

**Senate File 45 - Introduced**

SENATE FILE 45

BY ZAUN

**A BILL FOR**

1 An Act providing for the development of a mandatory defined  
2 contribution pension plan for certain public employees.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 97A.3, subsection 1, Code 2017, is  
2 amended to read as follows:

3 1. All peace officer members of the division of state  
4 patrol and the division of criminal investigation or the  
5 predecessor divisions or subunits in the department of public  
6 safety, excepting the members of the clerical force, who  
7 are employed by the state of Iowa on July 4, 1949, and all  
8 persons thereafter employed as members of such divisions or the  
9 predecessor divisions or subunits in the department of public  
10 safety or division of narcotics enforcement or division of  
11 state fire marshal or the predecessor divisions or subunits,  
12 except the members of the clerical force, shall be members of  
13 this system, except as otherwise provided in this subsection  
14 or subsection 3. Effective July 1, 1994, gaming enforcement  
15 officers employed by the division of criminal investigation  
16 for excursion boat and gambling structure gambling enforcement  
17 activities and fire prevention inspector peace officers  
18 employed by the department of public safety shall be members of  
19 this system, except as otherwise provided in this subsection  
20 or subsection 3 or section 97B.42B. Such members shall not  
21 be required to make contributions under any other pension  
22 or retirement system of the state of Iowa, anything to the  
23 contrary notwithstanding. However, peace officer members of  
24 the division of state patrol and the division of criminal  
25 investigation or the predecessor divisions or subunits  
26 in the department of public safety, persons employed as  
27 members of such divisions or the predecessor divisions or  
28 subunits in the department of public safety or division of  
29 narcotics enforcement or division of state fire marshal or the  
30 predecessor divisions or subunits, gaming enforcement officers,  
31 and fire prevention inspector peace officers newly hired on or  
32 after July 1, 2019, shall not be eligible to participate in the  
33 retirement system under this chapter.

34 Sec. 2. Section 97B.1A, subsection 8, paragraph b, Code  
35 2017, is amended by adding the following new subparagraph:

1 NEW SUBPARAGRAPH. (10) Employees who are employed as  
2 defined in this chapter for whom coverage under this chapter  
3 would otherwise be mandatory or optional but who are newly  
4 hired on or after July 1, 2019.

5 Sec. 3. Section 411.2, subsection 1, Code 2017, is amended  
6 to read as follows:

7 1. Except as provided in subsections 2 through 5 6,  
8 each city in which the fire fighters or police officers are  
9 appointed under the civil service law of this state, shall  
10 participate in the retirement system established by this  
11 chapter for the purpose of providing retirement allowances only  
12 for fire fighters or police officers, or both, of the cities  
13 who are so appointed after the date the city comes under the  
14 retirement system, or benefits to their dependents.

15 Sec. 4. Section 411.2, Code 2017, is amended by adding the  
16 following new subsection:

17 NEW SUBSECTION. 6. A police officer or fire fighter hired  
18 on or after July 1, 2019, by a city with a population of more  
19 than eight thousand prior to the results of the federal census  
20 conducted in 1990 shall not be eligible to participate in the  
21 retirement system under this chapter.

22 Sec. 5. Section 602.1611, subsection 1, unnumbered  
23 paragraph 1, Code 2017, is amended to read as follows:

24 Judges of the supreme court and court of appeals, district  
25 judges, and district associate judges are members of the  
26 judicial retirement system established in article 9, part 1,  
27 and are not members of the public employees' retirement system  
28 established in chapter 97B, except as provided in paragraphs  
29 "a", and "b", and "c".

30 Sec. 6. Section 602.1611, subsection 1, Code 2017, is  
31 amended by adding the following new paragraph:

32 NEW PARAGRAPH. c. Judges of the supreme court and court  
33 of appeals, district judges, and district associate judges  
34 appointed on or after July 1, 2019, shall not become members  
35 of the judicial retirement system established in article 9,

1 part 1, but shall instead become eligible to participate in  
2 an alternative defined contribution retirement system as  
3 established by the state court administrator.

4 Sec. 7. ALTERNATIVE DEFINED CONTRIBUTION PEACE OFFICERS'  
5 RETIREMENT SYSTEM STUDY — REPORT.

6 1. The board of trustees of the Iowa department of public  
7 safety peace officers' retirement, accident, and disability  
8 system established by chapter 97A shall conduct a study for the  
9 development of an alternative defined contribution retirement  
10 system for peace officers hired on or after July 1, 2019, who  
11 are ineligible to participate in the Iowa department of public  
12 safety peace officers' retirement, accident, and disability  
13 system established in chapter 97A, as provided in this Act.  
14 The board shall conduct a study and submit a report, including  
15 its findings and recommendations, to the public retirement  
16 systems committee established in section 97D.4, by October 1,  
17 2018.

