19 chapter 915.

80 20 Sec. 108. Section [411.11](#), Code 1999, is amended to read as
80 21 follows:

80 22 411.11 CONTRIBUTIONS BY THE CITY.

80 23 1. On or before January 1 of each year the system shall
80 24 certify to the superintendent of public safety of each
80 25 participating city the amounts which will become due and
80 26 payable during the year next following to the fire and police

80 27 retirement fund. The amounts so certified shall be included
80 28 by the superintendent of public safety in the annual budget
80 29 estimate. The amounts so certified shall be appropriated by
80 30 the respective cities and transferred to the retirement system
80 31 for the ensuing year. The cities shall annually levy a tax
80 32 sufficient in amount to cover the appropriations.

80 33 2. Amounts paid by a city to a member as back pay that
80 34 would have constituted earnable compensation if paid when
80 35 earned shall be allocated by the system as earnable
81 1 compensation to the period or periods for which paid and
81 2 employer and employee contributions shall be paid to the
81 3 system for the amounts. The contribution rate to be applied
81 4 to such amounts shall be determined pursuant to section 411.8
81 5 based on the rates in effect for the period or periods to
81 6 which the amounts are allocated. Interest on the
81 7 contributions required to be paid shall be calculated pursuant
81 8 to this section as if the contributions were unpaid as of the
81 9 date the contributions would have been due if the back pay had
81 10 been paid to the member during the period in which it was due.
81 11 The requirements of this subsection apply regardless of
81 12 whether the back pay is made under a covenant not to sue,
81 13 compromise settlement, denial of liability, or other agreement
81 14 between the member and the employer.

81 15 3. Contributions unpaid on the date on which they are due
81 16 and payable as prescribed by the system shall bear interest at
81 17 the greater of the interest rate assumption adopted by the
81 18 board of trustees or the rate of interest on the short-term
81 19 investment fund account of the system's custodial bank for the
81 20 period the contributions remain unpaid. Interest due pursuant
81 21 to this section may be waived by the system pursuant to rules
81 22 adopted by the board. Interest collected pursuant to this
81 23 section shall be paid into the retirement fund created in
81 24 section 411.8.

81 25 4. If an employer fails to pay contributions or interest
81 26 as required by this chapter after receiving thirty days'
81 27 notice of the employer's obligation, the system may maintain a
81 28 civil action to collect the unpaid contributions and interest
81 29 from the employer, which action shall be heard as
81 30 expeditiously as possible. If the system prevails in the
81 31 civil action to recover unpaid contributions and interest, the
81 32 court shall require the employer to pay the costs of the
81 33 action.

81 34 Sec. 109. Section 411.22, Code 1999, is amended to read as
81 35 follows:

82 1 411.22 LIABILITY OF THIRD PARTIES SUBROGATION.

82 2 1. If a member receives an injury or dies for which
82 3 benefits are payable under section 411.6, subsection 3,

~~or~~

- 5,

82 4 8, or 9, or section 411.15, and if the injury or death is
82 5 caused under circumstances creating a legal liability for
82 6 damages against a third party other than the retirement
82 7 system, the retirement system is subrogated to the rights of
82 8 the member or the member's legal representative beneficiary
82 9 entitled to receive a death benefit and may maintain an action
82 10 for damages against the third party for lost earnings and lost
82 11 earnings capacity. If the retirement system recovers damages
82 12 in the action, the court shall enter judgment for distribution
82 13 of the recovery as follows:

82 14 a. A sum sufficient to repay the retirement system for the
82 15 amount of such benefits actually paid by the retirement system
82 16 up to the time of the entering of the judgment.

