

House File 589 - Introduced

HOUSE FILE 589
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HSB 190)

A BILL FOR

1 An Act concerning the municipal fire and police retirement
2 system and including effective date and retroactive
3 applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 400.8, subsection 1, Code 2013, is
2 amended to read as follows:

3 1. The commission, when necessary under the rules,
4 including minimum and maximum age limits, which shall be
5 prescribed and published in advance by the commission and
6 posted in the city hall, shall hold examinations for the
7 purpose of determining the qualifications of applicants
8 for positions under civil service, other than promotions,
9 which examinations shall be practical in character and shall
10 relate to matters which will fairly test the mental and
11 physical ability of the applicant to discharge the duties of
12 the position to which the applicant seeks appointment. The
13 physical examination of applicants for appointment to the
14 positions of police officer, police matron, or fire fighter
15 shall be held in accordance with medical protocols established
16 by the board of trustees of the fire and police retirement
17 system established by section 411.5 and shall be conducted
18 in accordance with the directives of the board of trustees.
19 However, the prohibitions of section 216.6, subsection 1,
20 paragraph "d", regarding tests for the presence of the antibody
21 to the human immunodeficiency virus shall not apply to such
22 examinations. The board of trustees may change the medical
23 protocols at any time the board so determines. In the event of
24 a conflict between the medical protocols established under this
25 section and the minimum entrance requirements of the Iowa law
26 enforcement academy under section 80B.11, the medical protocols
27 established under this section shall control. The physical
28 examination of an applicant for the position of police officer,
29 police matron, or fire fighter shall be conducted after a
30 conditional offer of employment has been made to the applicant.
31 An applicant shall not be discriminated against on the basis
32 of height, weight, sex, or race in determining physical or
33 mental ability of the applicant. Reasonable rules relating to
34 strength, agility, and general health of applicants shall be
35 prescribed. The costs of the physical examination required

1 under this subsection shall be paid from the trust and agency
2 fund of the city.

3 Sec. 2. Section 411.1, subsection 14, Code 2013, is amended
4 to read as follows:

5 14. "*Member in good standing*" means a member in service who
6 is not subject to removal by the employing city of the member
7 pursuant to section 400.18 or 400.19, or other comparable
8 process, and who is not the subject of an investigation that
9 could lead to such removal. A Except as specifically provided
10 pursuant to section 411.9, a person who is restored to active
11 service for purposes of applying for a pension under this
12 chapter is not a member in good standing.

13 Sec. 3. Section 411.1, Code 2013, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 23. "*Vested member*" means a member who has
16 become eligible to receive monthly retirement benefits upon the
17 member's retirement as the result of either completing at least
18 four years of service or of attaining the age of fifty-five
19 while performing membership service.

20 Sec. 4. Section 411.5, subsection 12, paragraph e, Code
21 2013, is amended by striking the paragraph and inserting in
22 lieu thereof the following:

23 e. Notwithstanding any provision of this chapter to the
24 contrary, all benefits under this chapter shall commence no
25 later than the required beginning date specified under section
26 401(a)(9) of the federal Internal Revenue Code and shall comply
27 with the required minimum distribution provisions of that
28 section.

29 Sec. 5. Section 411.6, subsection 1, paragraph b, Code 2013,
30 is amended to read as follows:

31 b. Any vested member in service ~~who has been a member of~~
32 ~~the retirement system four or more years and~~ whose employment
33 is terminated ~~prior to the member's retirement~~, other than by
34 death or disability, prior to the member being credited with
35 twenty-two years of service shall, upon attaining retirement

1 age for a vested member with four or more years of service
2 or upon application to the system for a vested member with
3 less than four years of service, receive a service retirement
4 allowance of four as calculated in the manner provided in this
5 paragraph. A vested member receiving a retirement allowance
6 pursuant to this paragraph shall receive a service retirement
7 allowance equal to one twenty-seconds of the retirement
8 allowance the member would receive at retirement if the
9 member's employment had not been terminated, and an additional
10 one twenty-second of such retirement allowance for each
11 additional year of service not exceeding based on twenty-two
12 years of service, multiplied by the number of years of service
13 credited to the member. The amount of the retirement allowance
14 shall be calculated in the manner provided in this paragraph
15 using the average final compensation at the time of termination
16 of employment.

