

CHAPTER 50

I.P.E.R.S. BENEFITS

S. F. 555

AN ACT relating to benefits for public employees and retired public employees providing for salary adjustments and certain retirement benefits for public employees and certain elected officials and retired public employees and to make appropriations.

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

1 SECTION 1. Section thirty-three point two (33.2), unnumbered para-
2 graph three (3), Code 1975, is amended by striking the paragraph and
3 inserting in lieu thereof the following:

4 If a holiday enumerated in this section falls on Saturday, the pre-
5 ceding Friday shall be granted and if a holiday enumerated in this sec-
6 tion falls on Sunday, the following Monday shall be granted. In those
7 cases, where by nature of the employment a state employee must be re-
8 quired to work on a holiday the provisions of the first paragraph of
9 this section shall not apply, however, compensation shall be made on
10 the basis of the employee's straight time hourly rate for a forty-hour
11 work week and shall be made in either compensatory time off or cash
12 payment, at the discretion of the appointing authority.

1 SEC. 2. Section ninety-seven point fifty-one (97.51), Code 1975, is
2 amended by adding the following new subsection:

3 NEW SUBSECTION. Beginning July 1, 1975 any person receiving benef-
4 its under the provisions of chapter ninety-seven (97), Code 1950, as
5 amended, shall receive a monthly increase in benefits equal to one
6 hundred percent of the monthly benefits received for June, 1975 or for
7 which the person was eligible to receive for June, 1975. Any person who
8 becomes eligible for benefits under chapter ninety-seven (97), Code
9 1950, on or after July 1, 1975 shall receive the same percentage in-
10 crease.

11 There is appropriated from the general fund of the state to the Iowa
12 old age and survivors' insurance liquidation fund from funds not other-
13 wise appropriated an amount sufficient to finance the provisions of
14 this subsection.

1 SEC. 3. Section ninety-seven B point eleven (97B.11), Code 1975, is
2 amended to read as follows:

3 **97B.11 Contributions by employer and employee.** Each em-
4 ployer shall deduct from the wages of each member of the system a
5 contribution in the amount of three and one-half percent of the cov-
6 ered wages paid by the employer until the first of the month after the
7 member's seventieth birthday or his termination or retirement from
8 employment, whichever is earlier. The contributions of the ~~member~~
9 employer shall be ~~matched by the employer in the amount of three~~
10 ~~and one-half percent of the covered wages of the member for service~~
11 ~~through December 31, 1975, and in the amount of four and seventy-~~
12 ~~five hundredths percent of the covered wages of the member for ser-~~
13 ~~vice commencing January 1, 1976.~~

1 SEC. 4. Section ninety-seven B point forty-one (97B.41), subsection
2 one (1), paragraph a, Code 1975, is amended by adding the following
3 new unnumbered paragraph:

4 NEW UNNUMBERED PARAGRAPH. Wages for an elected official means
5 the salary received by an elected official, exclusive of expense and
6 travel allowances.

1 SEC. 5. Section ninety-seven B point forty-one (97B.41), subsection
2 one (1), paragraph b, subparagraph three (3), Code 1975, is amended to
3 read as follows:

4 (3) For each calendar year from January 1, 1968, through December
5 31, 1970, wages not in excess of seven thousand dollars, for each calen-
6 dar year from January 1, 1971 through December 31, 1972, wages not in
7 excess of seven thousand eight hundred dollars, and for each calendar
8 year from January 1, 1973, ~~and thereafter~~ *through December 31, 1975,*
9 wages not in excess of ten thousand eight hundred dollars.

1 SEC. 6. Section ninety-seven B point forty-one (97B.41), subsection
2 one (1), paragraph b, Code 1975, is amended by adding the following
3 new subparagraph after subparagraph three (3):

4 NEW SUBPARAGRAPH. For each calendar year from January 1, 1976,
5 and thereafter, wages not in excess of twenty thousand dollars.

1 SEC. 7. Section ninety-seven B point forty-one (97B.41), subsection
2 two (2), Code 1975, is amended to read as follows:

3 2. "Employment" means any service performed under an employer-
4 employee relationship under the provisions of this chapter. *For the*
5 *purposes of this chapter, elected officials, excluding members of the*
6 *general assembly, are deemed to be in employment.*

1 SEC. 8. Section ninety-seven B point forty-one (97B.41), subsection
2 three (3), paragraph b, Code 1975, is amended by striking subpara-
3 graph two (2).