82 17 b. A sum sufficient to pay the retirement system the
82 18 present worth, computed at the interest rate provided in
82 19 section 535.3 for court judgments and decrees, of the future
82 20 payments of such benefits, for which the retirement system is

82 21 liable, but the sum is not a final adjudication of the future
82 22 payments which the member is entitled to receive.
82 23 c. A sum sufficient to repay the retirement system for the
82 24 costs and expenses of maintaining the action.
82 25 d. Any balance remaining after the repayments provided by
82 26 paragraphs "a" through "c" shall be paid to the injured
82 27 member, or the beneficiary under section 411.6, subsection 8
82 28 or 9, whichever is applicable.
82 29 2. If the system, after receiving written notice of the
82 30 third-party liability, declines in writing to maintain an
82 31 action against the third party or fails to maintain an action
82 32 within one hundred eighty days of receiving written notice of
82 33 the third-party liability, the member, the member's estate, or
82 34 the legal representative of the member or the member's estate,
82 35 may maintain an action for damages against the third party.
83 1 If

~~a member or a member's legal representative commences~~

~~such~~

83 2 an action is commenced, the plaintiff member, estate, or
83 3 representative shall serve a copy of the original notice upon
83 4 the retirement system not less than ten days before the trial
83 5 of the action, but a failure to serve the notice does not
83 6 prejudice the rights of the retirement system, and the
83 7 following rights and duties ensue:
83 8 a. The retirement system shall be indemnified out of the
83 9 recovery of damages to the extent of benefit payments

~~made~~

83 10 paid or awarded by the retirement system, with legal interest,
83 11 except that the plaintiff member's or estate's attorney fees
83 12 may be first allowed by the district court. For purposes of
83 13 this paragraph, "benefit payments paid or awarded" means the
83 14 sum of the following amounts:
83 15 (1) The amount of benefits actually paid by the retirement
83 16 system up to the time of the entering of the judgment.
83 17 (2) The present worth, computed at the interest rate
83 18 provided in section 535.3 for court judgments and decrees, of
83 19 the future payments of such benefits, for which the retirement
83 20 system is liable, but the sum is not a final adjudication of
83 21 the future payments which the member is entitled to receive.
83 22 b. The retirement system has a lien on the damage claim
83 23 against the third party and on any judgment on the damage
83 24 claim for benefits for which the retirement system is liable.
83 25 In order to continue and preserve the lien, the retirement
83 26 system shall file a notice of the lien within thirty days
83 27 after receiving a copy of the original notice in the office of
83 28 the clerk of the district court in which the action is filed.
83 29

~~2. If a member fails to bring an action for damages~~

~~83 30~~

~~against a third party within thirty days after the retirement~~

~~83 31~~

~~system requests the member in writing to do so, the retirement~~

~~83 32~~

~~system is subrogated to the rights of the member and may~~

~~83 33~~

~~maintain the action against the third party, and may recover~~

~~83 34~~

~~damages for the injury to the same extent that the member may~~

~~83 35~~

~~recover damages for the injury. If the retirement system~~

~~84 1~~

~~recovers damages in the action, the court shall enter judgment~~

~~84 2~~

~~for distribution of the recovery as follows:~~

~~84 3~~

~~a. A sum sufficient to repay the retirement system for the~~

~~84 4~~

~~amount of such benefits actually paid by the retirement system~~

~~84 5~~

~~up to the time of the entering of the judgment.~~

~~84 6~~

~~b. A sum sufficient to pay the retirement system the~~

~~84 7~~

~~present worth, computed at the interest rate provided in~~

~~84 8~~

~~section 525.3 for court judgments and decrees, of the future~~

~~84 9~~

~~payments of such benefits, for which the retirement system is~~

~~84 10~~

~~liable, but the sum is not a final adjudication of the future~~

~~84 11~~

~~payments which the member is entitled to receive.~~

~~84 12~~

~~c. Any balance shall be paid to the member.~~

~~84 13~~

3. Before a settlement is effective between the retirement

84 14 system and a third party who is liable for an injury or death,

84 15 the member or beneficiary must consent in writing to the

84 16 settlement; and if the settlement is between the member or the

84 17 member's estate and a third party, the retirement system must

84 18 consent in writing to the settlement; or on refusal to

84 19 consent, in either case, the district court in the county in

84 20 which either the city or the retirement system is located must

84 21 consent in writing to the settlement.

