

11 cant a permit to use a distress flag. The commissioner shall determine  
 12 the fee for the distress flag except that the fee shall not exceed the  
 13 cost of the flag to the department. Each distress flag shall be num-  
 14 bered and in the event of its loss or destruction, the commissioner  
 15 may issue a duplicate upon payment of the fee. The commissioner  
 16 shall maintain a record of all applicants and those qualified applicants  
 17 receiving permits and distress flags.

1 SEC. 4. If a person who has been issued a permit and distress flag  
 2 under this Act becomes disqualified as a handicapped or paraplegic  
 3 person, he shall return the permit and the distress flag to the depart-  
 4 ment.

1 SEC. 5. Any person who is not qualified as a handicapped or para-  
 2 plegic person and uses a distress flag as provided in this Act or for  
 3 any other purpose is guilty of a misdemeanor and punishable by a  
 4 fine of not more than one hundred dollars or thirty days in jail.

Approved June 14, 1971.

## CHAPTER 113

### FEDERAL-STATE UNEMPLOYMENT PROGRAM

H. F. 704

AN ACT to extend and improve the federal-state unemployment compensation pro-  
 gram.

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

1 SECTION 1. Section ninety-six point three (96.3), subsection four  
 2 (4), unnumbered paragraph one (1), Code 1971, is amended as fol-  
 3 lows:

4 An individual's weekly benefit amount shall be an amount equal  
 5 to one [twenty-second] *twentieth* of his total wages in insured work  
 6 paid during that quarter of his base period in which such total wages  
 7 were highest, subject to the following limitation: The commission  
 8 shall determine annually a maximum weekly benefit amount by  
 9 computing fifty percent of the average weekly wage paid to em-  
 10 ployees in insured work which shall be effective the first day of the  
 11 first full week in July. *Beginning with the first full week in July of*  
 12 *1973, and each year thereafter the maximum weekly benefit amount*  
 13 *shall be determined by computing fifty-five percent of the average*  
 14 *weekly wage paid to employees in insured work.* Such maximum  
 15 weekly benefit amount, if not a multiple of one dollar shall be  
 16 rounded to the nearest multiple of one dollar.

1 SEC. 2. Section ninety-six point three (96.3), Code 1971, is  
 2 amended by striking subsection seven (7).

1 SEC. 3. Section ninety-six point four (96.4), Code 1971, is  
 2 amended by adding the following subsections:

3 1. "Benefits based on service in employment, defined in section  
 4 ninety-six point nineteen (96.19), subsection seven (7), of the Code,  
 5 shall be payable in the same amount, on the same terms and subject  
 6 to the same conditions as compensation payable on the basis of other  
 7 service subject to this chapter; except that benefits based on serv-  
 8 ice in an instructional, research, or principal administrative capacity

9 in an institution of higher education shall not be paid to an individ-  
 10 ual for any week of unemployment which begins during the period  
 11 between two successive academic years or during a similar period  
 12 between two regular terms, whether or not successive, or during a  
 13 period of paid sabbatical leave provided for in the individual's con-  
 14 tract if the individual has a contract or contracts to perform serv-  
 15 ices in any such capacity for any institution or institutions of higher  
 16 education for both such academic years or both such terms."

17 2. "Notwithstanding any other provisions in this subsection, no  
 18 otherwise eligible individual shall be denied benefits for any week  
 19 because he is in training with the approval of the commission, nor  
 20 shall such individual be denied benefits with respect to any week in  
 21 which he is in training with the approval of the commission by rea-  
 22 son of the application of the provision in subsection three (3) of this  
 23 section relating to availability for work, and an active search for  
 24 work or the provision of subsection three (3) of this section relating  
 25 to failure to apply for or a refusal to accept suitable work."

1 SEC. 4. Section ninety-six point five (96.5), subsection one (1),  
 2 paragraph "b", Code 1971, is amended as follows:

3 b. He has been laid off from his regular employment and has  
 4 sought temporary employment, and has notified his temporary em-  
 5 ployer that he expected to return to his regular job when it became  
 6 available, and the temporary employer employed him under these  
 7 conditions, and the worker did return to his regular employment  
 8 with his regular employer as soon as it was available[, provided,  
 9 however, if such temporary employment proves to be unsuitable, (if  
 10 so found by the commission), he shall forfeit only the credits he  
 11 may have earned in said unsuitable employment].