17 Sec. 6. Section 411.6, subsection 8, paragraph c,
18 subparagraph (3), Code 2013, is amended by striking the
19 subparagraph.

20 Sec. 7. Section 411.9, subsection 2, Code 2013, is amended
21 to read as follows:

22 2. In the case of a member's death occurring on or after
23 January 1, 2007, if the member dies while performing qualified
24 military service as defined in section 414(u) of the Internal
25 Revenue Code, the survivors of the member are entitled to any
26 additional benefits, ~~other than benefit accruals relating to~~
27 ~~the period of qualified military service,~~ provided by the
28 system as if the member had resumed membership service and
29 had died as the natural and proximate result of an injury or
30 disease incurred in or aggravated by the actual performance of
31 duty at some definite time and place.

32 Sec. 8. Section 411.9, Code 2013, is amended by adding the
33 following new subsection:

34 NEW SUBSECTION. 2A. In the case of a member's disability
35 incurred while performing qualified military service as defined

1 in section 414(u) of the Internal Revenue Code, the member
2 shall be treated as a member in good standing, whether or
3 not the member returns to membership service, and shall be
4 permitted to file an application for an ordinary disability
5 retirement benefit as provided in section 411.6.

6 Sec. 9. Section 411.9, Code 2013, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 2B. In the case of a member's death or
9 disability occurring on or after January 1, 2007, if the member
10 is unable to resume membership service as a result of death or
11 disability incurred while performing qualified military service
12 as defined in section 414(u) of the Internal Revenue Code,
13 the member shall be treated as if the member had returned to
14 membership service and the period of military service shall be
15 treated as membership service.

16 Sec. 10. Section 411.23, subsection 1, Code 2013, is amended
17 to read as follows:

18 1. Commencing July 1, 1990, if an active member, in service
19 on or after that date, terminates service, other than by death
20 or disability, the member may elect to withdraw the member's
21 contributions under section 411.8, subsection 1, paragraphs "f"
22 and "h", together with interest thereon at a rate determined by
23 the board of trustees. If the member is married at the time
24 of the application for withdrawal, the application is subject
25 to the consent of the member's spouse unless the amount to be
26 withdrawn does not exceed the amount that may be withdrawn
27 without consent as established by section 401(a) of the federal
28 Internal Revenue Code. If a member withdraws contributions as
29 provided in this section, the member shall be deemed to have
30 waived all claims for other benefits from the system for the
31 period of membership service for which the contributions are
32 withdrawn.

33 Sec. 11. Section 411.36, subsection 1, paragraph a,
34 subparagraph (3), Code 2013, is amended to read as follows:

35 (3) A city treasurer, city financial officer, ~~or~~ city clerk,

1 or other city officer involved with the management of the
2 financial matters of the city from four participating cities,
3 one of whom is from a city having a population of less than
4 thirty thousand, and three of whom are from cities having a
5 population of thirty thousand or more. The members authorized
6 pursuant to this paragraph shall be appointed by the governing
7 body of the Iowa league of cities.

8 Sec. 12. EFFECTIVE UPON ENACTMENT. The following
9 provision or provisions of this Act, being deemed of immediate
10 importance, take effect upon enactment:

11 1. The section of this Act amending section 411.9,
12 subsection 2.

13 2. The section of this Act enacting section 411.9,
14 subsection 2B.

15 3. The section of this Act amending section 411.36,
16 subsection 1.

