



**BILL and AMENDMENT SUMMARY**

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**Peace Officer  
Retirement System  
SF 366**

Status of Bill: On Unfinished Business  
 Committee: State Government (23-0)  
                   Senate (46-0)  
 Lead Democrats: Rep. Mascher  
 Floor Manager: Rep. Pettengill  
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**Background**

The Peace Officer Retirement System (PORS) is a retirement system that is completely separate of the 411 system. Currently disabled retirees are allowed total earnings which include disability pension payment and reemployment wages up to 1.5 times the current salary of an active member of the same position on the salary scale held at the member’s time of retirement. At age 55 they are no longer subject to the earnings limitation. There are currently 17 disabled retirees under the age of 55 that may be subject to the limit. One of the seventeen members is currently subject to the earnings limit. According to the fiscal note there are currently 1,194 members in the system with 578 of them active members. The fiscal note also states the assets of PORS to be \$360.1 million and unfunded actuarial liability of \$155.8 million and a funded ratio of 69.8%.

**Summary**

SF 366 increase’s the benefit for disabled retirees under the age of 55 from 1.5 times to 2.5 times for current earnings. The overall impact on the PORS due to this increase is based on the earnings and benefits of the retirees. For example, if someone was earning \$76,500 at the time of the disability retirement currently can earn up to \$114,750 before benefits are reduced or repayments are required. Raising the benefit to 2.5 times would increase the maximum earnings before reduction or repayment to \$191,250. This could result in reduction of payments of approximately \$29,000 a year to the PORS.

	<b>Current Law</b>	<b>Proposed Law</b>
Wages Based on Rank	\$ 76,500	\$76,500
Multiplier	1.5	2.5
Benefits and Earnings Max	\$114,750	\$191,250
Max disability retiree earnings (Pension and employment)	\$114,750	\$191,250
Average annual benefit for accidental disability	-\$45,000	-\$45,000
Earnings from employment with no reduction of benefit	\$69,750	\$146,250

The Board of Trustee’s is against the increase of the multiplier and when it came up as a motion in 2014 it was unanimously voted down.

## Amendments

### H-1180 by Pettengill (R):

This amendment keeps the earnings cap at 1.5 times the current salary but limits the amount a retirement benefit can be reduced by, to half. Theoretically current law would allow for a retirement benefit to be reduced to zero. The table below is for a salary of \$80,000 and an example disability allowance of \$40,000.

Example	
Wages based on active member	\$80,000
Multiplier	1.5
Maximum combined earnings and POR benefit	\$120,000
Maximum calculated above	\$120,000
Disability retirement allowance	-\$40,000
Max earnings allowed without POR benefit reduction	\$80,000
50.0% POR benefit allowance	20,000
Earnings above this level exempt from POR benefit reduction	\$100,000