12 Section ninety-six point five (96.5), subsection one (1), Code 1971,  
 13 is further amended by striking paragraph "a" and inserting in lieu  
 14 thereof the following:

15 a. He left his employment in good faith for the sole purpose of  
 16 accepting better employment, which he did accept, and that he re-  
 17 mained continuously in said new employment for not less than six  
 18 weeks. Wages earned with the employer that he has left shall, for  
 19 the purpose of computing and charging benefits, be deemed wages  
 20 earned from the employer with whom the individual accepted better  
 21 employment and benefits shall be charged to the employer with whom  
 22 he accepted better employment. The commission shall advise the  
 23 chargeable employer of the name and address of the other em-  
 24 ployer, the period covered, and the extent of benefits which may be  
 25 charged to the account of the chargeable employer. In those cases  
 26 where the new employment is in another state, no employer's account  
 27 shall be charged with benefits so paid except that employers who are  
 28 required by law or by their election to reimburse the fund for bene-  
 29 fits paid shall be charged with benefits under this paragraph.

1 SEC. 5. Section ninety-six point five (96.5), subsection one (1),  
 2 Code 1971, is amended by striking paragraph "g" and inserting in  
 3 lieu thereof the following:

4 g. In the case where he left his work voluntarily without good  
 5 cause attributable to his employer under circumstances which did  
 6 or would disqualify him for benefits, under this subsection he, subse-

7 quent to such leaving, worked in and was paid wages for insured  
8 work in an amount not less than nine times the claimant's weekly  
9 benefit amount, provided he is otherwise eligible, but in the event  
10 extended benefits are in effect as provided for by this chapter, then  
11 benefits shall not be withheld after twelve consecutive weeks of unem-  
12 ployment from the date he quits, during which time he shall be  
13 actively and earnestly seeking employment.

1 SEC. 6. Section ninety-six point six (96.6), Code 1971, is amended  
2 by striking subsection two (2) and inserting in lieu thereof the fol-  
3 lowing:

4 **2. Initial determination.** A representative designated by the com-  
5 mission shall promptly notify all interested parties to the claim of  
6 the filing thereof, and said parties shall have seven days from the date  
7 of mailing the notice of the filing of said claim by ordinary mail to  
8 the last known address to protest payment of benefits to said claim-  
9 ant. The representative shall promptly examine the claim and any  
10 protest thereto and, on the basis of the facts found by him, shall  
11 either determine whether or not such claim is valid, the week with  
12 respect to which benefits shall commence, the weekly benefit amount  
13 payable and the maximum duration thereof, and whether any dis-  
14 qualification shall be imposed, or shall refer such claim or any ques-  
15 tion involved therein to an appeal tribunal or to the commission,  
16 which shall make its determination with respect thereto in accord-  
17 ance with the procedure described in subsection three (3) of this  
18 section, except that in any case in which the payment or denial of  
19 benefits will be determined by the provisions of section ninety-six  
20 point five (96.5), subsection four (4), of the Code, the representa-  
21 tive shall promptly transmit his full findings of fact with respect to  
22 that subsection to the commission, which, on the basis of the evi-  
23 dence submitted and such additional evidence as it may require, shall  
24 affirm, modify, or set aside such findings of fact and transmit to the  
25 representative a decision upon the issues involved under that subsec-  
26 tion. The representative shall promptly notify the claimant and any  
27 other interested party of the decision and the reasons therefor. Un-  
28 less the claimant or other interested party, within five calendar days  
29 after the delivery of such notification, or within seven calendar days  
30 after such notification was mailed to his last-known address, files an  
31 appeal from such decision, such decision shall be final and benefits  
32 shall be paid or denied in accordance therewith. If an appeal tri-  
33 bunal affirms a decision of the representative, or the commission  
34 affirms a decision of an appeal tribunal, allowing benefits, such bene-  
35 fits shall be paid regardless of any appeal which may thereafter be  
36 taken, but if such decision is finally reversed, no employer's account  
37 shall be charged with benefits so paid.

1 SEC. 7. Section ninety-six point seven (96.7), subsection three  
2 (3), paragraph "a", subparagraph two (2), Code 1971, is amended  
3 as follows:

4 (2) [Benefits] *The amount of regular benefits plus fifty percent*  
5 *of the amount of extended benefits, as determined under section 33*  
6 *of this Act* paid to an eligible individual shall be charged against the  
7 account of the employers in the base period in the inverse chrono-  
8 logical order in which the employment of such individual occurred.

9 Provided, that in any case in which a claimant to whom such bene-  
10 fits are paid is in the employ of a base period employer at the time  
11 he is receiving such benefits, and he is receiving the same employ-  
12 ment from such employer that he received during his base period,  
13 then no charge of benefits paid to such claimant shall be made  
14 against the account of such employer.