17 Sec. 13. RETROACTIVE APPLICABILITY. The following
18 provision or provisions of this Act apply retroactively to
19 January 1, 2007:

20 1. The section of this Act amending section 411.9,
21 subsection 2.

22 2. The section of this Act enacting section 411.9,
23 subsection 2B.

24 Sec. 14. RETROACTIVE APPLICABILITY. The following
25 provision or provisions of this Act apply retroactively to
26 appointments made on or after January 1, 2013:

27 1. The section of this Act amending section 411.36,
28 subsection 1.

29 EXPLANATION

30 This bill makes changes to the Municipal Fire and Police
31 Retirement System (MFPRSI).

32 Code section 400.8, concerning entrance examinations for
33 civil service employees, is amended to provide that if a
34 conflict exists between the medical protocols established by
35 the board of trustees of MFPRSI for police and fire fighters

1 and the entrance requirements for the Iowa Law Enforcement
2 Academy, the medical protocols established by the MFPRSI board
3 shall control.

4 Code section 411.1 is amended to define a vested member of
5 MFPRSI as a member who is eligible to receive a retirement
6 benefit by completing at least four years of service or
7 attaining age 55 while performing membership service.

8 Code section 411.5, concerning the administration of MFPRSI,
9 is amended to provide that benefits paid under MFPRSI shall
10 comply with the required beginning date and required minimum
11 distribution provisions of the federal Internal Revenue Code.

12 Code section 411.6(1), concerning calculation of a service
13 retirement benefit, is amended to provide that a vested member
14 of MFPRSI with less than 22 years of membership service is
15 entitled to receive a service retirement allowance based on the
16 number of years of service credited to the member. Current
17 law provides this service retirement allowance only to those
18 members with at least four years of service.

19 Code section 411.6(8), concerning an ordinary death benefit
20 under MFPRSI, is amended by striking the provision granting
21 to the deceased member's dependent parents, if there is no
22 surviving spouse or child, an option to elect as the death
23 benefit a monthly pension benefit in lieu of a lump sum
24 payment. The change does not eliminate the ability of a
25 deceased member's parents to receive a lump sum ordinary death
26 benefit if otherwise eligible.

27 Code section 411.9, concerning military service, is amended
28 by adding two new subsections.

29 New Code section 411.9(2A) provides that if a member's
30 disability was incurred while performing qualified military
31 service, the member shall be permitted to file an application
32 for an ordinary disability retirement regardless of whether the
33 member returned to membership service following the disability.

34 New Code section 411.9(2B) provides that if a member is
35 unable to return to membership service following the member's

1 death or disability occurring on or after January 1, 2007,
2 while performing qualified military service, the member shall
3 be treated as having returned to membership service and the
4 period of military service shall be treated as membership
5 service for purposes of Code chapter 411. Code section
6 411.9(2) is also amended to reflect that the period of military
7 service shall be counted as membership service for purposes of
8 providing death benefits to a member who dies while performing
9 qualified military service. The bill provides that both
10 changes take effect upon enactment and apply retroactively to
11 January 1, 2007.

12 Code section 411.23(1), concerning withdrawal of
13 contributions, is amended to provide that a member who
14 terminates service and elects to withdraw the member's
15 contributions to MFPRSI shall be subject to the consent of
16 the member's spouse if the amount to be withdrawn exceeds the
17 amount that may be withdrawn as established by the federal
18 Internal Revenue Code. Currently, the maximum amount that
19 may be withdrawn without consent as provided by the federal
20 Internal Revenue Code is \$5,000.

21 Code section 411.36, concerning the board of trustees of the
22 MFPRSI, is amended to provide that the appointment of the city
23 representative of the board is not limited to individuals with
24 the title of city treasurer, city financial officer, or city
25 clerk, but instead allows the appointment of those specified
26 officers or any city officer involved with the management of
27 the financial matters of the city. The bill provides that this
28 change takes effect upon enactment and applies retroactively to
29 appointments to the board made on or after January 1, 2013.