1 SEC. 9. Section ninety-seven B point forty-one (97B.41), subsection
2 three (3), paragraph b, subparagraph four (4), Code 1975, is amended
3 to read as follows:

4 (4) Employees hired for temporary employment of six months or less
5 duration *except temporary employees of the general assembly.*

1 SEC. 10. Section ninety-seven B point forty-one (97B.41), subsection
2 thirteen (13), Code 1975, is amended to read as follows:

3 13. "Accumulated contributions" means the total obtained as of any
4 date, by accumulating each individual contribution by the member at
5 two percent interest plus interest dividends for all completed calendar
6 years *and for any completed calendar year for which the interest*
7 *dividend has not been declared and for completed months of partial-*
8 *ly completed calendar years at two percent interest plus the interest*
9 *dividend rate calculated for the previous year, compounded annual-*
10 *ly, from the end of the calendar year in which such contribution was*
11 *made to the first day of the month of such date.*

1 SEC. 11. Section ninety-seven B point forty-one (97B.41), subsection
2 fourteen (14), unnumbered paragraph one (1), Code 1975, is amended
3 to read as follows:

4 "Service" means uninterrupted service under this chapter by an em-
5 ployee, *except an elected official*, from the date he last entered em-
6 ployment of the employer until the date his employment shall be
7 terminated by death, retirement, resignation or discharge; provided,
8 however, the service of any employee shall not be deemed to be inter-
9 rupted by:

1 SEC. 12. Section ninety-seven B point forty-one (97B.41), subsection
2 fourteen (14), paragraph d, Code 1975, is amended to read as follows:

3 d. Temporary or seasonal interruptions in service such as service of
4 school bus drivers, schoolteachers under regular contract, interim teach-
5 ers or substitute teachers, instructors at Iowa State University of sci-

6 ence and technology, the state University of Iowa, or University of
 7 Northern Iowa, employees in state schools or hospital dormitories, or
 8 other positions when the temporary suspension of service does not ter-
 9 minate the period of employment of the employee, or *temporary em-*
 10 *ployees of the general assembly.*

1 SEC. 13. Section ninety-seven B point forty-one (97B.41), Code
 2 1975, is amended by adding the following new subsections:

3 NEW SUBSECTION. "Final five year average covered wage" means a
 4 member's covered wages averaged for five consecutive years of the
 5 member's last ten consecutive years which will produce the highest av-
 6 erage. If the member has not completed ten consecutive years then the
 7 actual years as a member shall be considered, and if the member has
 8 less than five consecutive years then the average over the actual num-
 9 ber of years as a member shall be used. For the purposes of this chap-
 10 ter the word "consecutive" means in sequence with respect to the years
 11 of service rendered as a member and not necessarily in sequence with
 12 respect to actual periods of time measured by the calendar.

13 NEW SUBSECTION. "Service" for an elected official means the period of
 14 membership service for which contributions are made beginning on the
 15 date an elected official assumes office and ending on the expiration
 16 date of the last term the elected official serves, excluding all the inter-
 17 vening periods during which the elected official is not an elected offi-
 18 cial.

1 SEC. 14. Section ninety-seven B point forty-three (97B.43), unnum-
 2 bered paragraphs two (2) and three (3), Code 1975, are amended to read
 3 as follows:

4 Any person with a record of thirty years as a public employee in the
 5 state of Iowa prior to July 1, 1947, and who is not eligible for prior ser-
 6 vice credit under other provisions of this section, shall be entitled to a
 7 credit for years of prior service in the determination of the retirement
 8 allowance payment under any of the provisions of this chapter, provid-
 9 ed such public employee makes application to the employment security
 10 commission for such credit for prior public service, accompanied by
 11 such verification of his claim as the commission may require. His al-
 12 lowance for prior service credits shall be computed in the same manner
 13 as otherwise provided in this section, but shall not exceed the sum of
 14 four hundred fifty dollars nor be less than three hundred dollars per
 15 annum. Any such person shall be entitled to receive retirement allow-
 16 ances ~~contributed~~ *computed* as provided by this chapter, effective from
 17 the date of application to the employment security commission, pro-
 18 vided such application is approved. *Beginning July 1, 1975 the*
 19 *amount of such person's retirement allowance payment received*
 20 *during June, 1975, as computed under this section shall be in-*
 21 *creased by two hundred percent and the allowance for prior service*
 22 *credits shall not exceed one thousand three hundred fifty dollars nor*
 23 *be less than nine hundred dollars per annum. There is appropriated*
 24 *from the general fund of the state to the employment security com-*
 25 *mission from funds not otherwise appropriated an amount suffi-*
 26 *cient to fund the provisions of this paragraph.*

27 Each individual who as of July 1, 1973, was an active, vested, or re-
 28 tired member and who (1) made application for and received a refund
 29 of contributions made under the abolished system or (2) has on deposit
 30 with the retirement fund his contributions made under the abolished
 31 system shall be entitled to credit for years of prior service in the deter-
 32 mination of retirement allowance payments by filing a written election
 33 with the commission between July 1, 1973, and July 1, 1974, and by re-