1 SEC. 8. Section ninety-six point seven (96.7), subsection three  
2 (3), paragraph "a", subparagraph three (3), Code 1971, is amended  
3 as follows:

4 (3) The amount of *regular* benefits so charged in any calendar  
5 quarter against the account of any employer shall not exceed the  
6 amount of such individual's wage credits based on employment with  
7 such employer during such quarter. *The amount of extended bene-*  
8 *fits so charged in any calendar quarter against the account of any*  
9 *employer shall not exceed an additional fifty percent of the amount*  
10 *of such individual's wage credits based on employment with such*  
11 *employer during such quarter.*

1 SEC. 9. Section ninety-six point seven (96.7), subsection three  
2 (3), paragraph "b", Code 1971, is amended by inserting after un-  
3 numbered paragraph one (1), the following:

4 "In any case in which a clearly segregable and identifiable part  
5 of an enterprise or business for which contributions have been paid  
6 has been sold or otherwise transferred to a subsequent employing  
7 unit, and such successor employing unit having qualified as an 'em-  
8 ployer' as defined under section ninety-six point nineteen (96.19),  
9 subsection six (6), paragraph 'b', of this chapter continues to oper-  
10 ate such enterprise or business, such successor shall assume the posi-  
11 tion of the predecessor employer with respect to such predecessor's  
12 payrolls, contributions, accounts and contribution rates which are  
13 attributable to the part of the enterprise or business transferred to  
14 the same extent as if there has been no change in the ownership or  
15 control of such enterprise or business.

16 The contribution rate to be assigned to the acquiring employer  
17 for the period beginning not earlier than the date of the transfer  
18 and ending not later than the next following effective date of con-  
19 tribution rates, shall be the contribution rate applicable to the trans-  
20 ferring employer with respect to the period immediately preceding  
21 the date of the transfer, provided that the acquiring employer was  
22 not, prior to the transfer, a subject employer, and only one trans-  
23 ferring employer, or only transferring employers having identical  
24 rates, are involved; or a newly computed rate based on the expe-  
25 rience of the transferring employer attributable to the part of the  
26 business transferred to the acquiring employer combined with the  
27 experience of the acquiring employer as of the last computation date.

28 The contribution rate to be assigned to the acquiring employer for  
29 the next following regular rate year, is a contribution rate based on  
30 the experience of the acquiring employer and only so much of the  
31 experience of the transferring employer as is attributable to the part  
32 of the business transferred.

33 Provided, however, that application for such transfer of partial  
34 record is made within sixty days from the date of transfer and meets  
35 the approval of the predecessor and the commission, and provided

36 further that such partial record shall include sufficient information  
 37 for the proper administration of this chapter with respect to pay-  
 38 ment of unemployment benefits and computation of future rates  
 39 based on benefit experience."

1 SEC. 10. Section ninety-six point seven (96.7), subsection three  
 2 (3), Code 1971, is amended by striking paragraph "c" and inserting  
 3 in lieu thereof the following:

4 c. Each contributing employer's rate of contribution shall be two  
 5 and seven-tenths percent except as otherwise provided in this chap-  
 6 ter. No reduced rate of contribution shall be granted to a contrib-  
 7 uting employer until there shall have been twelve consecutive calend-  
 8 ar quarters immediately preceding the computation date through-  
 9 out which his account has been chargeable with benefit payments.  
 10 Provided, that with respect to the calendar year commencing Janu-  
 11 ary 1, 1972 and each calendar year thereafter, except as provided in  
 12 paragraphs "d" and "e" of this subsection, a contributing employer  
 13 who has not been subject to this chapter for a sufficient period of  
 14 time to meet the twelve-quarter requirement shall qualify for a com-  
 15 puted rate of contribution if there shall have been a lesser period  
 16 throughout which his account has been chargeable, but in no event  
 17 less than eight consecutive calendar quarters immediately preced-  
 18 ing the computation date; provided further, that with respect to  
 19 the calendar year commencing January 1, 1972 and each calendar  
 20 year thereafter, except as provided in paragraphs "d" and "e" of  
 21 this subsection, each contributing employer newly subject to this  
 22 chapter shall pay contributions at the rate of one and five-tenths  
 23 percent until the end of the calendar year in which the employer  
 24 shall have had eight consecutive calendar quarters immediately preced-  
 25 ing the computation date throughout which his account has been  
 26 chargeable with benefit payments, thereafter his contribution rate  
 27 shall be determined in accordance with paragraphs "d" and "e" of  
 28 this subsection.

1 SEC. 11. Section ninety-six point seven (96.7), subsection three  
 2 (3), paragraph "d", Code 1971, is amended by striking the para-  
 3 graph and inserting in lieu thereof the following:

4 d. The commission shall determine the rate table to be in effect  
 5 for the calendar year following the rate computation date for such  
 6 year, by determining the ratio of the current reserve fund ratio to  
 7 the minimum adequate reserve fund ratio as of the rate computa-  
 8 tion date.

