

House File 2680 - Reprinted

HOUSE FILE 2680

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 745)

(As Amended and Passed by the House April 4, 2024)

A BILL FOR

1 An Act relating to public safety personnel retirement systems,
2 the taxation of surviving spouse pension benefits, and
3 including retroactive applicability provisions.

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

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DIVISION I

CIVIL SERVICE EVALUATIONS — MUNICIPAL FIRE AND POLICE
RETIREMENT SYSTEM — CERTAIN BENEFITS

Section 1. Section 400.8, subsection 1, Code 2024, is amended to read as follows:

1. The commission, when necessary under the rules, including minimum and maximum age limits, which shall be prescribed and published in advance by the commission and posted in the city hall, shall hold examinations for the purpose of determining the qualifications of applicants for positions under civil service, other than promotions, which examinations shall be practical in character and shall relate to matters which will fairly test the mental and physical ability of the applicant to discharge the duties of the position to which the applicant seeks appointment. The physical examination and mental health evaluation of applicants for appointment to the positions of police officer, ~~police matron~~, or fire fighter shall be held in accordance with medical protocols established by the board of trustees of the fire and police retirement system established by [section 411.5](#) and shall be conducted in accordance with the directives of the board of trustees. However, the prohibitions of section 216.6, subsection 1, paragraph "d", regarding tests for the presence of the antibody to the human immunodeficiency virus shall not apply to such examinations. The board of trustees may change the medical protocols at any time the board so determines. In the event of a conflict between the medical protocols established under [this section](#) and the minimum entrance requirements of the Iowa law enforcement academy under section 80B.11, the medical protocols established under this section shall control. The physical examination and mental health evaluation of an applicant for the position of police officer, ~~police matron~~, or fire fighter shall be conducted after a conditional offer of employment has been made to the applicant. An applicant shall not be discriminated against

1 on the basis of height, weight, sex, or race in determining
2 physical or mental ability of the applicant. Reasonable rules
3 relating to strength, agility, and general health of applicants
4 shall be prescribed. The costs of the physical examination and
5 the mental health evaluation required under this subsection
6 shall be paid from the trust and agency fund of the city.

7 Sec. 2. Section 411.1, Code 2024, is amended by adding the
8 following new subsection:

9 NEW SUBSECTION. 8A. "*Cost-sharing*" means any coverage
10 limit, copayment, coinsurance, deductible, or other
11 out-of-pocket cost obligation related to an injury or disease
12 incurred while in the performance of duties.

13 Sec. 3. Section 411.1, subsection 14, Code 2024, is amended
14 by striking the subsection and inserting in lieu thereof the
15 following:

16 14. "*Member in good standing*" means any member in service
17 who has not been terminated by the employing city of the
18 member pursuant to section 400.18 or 400.19. Termination
19 procedures initiated by the chief of police or chief of the
20 fire department pursuant to section 400.19 shall not become
21 final or adversely impact a member's status as a member in
22 good standing until all appeals provided by an applicable
23 collective bargaining agreement or by law have been exhausted.
24 Disciplinary action other than discharge shall not adversely
25 affect a member's status as a member in good standing.

26 Sec. 4. Section 411.1, Code 2024, is amended by adding the
27 following new subsection:

28 NEW SUBSECTION. 15A. "*Ordinary disability beneficiary*"
29 means a member retired on an ordinary disability retirement
30 benefit pursuant to section 411.6, subsection 3, for three
31 years or less.

32 Sec. 5. Section 411.6, subsection 5, paragraphs a and b,
33 Code 2024, are amended to read as follows:

34 a. Upon application to the system, of a member in good
35 standing, of an ordinary disability beneficiary, or of the

