

February 14, 1963.

House File 255

Social Security. By DENMAN, CAMP, REPPERT and CARSTENSEN.

Passed House, Date..... Passed Senate, Date.....

Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....

Approved.....

A BILL FOR

An Act relating to the benefits payable to surviving beneficiaries entitled to receive benefits under the pension and annuity retirement system established under section two hundred ninety-four point eight (294.8) of the Code, which system has been previously terminated, and relating to the levy of an annual tax to supplement the retirement reserve fund.

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

1 Section 1. Section two hundred ninety-four point twelve,
2 (294.12), Code 1962, is amended by adding at the end thereof
3 the following:
4 "In any school district which has, pursuant to section two
5 hundred ninety-four point eleven (294.11) of the Code, termi-
6 nated a previously existing pension and annuity retirement system
7 and has, after actuarial computation, established a retirement
8 reserve fund pursuant to section two hundred ninety-four point
9 twelve (294.12) of the Code, in order to pay surviving benefi-
10 ciaries entitled to receive retirement benefits at date of
11 termination of said system in the amount in effect with respect
12 to such beneficiaries immediately prior to the date of termina-
13 tion, the board of directors may authorize each and every payment
14 to each surviving beneficiary falling due subsequent to June 30,
15 1962, to be increased by fifty per cent (50%), such increased
16 payments to be paid from the retirement reserve fund according
17 to an actuarial computation thereof plus such additional amounts
18 transferred from the general as may be required. In order to

19 provide the additional amounts required by the general fund for
20 such increased payments, the board of directors may annually
21 at the meeting at which it estimates the amount required for the
22 general fund in accordance with section two hundred ninety-eight
23 point one (298.1) of the Code, estimate such additional amount
24 as an actuarial computation shall show is necessary from the
25 general fund for the payment of such increased benefits for
26 the current school year; provided that the amount estimated and
27 certified to be transferred from the general fund to the retire-
28 ment reserve fund shall not exceed five hundredths (5/100) of a
29 mill on the dollar of the assessed valuation of the taxable
30 property of the school corporation. The board of supervisors
31 shall, in accordance with the provisions of section two hundred
32 ninety-eight point eight (298.8) of the Code, levy the taxes
33 necessary to raise the amount estimated by the board of directors
34 as above provided and certified to the board of supervisors.
35 Upon the death of the last beneficiary to survive, any balance
36 remaining in said retirement reserve fund shall be transferred
37 to the general fund of said school district."

1 Sec. 2. This Act being deemed of immediate importance shall
2 be in full force and effect from and after its passage and
3 publication in The West Des Moines Express, a newspaper published
4 at West Des Moines, Iowa, and the Highland Park News, a newspaper
5 published at Des Moines, Iowa.

EXPLANATION OF HOUSE FILE 255

Approximately 140 former teachers in the Des Moines schools who are still living, retired before 1953 and were not eligible to receive social security benefits. These teachers receive an average \$38.40 per month from local pension funds, established on an actuarial basis. They have requested an increase of 50 percent in monthly benefits, but such increase cannot be provided under present statutes. For the first year the levy required under this bill would be \$12,500; it would be less each succeeding year as the number of annuitants decreases. This proposal has the full endorsement of the Des Moines board of education.

Substantially the same situation exists in public schools in the cities of Sioux City, Cedar Rapids and Clinton.

The amount involved in any event would be small, and for that reason the limitation has been placed in the bill that the amount to be transferred from the general fund for this purpose shall not exceed 5/100 of a mill on the dollar of the assessed valuation of the taxable property of the school corporation.