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State of Iowa
1953

WILLIAM S. BEARDSLEY, *Governor*

A HANDBOOK

on

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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

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Administered by

IOWA EMPLOYMENT SECURITY COMMISSION

J. C. BLODGETT, Chairman

CLAUDE M. STANLEY, Vice Chairman

CARL B. STIGER, Commissioner

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IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Administered by The Iowa Employment Security Commission

The purpose of this pamphlet is to better acquaint interested persons with the repeal of the Iowa Old Age and Survivor Insurance System and subsequent enactment of provisions for Federal Old Age and Survivor Insurance coverage and benefits under the new Iowa Public Employees' Retirement System.

What Action Did The Legislature Take?

The 1953 session of the Iowa General Assembly, believing the Iowa Old Age and Survivor Insurance inadequate and unsound, enacted legislation permitting the inclusion of state employees under the old age and survivor insurance provisions of Title II of the Federal Social Security Act. This coverage furnishes eligible insured persons an old age retirement allowance, including allowances for dependents and qualifying survivors.

To accomplish the above, it was necessary to repeal the Iowa Old Age and Survivor Insurance System as of June 30, 1953, and enter into an agreement with the Federal Government for coverage under Federal Social Security effective July 1, 1953. Then, to supplement the benefits under Federal Social Security, the **Iowa Public Employees' Retirement System** was established.

How About Rights Under The Repealed System?

The repeal Act provides for:

1. Continued payments as of June 30, 1953, under the repealed system for retired persons and/or their beneficiaries.
2. Payments for fully and currently insured persons, **NOT IN PUBLIC EMPLOYMENT AS OF JUNE 30, 1953**, and dependents of such persons will be made as though the law had not been repealed.
3. Those persons **IN PUBLIC EMPLOYMENT ON JULY 1, 1953**, who have not applied and qualified for benefits under the repealed law, are entitled to a refund of Iowa Old Age and Survivor Insurance contributions, less the amount required for retroactive Federal Social Security coverage. They will receive retroactive coverage under the Federal Social Security Act back to January 1, 1951, if in employment since that date, or for such periods as so employed.
4. Former employees, to whom no Iowa Old Age and Survivor Insurance benefits have been paid, are entitled to the return of 75 percent of all contributions paid under the abolished system.
5. Any employee in public service as of July 4, 1953, may, in lieu of receiving cash refund, elect not later than October 1, 1953, for prior service coverage under the new supplemental system.

Who Are Members Of The New System, And Is It Compulsory?

Generally membership is compulsory for all public employees except those who belong to a local retirement system. Expressly excluded from coverage under both State and Federal systems are "members of the general assembly, elective officials in positions, the compensation for which is on a fee basis, elective officials of school districts, elective officials of townships, and elective officials of other political subdivisions who are in part time positions." Employees entering service after July 4, 1953, become members on the first day of the month following the month in which such employee is employed. If the employee earns less than \$200 during any calendar quarter his wages are not reported or taxed for that quarter.

There is no minimum wage or time provision under the Federal Social Security act.

Students who perform any service during school vacations or outside of school hours and who devote their time and efforts chiefly to their studies, rather than to incidental employment, are excluded under the State system but not excluded under the Federal system.

How Much Is The Tax?

The contribution rate or tax in support of the Iowa Public Employees' Retirement System is 3½ percent on the employee, plus 3½ percent on the employer, based upon the first \$4,000 of earnings in each calendar year. The present Federal tax is 1½ percent from each the employee and employer on the first \$3,600 earned each year. The total under both plans, being 5 percent for employees, is matched by the employer.

What Retirement Benefits May Be Expected?

Under the Federal system you will be fully insured when you are age 65 if you have at least one quarter of coverage for each two calendar quarters that have passed since December 31, 1950. At least 6 quarters of coverage are necessary in any case. The amount is based on your average monthly salary in employment covered by the law. It is 55 percent of the first \$100 of your average monthly wage, plus 15 percent of the remainder up to \$200. The total is your Social Security amount under the Federal system. Additional death and family benefits may also accrue. You may request at your nearest Federal Social Security field office a booklet explaining your Federal Social Security coverage.

The State Supplemental System provides for retirement benefits based on prior service **before** July 1, 1953, and on public employment **after** that date.

Who Will Receive Prior Service Credits And How Are They Figured?

To receive prior service credit:

1. An individual must be in public employment on the effective date of the Act (July 4, 1953).
2. He must have made contributions under the Iowa Old Age and Survivor Insurance System.

3. He must not have applied for and qualified for benefit payments under the Iowa Old Age and Survivor Insurance System.
4. He must have given written authorization to the Commission before October 1, 1953, to credit the retirement fund with the amount of his contributions, which would be subject to claim for refund. (Such forms are available at all offices of the Iowa State Employment Service.)

The amount of credit is $\frac{1}{3}$ of one percent of your highest annual salary prior to July, 1953, up to a maximum salary of \$3,000, multiplied by the number of years of public service prior to July 1, 1953.

Example: If an employee has had 24 years of prior service as a public employee and earned as much as \$3,000 in any one year, the amount payable for prior service will be: $(24 \times \frac{1}{3} \% \text{ of } \$3,000)$ equals \$240 per year, divided by 12, equals \$20 per month.

If I Give Authorization To The Commission To Obtain Prior Service Credits, What Service May I Count?

Service as an elective official is expressly excluded. However, you may count all other periods of employment that are considered employment under the new and/or abolished systems. There is no past time limit for counting prior service. You may go back as far into the past as you wish.

What About Military Service?

If you were in public employment immediately prior to your entry into the armed forces of the United States and upon release returned to public employment within 90 days from such release, then you may figure for prior service credit as though your public service was not interrupted by your war service.