84 22 4. For purposes of subrogation under this section, a
84 23 payment made to an injured member, a member's estate, or the
84 24

~~member's~~

- legal representative of the member or member's

84 25 estate, by or on behalf of a third party or the third party's
84 26 principal or agent, who is liable for, connected with, or
84 27 involved in causing the injury

~~to~~

- or death of the member,

84 28 shall be considered paid as damages because the injury or
84 29 death was caused under circumstances creating a legal
84 30 liability against the third party, whether the payment is made
84 31 under a covenant not to sue, compromise settlement, denial of
84 32 liability, or is otherwise made.

84 33 Sec. 110. EFFECTIVE DATE RETROACTIVE APPLICABILITY.

84 34 Sections 88, 91, 92, 105, and 108 of this Act, amending

84 35 section 411.1, subsection 12; section 411.3; section 411.4;

85 1 section 411.6, by creating new subsection 15; and section

85 2 411.11, being deemed of immediate importance, take effect upon

85 3 enactment and are retroactively applicable to January 1, 1992,

85 4 and are applicable on and after that date.

85 5 Sec. 111. EFFECTIVE DATE. Section 87 of this Act amending

85 6 section 411.1, subsection 10, and section 94 of this Act,

85 7 amending section 411.5, subsection 8, take effect July 1,

85 8 2001.

85 9

DIVISION IV

85 10

JUDICIAL RETIREMENT SYSTEM

85 11 Sec. 112. Section 602.9104, subsection 1, Code 1999, is

85 12 amended to read as follows:

85 13 1. A judge to whom this article applies, shall be paid an

85 14 amount equal to

~~ninety six~~

- ninety-five percent of the basic

85 15 salary of the judge as set by the general assembly. An amount

85 16 equal to

~~four~~

- five percent of the basic salary of the judge as

85 17 set by the general assembly is designated as the judge's

85 18 contribution to the judicial retirement fund, and shall be

85 19 paid by the state in the manner provided in subsection 2.

85 20 Sec. 113. Section 602.9104, subsection 4, paragraph a,

85 21 subparagraph (2), Code 1999, is amended to read as follows:

85 22 (2) "Fully funded status" means that the most recent

85 23 actuarial valuation reflects that, using the

~~aggregate cost~~

- projected unit credit method in accordance with generally

85 25 recognized and accepted actuarial principles and practices set

85 26 forth by the American academy of actuaries, the funded status

85 27 of the system is at least one hundred percent.

85 28 Sec. 114. Section 602.9104, subsection 4, paragraph b,

85 29 Code 1999, is amended to read as follows:

85 30 b. Effective with the fiscal year commencing July 1, 1994,

85 31 and for each subsequent fiscal year until the system attains

85 32 fully funded status, based upon the benefits provided for

85 33 judges through the judicial retirement system as of July 1,

85 34 2001, the state shall contribute annually to the judicial

85 35 retirement fund an amount equal to at least twenty-three and

86 1 seven-tenths percent of the basic salary of all judges covered

86 2 under this article. Commencing with the first fiscal year in

86 3 which the system attains fully funded status, based upon the

86 4 benefits provide for judges through the judicial retirement
86 5 system as of July 1, 2001, and for each subsequent fiscal
86 6 year, the state shall contribute to the judicial retirement
86 7 fund the required contribution rate. The state's contribution
86 8 shall be appropriated directly to the judicial retirement
86 9 fund.

86 10 Sec. 115. Section 602.9107, subsection 1, Code 1999, is
86 11 amended to read as follows:

86 12 1. a. The annual annuity of a judge under this system is
86 13 an amount equal to three percent of the judge's average annual
86 14 basic salary for the judge's last three years as a judge of
86 15 one or more of the courts included in this article, multiplied
86 16 by the judge's years of service as a judge of one or more of
86 17 the courts for which contributions were made to the system.
86 18 However, an annual annuity shall not exceed an amount equal to
86 19 a specified percentage of the basic annual salary which the
86 20 judge is receiving at the time the judge becomes separated
86 21 from service. Forfeitures shall not be used to increase the
86 22 annuities a judge or survivor would otherwise receive under
86 23 the system.