1 chief of the police or fire departments, respectively, any
2 member in good standing or ordinary disability beneficiary
3 who has become totally and permanently incapacitated for duty
4 as the natural and proximate result of an injury or disease
5 incurred in or aggravated by the actual performance of duty
6 ~~at some definite time and place~~ or arising out of and in the
7 course of employment, or while acting, pursuant to order,
8 outside of the city by which the member is regularly employed,
9 shall be retired by the system, or may have a retirement
10 for an ordinary disability converted to a retirement for an
11 accidental disability, if the medical board certifies that
12 the member or ordinary disability beneficiary is mentally or
13 physically incapacitated for further performance of duty,
14 that the incapacity is likely to be permanent, and that the
15 member should be retired or should have a retirement for an
16 ordinary disability converted to a retirement for an accidental
17 disability. However, if a person's membership in the system
18 first commenced on or after July 1, 1992, the member or
19 ordinary disability beneficiary shall not be eligible for
20 benefits with respect to a disability which would not exist,
21 but for a medical condition that was known to exist on the
22 date that membership commenced. A medical condition shall be
23 deemed to have been known to exist on the date that membership
24 commenced if the medical condition is reflected in any record
25 or document completed or obtained in accordance with the
26 system's medical protocols pursuant to [section 400.8](#), or in any
27 other record or document obtained pursuant to an application
28 for disability benefits from the system, if such record or
29 document existed prior to the date membership commenced. A
30 member who is denied a benefit under [this subsection](#), by
31 reason of a finding by the medical board that the member is
32 not mentally or physically incapacitated for the further
33 performance of duty, shall be entitled to be restored to active
34 service in the same position held immediately prior to the
35 application for disability benefits.

1 *b.* If a member in service or the chief of the police or
2 fire departments becomes incapacitated for duty as a natural
3 or proximate result of an injury or disease incurred in or
4 aggravated by the actual performance of duty ~~at some definite~~
5 ~~time or place~~ or arising out of or in the course of the
6 employment, or while acting, pursuant to order, outside the
7 city by which the member is regularly employed, the member,
8 upon being found to be temporarily incapacitated following a
9 medical examination as directed by the city, is entitled to
10 receive the member's full pay and allowances from the city's
11 general fund or trust and agency fund until reexamined as
12 directed by the city and found to be fully recovered or until
13 the city determines that the member is likely to be permanently
14 disabled. If the temporary incapacity of a member continues
15 more than sixty days, or if the city expects the incapacity
16 to continue more than sixty days, the city shall notify the
17 system of the temporary incapacity. Upon notification by a
18 city, the system may refer the matter to the medical board for
19 review and consultation with the member's treating physician
20 during the temporary incapacity. Except as provided by this
21 paragraph, the board of trustees of the statewide system has no
22 jurisdiction over these matters until the city determines that
23 the disability is likely to be permanent.

24 Sec. 6. Section 411.6, subsection 5, Code 2024, is amended
25 by adding the following new paragraph:

26 NEW PARAGRAPH. *0d.* To establish that a mental incapacity
27 occurred as the natural and proximate result of an injury or
28 disease incurred in or aggravated by the actual performance of
29 duty or arising out of and in the course of the employment, or
30 while acting, pursuant to order, outside of the city by which
31 the member is regularly employed, the member must demonstrate
32 that the mental incapacity is traceable to a readily
33 identifiable work event constituting a manifest happening of
34 a sudden traumatic nature from an unexpected cause or unusual
35 strain in the workplace. Whether an incident is traumatic,

1 unexpected, or unusual is determined by comparing the incident,
2 and not the effect on the member, to the experiences of other
3 police officers or fire fighters in Iowa. A member must be
4 able to trace their mental injury to a specific event or events
5 in the workplace to be eligible for accidental disability
6 benefits.

7 Sec. 7. Section 411.6, subsection 6, Code 2024, is amended
8 by adding the following new paragraph:

9 NEW PARAGRAPH. *d.* (1) Upon a determination on or after
10 July 1, 2024, that an ordinary disability beneficiary is
11 entitled to a retirement for accidental disability, the
12 beneficiary shall receive an accidental disability retirement
13 allowance which shall consist of a pension in an amount that is
14 equal to the greater of sixty percent of the member's average
15 final compensation or the retirement allowance that the member
16 would receive under subsection 2 if the member had attained
17 fifty-five years of age, or an amount equal to the ordinary
18 disability retirement allowance previously received by the
19 beneficiary, whichever is greater.