34 depositing any withdrawn contributions under the abolished system to-
 35 gether with interest as stated in this paragraph. Any individual who as
 36 of July 1, 1973, is a retired member and who made application for and
 37 received a refund of contributions made under the abolished system,
 38 may, by filing a written election with the commission between July 1,
 39 1973, and July 1, 1974, have the commission retain fifty percent of the
 40 monthly increase in retiree benefits that will accrue to the individual
 41 because of prior service. If the monthly increase in retirement benefits
 42 is less than ten dollars, the commission shall retain five dollars of the
 43 scheduled increase, and if the monthly increase is less than five dol-
 44 lars, the provisions of this paragraph shall not apply. The commission
 45 shall continue to retain such funds until the withdrawn contributions,
 46 together with interest accrued to July 1, 1973, have been repaid. Due
 47 notice of this provision shall be sent to all retired members as of July
 48 1, 1973. However, this paragraph shall not apply to any person who re-
 49 ceived a refund of any membership service contributions. The interest
 50 to be paid into the fund shall be compounded at the rates credited to
 51 member accounts from the date of payment of the refund of contribu-
 52 tions under the abolished system to the date the member redeposits the
 53 refunded amount. The provisions of the first paragraph of this section
 54 relating to the consideration given to credited amounts shall apply to
 55 the redeposited amounts or to amounts left on deposit. *Effective Jan-*
 56 *uary 1, 1976, the provisions of this paragraph shall apply to each in-*
 57 *dividual who as of January 1, 1976 was an active, vested, or retired*
 58 *member, but who was not in service on July 4, 1953. The period for*
 59 *filing the written election with the commission and redepositing*
 60 *any withdrawn contributions together with interest accrued to Jan-*
 61 *uary 1, 1976 shall be between January 1, 1976 and January 1, 1977.*
 62 *A member who is a retired member as of January 1, 1976 may file*
 63 *written election with the commission between January 1, 1976 and*
 64 *January 1, 1977 to have the commission retain fifty percent of the*
 65 *monthly increase as provided in this paragraph.*

1 SEC. 15. Section ninety-seven B point forty-five (97B.45), unnum-
 2 bered paragraph one (1), Code 1975, is amended to read as follows:
 3 A member's normal retirement date shall be the first of the month
 4 coinciding with or next following his sixty-fifth birthday. A member
 5 may retire after his sixty-fifth birthday except as otherwise provided in
 6 section 97B.46. A member retiring *on or* after his normal retirement
 7 date, as provided in section 97B.46, shall submit a written notice to the
 8 commission setting forth the date the retirement is to become effective,
 9 provided that such date shall be after his last day of service and not
 10 before the first day of the sixth calendar month preceding the month
 11 in which the notice is filed, except that credit for service shall cease
 12 when contributions cease as provided in section 97B.11.

1 SEC. 16. Section ninety-seven B point forty-six (97B.46), Code 1975,
 2 is amended to read as follows:

3 **97B.46 Service after age sixty-five.** A member may, on the re-
 4 quest of the employer, remain in the active employ of the employer
 5 beyond the date he attains the age of sixty-five for such period or peri-
 6 ods as the employer from time to time shall approve, provided, how-
 7 ever, that credit for such service shall cease when contributions cease as
 8 provided in section 97B.11. The member shall retire from the employ-
 9 ment of the employer at the end of the last approved period, on the
 10 first day of the month next following or coinciding with such date. A
 11 member remaining in service past his ~~seventy-second~~ *seventieth* birth-
 12 day shall be entitled to receive a retirement allowance under ~~subsec-~~

13 ~~tions 2 and 3~~ of section 97B.49 as *applicable* commencing with
 14 payment for the calendar month within which the written notice is sub-
 15 mitted to the commission, except that if he fails to submit the notice
 16 on a timely basis, retroactive payments shall be made for no more than
 17 six months immediately preceding the month in which the written no-
 18 tice is submitted.

1 SEC. 17. Section ninety-seven B point forty-eight (97B.48), subsec-
 2 tion three (3), Code 1975, is amended to read as follows:

3 3. If at any time after the first day of the month coinciding with or
 4 next following his fifty-fifth birthday and until his sixty-fifth birth-
 5 day, a member who is retired under this chapter is in regular full-time
 6 employment, his retirement allowance shall be suspended for as long as
 7 he remains in employment. However, employment shall not be regard-
 8 ed as full-time employment until he receives remuneration in an
 9 amount in excess of two thousand one hundred dollars for any calen-
 10 dar year. Effective the first of the month coinciding with or next fol-
 11 lowing his sixty-fifth birthday, a retired member shall be entitled to
 12 receive a retirement allowance after return to covered employment re-
 13 gardless of the amount of remuneration received. As of the first of the
 14 month coinciding with or next following the member's ~~seventy-second~~
 15 *seventieth* birthday, he shall be entitled to receive a retirement allow-
 16 ance determined under section 97B.49, regardless of the amount of re-
 17 muneration received. Upon any retirement after re-employment, a
 18 retired member shall be entitled to have his retirement allowance rede-
 19 termined under this section or sections 97B.49 or 97B.50, whichever is
 20 applicable, based upon the employee's and his employer's additional
 21 contributions, and any membership service of the employee after his
 22 re-employment and prior to his normal retirement date.