86 24 b. "Specified percentage", for purposes of this section,
86 25 means as follows:

86 26 (1) For judges who retire and receive an annuity prior to
86 27 July 1, 1998, the specified percentage shall be fifty percent.

86 28 (2) For judges who retire and receive an annuity on or
86 29 after July 1, 1998, but before July 1, 2000, the specified
86 30 percentage shall be fifty-two percent.

86 31 (3) For judges who retire and receive an annuity on or
86 32 after July 1, 2000, but before July 1, 2001, the specified
86 33 percentage shall be fifty-six percent.

86 34 (4) For judges who retire and receive an annuity on or
86 35 after July 1, 2001, the specified percentage shall be sixty
87 1 percent.

87 2 Sec. 116. Section 602.9204, Code Supplement 1999, is
87 3 amended to read as follows:

87 4 602.9204 SALARY ANNUITY OF SENIOR JUDGE AND RETIRED
87 5 SENIOR JUDGE.

87 6 1. A judge who retires on or after July 1, 1994, and who
87 7 is appointed a senior judge under section 602.9203 shall be
87 8 paid a salary as determined by the general assembly. A senior
87 9 judge or retired senior judge shall be paid an annuity under
87 10 the judicial retirement system in the manner provided in
87 11 section 602.9109, but computed under this section in lieu of
87 12 section 602.9107, as follows: The annuity paid to a senior
87 13 judge or retired senior judge shall be an amount equal to
87 14 three percent of the basic senior judge salary, multiplied by
87 15 the judge's years of service prior to retirement as a judge of
87 16 one or more of the courts included under this article, for
87 17 which contributions were made to the system, except the
87 18 annuity of the senior judge or retired senior judge shall not
87 19 exceed

~~— fifty percent~~

~~— an amount equal to the applicable~~

87 20 specified percentage of the basic senior judge salary used in
87 21 calculating the annuity. However, following the twelve-month
87 22 period during which the senior judge or retired senior judge
87 23 attains seventy-eight years of age, the annuity paid to the
87 24 person shall be an amount equal to three percent of the basic
87 25 senior judge salary cap, multiplied by the judge's years of
87 26 service prior to retirement as a judge of one or more of the
87 27 courts included under this article, for which contributions
87 28 were made to the system, except that the annuity shall not
87 29 exceed

~~— fifty percent~~

~~— an amount equal to the applicable~~

87 30 specified percentage of the basic senior judge salary cap. A
87 31 senior judge or retired senior judge shall not receive
87 32 benefits calculated using a basic senior judge salary
87 33 established after the twelve-month period in which the senior
87 34 judge or retired senior judge attains seventy-eight years of
87 35 age. The state shall provide, regardless of age, to an active
88 1 senior judge or a senior judge with six years of service as a
88 2 senior judge and to the judge's spouse, and pay for medical
88 3 insurance until the judge attains the age of seventy-eight
88 4 years.

88 5 2. As used in this section, unless the context otherwise
88 6 requires:

88 7 a. "Applicable specified percentage" means, for a senior
88 8 judge or retired senior judge, the specified percentage, as
88 9 defined in section 602.9107, subsection 1, that applied on the
88 10 date the judge was separated from full-time service.
88 11

~~a.~~

- b. "Basic senior judge salary" means the basic annual
88 12 salary which the judge is receiving at the time the judge
88 13 becomes separated from full-time service, as would be used in
88 14 computing an annuity pursuant to section 602.9107 without
88 15 service as a senior judge, plus seventy-five percent of the
88 16 escalator.
88 17

