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**State of Iowa  
1952**

**A HANDBOOK**  
on  
**IOWA OLD AGE AND  
SURVIVOR INSURANCE**

For persons employed by the State  
of Iowa, its cities, counties, townships  
or school districts.



**Administered by  
IOWA EMPLOYMENT SECURITY COMMISSION**

**Carl B. Stiger, Chairman**

**J. C. Blodgett, Vice-Chairman**

**Claude M. Stanley, Commissioner**

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# **A HANDBOOK EXPLAINING THE IOWA OLD AGE AND SURVIVOR INSURANCE SYSTEM**

Chapter 97, Code of Iowa, 1950

As amended by the Fifty-fourth General Assembly

## **Purpose of This Booklet**

This handbook has been prepared for the use of public officials and their employees and other persons who may be interested in the Iowa Old Age and Survivor Insurance System, better known as the Iowa public employees retirement system. It describes the system and explains who is entitled to benefits under the act. It tells each worker what he must do to safeguard his interests and the interests of his family under this system.

Questions will arise that cannot be answered here in special cases or under peculiar circumstances, therefore, the users of this booklet should keep in touch with the nearest local office of the Iowa Employment Security Commission for any further information or assistance.

## **How the Plan Works**

The Iowa Old Age and Survivor Insurance System is a retirement system operated by the State of Iowa and administered by the Iowa Employment Security Commission. Wage earners and their employers each contribute equally to a trust fund out of which benefits are paid.

Benefit payments are based on wages earned on jobs in public service for a political subdivision of state government, including public school districts, with added credit for the number of years worked on such jobs. In other words, the amount of your monthly old age insurance payment depends on your earnings in work covered by the system. The amount paid to other members of your family—to your wife or to children under 18, for example—is based upon the amount of your old age insurance benefit.

Total payments to your family, therefore, depend on three things: Your earnings, the number of your dependents and their ages.

Applications for benefits must be filed in a local employment office of the Iowa Employment Security Commission. (See list of local employment offices on last page.)

## **How You Can Qualify**

Men and women sixty-five years of age or over, who have worked on jobs that are covered by the system, are eligible for old age insurance benefits, provided they have received enough pay from covered jobs in order to be fully insured. That is:



1. **You must have worked on a job or jobs for the State of Iowa, the counties, the townships, the municipalities and public school districts, or any of their political subdivisions or instrumentalities.**
2. You must be fully insured; that is, you must have worked in covered employment a certain number of calendar quarters. A calendar quarter is a three-month period beginning January 1, April 1, July 1, or October 1.
3. You must have retired from public employment and may not earn in excess of \$24.99 a month on a job covered by the law. You may work in employment not covered by the system and earn any amount of wages and still draw benefits.

### **Fully Insured**

You will be fully insured when you reach 65 or die, if you have at least one quarter of coverage for each two calendar quarters that have passed after January 1, 1946, or after you were first covered, whichever is the later. At least six quarters of coverage are necessary in any case.

When you have 40 quarters of coverage, you are fully insured for life.

EXCEPTION to requirements for becoming fully insured:

If you were 60 years of age or older on January 1, 1946, and have a record of ten years public employment by the State of Iowa or its political subdivisions, you may become fully insured and eligible for benefits at age sixty-five after six quarters of coverage, if such six quarters of coverage are one-half the quarters elapsing after you were first covered and your retirement after reaching age 65, by furnishing proof of such ten years public employment and by paying the tax on the wages you were being paid in the last quarter of 1946 or the last quarter of your employment for four additional calendar quarters, which sum must be matched by your last employer and paid to the Commission.

### **Currently Insured**

You are currently insured at any time if you have worked in the preceding calendar quarter. You are also currently insured for as many calendar quarters as you have worked. For example: If you worked in covered employment for eight calendar quarters, terminating your employment in the eighth quarter, you are currently insured after terminating your employment for the same length of time or eight calendar quarters. In case of your death within this period, benefits will be payable to your survivors.

### **Counting Quarters of Coverage**

Quarters of coverage toward becoming insured may have been earned at any time after 1945. Once earned, credit for a quarter of coverage is never lost. By working in covered employment you can add quarters of coverage at any time.

If your total wages in a year are \$3,000 or more, a quarter of coverage is counted for the first calendar quarter in the year in which you were covered plus all succeeding quarters of such year. However, in a year in which you are paid \$3,000 and become entitled or die, no quarter of coverage may be credited for any quarter succeeding the quarter of entitlement or death, and no quarter of coverage may be credited for the quarter of entitlement or death.