1 SEC. 18. Section ninety-seven B point forty-nine (97B.49), Code
 2 1975, is amended to read as follows:

3 **97B.49 Monthly payments of allowance.** Each member shall,
 4 upon retirement on or after his normal retirement date, be entitled to
 5 receive a monthly retirement allowance determined under subsections
 6 ~~1, 2, and 3~~ of this section. ~~Any retirement allowance which is in addi-~~
 7 ~~tion to the amount being paid to retired members as of June 30, 1973,~~
 8 ~~shall become effective with payments as of July 1, 1973. For members~~
 9 ~~retiring on and after July 1, 1973, the retirement allowance as deter-~~
 10 ~~mined herein shall commence on the effective date of retirement.~~

11 1. For each active member *employed before January 1, 1976, and*
 12 *retiring from employment on or after July 1, 1973 January 1, 1976,*
 13 *and for each member who became vested before January 1, 1976,*
 14 with four or more complete years of service, a formula benefit shall be
 15 determined *equal to the larger of the benefit determined under this*
 16 *subsection and subsection three (3) of this section as applicable, or*
 17 *the benefit determined under subsection five (5) of this section.* The
 18 amount of the monthly formula benefit for each such active member
 19 who retired on or after ~~July January 1, 1973~~ *January 1, 1976*, shall be equal to
 20 one-twelfth of one and fifty-seven hundredths percent per year of
 21 membership service multiplied by his average annual covered wages;
 22 but in no case shall the amount of monthly formula benefit accrued for
 23 membership service prior to July 1, 1967, be less than the monthly an-
 24 nuity at the normal retirement date determined by applying the sum
 25 of the member's accumulated contributions, his employer's matching
 26 accumulated contributions on or before June 30, 1967, and any retire-
 27 ment dividends standing to his credit on or before December 31, 1966,
 28 to the annuity tables in use by the commission with due regard to the

29 benefits payable from such accumulated contributions under sections
 30 97B.52 and 97B.53. Commencing July 1, 1973, for each member who re-
 31 tired and commenced receiving, or who became vested in, a retirement
 32 allowance before July 1, 1973, the amount of regular monthly retire-
 33 ment allowance attributable to membership service that he received,
 34 for June, 1973, or was vested in as of June 30, 1973, shall be increased
 35 in the same proportion as the increase granted under this subsection for
 36 active members retiring after July 1, 1973.

37 2. For each active *and vested* member retiring with less than four
 38 complete years of service and who therefore cannot have ~~his a~~ benefit
 39 determined under the formula benefit of subsection 1 *or subsection*
 40 *five (5)* of this section ~~and for each vested member~~ a monthly annuity
 41 for membership service shall be determined by applying the member's
 42 accumulated contributions and ~~his the~~ employer's ~~matching~~ accumulat-
 43 ed contributions as of ~~his the~~ effective retirement date and any retire-
 44 ment dividends standing to ~~his the member's~~ credit on or before
 45 December 31, 1966, to the annuity tables in use by the commission ac-
 46 cording to his age, determined as follows:

47 a. If his normal retirement date coincides with or follows July 1,
 48 1967, his age on his normal retirement date.

49 b. If his normal retirement date precedes July 1, 1967, and his effec-
 50 tive date of retirement coincides with or follows July 1, 1967, his age
 51 on July 1, 1967.

52 3. For each member *employed before January 1, 1976*, who has
 53 qualified for prior service credit in accordance with the first paragraph
 54 of section 97B.43, there shall be determined a benefit of eight-tenths of
 55 one percent per year of prior service credit multiplied by the monthly
 56 rate of the member's total remuneration not in excess of three thou-
 57 sand dollars annually during the twelve consecutive months of his
 58 prior service for which such total remuneration was the highest. An ad-
 59 ditional three-tenths of one percent of such remuneration not in excess
 60 of three thousand dollars annually shall be payable for prior service
 61 during each year in which the accrued liability for benefit payments
 62 created by the abolished system is funded by appropriation from the
 63 general fund of the state of Iowa as provided under section 97B.56.

64 4. For each active member retiring on or after June 30, 1973, and
 65 who has completed ten or more years of membership service, the total
 66 amount of monthly benefit payable at the normal retirement date for
 67 prior service and membership service shall not be less than fifty dollars
 68 per month. If benefits commence on an early retirement date, the
 69 amount of benefit shall be reduced in accordance with section 97B.50.
 70 If an optional allowance is selected under section 97B.51, the amount
 71 payable shall be the actuarial equivalent of the minimum benefit. An
 72 employee who is in employment on a school year or academic year ba-
 73 sis, will be considered to be an active member as of June 30, 1973, if he
 74 completes the 1972-1973 school year or academic year.

75 5. *For each active member retiring on or after January 1, 1976,*
 76 *with four or more complete years of service a monthly benefit shall*
 77 *be computed which is equal to one-twelfth of an amount equal to*
 78 *forty percent of the final five-year average covered wage multiplied*
 79 *by a fraction of years of service. For the purposes of this subsection,*
 80 *"fraction of years of service" means a number, not to exceed one,*
 81 *equal to the sum of the years of membership service and the number*
 82 *of years of prior service divided by thirty years.*

83 *If benefits under this subsection commence on an early retire-*
 84 *ment date, the amount of benefit shall be reduced in accordance*
 85 *with section ninety-seven B point fifty (97B.50).*

86 6. Beginning January 1, 1976, for each member who retired be-
 87 fore January 1, 1976, the amount of regular monthly retirement al-
 88 lowance attributable to membership service and prior service that
 89 was payable to the member for December, 1975 is increased by ten
 90 percent for the first calendar year or portion of a calendar year the
 91 member was retired, and by an additional five percent for each cal-
 92 endar year after the first calendar year the member was retired. The
 93 total increase shall not exceed one hundred percent. There is appro-
 94 priated from the general fund of the state to the employment securi-
 95 ty commission from funds not otherwise appropriated an amount
 96 sufficient to fund the provisions of this subsection.

