

House File 389 - Introduced

HOUSE FILE 389

BY RIDING

A BILL FOR

1 An Act relating to the reexamination and recalculation of
2 disability retirement benefits for beneficiaries under the
3 public safety peace officers' retirement, accident, and
4 disability system.

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

1 Section 1. Section 97A.6, subsection 7, paragraph a,
2 subparagraph (1), Code 2013, is amended to read as follows:

3 (1) Should any beneficiary for either ordinary or
4 accidental disability, except a beneficiary who is fifty-five
5 years of age or over and would have completed twenty-two years
6 of service if the beneficiary had remained in active service,
7 be engaged in a gainful occupation paying more than the
8 difference between the member's net retirement allowance and
9 ~~one~~ two and one-half times the current earnable compensation
10 of an active member at the same position on the salary scale
11 within the member's rank as the member held at retirement, then
12 the amount of the retirement allowance shall be reduced to an
13 amount such that the member's net retirement allowance plus the
14 amount earned by the member shall equal ~~one~~ two and one-half
15 times the amount of the current earnable compensation of an
16 active member at the same position on the salary scale within
17 the member's rank as the member held at retirement. Should
18 the member's earning capacity be later changed, the amount of
19 the retirement allowance may be further modified, provided
20 that the new retirement allowance shall not exceed the amount
21 of the retirement allowance originally granted adjusted by
22 annual readjustments of pensions pursuant to subsection 14 of
23 this section nor an amount which would cause the member's net
24 retirement allowance, when added to the amount earned by the
25 beneficiary, to equal ~~one~~ two and one-half times the amount
26 of the current earnable compensation of an active member at
27 the same position on the salary scale within the member's rank
28 as the member held at retirement. A beneficiary restored
29 to active service at a salary less than the average final
30 compensation upon the basis of which the member was retired at
31 age fifty-five or greater, shall not again become a member of
32 the retirement system and shall have the member's retirement
33 allowance suspended while in active service. If the rank or
34 position held by the retired member is subsequently abolished,
35 adjustments to the allowable limit on the amount of income

1 which can be earned in a gainful occupation shall be computed
 2 in the same manner as provided in subsection 14, paragraph "c",
 3 of this section for readjustment of pensions when a rank or
 4 position has been abolished. If the salary scale associated
 5 with a member's rank at retirement is changed after the member
 6 retires, earnable compensation for purposes of this section
 7 shall be based upon the salary an active member currently
 8 would receive at the same rank and with seniority equal to
 9 that of the retired member at the time of retirement. For
 10 purposes of this paragraph, "*net retirement allowance*" means
 11 the amount determined by subtracting the amount paid during the
 12 previous calendar year by the beneficiary for health insurance
 13 or similar health care coverage for the beneficiary and the
 14 beneficiary's dependents from the amount of the member's
 15 retirement allowance paid for that year pursuant to this
 16 chapter. The beneficiary shall submit sufficient documentation
 17 to the board of trustees to permit the system to determine the
 18 member's net retirement allowance for the applicable year.

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EXPLANATION

20 This bill concerns the recalculation of an accidental or
 21 ordinary disability retirement benefit for a beneficiary
 22 under 55 years of age under the Public Safety Peace Officers'
 23 Retirement, Accident, and Disability system (PORS). The
 24 bill provides that a beneficiary shall have their disability
 25 retirement benefit reduced equal to the difference in income
 26 the beneficiary is receiving from other work and two and
 27 one-half times the amount of the current earnable compensation
 28 of an active member of PORS at the same position on the salary
 29 scale as the disability beneficiary less the disability
 30 beneficiary's net retirement allowance. Net retirement
 31 allowance is defined as the disability beneficiary's retirement
 32 allowance minus certain health insurance costs. Current law
 33 reduces the disability benefit if the disability beneficiary's
 34 income from other employment is one and one-half times the
 35 amount of an active member of PORS minus the net retirement

1 allowance.