**When Quarters of Coverage May be Acquired.** Quarters of coverage may be acquired at any time when wages could be paid up to the time of entitlement or death. Quarters of coverage may be acquired in any order and need not be consecutive.

For the period January 1, 1946 to July 1, 1951, calendar quarters in which you earned \$50 or more are called "quarters of coverage." For the period July 1, 1951 to date, any calendar quarters in which you had earnings will count as a quarter of coverage if you earned \$50 or more during either the first or second calendar quarter of 1951 or have elected coverage in accordance with section 97.45-2-d.

A new employee, that is, an individual who did not earn \$50 during either the first or second calendar quarter of 1951 and who has not elected coverage, must earn at least \$200 in a calendar quarter after July 1, 1951, in order to receive credit for a quarter of coverage.

#### **Retirement Payments**

The following tables show the different kinds of payments and in what way you must be insured for each:

#### **Retirement Payments**

Monthly payments to—	If you are—
You as a retired worker.....	Fully insured.
And monthly payments to your—	
Wife, 65 or over.....	Fully insured.
Child, under 18.....	Fully insured.

#### **Survivor Payments**

Monthly payments to your—	If at death you were—
Widow, 65 or over.....	Fully insured.
Widow, regardless of age, if caring for a child.....	Either fully or currently insured.
Child, under 18.....	Either fully or currently insured.
Dependent parent, 65 or over.....	Fully insured.
Lump sum payment to your—	
Widow or widower, child or children, or parent, or to the person who paid burial expenses (may be made if there is no sur- vivor eligible for monthly benefits in the month of death).....	Either fully or currently insured.
The lump sum payment is equal to six times the wage earner's monthly benefit.	



Payments to members of your family are made only if they are considered dependent upon you. In some cases this means if you actually contributed to their support or lived with them.

Payments to the parent of an insured person are made only where no widow, widower, or child could qualify for payments.

### **Figuring Your Benefit**

Benefits are based upon a percentage of the worker's "average monthly wage" plus an additional amount for each calendar year in which he was paid \$200 or more on jobs covered by the law. The exact amount of a benefit cannot be calculated until an application is filed, but you can figure the approximate amount on the basis of the customary pay and the number of years you expect to work.

To calculate your monthly benefit payments, three steps are necessary:

1. Find your average monthly wage;
2. Take 60% of the first \$50 of the average monthly wage, and add to it 10% of the balance up to \$200;
3. For each year in which you were paid as much as \$200 in wages in covered employment, add an amount equal to 1% of the sum obtained from steps 1 and 2 for each of the first five years, plus 2% per year for the second five years, 3% per year for the next ten years, and 4% for each year after 20 years. The sum of these figures is the amount of your monthly primary insurance benefit.

### **Figuring the Average Monthly Wage**

#### **A. Counting wages:**

Add all the wages paid the wage earner in employment covered by the system after 1945 and before the quarter in which he died or became entitled to monthly benefits, whichever occurred first. Only the first \$3,000 of wages earned in each are counted.

#### **B. Counting months:**

Compute the total number of months in which the wage earner earned wages under this system. For the period January 1, 1946 to July 1, 1951, exclude any quarter during which he was paid less than \$50 in wages, and exclude any quarter in which he died or became entitled to benefits. For the period July 1, 1951 to date, count all the quarters in which he had earnings, regardless of the amount, if he had earnings of \$50 or more during either the first or second calendar quarter of 1951 or elected coverage, as explained on page 4. If he entered covered employment after July 1, 1951, and did not elect coverage for earnings of less than \$200 per calendar quarter, count only the wages and months in those calendar quarters in which his earnings amounted to \$200 or more.

#### **C. Obtaining average:**

Divide the total wages by the total months to obtain the average monthly wage. If the figure exceeds \$250, reduce it to \$250.

### Calculating Your Benefit

Your average monthly wage and length of employment furnish the basis for computing the amount of your monthly retirement benefit. Supposing your average monthly wage for six years is \$195, your benefit is figured as follows:

60% of the first \$50.....	\$30.00
10% of the balance (\$145).....	14.50
Your basic benefit is.....	44.50
1% of \$44.50 for each of the first five years or (5%).....	2.23
2% of \$44.50 for the sixth year.....	.89
Your monthly benefit is.....	\$47.62

This is called your primary insurance benefit. In addition, there are benefits for your family based on this amount.