9 (1) The current reserve fund ratio shall be computed by dividing  
 10 the total trust funds available for payment of benefits, on the com-  
 11 putation date, by the total wages paid in covered employment during  
 12 the four calendar quarters ending the June thirtieth immediately  
 13 preceding the computation date.

14 (2) The minimum adequate reserve fund ratio shall be computed  
 15 by multiplying the highest benefit cost rate by one point five.

16 (3) The highest benefit cost rate shall be the highest of the re-  
 17 sulting ratios computed by dividing the total benefit payments during  
 18 each consecutive twelve-month period, during the fifteen-year period  
 19 ending on the computation date, by the total wages paid in the four  
 20 calendar quarters ending nearest and prior to the last day of such  
 21 twelve-month period.

22 If the current reserve fund ratio, divided by the minimum ade-  
 23 quate reserve fund ratio:

| 24 | Equals or exceeds | But is less than | The table in effect shall be |
|----|-------------------|------------------|------------------------------|
| 26 | —                 | 1.5              | 1                            |
| 27 | 1.5               | 2.0              | 2                            |
| 28 | 2.0               | 2.5              | 3                            |
| 29 | 2.5               | 3.0              | 4                            |
| 30 | 3.0               | —                | 5                            |

31 Each employer's rate for each calendar year after December 31,  
 32 1971, shall be determined on the basis of his record and the record  
 33 of the predecessor owner of such enterprise, if any, up to the com-  
 34 putation date for such year. If, on the computation date, the total  
 35 of all contributions paid to an employer's account for all past periods  
 36 to and including those for the quarter ending September thirtieth  
 37 immediately preceding the computation date exceeds the total bene-  
 38 fits charged to such account for all past periods to and including  
 39 those for the quarter ending September thirtieth immediately pre-  
 40 ceeding the computation date, such employer's contribution rate  
 41 subject to the adjustment hereinafter provided, shall be fixed in  
 42 accordance with the following effective table. Percentage of excess  
 43 in said table means the percentage resulting from dividing the excess  
 44 of contributions paid over benefits charged by the employer's aver-  
 45 age annual payroll.

| 46 | If the percentage of excess is: |            |            |            |            |            |
|----|---------------------------------|------------|------------|------------|------------|------------|
| 47 | Contri-                         |            |            |            |            |            |
| 48 | bution                          | Table      | Table      | Table      | Table      | Table      |
| 49 | Rates                           | Table      | Table      | Table      | Table      | Table      |
| 50 | Shall Be                        | 1          | 2          | 3          | 4          | 5          |
|    | %                               |            |            |            |            |            |
| 51 | 2.7                             | 0.0—2.2    | 0.0—1.9    | 0.0—1.6    | 0.0—1.3    | 0.0—1.0    |
| 52 | 2.5                             | 2.2—2.4    | 1.9—2.1    | 1.6—1.7    | 1.3—1.4    | 1.0—1.1    |
| 53 | 2.3                             | 2.4—2.6    | 2.1—2.3    | 1.7—1.8    | 1.4—1.5    | 1.1—1.2    |
| 54 | 2.1                             | 2.6—2.8    | 2.3—2.5    | 1.8—1.9    | 1.5—1.6    | 1.2—1.3    |
| 55 | 1.9                             | 2.8—3.0    | 2.5—2.7    | 1.9—2.0    | 1.6—1.7    | 1.3—1.4    |
| 56 | 1.7                             | 3.0—3.2    | 2.7—2.9    | 2.0—2.2    | 1.7—1.8    | 1.4—1.5    |
| 57 | 1.5                             | 3.2—3.4    | 2.9—3.1    | 2.2—2.4    | 1.8—1.9    | 1.5—1.6    |
| 58 | 1.3                             | 3.4—3.6    | 3.1—3.3    | 2.4—2.6    | 1.9—2.0    | 1.6—1.7    |
| 59 | 1.1                             | 3.6—3.9    | 3.3—3.5    | 2.6—2.8    | 2.0—2.2    | 1.7—1.8    |
| 60 | 0.9                             | 3.9—4.3    | 3.5—3.7    | 2.8—3.1    | 2.2—2.4    | 1.8—1.9    |
| 61 | 0.7                             | 4.3—4.8    | 3.7—4.1    | 3.1—3.6    | 2.4—2.7    | 1.9—2.0    |
| 62 | 0.5                             | 4.8—5.5    | 4.1—4.7    | 3.6—4.4    | 2.7—3.2    | 2.0—2.2    |
| 63 | 0.3                             | 5.5—6.4    | 4.7—5.7    | 4.4—5.5    | 3.2—4.7    | 2.2—2.5    |
| 64 | 0.2                             |            |            |            |            | 2.5—2.9    |
| 65 | 0.1                             | 6.4—7.5    | 5.7—7.2    | 5.5—7.0    | 4.7—6.7    | 2.9—3.4    |
| 66 | 0.075                           |            |            |            |            | 3.4—4.1    |
| 67 | 0.050                           |            |            |            |            | 4.1—5.1    |
| 68 | 0.025                           |            |            |            |            | 5.1—6.5    |
| 69 | 0.0                             | 7.5 & over | 7.2 & over | 7.0 & over | 6.7 & over | 6.5 & over |

