

CHAPTER 71

OLD AGE AND SURVIVORS' INSURANCE SYSTEM REPEAL

H. F. 139

AN ACT repealing chapter ninety-seven (97), Code 1950, as amended by the Fifty-fourth General Assembly; providing for the protection of the rights of public employees who were subject to coverage under the provisions of said chapter ninety-seven (97), as amended; authorizing the payment of retroactive federal social security coverage for public employees from funds contributed by the employers and employees under the provisions of said chapter ninety-seven (97), as amended; providing for certain refunds of payments made into the old age and survivors' insurance trust fund by employees; providing for the administration of funds and assets of the Iowa old age and survivors' insurance system by the Iowa employment security commission; providing for the future payment of benefits to which individuals subject to coverage under the provisions of said chapter ninety-seven (97), as amended, are entitled as provided in this Act, and creating an Iowa old age and survivors' insurance liquidation fund.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 SECTION 1. Chapter ninety-seven (97), Code 1950, as amended
2 by the Fifty-fourth General Assembly, is hereby repealed, subject
3 to the provisions which follow:
 - 4 1. Any person being paid any benefits under the provisions of
5 sections ninety-seven point thirteen (97.13), ninety-seven point four-
6 teen (97.14), ninety-seven point fifteen (97.15), ninety-seven point
7 sixteen (97.16), ninety-seven point seventeen (97.17) and ninety-
8 seven point eighteen (97.18), chapter ninety-seven (97), Code 1950,
9 as amended, as of the effective date of this Act, shall continue to re-
10 ceive such benefits as though that chapter had not been repealed.
 - 11 2. Any person who became entitled to any benefits under the pro-
12 visions of sections ninety-seven point thirteen (97.13), ninety-seven
13 point fourteen (97.14), ninety-seven point fifteen (97.15), ninety-
14 seven point sixteen (97.16), ninety-seven point seventeen (97.17),
15 ninety-seven point eighteen (97.18), and ninety-seven point nine-
16 teen (97.19), chapter ninety-seven (97), Code 1950, as amended,
17 through the retirement or death of any person prior to the effective
18 date of this Act shall be paid the same benefits upon proper applica-
19 tion, subsequent to the effective date of this Act, as though that
20 chapter had not been repealed.
 - 21 3. Any individual who was, as of the effective date of this Act,
22 a fully insured individual as defined in section ninety-seven point
23 forty-five (97.45), subsection six (6), Code 1950, as amended, and
24 who would be a fully insured individual at age 65, on the basis of
25 service prior to such effective date (but who is not under public em-
26 ployment as of such date), shall be entitled to receive, in the event
27 of his reaching 65 years of age after the effective date of this Act,
28 not less than the same individual primary benefit he would have re-
29 ceived under the provisions of section ninety-seven point thirteen
30 (97.13), Code 1950, as amended, had he been eligible for retirement
31 as of that date as though chapter ninety-seven (97), Code 1950, as
32 amended, had not been repealed. Any individual who was as of the
33 effective date of this Act, a fully insured individual as defined in
34 section ninety-seven point forty-five (97.45), subsection six (6),
35 Code 1950, as amended, and who would be fully insured at age of
36 65, on the basis of service prior to such effective date, and who is as

37 of the effective date of this Act, under public employment, and also
38 under coverage of a federal civil service retirement plan, shall be
39 entitled to receive after reaching sixty-five (65) years of age, pro-
40 vided he is no longer in public employment, not less than the same
41 individual primary benefit he would have received under the pro-
42 visions of section ninety-seven point thirteen (97.13), Code 1950,
43 as amended, had he been eligible for retirement as of that date, as
44 though chapter ninety-seven (97), Code 1950, as amended, had not
45 been repealed; and any wife, widow, child or other dependent of
46 such individual would become entitled to any benefits as provided
47 by chapter ninety-seven (97), Code 1950, as amended, after the
48 effective date of this Act, shall be entitled to receive benefits as pro-
49 vided by chapter ninety-seven (97), Code 1950, as though that chap-
50 ter had not been repealed.