### Length of Employment Increases Your Benefit

For each calendar year after 1945 in which you were paid \$200 or more in wages, your basic benefit is increased as indicated in part 3 under, "Figuring Your Benefit." For example, supposing you have an average monthly wage of \$195 for 22 years, your benefit would be:

60% of the first \$50.....	\$30.00
10% of the balance (\$145).....	14.50
Your basic benefit is.....	\$44.50
1% of \$44.50 for each of the first five years or (5%).....	2.23
2% of \$44.50 for each of the second five years or (10%).....	4.45
3% of \$44.50 for each of the next ten years or (30%).....	13.35
4% of \$44.50 for each year after 20 years or (8%).....	3.56
Your monthly benefit is.....	\$68.09

No wage earner's benefit will ever be less than \$10 a month. In other words, if the benefit calculated should come to less, the amount will be raised to \$10. For other examples of benefit payments, turn to the table on pages 11 and 12 of this booklet.

### Family Benefits

To determine family payments it is necessary first to determine the amount of the wage earner's monthly Old Age Insurance benefit, because all other payments are based on it. The table below shows how each dependent's payment is figured, based on the wage earner's benefit.

Remember that the total monthly payment to the family, based on the wage earner's account, cannot be more than: (a) Twice the wage earner's monthly benefit; (b) 80% of his average monthly wage; or (c) \$120. If the payments described below would be more than this, each dependent's payment is reduced to bring the total down to twice the monthly benefit, 80% of the average monthly earnings, or \$120, whichever is the least.

The monthly payment to your—	Is this part of wage earner's monthly benefit—
Wife .....	one-half
Child (when you have retired).....	one-half
Widow .....	three-fourths
Child (after your death).....	one-half
Dependent parent <i>one-half</i> .....	<del>three-fourths</del>



### Example of Family Payments

Suppose the wage earner is retired and has been found entitled to a retirement benefit of \$53.50 a month. Say also that his wife is 65 and he has one minor child. Benefits for the family would be:

Wage earner's benefit.....	\$ 53.50
Wife's benefit (½).....	26.75
Child's benefit (½).....	26.75
Monthly total for Family.....	<u>\$107.00</u>

Or, for example, say the wage earner leaves a widow with two children. If his retirement benefit is \$53.50, his family would get the following:

Widow's benefit (¾).....	\$40.13
Children (½ each).....	53.50
Monthly Total for Family.....	<u>\$93.63</u>

To any person who is eligible for more than one benefit, the larger amount will be paid. For example: A woman who works on a covered job and meets the requirements for a wage earner's benefit may, of course, qualify for benefits at age 65 on her own account. If she is a wife or a widow eligible for monthly benefits also on her husband's account, she cannot get both, but she will get whichever amount is the larger.

### Suspension of Monthly Payments

After insurance benefits have been awarded to an insured worker or to any member of his family, certain conditions must be met if payments are to continue. Failure to fulfill these conditions will result in the suspension of payments until the conditions are met.

1. **Any wage earner** entitled to a monthly Old Age Insurance Benefit may not receive payment for any month during which he or she earns \$25 or more in work covered by this law. Likewise, a wife, child or widow may not receive a benefit for any month during which they earn \$25 or more in work covered by the system.

**A wife's** or child's benefit is suspended for any month in which the wage earner, upon whose account the benefits are based, earns \$15 or more in covered employment.

This suspension is only for the month in which the money is earned. It does not apply if the money was earned on a job that is not covered by this act, no matter what the amount of the wages earned.

2. **A child sixteen or seventeen** years of age entitled to receive a monthly payment may not receive a payment for any month for which he or she failed to attend school regularly if attendance would have been feasible. Payment will continue during regular school vacation periods if the child has attended regularly in the past and intends to return to school after vacation.
3. **Widow and child.** A widow receiving payments because she has a child in her care will not receive the payment for any month in

which the child is not in her care or is not dependent upon her for support.

4. **Death.** When any person receiving monthly benefits dies, his or her payments are ended.

If you are receiving benefits on behalf of a child or incompetent adult and the child or incompetent adult is no longer in your care, you should notify the Iowa Employment Security Commission.

When circumstances occur which would cause the suspension of a monthly payment as above defined in 1, 2 or 3, the fact must be reported to the Commission within one month. A failure to make such a report will cause suspension of payments for two months instead of one.

**Report promptly.** Failure to report when circumstances occur which would cause suspension of the monthly payment, as defined above in 1, 2, 3 or 4, may result in the loss of additional benefit payments. Protect your rights by reporting promptly.

### **Tax Contributions**

The worker and his employer share the cost of the Iowa Old Age and Survivor Insurance system. The worker pays a tax upon the wages he receives. The employer pays a tax on his payroll.