70 If, on the computation date, the total of all benefits paid from an  
 71 employer's account for all past periods to and including those for the  
 72 quarter ending September thirtieth immediately preceding the com-

73 putation date, exceeds the total contributions paid to such account  
 74 for all past periods to and including those for the quarter ending  
 75 September thirtieth immediately preceding the computation date,  
 76 such employer's contribution rate shall be:

77 Contribution

| 78 Rate | Percentage of Excess Is |
|---------|-------------------------|
| 79 4.0% | 0.5% or more            |
| 80 3.5% | 0.1% but less than 0.5% |
| 81 3.0% | 0.0% but less than 0.1% |

82 Provided, that the maximum contribution rate of any employer  
 83 for the calendar year 1966 shall not be more than three percent, and  
 84 for the calendar year 1967 shall not be more than three and five-  
 85 tenths percent. Provided, however, that notwithstanding any other  
 86 provision of this chapter, any employer which employs individuals  
 87 in the construction, erection, demolition, alteration or repair of roads  
 88 and highways, or of bridges, buildings, factories, residences, earth-  
 89 work, grading, river work, or any other construction project, and  
 90 who has not qualified for an experience rating shall pay three per-  
 91 cent in the calendar year 1966, three and five-tenths percent in the  
 92 calendar year 1967, and four point zero percent in the calendar year  
 93 1968 and every calendar year thereafter until such time as he has  
 94 qualified for an experience rating entitling said employer to a lesser  
 95 rate of contribution. Except that such employer shall not qualify  
 96 for a lesser rate of contribution until there shall have been twelve  
 97 consecutive calendar quarters immediately preceding the computa-  
 98 tion date throughout which his account has been chargeable with  
 99 benefit payments. Provided further, that in no event shall any  
 100 employer's contribution rate be more than two and seven-tenths  
 101 percent of the first ten thousand dollars of wages for insured work  
 102 paid during any calendar quarter.

103 On or before the fifth day of December of each calendar year,  
 104 beginning in 1971, the commission shall make available to employers  
 105 the table which will apply to the contribution rates in the following  
 106 calendar year.

1 SEC. 12. Section ninety-six point seven (96.7), subsection seven  
 2 (7), unnumbered paragraph one (1), Code 1971, is amended as  
 3 follows:

4 If the commission believes that the assessment or collection of  
 5 contributions payable *or benefits reimbursable* will be jeopardized  
 6 by delay, the commission may immediately make an assessment of  
 7 the estimated amount of contributions due *or benefits reimbursable*,  
 8 together with all interest *and penalty* thereon as provided by this  
 9 chapter, and demand payment thereof from the employer. If such  
 10 payment is not made, a distress warrant may be issued or a lien  
 11 filed against such employer immediately.

1 SEC. 13. Section ninety-six point seven (96.7), Code 1971, is  
 2 amended by adding the following new subsections:

3 "8. **Financing benefits paid to state employees.** Any state agency,  
 4 board, commission, department, or instrumentality thereof, other  
 5 than state-owned hospitals and institutions of higher education,  
 6 which, pursuant to section ninety-six point nineteen (96.19), sub-  
 7 section six (6), paragraph 'h', of the Code, provided for in section

8 twenty-two (22) of this Act, is, or becomes, subject to this Act on  
9 or after January 1, 1972, shall pay to the commission for the unem-  
10 ployment fund an amount equal to the amount of regular benefits  
11 and of one-half of the extended benefits paid, that is attributable  
12 to service in the employ of such state agency, board, commission,  
13 department, or instrumentality thereof. Such payments shall be  
14 made in accordance with the provisions of section ninety-six point  
15 seven (96.7), subsection nine (9), paragraph 'b', of the Code, pro-  
16 vided for in this section.

17 **9. Financing benefits paid to employees of nonprofit organizations.**  
18 Benefits paid to employees of nonprofit organizations or of any state-  
19 owned hospital or institution of higher education shall be financed  
20 in accordance with the provisions of this subsection. For the pur-  
21 pose of this subsection and section ninety-six point nineteen (96.19)  
22 of the Code, a nonprofit organization is an organization described  
23 in the U. S. Internal Revenue Code, 26 U.S.C. 501 (c) (3), which is  
24 exempt from income tax under 26 U.S.C. 501 (a) of such Code.