~~b.~~

- c. "Basic senior judge salary cap" means the basic
88 18 senior judge salary, at the end of the twelve-month period
88 19 during which the senior judge or retired senior judge attained
88 20 seventy-eight years of age, of the office in which the person
88 21 last served as a judge before retirement as a judge or senior
88 22 judge.
88 23

~~c.~~

- d. "Escalator" means the difference between the current
88 24 basic salary, as of the time each payment is made up to and
88 25 including the twelve-month period during which the senior
88 26 judge or retired senior judge attains seventy-eight years of
88 27 age, of the office in which the senior judge last served as a
88 28 judge before retirement as a judge or senior judge, and the
88 29 basic annual salary which the judge is receiving at the time
88 30 the judge becomes separated from full-time service as a judge
88 31 of one or more of the courts included in this article, as
88 32 would be used in computing an annuity pursuant to section
88 33 602.9107 without service as a senior judge.

88 34 Sec. 117. JUDICIAL RETIREMENT SYSTEM LEGISLATIVE INTENT
88 35 NOTIFICATION REPORT.

89 1 1. It is the intent of the general assembly that once the
89 2 judicial retirement system attains fully funded status based
89 3 upon the benefits provided for judges through July 1, 2001,
89 4 the employer and employee contribution rates established to
89 5 fund the judicial retirement system should be adjusted to
89 6 reflect the ratio of employer and employee contribution rates
89 7 required under the Iowa public employees' retirement system.

89 8 2. The state court administrator shall notify, in writing,
89 9 the public retirement systems committee established in section
89 10 97D.4, when the state court administrator anticipates that the
89 11 judicial retirement system is within two additional fiscal
89 12 years of attaining fully funded status as defined in section
89 13 602.9104 based upon the benefits provided for judges through
89 14 July 1, 2001. In addition, the state court administrator
89 15 shall, following the notification to the committee as provided
89 16 in this section and in consultation with the Iowa judges
89 17 association, conduct a study and submit a report, including

89 18 its findings and recommendations, to the public retirement
89 19 systems committee prior to the next scheduled meeting of the
89 20 committee concerning appropriate methods of adequately
89 21 financing the judicial retirement system once the system
89 22 reaches fully funded status. In conducting the study, the
89 23 state court administrator shall consider, and make
89 24 recommendations concerning, the appropriateness of funding the
89 25 judicial retirement system by establishing employer and
89 26 employee contribution rates which shall maintain the actuarial
89 27 soundness of the system and which shall reflect the intent of
89 28 the general assembly as contemplated in subsection 1.

89 29 Sec. 118. FIRE FIGHTER AND EMERGENCY MEDICAL SERVICES
89 30 PROVIDER BENEFITS REPORT. The department of management
89 31 shall conduct a study concerning the possible implementation
89 32 of a system to provide retirement benefits to volunteer fire
89 33 fighters and emergency medical service personnel and to
89 34 provide death and survivor benefits, including but not limited
89 35 to providing for payment of postsecondary education expenses
90 1 of dependent children, when a volunteer fire fighter or
90 2 emergency medical service provider dies in the line of duty.
90 3 The study shall examine what benefits should be provided, if
90 4 any, as well as possible funding mechanisms to provide any
90 5 such proposed benefits, including the use of excess insurance
90 6 premium tax receipts, but excluding the fire and police
90 7 retirement fund created in section 411.8. In conducting the
90 8 study, the department shall consult with the department of
90 9 public safety; the department of personnel; and
90 10 representatives from the Iowa firemen's association; the Iowa
90 11 fire chief's association; the Iowa association of professional
90 12 firefighters; the Iowa association of professional fire
90 13 chiefs; the Iowa firefighters group; the state fire service
90 14 and emergency response council, if established by law, or the
90 15 fire service institute advisory committee established by
90 16 section 266.46; the Iowa emergency medical services
90 17 association; and the Iowa league of cities. The department
90 18 shall submit a report concerning the results of its study,
90 19 including any findings and recommendations, to the general
90 20 assembly by January 8, 2001.
90 21 SF 2411
90 22 ec/cc/26