20 (2) An accidental disability allowance under this paragraph
21 shall commence effective the first day of the first month
22 following the determination that the ordinary disability
23 beneficiary is entitled to a retirement for accidental
24 disability.

25 Sec. 8. Section 411.6, subsection 9, paragraph a,
26 subparagraph (1), Code 2024, is amended to read as follows:

27 (1) If, upon the receipt of evidence and proof from the
28 chief of the police or fire department that the death of a
29 member in service was the natural and proximate result of an
30 injury or disease incurred in or aggravated by the actual
31 performance of duty at some definite time and place or arising
32 out of and in the course of the employment, or while acting,
33 pursuant to order, outside of the city by which the member is
34 regularly employed, the system decides that death was so caused
35 in the performance of duty, there shall be paid, in lieu of the

1 ordinary death benefit provided in [subsection 8](#), an accidental
2 death benefit as set forth in [this subsection](#).

3 Sec. 9. Section 411.6, subsection 16, Code 2024, is amended
4 by adding the following new paragraph:

5 NEW PARAGRAPH. *d.* A person otherwise eligible to receive
6 an ordinary or accidental disability retirement benefit under
7 this chapter shall not be eligible to receive such a benefit
8 if the person is subsequently removed, discharged, demoted,
9 or suspended pursuant to section 400.18 or 400.19, or other
10 comparable process. Upon determination of ineligibility
11 pursuant to this paragraph, the person's entitlement to a
12 disability benefit under this chapter shall terminate and any
13 disability retirement allowance received by such a person must
14 be returned to the system together with interest earned on the
15 disability retirement allowance calculated at a rate determined
16 by the system. However, the determination of ineligibility
17 as provided under this paragraph may be waived for good cause
18 as determined by the board. The burden of establishing good
19 cause is on the person who received the disability retirement
20 allowance.

21 Sec. 10. Section 411.8, subsection 1, paragraph f,
22 subparagraph (8), Code 2024, is amended to read as follows:

23 (8) Beginning July 1, 1996, and each fiscal year thereafter,
24 an amount equal to the member's contribution rate times each
25 member's compensation shall be paid to the fund from the
26 earnable compensation of the member. For the purposes of this
27 subparagraph, the member's contribution rate shall be nine and
28 thirty-five hundredths percent ~~or, beginning July 1~~ until June
29 30, 2009, nine and four-tenths percent until June 30, 2024,
30 and, beginning July 1, 2024, nine and fifty-five hundredths
31 percent. However, the system shall increase the member's
32 contribution rate as necessary to cover any increase in cost
33 to the system resulting from statutory changes which are
34 enacted by any session of the general assembly meeting after
35 January 1, 1991, if the increase cannot be absorbed within

1 the contribution rates otherwise established pursuant to this
 2 paragraph, but subject to a maximum employee contribution rate
 3 of eleven and three-tenths percent or, beginning July 1, 2009,
 4 eleven and thirty-five hundredths percent. The contribution
 5 rate increases specified in 1994 Iowa Acts, ch. 1183, pursuant
 6 to this chapter and chapter 97A shall be the only member
 7 contribution rate increases for these systems resulting from
 8 the statutory changes enacted in 1994 Iowa Acts, ch. 1183, and
 9 shall apply only to the fiscal periods specified in 1994 Iowa
 10 Acts, ch. 1183. After the employee contribution reaches eleven
 11 and three-tenths percent or eleven and thirty-five hundredths
 12 percent, as applicable, sixty percent of the additional cost
 13 of such statutory changes shall be paid by employers under
 14 paragraph "c" and forty percent of the additional cost shall be
 15 paid by employees under this paragraph.

16 Sec. 11. Section 411.15, Code 2024, is amended to read as
 17 follows:

18 **411.15 Hospitalization and medical attention.**

19 1. a. Cities shall provide hospital, nursing, and physical
 20 or mental medical attention for the members of the police and
 21 fire departments of the cities, when injured while in the
 22 performance of their duties as members of such department, ~~and~~
 23 or for injuries and diseases arising out of and in the course
 24 of the employment.