51 4. Any wife, widow, child, or other dependent of any fully insured
52 individual who left employment or died prior to the effective date
53 of this Act, who would become entitled to any benefit as provided
54 by chapter ninety-seven (97), Code 1950, as amended, after the ef-
55 fective date of this Act, shall be entitled to receive benefits as pro-
56 vided by chapter ninety-seven (97), Code 1950, as amended, as
57 though that chapter had not been repealed.

58 5. Any currently insured individual under the terms of subsection
59 seven (7) of section ninety-seven point forty-five (97.45), Code 1950,
60 as amended, who is not in Iowa public employment as of the effective
61 date of this Act, shall continue to be a currently insured individual
62 against death for the period designated in said subsection and the
63 provisions of coverage for benefit purposes under said subsection
64 shall apply to such individuals as they would have applied as though
65 chapter ninety-seven (97), Code 1950, as amended, had not been
66 repealed.

1 SEC. 2. There is hereby created as a special fund, separate and
2 apart from all other public moneys or funds of this state, the "Iowa
3 Old Age and Survivors' Insurance Liquidation Fund," this fund to
4 consist of all unexpended moneys collected under the provisions of
5 chapter ninety-seven (97), Code 1950, as amended, together with
6 all interest thereon, and also to include all securities and other assets
7 acquired by and through the use of the moneys belonging to the Iowa
8 old age and survivors' insurance trust fund, and any other moneys
9 that may be paid into this fund. There is hereby transferred to the
10 Iowa old age and survivors' insurance liquidation fund all funds and
11 assets of the old age and survivors' insurance trust fund created by
12 the provisions of section ninety-seven point five (97.5), Code 1950.
13 There shall also be deposited in the Iowa old age and survivors' in-
14 surance liquidation fund all receipts after the effective date of this
15 Act as a result of the collection of taxes or other moneys, as pro-
16 vided by section ninety-seven point eight (97.8), Code 1950.

17 1. The treasurer of state is hereby made the custodian and trustee
18 of this fund and shall administer the same in accordance with the
19 directions of the Iowa employment security commission, hereafter
20 referred to as the "commission". It shall be the duty of the trustee:

21 a. To hold said trust funds.

22 b. Under the direction of the commission and as designated by
23 the commission, invest such portion of said trust funds as are not

24 needed for current payment of benefits, in interest-bearing securities
25 issued by the United States, or interest-bearing bonds issued by the
26 state of Iowa, or bonds issued by counties, school districts and/or
27 general obligations or limited levy bonds issued by municipal cor-
28 porations in this state as authorized by law; also to sell and dispose
29 of same when needed for the payment of benefits.

30 c. Disburse such trust funds upon warrants drawn by the comp-
31 troller pursuant to the order of the employment security commission.

32 2. All moneys which are paid or deposited into this fund are
33 hereby appropriated and made available to the commission to be
34 used only for the purposes herein provided:

35 a. To be used by the commission for the payment of claims for
36 benefits.

37 b. To be used by the commission for the payment in accordance
38 with any agreement with the Federal Social Security Administra-
39 tion of amounts required to obtain retroactive federal social security
40 coverage of Iowa public employees, dating from January 1, 1951,
41 and for the payment of refunds which were authorized by the pro-
42 visions of section ninety-seven point seven (97.7), Code 1950, and
43 for the payment of such other refunds to employees as may be au-
44 thorized by the General Assembly, and such other purposes as may
45 be authorized by the General Assembly.

46 3. The Iowa employment security commission shall be vested with
47 authority to administer the Iowa old age and survivors' insurance
48 liquidation fund and shall also administer all other provisions of
49 this Act.