25 a. Any state-owned hospital or institution of higher education,  
26 which, pursuant to section ninety-six point nineteen (96.19), sub-  
27 section six (6), paragraph 'h', of the Code, provided for in section  
28 twenty-two (22) of this Act, or any nonprofit organization which,  
29 pursuant to section ninety-six point nineteen (96.19), subsection six  
30 (6), paragraph 'i', of the Code, provided for in section twenty-two  
31 (22) of this Act, is, or becomes, subject to this Act on or after Jan-  
32 uary 1, 1972, shall pay contributions under the provisions of sub-  
33 sections one (1), two (2), and three (3) of this section, unless it  
34 elects, in accordance with this paragraph, to pay to the commission  
35 for the unemployment fund an amount equal to the amount of regu-  
36 lar benefits and of one-half of the extended benefits paid, that is  
37 attributable to service in the employ of such nonprofit organization,  
38 to individuals for weeks of unemployment which begin during the  
39 effective period of such election.

40 (1) Any nonprofit organization or any state-owned hospital or  
41 institution of higher education which is, or becomes, subject to this  
42 Act on January 1, 1972, may elect to become liable for payments in  
43 lieu of contributions for a period of not less than two calendar  
44 years commencing January 1, 1972, provided it files with the com-  
45 mission a written notice of its election within the thirty-day period  
46 immediately following such date or within a like period immediately  
47 following the effective date of this Act, whichever occurs later.

48 (2) Any nonprofit organization or any state-owned hospital or  
49 institution of higher education, which becomes subject to this Act  
50 after January 1, 1972, may elect to become liable for payments in  
51 lieu of contributions for a period of not less than two calendar  
52 years following the date on which such subjectivity begins by filing  
53 a written notice of its election with the commission not later than  
54 thirty days immediately following the date of the determination of  
55 such subjectivity.

56 (3) Any nonprofit organization or any state-owned hospital or  
57 institution of higher education, which makes an election in accord-  
58 ance with subparagraphs one (1) or two (2) of this paragraph shall  
59 continue to be liable for payments in lieu of contributions until it  
60 files with the commission a written notice terminating its election



61 not later than thirty days prior to the beginning of the taxable year  
62 for which such termination shall first be effective.

63 (4) Any nonprofit organization or any state-owned hospital or  
64 institution of higher education, which has been paying contributions  
65 under this Act for a period on or after January 1, 1972, may change  
66 to a reimbursable basis by filing with the commission not later than  
67 thirty days prior to the beginning of any taxable year a written  
68 notice of election to become liable for payments in lieu of contribu-  
69 tions. Such election shall not be terminable by the organization for  
70 that and the next year.

71 (5) The commission may for good cause extend the period within  
72 which a notice of election, or a notice of termination, must be filed  
73 and may permit an election to be retroactive but not any earlier  
74 than with respect to benefits paid after December 31, 1969.

75 (6) The commission, in accordance with such regulations as it  
76 may prescribe, shall notify each nonprofit organization of any  
77 determination which it may make of its status as an employer and  
78 of the effective date of any election which it makes and of any  
79 termination of such election. Such determinations shall be subject  
80 to reconsideration, appeal and review in accordance with the provi-  
81 sions of subsections five (5) and six (6) of this section.

82 b. Payments in lieu of contributions shall be made in accordance  
83 with the following:

84 (1) At the end of each calendar quarter, or at the end of any  
85 other period as determined by the commission, the commission shall  
86 bill each nonprofit organization which has elected to make payments  
87 in lieu of contributions for an amount equal to the full amount of  
88 regular benefits plus one-half of the amount of extended benefits  
89 paid during such quarter or other prescribed period that is attrib-  
90 utable to service in the employ of such organization.

91 (2) Payment of any bill rendered shall be made not later than  
92 thirty days after such bill was mailed to the last known address of  
93 the nonprofit organization or was otherwise delivered to it, unless  
94 there has been an application for review and redetermination in  
95 accordance with subparagraph four (4) of this paragraph.

96 (3) Payments made by any nonprofit organization under the  
97 provisions of this subsection shall not be deducted or deductible, in  
98 whole or in part, from the remuneration of individuals in the em-  
99 ploy of the organization.

