

JAN 29 2003

STATE GOVERNMENT

HOUSE FILE
BY JOCHUM

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

A BILL FOR

1 An Act providing for the assignment of pension benefits from
2 state-administered retirement systems for the payment of
3 health insurance coverage premiums.

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

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HF-73

1 Section 1. Section 97A.12, Code 2003, is amended to read
2 as follows:

3 97A.12 EXEMPTION FROM EXECUTION AND OTHER PROCESS OR
4 ASSIGNMENT -- EXCEPTIONS.

5 1. The right of any person to a pension, annuity, or
6 retirement allowance, to the return of contributions, the
7 pension, annuity, or retirement allowance itself, any optional
8 benefit or death benefit, any other right accrued or accruing
9 to any person under this chapter, and the moneys in the
10 various funds created under this chapter, are not subject to
11 execution, garnishment, attachment, or any other process
12 whatsoever, and are unassignable except for the purposes of
13 enforcing child, spousal, or medical support obligations or
14 marital property orders, or as otherwise specifically provided
15 in this chapter. For the purposes of enforcing child,
16 spousal, or medical support obligations, the garnishment or
17 attachment of or the execution against compensation due a
18 person under this chapter shall not exceed the amount
19 specified in 15 U.S.C. § 1673(b).

20 2. A beneficiary may, upon written application with the
21 department, request that a portion of the beneficiary's
22 retirement allowance be assigned to pay for all or a portion
23 of the premium cost for health insurance or health benefit
24 coverage for the beneficiary.

25 Sec. 2. Section 97B.39, Code 2003, is amended to read as
26 follows:

27 97B.39 RIGHTS NOT TRANSFERABLE OR SUBJECT TO LEGAL PROCESS
28 -- EXCEPTIONS.

29 1. The right of any person to any future payment under
30 this chapter is not transferable or assignable, at law or in
31 equity, and the moneys paid or payable or rights existing
32 under this chapter are not subject to execution, levy,
33 attachment, garnishment, or other legal process, or to the
34 operation of any bankruptcy or insolvency law except for the
35 purposes of enforcing child, spousal, or medical support

1 obligations or marital property orders, or as otherwise
2 specifically provided in this section. For the purposes of
3 enforcing child, spousal, or medical support obligations, the
4 garnishment or attachment of or the execution against
5 compensation due a person under this chapter shall not exceed
6 the amount specified in 15 U.S.C. § 1673(b). The division
7 shall comply with the provisions of a marital property order
8 requiring the selection of a particular benefit option,
9 designated beneficiary, or contingent annuitant if the
10 selection is otherwise authorized by this chapter and the
11 member has not received payment of the member's first
12 retirement allowance. However, a marital property order shall
13 not require the payment of benefits to an alternative payee
14 prior to the member's retirement, prior to the date the member
15 elects to receive a lump sum distribution of accumulated
16 contributions pursuant to section 97B.53, or in an amount that
17 exceeds the benefits the member would otherwise be eligible to
18 receive pursuant to this chapter.

19 2. A member may, upon written application with the
20 division, request that a portion of the member's monthly
21 retirement allowance be assigned to pay for all or a portion
22 of the premium cost for health insurance or health benefit
23 coverage for the member.

24 Sec. 3. NEW SECTION. 602.9109A ASSIGNMENT OF ANNUITIES
25 -- HEALTH INSURANCE -- OR BENEFITS.

26 A person receiving an annuity under this article may, upon
27 written application with the state court administrator,
28 request that a portion of the person's monthly annuity be
29 assigned to pay for all or a portion of the premium cost for
30 health insurance or health benefit coverage for the person.

31 EXPLANATION

32 This bill provides that a person receiving a retirement
33 allowance under the public safety peace officers' retirement,
34 accident, and disability system, the Iowa public employee's
35 retirement system, or the judicial retirement system may, upon

1 written application, request that a portion of the person's
2 retirement allowance be assigned to pay for health insurance
3 or health benefit coverage.

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