97 7. Notwithstanding the provisions of this chapter, a member who
 98 is employed as a conservation peace officer under the provisions of
 99 section one hundred seven point thirteen (107.13) of the Code and
 100 who retires on or after January 1, 1976, and at the time of retire-
 101 ment is at least sixty years of age and has completed at least twenty-
 102 five years of membership service as a conservation peace officer,
 103 may elect to receive a monthly retirement allowance equal to one-
 104 twelfth of forty percent of the member's final five-year average cov-
 105 ered wage, with benefits payable during the member's lifetime.
 106 There is appropriated from the general fund of the state to the em-
 107 ployment security commission from funds not otherwise appropriat-
 108 ed an amount sufficient to pay the additional costs above the
 109 employee and employer contributions to pay for increased benefits
 110 to conservation peace officers under this subsection. The provisions
 111 of this subsection shall be effective July 1, 1976.

1 SEC. 19. Section ninety-seven B point fifty (97B.50), Code 1975, is
 2 amended to read as follows:

3 **97B.50 Payments when retired at fifty-five Early retire-**
 4 **ment.** A member shall upon retirement on his early retirement date
 5 be entitled to receive a monthly retirement allowance determined in
 6 the same manner as provided for normal retirement in ~~subsection sub-~~
 7 ~~sections 1, four (4) and five (5)~~ of section 97B.49 reduced by five-
 8 tenths of one percent per month for each month that the early retire-
 9 ment date precedes the normal retirement date.

1 SEC. 20. Section ninety-seven B point fifty-two (97B.52), Code
 2 1975, is amended by adding the following new subsection:

3 NEW SUBSECTION. If the commission cannot locate the beneficiary
 4 within eighteen months following the member's death and receipt of
 5 verification that a certified letter with return receipt requested, ad-
 6 dressee only, has been delivered to the beneficiary, the commission
 7 shall pay to the estate of the deceased member the amount otherwise
 8 designated to be received by the beneficiary. If a beneficiary is known
 9 to exist but cannot be notified, the commission shall not pay the death
 10 benefits to the estate.

1 SEC. 21. Section ninety-seven B point fifty-three (97B.53), subsec-
 2 tion eight (8), Code 1975, is amended to read as follows:

3 8. If an employee hired to fill a permanent position terminates his
 4 employment within six months from the date of employment, the em-
 5 ployer may file a claim with the commission for a refund of the ~~match-~~
 6 ~~ing~~ funds contributed to the commission by the employer for the
 7 employee.

1 SEC. 22. Section ninety-seven B point sixty-one (97B.61), unnum-
 2 bered paragraph two (2), Code 1975, is amended to read as follows:

3 After accepting the actuarial methods and assumptions of the valua-

4 tion, the commission shall certify to the governor the contribution ~~rate~~
 5 ~~rates~~ determined thereby as the ~~rate rates~~ necessary and sufficient ~~on~~
 6 ~~a matching basis~~ for members and employers to fully fund the benefits
 7 and retirement allowances being credited for membership service and
 8 to make the accrued liability contributions in level installments re-
 9 quired for prior service under section 97B.54.

1 SEC. 23. Section ninety-seven B point sixty-five (97B.65), Code
 2 1975, is amended to read as follows:

3 **97B.65 Revision rights reserved—increase of benefits—rates of**
 4 **contribution.** The right is reserved to the general assembly to alter,
 5 amend, or repeal any provision of this chapter or any application
 6 thereof to any person, provided, however, that to the extent of the
 7 funds in the retirement system the amount of benefits which at the
 8 time of any such alteration, amendment, or repeal shall have accrued
 9 to any member of the system shall not be repudiated, provided further
 10 however, that the amount of benefits accrued on account of prior ser-
 11 vice shall be adjusted to the extent of any unfunded accrued liability
 12 then outstanding. Any increase enacted in benefits or retirement allow-
 13 ance under this chapter shall be accompanied by a change in the
 14 ~~matching~~ employer *and employee* contribution ~~rate rates~~ necessary to
 15 support such increase, all determined in accordance with sound actuari-
 16 al principles and methods.

1 SEC. 24. Chapter ninety-seven B (97B), Code 1975, is amended by
 2 adding the following new section:

3 NEW SECTION. **Intent of the general assembly.** It is the intent of
 4 the general assembly that the contribution rates specified in section
 5 ninety-seven B point eleven (97B.11) of the Code be reviewed annually
 6 by the general assembly and that the contribution rates will be in-
 7 creased by action of the general assembly by an amount equal to one-
 8 tenth of one percent of the covered wages of each member of the sys-
 9 tem and by an amount equal to five-tenths of one percent of the cov-
 10 ered wages of each member of the system paid by the employer for
 11 each year in which the growth of state general fund revenues for the
 12 fiscal year ending the preceding June thirtieth, adjusted for rate or ba-
 13 sis, exceeds five and one-half percent until the contribution rate is
 14 equal to four percent of the covered wages of each member of the sys-
 15 tem and seven and twenty-five hundredths percent of the covered
 16 wages of each member of the system paid by the employer.

