

FILED FEB 10 '03

SENATE FILE 109

BY CONNOLLY

(COMPANION TO LSB 1858HH  
BY MURPHY)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the retirement allowance for an accidental  
2 disability under the statewide fire and police retirement  
3 system.

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

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SF 109  
STATE GOVERNMENT

1 Section 1. Section 411.6, subsection 6, paragraph c, Code  
2 2003, is amended to read as follows:

3 c. Upon retirement for accidental disability on or after  
4 July 1, 1998, but before July 1, 2003, a member shall receive  
5 an accidental disability retirement allowance which shall  
6 consist of a pension in an amount equal to the greater of  
7 sixty percent of the member's average final compensation or  
8 the retirement allowance that the member would receive under  
9 subsection 2 if the member had attained fifty-five years of  
10 age.

11 Sec. 2. Section 411.6, subsection 6, Code 2003, is amended  
12 by adding the following new paragraph:

13 NEW PARAGRAPH. d. Upon retirement for accidental  
14 disability on or after July 1, 2003, a member shall receive an  
15 accidental disability retirement allowance which shall consist  
16 of a pension equal to eighty-two percent of the member's  
17 average final compensation.

18 EXPLANATION

19 This bill changes the retirement allowance a member under  
20 the statewide fire and police retirement system (Code chapter  
21 411) receives upon an accidental disability. Under current  
22 law, for an accidental disability retirement, the member  
23 receives a retirement allowance equal to the greater of 60  
24 percent of average final compensation or the benefit amount  
25 calculated under a service retirement if the member were 55  
26 years of age. The maximum service retirement for a normal  
27 retirement can be 82 percent if the member has served 30 years  
28 of service. Under the bill, the member would receive 82  
29 percent for an accidental disability retirement regardless of  
30 the years of service the member had at the time of the  
31 disability retirement.

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**Description**

Senate File 109 changes the accidental disability retirement allowance covered under the Statewide Fire and Police Retirement System (Chapter 411, Code of Iowa). The Bill requires the annual pension payment of 82.0% of the member's average final compensation upon retirement for accidental disability. Under current law the member would be entitled to the greater of 60.0% of the member's average final compensation or the benefit amount calculated under a service retirement if the member were 55 years of age, to a maximum of 82.0%.

**Assumptions**

1. As of July 1, 2002, the System covered 3,805 active employees with an annual payroll of \$173.1 million.
2. The contribution cost for the enhanced benefit is 1.4% of covered payroll.
3. The cost of benefits is funded with a combination of employer (member cities) contributions, which is 17.0% of covered payroll for FY 2003 and 20.5% of covered payroll for FY 2004, employee contributions which is 9.4% of covered payroll for FY 2003 and FY 2004, and a General Fund appropriation which is \$2.8 million for FY 2003.
4. The benefit enhancements provided for in SF 109 will be funded entirely by an increase in employer (member cities) contributions.

**Fiscal Impact**

The fiscal impact of SF 109 is an increased annual contribution to the Statewide Fire and Police Retirement System of \$2.4 million from member cities.

**Source**

Municipal Fire and Police Retirement System of Iowa

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/s/ Dennis C Prouty

March 3, 2003

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