

House Study Bill 529 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED JUDICIAL BRANCH
BILL)

A BILL FOR

- 1 An Act relating to the judicial retirement fund.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 602.9104, subsection 4, Code 2024, is
2 amended to read as follows:

3 4. As used in [this section](#), unless the context otherwise
4 requires:

5 ~~a. "Actuarial valuation" means an actuarial valuation of the~~
6 ~~judicial retirement system or an annual actuarial update of an~~
7 ~~actuarial valuation, as required pursuant to [section 602.9116](#).~~

8 ~~b. "Fully funded status" means that the most recent~~
9 ~~actuarial valuation reflects that the funded status of the~~
10 ~~system is at least one hundred percent, based upon the benefits~~
11 ~~provided for judges through the judicial retirement system as~~
12 ~~of July 1, 2006.~~

13 ~~c. a. "Judge's required contribution" means an amount equal~~
14 ~~to the basic salary of the judge multiplied by the following~~
15 ~~applicable percentage:~~

16 ~~(1) For the fiscal year beginning July 1, 2008, and ending~~
17 ~~June 30, 2009, seven and seven-tenths percent.~~

18 ~~(2) For the fiscal year beginning July 1, 2009, and ending~~
19 ~~June 30, 2010, eight and seven-tenths percent.~~

20 ~~(3) For nine and thirty-five hundredths percent for~~
21 ~~the fiscal year beginning July 1, 2010 2024, and for each~~
22 ~~subsequent fiscal year until the system attains fully funded~~
23 ~~status, nine and thirty-five hundredths percent.~~

24 ~~(4) Commencing with the first fiscal year in which the~~
25 ~~system attains fully funded status, and for each subsequent~~
26 ~~fiscal year, the percentage rate equal to forty percent of the~~
27 ~~required contribution rate.~~

28 ~~d. "Required contribution rate" means that percentage of the~~
29 ~~basic salary of all judges covered under [this article](#) equal to~~
30 ~~the actuarially required contribution rate determined by the~~
31 ~~actuary pursuant to [section 602.9116](#).~~

32 ~~e. b. "State's required contribution" means an amount equal~~
33 ~~to the basic salary of all judges covered under [this article](#)~~
34 ~~multiplied by the following applicable percentage:~~

35 ~~(1) For thirty and six-tenths percent for the fiscal year~~

1 beginning July 1, ~~2008~~ 2024, and for each subsequent fiscal
2 year ~~until the system attains fully funded status, thirty and~~
3 ~~six-tenths percent.~~

4 ~~(2) Commencing with the first fiscal year in which the~~
5 ~~system attains fully funded status, and for each subsequent~~
6 ~~fiscal year, the percentage rate equal to sixty percent of the~~
7 ~~required contribution rate.~~

8 Sec. 2. Section 602.9116, subsection 1, Code 2024, is
9 amended to read as follows:

10 1. The court administrator shall cause an actuarial
11 valuation to be made of the assets and liabilities of the
12 judicial retirement fund at least once every four years
13 commencing with the fiscal year beginning July 1, 1981. For
14 each fiscal year in which an actuarial valuation is not
15 conducted, the court administrator shall cause an annual
16 actuarial update to be prepared for the purpose of determining
17 the adequacy of the contribution rates specified in section
18 602.9104. The court administrator shall adopt actuarial
19 methods and assumptions, mortality tables, and other necessary
20 factors for use in the actuarial calculations required for
21 the valuation upon the recommendation of the actuary. In
22 addition, ~~effective with the fiscal year beginning July 1,~~
23 ~~2008,~~ the actuarial valuation or actuarial update required to
24 be conducted shall include information as required by section
25 97D.5. Following the actuarial valuation or annual actuarial
26 update, the court administrator shall determine the condition
27 of the system, ~~determine the actuarially required contribution~~
28 ~~rate for each fiscal year which is the rate required by the~~
29 ~~system to discharge its liabilities, stated as a percentage of~~
30 ~~the basic salary of all judges covered under this article, and~~
31 ~~shall report any findings and recommendations to the general~~
32 ~~assembly.~~

33 EXPLANATION

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

1 This bill modifies the contribution rates for the judicial
2 retirement fund. The bill redefines the term "judge's required
3 contribution" to mean an amount equal to the basic salary of
4 the judge multiplied by 9.35 percent beginning in FY 2024-2025,
5 and the term "state's required contribution" to mean an amount
6 equal to the basic salary of all judges multiplied by 30.6
7 percent beginning in FY 2024-2025. The bill's contribution
8 rates apply regardless of whether the judicial retirement fund
9 is fully funded.

10 The bill amends the actuarial valuation procedure by the
11 court administrator to strike associated provisions.