

CHAPTER 1180
EFFICIENCY TASK FORCE RECOMMENDATIONS
H.F. 2473

AN ACT to implement certain recommendations of the governor's task force by providing limitations on leaves of absence for certain military purposes, providing a phased retirement incentive program for full-time state employees, providing for the use of investment income as management expenses for certain retirement programs, providing that persons who are not full-time employees of the state who do not accrue sick leave or vacation and who work on a state holiday shall receive pay only for hours worked, and providing that all state departments and agencies shall have appropriations for the 1984-1985 fiscal year reduced by the amount of out-of-state travel incurred in the 1984-1985 fiscal year.

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

Section 1. **NEW SECTION. 79.30 ESTABLISHMENT OF PHASED RETIREMENT PROGRAM.** There is established a voluntary employee phased retirement incentive program for full-time state employees who are at least sixty years of age and have completed at least twenty years as full-time state employees.

The phased retirement incentive program is a retirement system for purposes of section 20.9, but is not retirement for purposes of chapter 97A, 97B, or 602 or for the employees who are members of the teachers insurance annuity association-college retirement equity fund.

Sec. 2. **NEW SECTION. 79.31 ELIGIBILITY.** The phased retirement incentive program requires that participants work a maximum of thirty-two hours per week and a minimum of twenty hours per week for the first year after entering the program. After the fourth year of participation in the program, participants shall work a maximum of twenty hours per week.

Sec. 3. **NEW SECTION. 79.32 PHASED RETIREMENT PROGRAM.** The phased retirement incentive program is a voluntary program that provides that an employee may participate in the program for not more than five years and provides for the following:

1. Payment of a salary based upon the participant's salary on a full-time basis reduced proportionally by the number of hours of employment plus ten percent of the budgeted full-time salary. A participant is eligible for cost of living increases granted to all state employees.

2. Continuation of eligibility by the participant for membership in the state life insurance program with continuation of state payments at the rate paid for full-time employees.

3. Continuation of eligibility by the participant for membership in the state health or medical insurance program and continuation of state payments at the rate paid for full-time employees.

4. Continuation of membership in the state employees disability insurance program. During the five-year period, monthly earnings of the employee for purposes of the disability insurance program equal the monthly earnings as if the participant were a full-time employee.

5. Accrual of vacation and sick leave based upon section 79.1 as it applies to part-time employees.

Sec. 4. **NEW SECTION. 79.33 PARTICIPATION PLAN.** A state employee meeting the requirements of section 79.31 may file a request to participate in the program with the head of the employee's state department, agency, or commission. The employee shall specify the number of hours per week the employee intends to work for each of the five years of participation. Participation in the program is dependent upon the approval of the head of the department, agency, or commission. The cost to the state department, agency, or commission shall be paid from the funds appropriated to the department, agency, or commission for salaries, support, maintenance, and miscellaneous purposes.

An employee who participates in the program is not eligible to return to state employment as a permanent full-time employee. Once an employee reduces the employee's hours of participation, that employee shall not subsequently increase the hours of participation.

Sec. 5. **NEW SECTION. 79.25 APPROPRIATION.** Annually after June 30 of each fiscal year, the department of job service shall determine the cost during the preceding fiscal year to the Iowa public employees' retirement fund of participation of state employees in the phased retirement program. Annually, there is appropriated from the general fund of the state to the Iowa public employees' retirement fund an amount sufficient to reimburse the retirement fund for the costs of the phased retirement program.

Sec. 6. Section 12.8, Code 1983, is amended by adding the following new paragraph:

NEW PARAGRAPH. Investment income may be used to maintain compensating balances and pay transaction costs for investments made by the treasurer of state. The treasurer of state shall coordinate with the affected departments to determine how compensating balances or transaction costs will be established. All charges against a retirement system must be documented and notification of the charges shall be made to the appropriate administration of the retirement system effected.