100 (4) The amount due specified in any bill from the commission  
101 shall be conclusive on the organization unless, not later than fifteen  
102 days following the date the bill was mailed to its last known address  
103 or otherwise delivered to it, the organization files an application for  
104 redetermination by the commission setting forth the grounds for  
105 such application. The commission shall promptly review and re-  
106 consider the amount due specified in the bill and shall thereafter  
107 issue a redetermination in any case in which such application for  
108 redetermination has been filed. Any such redetermination shall be  
109 conclusive on the organization unless, not later than sixty days  
110 after the redetermination was mailed to its last known address or  
111 otherwise delivered to it, the organization files an appeal to the dis-  
112 trict court pursuant to subsection six (6) of this section.

113 (5) The provisions for collection of contributions under section

114 ninety-six point fourteen (96.14) of the Code shall be applicable to  
115 payments in lieu of contributions.

116 **10. Provision of bond or other security.** In the discretion of the  
117 commission, any nonprofit organization that elects to become liable  
118 for payments in lieu of contributions shall be required within thirty  
119 days after the effective date of its election to execute and file with  
120 the commission a surety bond approved by the commission or it may  
121 elect instead to deposit with the commission money or securities.  
122 The amount of such bond or deposit shall be determined in accord-  
123 ance with the provisions of this subsection.

124 a. The amount of the bond or deposit required by this subsection  
125 shall be equal to two and seven-tenths percent of the organization's  
126 total taxable wages paid for employment for the four calendar quar-  
127 ters immediately preceding the effective date of the election, the  
128 renewal date in the case of a bond, or the biennial anniversary of the  
129 effective date of election in the case of a deposit of money or securi-  
130 ties, whichever date shall be most recent and applicable. If the non-  
131 profit organization did not pay wages in each of such four calendar  
132 quarters, the amount of the bond or deposit shall be as determined  
133 by the commission.

134 b. Any bond deposited under this subsection shall be in force for  
135 a period of not less than two taxable years and shall be renewed  
136 with the approval of the commission, at such times as the commis-  
137 sion may prescribe, but not less frequently than at two-year intervals  
138 as long as the organization continues to be liable for payments in  
139 lieu of contributions. The commission shall require adjustments to  
140 be made in a previously filed bond as it deems appropriate. If the  
141 bond is to be increased, the adjusted bond shall be filed by the or-  
142 ganization within thirty days of the date notice of the required ad-  
143 justment was mailed or otherwise delivered to it. Failure by any  
144 organization covered by such bond to pay the full amount of pay-  
145 ments in lieu of contributions when due, together with any appli-  
146 cable interest and penalties provided for in section ninety-six point  
147 fourteen (96.14) of the Code shall render the surety liable on said  
148 bond to the extent of the bond, as though the surety was such or-  
149 ganization.

150 c. Any deposit of money or securities in accordance with this  
151 subsection shall be retained by the commission in an escrow account  
152 until liability under the election is terminated, at which time it  
153 shall be returned to the organization, less any deductions as here-  
154 inafter provided. The commission may deduct from the money de-  
155 posited under this paragraph by a nonprofit organization or sell the  
156 securities it has so deposited to the extent necessary to satisfy any  
157 due and unpaid payments in lieu of contributions and any applicable  
158 interest and penalties provided for in section ninety-six point four-  
159 teen (96.14) of the Code. The commission shall require the organi-  
160 zation within thirty days following any deduction from a money  
161 deposit or sale of deposited securities under the provisions of this  
162 paragraph to deposit sufficient additional money or securities to  
163 make whole the organization's deposit at the prior level. Any  
164 cash remaining from the sale of such securities shall be a part of  
165 the organization's escrow account. The commission may, at any  
166 time, review the adequacy of the deposit made by any organization.

167 If, as a result of such review, it determines that an adjustment  
168 is necessary, it shall require the organization to make additional  
169 deposit within thirty days of written notice of its determination or  
170 shall return to it such portion of the deposit as it no longer consid-  
171 ers necessary, whichever action is appropriate. Disposition of income  
172 from securities held in escrow shall be governed by the applicable  
173 provisions of the Code.

174 **11. Authority to terminate elections.** If any nonprofit organiza-  
175 tion fails to file a bond or make a deposit, or to file a bond in an  
176 increased amount or to increase or make whole the amount of a pre-  
177 viously made deposit, the commission may terminate such organiza-  
178 tion's election to make payments in lieu of contributions and such  
179 termination shall continue for not less than the four-consecutive-  
180 calendar-quarter period beginning with the quarter in which such  
181 termination becomes effective; provided, that the commission may  
182 extend for good cause the applicable filing, deposit, or adjust-  
183 ment period by not more than thirty days.