18 2. The goal of the study shall be the selection of an  
19 alternative defined contribution retirement plan that provides  
20 adequate retirement benefits while reducing and stabilizing the  
21 cost to taxpayers of providing retirement benefits.

22 3. In making its recommendation, the board shall consider  
23 methods of providing medical, disability, and line of duty  
24 death benefits to affected peace officers. The board shall  
25 also consider whether the affected peace officers can be  
26 enrolled in the federal social security system.

27 Sec. 8. ALTERNATIVE DEFINED CONTRIBUTION IOWA PUBLIC  
28 EMPLOYEES' RETIREMENT SYSTEM STUDY — REPORT.

29 1. The Iowa public employees' retirement system shall  
30 conduct a study for the development of an alternative defined  
31 contribution retirement system for employees who would  
32 otherwise be members of the system but who are hired on or  
33 after July 1, 2019, and are ineligible to participate in  
34 the Iowa public employees' retirement system established  
35 in chapter 97B, as provided in this Act. The system shall

1 conduct a study and submit a report, including its findings and  
2 recommendations, to the public retirement systems committee  
3 established in section 97D.4, by October 1, 2018.

4 2. The goal of the study shall be the selection of an  
5 alternative defined contribution retirement plan that provides  
6 adequate retirement benefits while reducing and stabilizing the  
7 cost to taxpayers of providing retirement benefits.

8 3. In making its recommendation, the system shall consider  
9 methods of providing medical, disability, and line of duty  
10 death benefits to employees who would otherwise be members  
11 in special service under the system but are ineligible, as  
12 provided in this Act.

13 Sec. 9. ALTERNATIVE FIRE AND POLICE RETIREMENT SYSTEM STUDY  
14 — REPORT.

15 1. The board of trustees of the statewide fire and police  
16 retirement system established by chapter 411 shall conduct a  
17 study for the development of an alternative fire and police  
18 retirement system for police officers and fire fighters hired  
19 on or after July 1, 2019, who are ineligible to participate in  
20 the statewide fire and police retirement system, as provided in  
21 this Act. The board shall conduct a study and submit a report,  
22 including its findings and recommendations, to the public  
23 retirement systems committee established in section 97D.4, by  
24 October 1, 2018.

25 2. The goal of the study shall be the selection of an  
26 alternative defined contribution retirement plan that provides  
27 adequate retirement benefits while reducing and stabilizing the  
28 cost to taxpayers of providing retirement benefits.

29 3. In making its recommendation, the board shall consider  
30 methods of providing medical, disability, and line of duty  
31 death benefits to affected police officers and fire fighters.  
32 The board shall also consider whether the affected peace  
33 officers and fire fighters can be enrolled in the federal  
34 social security system.

35 Sec. 10. ALTERNATIVE DEFINED CONTRIBUTION JUDICIAL

1 RETIREMENT SYSTEM STUDY — REPORT.

2 1. The state court administrator shall conduct a study  
3 for the development of an alternative defined contribution  
4 judicial retirement system for judges appointed on or after  
5 July 1, 2019, who are ineligible to participate in the judicial  
6 retirement system, as provided in this Act. The state court  
7 administrator shall conduct a study and submit a report,  
8 including its findings and recommendations, to the public  
9 retirement systems committee established in section 97D.4, by  
10 October 1, 2018.

11 2. The goal of the study shall be the selection of an  
12 alternative defined contribution retirement plan that provides  
13 adequate retirement benefits to judges while reducing and  
14 stabilizing the cost to taxpayers of providing retirement  
15 benefits.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with  
18 the explanation's substance by the members of the general assembly.

19 This bill provides that employees newly hired on or after  
20 July 1, 2019, who would otherwise be members of the public  
21 safety peace officers' retirement, accident, and disability  
22 system established by Code chapter 97A, the Iowa public  
23 employees' retirement system established by Code chapter 97B,  
24 the statewide fire and police retirement system established by  
25 Code chapter 411, or the judicial retirement system established  
26 by Code chapter 602 shall not become members of the applicable  
27 retirement system. Instead, the bill directs each retirement  
28 system to develop an alternative defined contribution plan for  
29 these employees newly hired on or after July 1, 2019. The bill  
30 provides that each retirement system shall submit the plan to  
31 create an alternative defined contribution plan to the public  
32 retirement systems committee established in Code section 97D.4  
33 by October 1, 2018.