1. **Tax Rate.** For the years 1946, 1947 and 1948, the tax is 1% of the wages; 2% for the calendar year 1949; 3% for the calendar year 1950; 4% for the calendar year 1951; and shall continue at four per cent until the General Assembly may determine the amount necessary to make the system actuarially sound.
2. **Tax Collection.** If you are employed, your contribution is deducted from your wages each pay day. The employer sends your contribution and his own matching contribution to the Iowa Employment Security Commission. The employer is required to make his reports and pay the tax to the Commission upon a calendar quarter basis. The money goes into the Iowa Old Age and Survivor Insurance system fund, out of which benefits are paid.
3. **Taxable Wages.** (a) Only the first \$3,000 of wages received each year are taxable. A worker who is employed by more than one employer in any year must make a contribution on the first \$3,000 received from each employer.  
(b) Any worker who receives part or all of his pay in the form of meals or lodging or rent, or goods of any sort, is taxed on the cash wages that he receives plus the fair value of anything else he receives from his employer as pay for his services.
4. **Tax Refunds.** The law makes no provision for a refund of the contributions you have paid into the system, unless such contributions were erroneously collected. If contributions are paid on earnings in excess of \$3,000 in any one year, you are entitled to a refund in the amount of the excess contributions. To obtain a refund you must



### **Protecting the Worker's Rights**

To safeguard the worker's rights and interests under the Iowa Old Age and Survivor Insurance program, the worker is provided with opportunity to appeal to the Commission for the correction of its records if errors are shown.

The act also provides for reconsideration, rehearing and review and appeal from all Commission final decisions to the District Court.

### **Social Security Account Numbers**

Each employee of any political subdivision who is covered under this act is required to obtain a Social Security account number. Any employee who does not have an account number will obtain one by applying to the nearest Federal Social Security field office or he may obtain an application form at any U. S. Post Office.

Each employee, as soon as he becomes employed, should report his Social Security number to his employer.

### **Cost of Administration**

The expense of administering the Iowa Old Age and Survivor Insurance System is paid entirely from appropriations made by the Iowa legislature for that specific purpose. All funds collected by the Commission from the tax upon employment payrolls, plus the interest earned by the investment of the fund, can be used only for the payment of benefits. No portion of the funds contributed by employees and employers under this act may be used for administrative purposes.

### **FULL-TIME OFFICES OF THE IOWA STATE EMPLOYMENT SERVICE**

The Iowa State Employment Service maintains full-time offices in each of the following cities. Consult your local telephone directory for street address. Visit your nearest employment service office for any further information.

#### **Full-Time Offices**

Algona	Davenport	Muscatine
Ames	Decorah	Newton
Atlantic	Des Moines	Oelwein
Boone	Dubuque	Oskaloosa
Burlington	Fairfield	Ottumwa
Carroll	Fort Dodge	Perry
Cedar Rapids	Fort Madison	Shenandoah
Centerville	Iowa City	Sioux City
Charles City	Keokuk	Spencer
Clinton	Knoxville	Storm Lake
Council Bluffs	Marshalltown	Washington
Creston	Mason City	Waterloo
		Webster City

In addition to the full-time offices, an itinerant service is maintained in each county, usually located in the county court house or other public building. These itinerant offices are open one day each week, or in some cases one day in two weeks.