17 It is also the intent of the general assembly that the monthly benefit
 18 specified in section ninety-seven B point forty-nine (97B.49), subsection
 19 five (5), of the Code be reviewed annually by the general assembly and
 20 that the general assembly will consult with the Iowa public employees'
 21 retirement system division of the employment security commission and
 22 the consulting actuaries relating to the actuarial soundness of the sys-
 23 tem in order that the percent of the final five-year average covered
 24 wage used in determining monthly benefits will be increased by action
 25 of the general assembly as the contribution rates increase until the per-
 26 cent of the final five-year average covered wage used in determining
 27 monthly benefits equals fifty.

1 SEC. 25. Section two hundred ninety-four point nine (294.9), subsec-
 2 tion two (2), Code 1975, is amended to read as follows:

3 2. From the proceeds of an annual tax levy, ~~not exceeding the~~
 4 ~~amount produced in the current school year by the assessment of teach-~~
 5 ~~ers as provided in the preceding paragraph of this section.~~

1 SEC. 26. Section two hundred ninety-four point fifteen (294.15), un-

2 numbered paragraph one (1), Code 1975, is amended to read as fol-
3 lows:

4 Any person having attained the age of sixty-five who shall have
5 been an employee, holding a valid teaching certificate, in the public
6 schools of this state with a record of service of twenty-five years or
7 more, including a maximum of five years out-of-state service followed
8 by at least ten years' service in this state prior to retirement and who
9 shall have retired prior to July 4, 1953, shall be entitled to receive re-
10 tirement allowance payments from the state of Iowa of one hundred
11 dollars per month *and beginning July 1, 1975, shall be entitled to re-*
12 *ceive two hundred dollars per month.* Such sums as are necessary to
13 meet this requirement shall be added to the retirement allowance pay-
14 ments, if any, now being received from the state of Iowa by individu-
15 als covered by the provisions of this section. No such person shall
16 receive retirement benefits from the state of more than ~~one~~ *two*
17 hundred dollars per month. The word "employee" as used herein shall
18 be construed to include persons who were state superintendents, county
19 superintendents, or deputy county superintendents.

1 SEC. 27. There is created a "salary adjustment fund" to be used to
2 segregate funds appropriated by the general assembly to be distributed
3 to various state departments to fund certain salary increases for des-
4 ignated state employees. Funds distributed from the salary adjustment
5 fund shall be subject to the approval of the governor and state comp-
6 troller.

1 SEC. 28. There is appropriated from the general fund of the state
2 to supplement other funds appropriated for salaries, support, mainte-
3 nance, equipment and miscellaneous by the general assembly to the
4 state board of regents and the following institutions for the fiscal year
5 beginning July 1, 1975, and ending June 30, 1976, to be used as fol-
6 lows:

7 1. So much as necessary to fund an average base salary increase of
8 seven percent of the base salaries of the faculty members paid during
9 the fiscal year beginning July 1, 1974, and ending July 1, 1975, to be
10 allocated to faculty members at the discretion of the state board of re-
11 gents.

12 2. So much as is necessary to be used to fund a mandatory cost-of-
13 living increase rounded to the nearest dollar divisible by the number of
14 payrolls paid annually for professional and scientific personnel and a
15 mandatory cost-of-living increase and any normal merit increase
16 rounded to the nearest dollar divisible by the number of payrolls paid
17 annually for all employees under the state board of regents merit sys-
18 tem except board office employees as follows:

19 a. For positions for which the annual compensation is less than sev-
20 en thousand dollars, an increase of ten percent.

21 b. For positions for which the annual compensation is less than four-
22 teen thousand dollars but equal to or greater than seven thousand dol-
23 lars, an increase of nine percent.

24 c. For positions for which the annual compensation is an amount
25 equal to or greater than fourteen thousand dollars, an increase of seven
26 percent.

27 However, the mandatory cost of living increase given an employee
28 shall equal one-half of that provided under the provisions of this sub-
29 section if the salary of the employee is in excess of the pay grade for
30 the classification to which the employee is assigned.

31 3. Miscellaneous and other expenses.

32	INSTITUTION	APPROPRIATION
33	State University of Iowa.....	\$4,068,200
34	State sanatorium.....	194,700
35	Hospital school.....	165,600
36	Psychopathic hospital.....	289,300
37	Hygienic laboratory.....	105,600
38	University hospitals.....	3,209,600
39	Iowa State University of	
40	science and technology.....	3,139,100
41	Experimental station.....	482,200
42	Cooperative extension service.....	558,400
43	University of Northern Iowa.....	1,399,600
44	School for the deaf.....	218,400
45	Iowa braille and sight-	
46	saving school.....	113,300

1 SEC. 29. There is appropriated from the general fund of the state
2 to the following institutions to finance a discretionary merit increase
3 for faculty, professional and scientific personnel under the state board
4 of regents, for the fiscal year beginning July 1, 1975, and ending June
5 30, 1976. The funds shall be distributed to the faculty, professional and
6 scientific personnel at the discretion of the state board of regents for
7 each institution:

8	INSTITUTION	AMOUNT
9	State University of Iowa.....	\$1,426,800
10	State sanatorium.....	15,700
11	Hospital school.....	28,200
12	Psychopathic hospital.....	61,400
13	Hygienic laboratory.....	18,400
14	University hospitals.....	120,100
15	Iowa State University of	
16	science and technology.....	1,152,100
17	Experimental station.....	148,400
18	Cooperative extension service.....	186,900
19	University of Northern Iowa.....	402,100
20	School for the deaf.....	33,400
21	Iowa braille and sight-	
22	saving school.....	14,000

1 SEC. 30. The salary schedule of the merit system and the executive
2 council exempt pay plan, provided for in section nineteen A point nine
3 (19A.9), subsection two (2), of the Code, as they exist on June 30, 1975,
4 shall be increased by the following percentages of salary rounded to
5 the nearest dollar amount divisible by twenty-six to provide for a cost
6 of living adjustment. All salaries of persons who are exempt from chap-
7 ter nineteen A (19A) of the Code and who are included in the state
8 comptroller's central payroll system and state board of regents office
9 employees shall receive a like increase consistent with appropriations
10 provided by the general assembly, except members of the general as-
11 sembly, board members and commission members, salaries of persons
12 set by the general assembly or set by the governor or the appointing
13 authority and employees designated under section nineteen A point
14 three (19A.3), subsection six (6), of the Code and employees under the
15 state board of regents merit system:

16 1. For positions for which the annual compensation is less than sev-
17 en thousand dollars, an increase of ten percent.

18 2. For positions for which the annual compensation is at least seven
19 thousand dollars but less than fourteen thousand dollars, an increase of
20 nine percent.

21 3. For positions for which the annual compensation is fourteen thou-
22 sand dollars or more, an increase of seven percent.

23 However, the mandatory cost of living increase given an employee
24 shall equal one-half of that provided under the provisions of this sec-
25 tion if the salary of the employee is in excess of the pay grade for the
26 classification to which the employee is assigned.

1 SEC. 31. There is appropriated from the general fund of the state
2 to a "salary adjustment fund", created by this Act, the following
3 amount for the fiscal year beginning July 1, 1975, and ending June 30,
4 1976, or so much thereof as may be necessary, to be distributed to each
5 department to the extent that funds have not been appropriated to the
6 department sufficient to implement the minimum cost-of-living in-
7 crease for positions to be made on July 1, 1975, to supplement appro-
8 priations of the various state departments to implement the ad-
9 justment of the June 30, 1975, pay plans under the cost of living ad-
10 justments of section thirty (30) of this Act, for the fiscal year beginning
11 July 1, 1975, and ending June 30, 1976: \$10,200,000.

1 SEC. 32. There is appropriated from the general fund of the state
2 to a "salary adjustment fund", created by this Act, the following
3 amount for the fiscal year beginning July 1, 1975, and ending June 30,
4 1976, or so much thereof as may be necessary, to be distributed to vari-
5 ous departments to supplement other funds appropriated by the gener-
6 al assembly. This amount shall be used to fund position adjustments to
7 merit system employee positions established pursuant to chapter nine-
8 teen A (19A) of the Code, determined by the merit employment com-
9 mission to be made in addition to the cost-of-living adjustments to
10 positions under section thirty (30) of this Act, for the fiscal year begin-
11 ning July 1, 1975, and ending June 30, 1976: \$1,150,000.

1 SEC. 33. There is appropriated from the road use tax fund to the
2 state department of transportation, the following amount for the fiscal
3 year beginning July 1, 1975, and ending June 30, 1976, or so much
4 thereof as may be necessary, to supplement other funds appropriated
5 by the general assembly. This amount shall be used to fund position
6 adjustments to merit system employee positions established pursuant
7 to chapter nineteen A (19A) of the Code, determined by the merit em-
8 ployment commission to be made in addition to the cost-of-living ad-
9 justments to positions under section thirty (30) of this Act, for the
10 fiscal year beginning July 1, 1975, and ending June 30, 1976: \$30,000.

1 SEC. 34. There is appropriated from the primary road fund to the
2 state department of transportation the following amount for the fiscal
3 year beginning July 1, 1975, and ending June 30, 1976, or so much
4 thereof as may be necessary, to supplement other funds appropriated
5 by the general assembly. This amount shall be used to fund position
6 adjustments to merit system employee positions established pursuant
7 to chapter nineteen A (19A) of the Code, determined by the merit em-
8 ployment commission to be made in addition to the cost-of-living ad-
9 justments to positions under section thirty (30) of this Act, for the
10 fiscal year beginning July 1, 1975, and ending June 30, 1976: \$500,000.

1 SEC. 35. There is appropriated from the general fund of the state
2 to a "salary adjustment fund", created by this Act, the following
3 amount or so much thereof as may be necessary, for the fiscal year be-
4 ginning July 1, 1975, and ending June 30, 1976, to be distributed to
5 various departments to supplement other funds appropriated by the

6 general assembly. Funds appropriated under this section shall be used
7 to supplement other funds appropriated by the general assembly to
8 fund increases to salaries of the chief justice and each justice of the su-
9 preme court, the chief district court judges, all district court judges and
10 associate judges, all full-time and part-time judicial magistrates, the
11 code editor, court administrator, clerk of the supreme court and the le-
12 gal assistants to the supreme court, the chairman and members of the
13 public employment relations board: \$635,000.