25 b. Cities shall continue to provide hospital, nursing, and
 26 physical or mental medical attention for injuries or diseases
 27 incurred while in the performance of their duties or arising
 28 out of and in the course of the employment for members or
 29 beneficiaries receiving a retirement allowance under section
 30 ~~411.6, subsection 6.~~

31 c. Disease under this subsection shall mean heart disease
 32 or any disease of the lungs or respiratory tract and shall be
 33 presumed to have been contracted while on active duty as a
 34 result of strain or the inhalation of noxious fumes, poison, or
 35 gases. Disease under this subsection shall also mean cancer

1 or infectious disease, both as defined in section 411.1, and
2 shall be presumed to have been contracted while on active duty
3 as a result of that duty.

4 2. a. Cities may fund the cost of the hospital, nursing,
5 and physical or mental medical attention required by this
6 section through the purchase of insurance, including by
7 processing claims concerning cancer, heart, and lung or
8 respiratory issues described in section 411.6, subsection 5,
9 paragraph "c", through their group health insurance plan as
10 long as the member is not responsible for any cost-sharing; by
11 self-insuring the obligation; or through payment of moneys
12 into a local government risk pool established for the purpose
13 of covering the costs associated with the requirements of this
14 section. However, the cost of the hospital, nursing, and
15 physical or mental medical attention required by this section
16 shall not be funded through an employee-paid health insurance
17 policy, except as otherwise specified in this subsection.
18 Cancers, heart disease, and lung or respiratory diseases
19 described in section 411.6, subsection 5, paragraph "c", shall
20 not be deemed work-related for purposes of coverage through the
21 employer's group health insurance plan.

22 b. A member or beneficiary shall not be required to pay the
23 cost of the hospital, nursing, and physical or mental medical
24 attention required by this section, including but not limited
25 to any costs or premiums associated with any insurance policy
26 providing coverage for the hospital, nursing, and physical or
27 mental medical attention.

28 c. The cost of the hospital, nursing, and physical or mental
29 medical attention required by this section shall be paid from
30 moneys held in a trust and agency fund established pursuant to
31 section 384.6, or out of the appropriation for the department
32 to which the injured person belongs or belonged; provided that
33 any amounts received by the injured person from any other
34 source for such specific purposes, shall be deducted from the
35 amount paid by the city under the provisions of this section.

1 compensation plans or any earnings attributable to the deferred
2 compensation plans received by a person who is ~~disabled, or is~~
3 ~~fifty-five~~ any of the following:

4 (1) Disabled.

5 (2) Fifty-five years of age or older, or is the.

6 (3) The surviving spouse of an individual or is a survivor
7 having an insurable interest in an individual who would have
8 qualified for the exemption under [this subsection](#) for the tax
9 year.

10 Sec. 13. Section 422.7, subsection 19, paragraph c, Code
11 2024, is amended to read as follows:

12 c. (1) A taxpayer who is not disabled or fifty-five years
13 of age or older and who receives a pension or retirement pay
14 amount provided pursuant to section 97B.49B or 97B.49C, or
15 chapter 97A, 410, or 411 as a surviving spouse or as a survivor
16 with an insurable interest in an individual who would have
17 qualified for the exemption for the tax year may only exclude
18 the amount received from a the pension or retirement plan
19 in the tax year as a result of the death of the decedent,
20 regardless of whether the decedent would have qualified for the
21 exemption in the tax year.

22 (2) A taxpayer who is not disabled or fifty-five years of
23 age or older and who receives other pension or retirement pay
24 not specified in subparagraph (1) as a surviving spouse or as a
25 survivor with an insurable interest in an individual who would
26 have qualified for the exemption for the tax year may only
27 exclude the amount received from a pension or retirement plan
28 in the tax year as a result of the death of the decedent.

29 Sec. 14. RETROACTIVE APPLICABILITY. This division of this
30 Act applies retroactively to January 1, 2024, for tax years
31 beginning on or after that date.