## EXAMPLES OF PRIMARY INSURANCE BENEFITS

AVERAGE WAGE	5 YRS. 5%		10 YRS. 15%		15 YRS. 30%		20 YRS. 45%		25 YRS. 65%		30 YRS. 85%		35 YRS. 105%		40 YRS. 125%	
Month 100.00 Year 1200.00	\$240	(a) 30.00 (b) 5.00 (c) 1.75	\$180	30.00 5.00 5.25	\$720	30.00 5.00 10.50	\$960	30.00 5.00 15.75	\$1,200	30.00 5.00 22.75	\$1,440	30.00 5.00 29.75	\$1,680	30.00 5.00 36.75	\$1,920	30.00 5.00 43.75
		(d) 36.75		40.25		45.50		50.75		57.75		64.75		71.75		78.75
Month 125.00 Year 1500.00	\$300	(a) 30.00 (b) 7.50 (c) 1.88	\$600	30.00 7.50 5.63	\$900	30.00 7.50 11.25	\$1,200	30.00 7.50 16.88	\$1,500	30.00 7.50 24.38	\$1,800	30.00 7.50 31.88	\$2,100	30.00 7.50 39.38	\$2,400	30.00 7.50 46.88
		(d) 39.38		43.13		48.75		54.38		61.88		69.38		76.88		84.38
Month 150.00 Year 1800.00	\$360	(a) 30.00 (b) 10.00 (c) 2.00	\$720	30.00 10.00 6.00	\$1,080	30.00 10.00 12.00	\$1,440	30.00 10.00 18.00	\$1,800	30.00 20.00 26.00	\$2,160	30.00 10.00 34.00	\$2,520	30.00 10.00 42.00	\$2,880	30.00 10.00 50.00
		(d) 42.00		46.00		52.00		58.00		66.00		74.00		82.00		90.00
Month 175.00 Year 2100.00	\$420	(a) 30.00 (b) 12.50 (c) 2.13	\$840	30.00 12.50 6.38	\$1,260	30.00 12.50 12.75	\$1,680	30.00 12.50 19.13	\$2,100	30.00 12.50 27.63	\$2,520	30.00 12.50 35.13	\$2,940	30.00 12.50 44.63	\$3,360	30.00 12.50 53.13
		(d) 44.68		48.88		55.25		61.63		70.13		78.63		87.13		95.63
Month 200.00 Year 2400.00	\$480	(a) 30.00 (b) 15.00 (c) 2.25	\$960	30.00 15.00 6.75	\$1,440	30.00 15.00 13.50	\$1,920	30.00 15.00 20.25	\$2,400	30.00 15.00 29.25	\$2,880	30.00 15.00 38.25	\$3,360	30.00 15.00 47.25	\$3,840	30.00 15.00 56.25
		(d) 47.25		51.75		58.50		65.25		74.25		83.25		92.25		101.25
Month 225.00 Year 2700.00	\$540	(a) 30.00 (b) 17.50 (c) 2.38	\$1,080	30.00 17.50 7.13	\$1,620	30.00 17.50 14.26	\$2,160	30.00 17.50 21.38	\$2,700	30.00 17.50 28.93	\$3,240	30.00 17.50 40.38	\$3,780	30.00 17.50 49.88	\$4,320	30.00 17.50 59.38
		(d) 49.88		54.63		61.76		68.88		76.43		87.88		97.38		106.88
Month 250.00 Year 3000.00	\$600	(a) 30.00 (b) 20.00 (c) 2.50	\$1,200	30.00 20.00 7.50	\$1,800	30.00 20.00 15.00	\$2,400	30.00 20.00 22.50	\$3,000	30.00 20.00 32.50	\$3,600	30.00 20.00 42.50	\$4,200	30.00 20.00 52.50	\$4,800	30.00 20.00 62.50
		(d) 52.50		57.50		65.00		72.50		82.50		92.50		102.50		112.50

Left-hand vertical column shows average annual and monthly wage. Top line shows years of service. Second line shows percentage the benefits are increased due to the corresponding years of service.

(a) Shows the amount obtained by taking 60% of the first \$50 of the average monthly wage.

(b) Shows the amount obtained by taking 10% of the balance of the average monthly wage.

(c) Shows the amount the basic benefit is increased due to length of service.

(d) Shows the total primary insurance benefit payable to an individual based on such average monthly wage and years of service.

The vertical figures to left of each benefit summation show the amount of the employee's contribution at the rate of 4% a year for the average salary and total years of service. Assuming that an individual has an eligible spouse, the total benefit indicated in line (d) would be increased by 50%, but the total of the two must not exceed \$120.00 per month.





**EXAMPLES OF FAMILY BENEFITS**  
**For widows, dependent children or dependent parents**

Average monthly wages of deceased worker	Monthly benefit payments to—		
	Widow	Widow and one child	One child or one parent
<b>3 years' coverage:</b>			
\$ 50.....	\$23.18	\$38.63	\$15.45
100.....	27.04	45.06	18.03
150.....	30.90	51.50	20.60
200.....	34.76	57.94	23.18
250.....	38.62	64.37	25.75
<b>5 years' coverage:</b>			
\$ 50.....	\$23.62	\$39.38	\$15.75
100.....	27.56	45.94	18.38
150.....	31.50	52.50	21.00
200.....	35.44	59.06	23.63
250.....	39.38	65.63	26.25
<b>10 years' coverage:</b>			
\$ 50.....	\$25.88	\$43.13	\$17.25
100.....	30.19	50.31	20.13
150.....	34.50	57.50	23.00
200.....	38.81	64.69	25.88
250.....	43.12	71.88	28.75
<b>15 years' coverage:</b>			
\$ 50.....	\$29.25	\$48.75	\$19.50
100.....	34.13	56.88	22.75
150.....	39.00	65.00	26.00
200.....	43.88	73.13	29.25
250.....	48.60	81.00	32.50
<b>20 years' coverage:</b>			
\$ 50.....	\$32.63	\$54.38	\$21.75
100.....	38.06	63.44	25.38
150.....	40.79	67.98	27.19
200.....	48.94	81.56	32.63
250.....	54.38	90.63	36.25