50 4. Any public employee subject to coverage under the provisions
51 of chapter ninety-seven (97), Code 1950, as amended, in public
52 service as of the date of the repeal of said chapter, and who has not
53 applied for and qualified for benefit payments under the provisions
54 of chapter ninety-seven (97), Code 1950, as amended, who had con-
55 tributed to the Iowa old age and survivors' insurance fund prior to
56 the repeal of said chapter ninety-seven (97), as amended, shall be
57 entitled to a refund of contributions paid into the Iowa old age and
58 survivors' insurance fund by such employee without interest, but
59 there shall be deducted from the amount of any such refund any
60 amount which has been or will be paid in his behalf as his contribu-
61 tion as an employee to obtain retroactive federal social security cov-
62 erage. Any former public employee not in public service as of the
63 date of this Act who has contributed to the Iowa old age and sur-
64 vivors' insurance fund, his beneficiaries or estate, when no benefit
65 has been paid under chapter ninety-seven (97), Code 1950, based
66 upon such employee's prior record, shall be entitled to a refund of
67 seventy-five (75%) percent of all contributions paid by him into
68 said fund, without interest. The commission shall prescribe rules
69 and regulations in regard to the granting of such refunds. In the
70 event of such refund any individual receiving the same shall be
71 deemed to have waived any and all rights in behalf of himself or
72 any beneficiary or his estate to further benefits under the provisions
73 of chapter ninety-seven (97), Code 1950, as amended.

74 5. Any employee in public service as of the effective date of this
75 Act may, in lieu of receiving the cash refund of his contributions,
76 elect to come under the coverage of any new retirement system

77 which may be created by the general assembly, to which he is eligible,
78 with credits toward future benefits in consideration of his prior
79 contributions and length of service, and may direct the transfer of
80 the amount payable to him to the assets of such new retirement
81 system.

82 6. In the payment of any benefits in the future, as a result of the
83 provisions of chapter ninety-seven (97), Code 1950, as amended,
84 the commission shall follow the same procedure as provided by
85 said chapter ninety-seven (97), as amended, as though said chapter
86 had not been repealed, except the requirements of section ninety-
87 seven point twenty-one, subsection four (4), paragraph "a" (97.21-
88 4a), and ninety-seven point twenty-one, subsection five (5) (97.21-
89 5) shall not be applicable, but no primary benefit, based upon em-
90 ployment prior to the effective date of this Act, shall be paid to any
91 individual for any month during which he receives compensation
92 for work in any position which would have been subject to cover-
93 age under the provisions of said chapter ninety-seven (97), as
94 amended, if his earnings for such month exceed one hundred dol-
95 lars, nor shall any benefit be paid to a wife or dependent of such
96 employee for such month.

1 SEC. 3. The Iowa Employment Security Commission is author-
2 ized to enter into arrangements with the Federal Bureau of Employ-
3 ment Security whereby services performed by the commission and
4 its employees both under this chapter and under the Iowa Employment
5 Security chapter shall be equitably apportioned between the funds
6 provided for the administration of said chapters. The money spent
7 for rentals, supplies, and equipment used by the commission in ad-
8 ministering both chapters shall be equitably apportioned and charged
9 against said funds.

1 SEC. 4. As used in this Act, unless clearly indicated by the con-
2 text to the contrary, all references to employment or service refer to
3 employment or service in Iowa public employment.

1 SEC. 5. This Act, being deemed of immediate importance, shall be
2 in full force and effect as of June 30, 1953, after its publication in
3 the Grinnell Herald-Register, a newspaper published at Grinnell,
4 Iowa, and the Daily Record, a newspaper published at Cedar Falls,
5 Iowa, anything in the Code to the contrary notwithstanding.

Approved May 25, 1953.

I hereby certify that the foregoing Act, House File 139, was published in the Grinnell Herald-Register, Grinnell, Iowa, May 28, 1953, and in the Daily Record, Cedar Falls, Iowa, May 27, 1953.

MELVIN D. SYNHORST, *Secretary of State.*