What About Vacation Or Leave?

It may be counted as prior service if you did not separate from your work but were on authorized vacation or leave for a period not exceeding twelve months or during such temporary suspension of service that did not terminate your employment.

How About Time While A Member Of The Iowa National Guard (Meeting Once A Week Plus Summer Camp); As Member Of An Appointive Office Or Commission Where Nominal Or No Compensation Was Received?

These positions were never considered service for retirement purposes under any of the provisions of the abolished or present retirement acts and **can not be** counted in determining years of prior service credit.

I Was A Substitute Or Supply Teacher For A Number Of Years—May This Be Counted?

Your status as such in itself does not qualify you for prior service credit; however, you may count such periods when you were in actual employment toward your total of prior service years.

How Do I Total The Amount Of Prior Service?

You total all periods of prior service and if the fraction of the total is in excess of an integral number of years and is at least 6 months it shall be deemed to be a complete year. Any smaller fraction shall be disregarded.

How About Future Service?

Future service is employment after July 1, 1953, and retirement payment will be based upon the actuarial equivalent of what your and your employer's accumulated contributions with interest will buy.

When Will Monthly Benefits Begin?

Benefits will begin with the first day of the month following the filing of the application or notification to the Commission. Such effective date, in any event, must be after the last day of employment.

What Is The "30-Year Provision" In The Iowa Public Employees' Retirement System Law?

Any person with a record of 30 years or more as a public employee in the state of Iowa prior to **July 1, 1947**, and who is not eligible for prior service credit under other provisions of the supplemental system, shall be entitled to credit for years of prior service upon application and proof of such employment. The allowance for prior service credit under the 30-year provision will be given in the same manner as for prior service credit for members of the supplemental system, but shall not exceed the sum of \$450 per annum (\$37.50 per month), nor be less than \$300 per annum (\$25 per month).

It has been ruled that a person who has qualified under the repealed system (I.O.A.S.I.) for benefits cannot also qualify under the "30-year provision."

Is There An Iowa Public Employees' Retirement System Provision For Early Retirement?

Yes. If a member's employment is terminated after he has either:

- (a) Attained the age of 48 and completed at least 8 years of service under this act, or
- (b) Has attained the age of 55 he may be entitled to retirement allowances to commence after age 55 and prior to age 65 and continuing thereafter during his lifetime.

Your annual retirement allowance will be computed in the same manner as for retirement at the normal age of 65. However, the amount will be reduced on an actuarially equivalent basis to the extent that your age at the time of retirement precedes the normal retirement age of 65.

If I Meet The Provisions In The Preceding Question, May I Leave My Contributions And Receive Retirement Benefits At Age 65?

Yes.

Are All Retirement Benefits Payable Monthly?

No. If the retirement allowance of any person under the Iowa Public Employees' Retirement System is less than \$8.33 per month, such allowance will be paid semi-annually.

What If I Retire Under The Iowa Employees' Retirement System And Then Return To Public Employment?

If a retired member at any time returns to regular full-time employment covered by the System, his retirement payments shall cease as long as he remains in service. When an individual returns to covered employment after retirement, he will receive a re-computation of his retirement allowance upon termination of such employment based upon:

1. Contributions, if any, of the member and his employer on his behalf during the period of his re-employment, plus
2. The amount of his retirement allowance payable prior to his re-employment, increased on an actuarial basis for the period between his date of re-employment and his date of later retirement.

What About Death Benefits?

The Iowa Public Employees' Retirement System law provides that upon death prior to retirement, the accumulated contributions by a member will be paid to a named beneficiary. Likewise, upon death after retirement, any residue of contributions will be paid to a named beneficiary. If none is named, the estate will be the beneficiary. Employer contributions will not be refunded. Forms for designation of beneficiary may be obtained at your nearest Iowa State Employment Service office. Federal Social Security also has a provision for death benefits, but no beneficiary need be named.

If I Leave Employment Before Retirement, Will My Contributions Be Returned?

Yes, with interest.

Is Retirement Compulsory At Any Certain Age?

The Iowa Public Employees' Retirement law states that a member shall retire no later than the first day of the month after reaching the age of 70 except he may continue for such time as his employer may approve.

Where And How May I File An Application?

Application for benefits under the State plan may be filed at your nearest local office of the Iowa State Employment Service.

Application for benefits under Federal Social Security may be filed at your nearest Federal Social Security field office.

Forms will be available and assistance will be given for the proper completion of your application.

Full-Time Offices Of The Iowa State Employment Service

The Iowa State Employment Service maintains full-time offices in each of the cities listed below. Consult your telephone directory for street addresses or telephone numbers.

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

In addition to the full-time offices listed above a part-time office is maintained in each county, usually located in the county courthouse or other public building. The part-time offices are open one day each week or in some cases one day in two weeks.

SOCIAL SECURITY FIELD OFFICES

Serving Residents of the State of Iowa

BURLINGTON, IOWA.....	809-12 Farmers and Merchants Bank Building
CEDAR RAPIDS, IOWA.....	Federal Building
DAVENPORT, IOWA.....	Post Office Building
DES MOINES, IOWA.....	301 Valley Bank Building, 300 Fourth Street
DUBUQUE, IOWA.....	Post Office Building
FORT DODGE, IOWA.....	302 State Bank Bldg., 629 Central Avenue
MASON CITY, IOWA.....	Room 300, Post Office Building
OMAHA, NEBRASKA.....	Foster-Barker Bldg., 204 South 19th Street
OTTUMWA, IOWA.....	Room 339, Post Office Building
SIOUX CITY, IOWA.....	Room 202, Post Office Building
WATERLOO, IOWA.....	Room 324, Post Office Building
WINONA, MINNESOTA.....	Room 233, Post Office Building

