

Budget Unit Brief

FY 2017



Unemployment Compensation (DOT) - PRF

Purpose and History

Iowa's unemployment compensation law was enacted by the 46th General Assembly in 1936 Iowa Acts, chapter 4, in response to the impacts that the Depression had on the citizens of Iowa (Iowa Code chapter [96](#)). The law requires employers to pay into the Unemployment Compensation Fund based on the benefit experience of the employer.

For state government employees, the Department of Administrative Services (DAS) pays all unemployment compensation claims from a General Fund appropriation. The DAS then bills departments for the costs associated with all non-General Fund employees.

State Funding

The Department of Transportation (DOT) receives appropriations from the Road Use Tax Fund (RUTF) and the Primary Road Fund (PRF) to pay the annual costs of unemployment insurance premiums to the DAS. Expenditures from the appropriations are for the actual amounts billed to the DOT by the DAS. Should the need for funding exceed the appropriation, as was the case in FY 2010, the DOT has requested and received authority to transfer funding from other operating accounts within the DOT to cover the shortfall, pursuant to Iowa Code section [8.39](#). In addition to the expenditures for unemployment compensation paid to former employees entitled to benefits, the DAS charges an administrative fee that is based on the previous quarter count of full-time equivalent (FTE) positions for the DOT.

Related Statutes

Iowa Code section [8A.402](#)

Iowa Code chapter [96](#)

Revised September 8, 2016

More Information

Iowa Department of Transportation: <http://www.iowadot.gov/>

Iowa General Assembly: <https://www.legis.iowa.gov/index.aspx>

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