Sec. 7. Section 33.1, Code 1983, is amended by adding the following new paragraph:

NEW PARAGRAPH. Notwithstanding any other provision of this section, an employee of the state who does not accrue sick leave or vacation, and who works on a holiday, shall receive regular pay for the hours worked on that holiday and shall not otherwise earn holiday compensatory pay.

Sec. 8. Section 97A.8, subsection 3, Code 1983, is amended to read as follows:

3. **EXPENSE FUND.** The expense fund shall be the fund to which shall be credited all money provided by the state of Iowa to pay the administration expenses of the system and from which shall be paid all the expenses necessary in connection with the administration and operation of the system. Biennially the board of trustees shall estimate the amount of money necessary to be paid into the expense fund during the ensuing biennium to provide for the expense of operation of the system. Investment management expenses shall be charged to the investment income of the system and there is appropriated from the system an amount required for the investment management expenses. The board of trustees shall report the investment management expenses for the fiscal year as a percent of the market value of the system.

Sec. 9. Section 97B.7, subsection 2, paragraph b, subparagraph (6), unnumbered paragraph 2, Code 1983, is amended to read as follows:

~~In the event of If there is loss on the redemption or sale of securities, where invested as prescribed by law, neither the treasurer nor the department shall be is personally liable, but such the loss shall be charged against the retirement fund and there is hereby appropriated from such the retirement fund an amount as may be so required for the loss. Expenses incurred in the sale and purchase of securities belonging to the retirement fund shall be charged to the retirement fund and there is hereby appropriated from such the retirement fund an amount as may be so required and investment for the expenses incurred. management expenses shall be charged to the investment income of the retirement fund and such expense shall otherwise be budgeted and appropriated in the same manner as administrative expenses for the rest of the system.~~

Sec. 10. Section 602.9111, Code Supplement 1983, is amended to read as follows:

602.9111 INVESTMENT OF FUND. So much of the judicial retirement fund as may not be necessary to be kept on hand for the making of disbursements under this chapter shall be invested by the treasurer of state in bonds or other evidences of indebtedness issued, assumed, or guaranteed by the United States of America, or by any agency or instrumentality thereof or in any investments authorized for the Iowa public employees' retirement system in section 97B.7, subsection 2, paragraph "b", and the earnings therefrom shall be credited to said fund.

Investment management expenses shall be charged to the investment income of the fund and there is appropriated from the fund an amount required for the investment management expenses. The court administrator shall report the investment management expenses for the fiscal year as a percent of the market value of the system.

Sec. 11. Notwithstanding any provision of any appropriation bill, the 1984-1985 appropriations for all state departments, agencies, boards, commissions, and other entity receiving state funds are reduced by the amount expended for out-of-state travel, except travel that was essential for the performance of the employee's duties or for professional purposes, during the fiscal year beginning July 1, 1984 by such state entities. The amount of the reduced funds shall revert to the fund from which appropriated.

Sec. 12. This Act, being deemed of immediate importance, takes effect from and after its publication in the West Des Moines Express, a newspaper published in West Des Moines, Iowa, and in The Altoona Herald-Mitchellville Index, a newspaper published in Altoona, Iowa. Section 6* of this Act takes effect upon publication. All other provisions of this Act take effect July 1, 1984.

Approved May 2, 1984

Pursuant to the authority vested in the undersigned, Secretary of State of the State of Iowa, under the provisions of Section 3.9, Code of Iowa, 1983, there being no newspaper published in West Des Moines, Iowa by the name of the West Des Moines Express, I hereby designate the West Des Moines Express published in Des Moines, Iowa to publish House File 2473.

MARY JANE ODELL, *Secretary of State*

I hereby certify that the foregoing Act, House File 2473 was published in the West Des Moines Express, West Des Moines, Iowa on May 11, 1984 and in The Altoona Herald-Mitchellville Index, Altoona, Iowa on May 10, 1984.

MARY JANE ODELL, *Secretary of State*

*According to enrolled Act