1 SEC. 36. There is appropriated from the road use tax fund to the
2 state department of transportation, for the fiscal year beginning July
3 1, 1975, and ending June 30, 1976, the following amount or so much
4 thereof as necessary to pay to employees of the state department of
5 transportation who are eligible to be paid from the road use tax fund
6 and who are eligible to receive the cost-of-living increase provided for
7 in section thirty (30) of this Act: \$269,700.

1 SEC. 37. There is appropriated from the primary road fund to the
2 state department of transportation, for the fiscal year beginning July
3 1, 1975, and ending June 30, 1976, the following amount or so much
4 thereof as necessary to pay to the employees of the state department of
5 transportation who are eligible to be paid from prorated primary road
6 funds as provided in section three hundred seven point twenty-eight
7 (307.28) of the Code and who are eligible to receive the cost-of-living
8 increase provided for in section thirty (30) of this Act: \$4,537,500.

1 SEC. 38. Funds provided in section thirty-one (31) of this Act shall
2 relate to salaries supported from general fund appropriations and shall
3 not be construed to replace revolving, federal, trust or special funds
4 where applicable.

1 SEC. 39. To departmental revolving, trust or special funds, except
2 the primary road fund or the road use tax fund, for which the general
3 assembly has established an operating budget, a supplemental authori-
4 zation is hereby provided from those funds, unless otherwise provided,
5 in an amount necessary to fund the salary adjustments provided in sec-
6 tion thirty (30) of this Act and position adjustments to merit system
7 employee positions established pursuant to chapter nineteen A (19A) of
8 the Code, determined by the merit employment commission to be
9 made in addition to the cost-of-living adjustments to positions under
10 section thirty (30) of this Act.

1 SEC. 40. There is appropriated to the state comptroller for the fis-
2 cal year beginning July 1, 1975, and ending June 30, 1976, the follow-
3 ing amounts, or so much thereof as necessary, to finance an increase in
4 the amount financed with state funds for the single person premium
5 cost approved by the commissioner of insurance, for the medical and
6 health group insurance programs for each member of the merit system
7 and the executive council exempt pay plan, provided for in section
8 nineteen A point nine (19A.9), subsection two (2) of the Code, all sala-
9 ries of persons who are exempt from chapter nineteen A (19A) of the
10 Code who are included in the state comptroller's central payroll system
11 and the state board of regents office employees, employees of the Iowa
12 School for the Deaf and of the Iowa Braille and Sight-Saving School
13 and salaries of persons set by the governor, general assembly or ap-
14 pointing authority.

15 The following amounts are appropriated to finance an increased con-
16 tribution for each employee eligible to be paid a portion of the single
17 person premium cost per month, approved by the commissioner of in-

18 surance for the medical and health group insurance programs during
 19 the fiscal year beginning July 1, 1975 and ending June 30, 1976, as fol-
 20 lows:

21 1. From the primary road fund to pay for permanent full-time state
 22 employees eligible for insurance premiums payments from the funds:
 23 \$114,000.

24 2. From the road use tax fund to pay for permanent full-time state
 25 employees eligible for insurance premium payments from the fund:
 26 \$6,000.

27 3. From departmental revolving, trust or special funds so much as
 28 necessary as computed by the comptroller to pay for permanent full-
 29 time employees eligible to be paid a portion of the single person pre-
 30 mium cost, approved by the commissioner of insurance, for medical
 31 and health group insurance programs, from such funds. This suppl-
 32 mental authorization is provided from those funds for which the gener-
 33 al assembly has established an operating budget, unless otherwise
 34 provided, in an amount necessary for the medical and health insurance
 35 programs.

36 4. From the general fund of the state for all other eligible full-time
 37 state employees: \$210,000.

1 SEC. 41. The provisions of this Act shall be effective January 1, 1976
 2 except that sections two (2), fourteen (14), twenty-six (26), and twenty-
 3 seven (27) through forty (40), inclusive, shall be effective July 1, 1975
 4 except as otherwise provided in this Act.

Approved July 13, 1975

This Act was passed by the G.A. prior to July 1, 1975; see §3.7 of the Code

CHAPTER 51

ITEM VETO APPEAL FEES

H. F. 911

AN ACT appropriating funds for certain legal fees.

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

1 SECTION 1. There is appropriated to the state comptroller from the
 2 general fund of the state for the fiscal year beginning July 1, 1975 and
 3 ending June 30, 1976 the sum of three thousand eight hundred (3,800)
 4 dollars, or so much thereof as may be necessary, to be used to pay le-
 5 gal expenses of the appellants in *Welden, et al. v. Ray, et al.*, docket
 6 number 20-2-57321, filed by the supreme court on May 12, 1975. The
 7 attorneys of record shall submit to the state comptroller in the manner
 8 required by the state comptroller the claim for such legal expenses.
 9 The state comptroller shall pay to the attorneys of record the amount
 10 claimed upon receipt of such claim.

Approved July 14, 1975