184 **12. Allocation of benefit cost.** Each employer that is liable for  
185 payments in lieu of contributions shall pay to the commission for the  
186 fund the amount of regular benefits plus the amount of one-half of  
187 extended benefits paid during each quarter that are attributable to  
188 service in the employ of such employer. If benefits paid to an indi-  
189 vidual are based on wages paid by more than one employer and one or  
190 more of such employers are liable for payments in lieu of contribu-  
191 tions, the amount payable to the fund by each employer that is liable  
192 for such payment shall be payable each quarter by the base period  
193 employers in inverse chronological order in which the employment  
194 of such individual occurred. Provided, that the amount of any such  
195 employer's liability in any calendar quarter shall not exceed the  
196 amount of such individual's wage credits plus one-half the amount of  
197 extended benefits based on employment with such employer during  
198 such quarter of the base period.

199 **13. Group accounts.** Two or more employers that have become  
200 liable for payments in lieu of contributions, in accordance with the  
201 provisions of subsection nine (9), paragraph 'a', of this section or in  
202 accordance with section fifteen (15) of this Act, may file a joint  
203 application to the commission for the establishment of a group ac-  
204 count for the purpose of sharing the cost of benefits paid that are  
205 attributable to service in the employ of such employers. Each such  
206 application shall identify and authorize a group representative to  
207 act as the group's agent for the purposes of this subsection. Upon  
208 its approval of the application, the commission shall establish a  
209 group account for such employers effective as of the beginning of  
210 the calendar quarter in which it receives the application and shall  
211 notify the group's representative of the effective date of the ac-  
212 count. Such account shall remain in effect for not less than one year  
213 and thereafter until terminated at the discretion of the commission  
214 or upon application by the group. Upon establishment of the ac-  
215 count, each member of the group shall be liable for payments in  
216 lieu of contributions with respect to each calendar quarter in the  
217 amount that bears the same ratio to the total benefits paid in such  
218 quarter that are attributable to service performed in the employ of  
219 all members of the group as the total wages paid for service in em-

220 ployment by such member in such quarter bear to the total wages  
 221 paid during such quarter for service performed in the employ of all  
 222 members of the group. The commission shall prescribe such regu-  
 223 lations as it deems necessary with respect to applications for estab-  
 224 lishment, maintenance and termination of group accounts that are  
 225 authorized by this subsection, for addition of new members to, and  
 226 withdrawal of active members from, such accounts, and for the  
 227 determination of the amounts that are payable under this subsection  
 228 by members of the group and the time and manner of such pay-  
 229 ments.

230 14. Notwithstanding any provisions in subsection nine (9), of  
 231 this section, any nonprofit organization that prior to January 1,  
 232 1969, paid contributions required by this section of the Code, and,  
 233 pursuant to subsection nine (9) of this section, elects, within thirty  
 234 days after the effective date of this Act to make payments in lieu  
 235 of contributions, shall not be required to make any such payment  
 236 on account of any regular or extended benefits paid, on the basis  
 237 of wages paid by such organization to individuals for weeks of un-  
 238 employment which begin on or after the effective date of such elec-  
 239 tion until the total amount of such benefits equals the amount  
 240 of the positive balance in the experience rating account of such or-  
 241 ganization."

1 SEC. 14. Section ninety-six point eight (96.8), subsection two  
 2 (2), Code 1971, is amended as follows:

3 2. **Voluntary termination.** Except as otherwise provided in sub-  
 4 section 3 of this section, an employing unit shall cease to be an em-  
 5 ployer subject to this chapter, as of the first day of January of any  
 6 calendar year, if it files with the commission, prior to the fifteenth  
 7 day of February of such year, a written application for termination  
 8 of coverage, and the commission finds that [there was no twenty  
 9 different weeks within the preceding calendar year, within which  
 10 such employing unit employed four or more individuals in employ-  
 11 ment subject to this chapter. For the purpose of this subsection,  
 12 the two or more employing units mentioned in paragraph "b" or  
 13 "c" or "d" of section 96.19 subsection 6 shall be treated as a single  
 14 employing unit] *such employing unit did not meet any of the quali-*  
 15 *fying liability requirements as provided under section 96.19, subsec-*  
 16 *tion 6, paragraphs "a," "b," "c," "d," "e," "f," or "g," and section*  
 17 *96.19, subsection 6, paragraphs "h" or "i" provided for in section*  
 18 *twenty-two (22) of this Act, in the preceding calendar year.*

1 SEC. 15. Section ninety-six point eight (96.8), subsection three  
 2 (3), Code 1971, is amended by adding the following new paragraph:

3 c. Any political subdivision of this state may elect to cover under  
 4 this Act service performed by employees in all of the hospitals and  
 5 institutions of higher education operated by such political subdivi-  
 6 sion. Election is to be made by filing with the commission a notice  
 7 of such election at least thirty days prior to the effective date of such  
 8 election. The election may exclude any services described in section  
 9 ninety-six point nineteen (96.19), subsection seven (7), paragraph  
 10 "g", subparagraph seven (7) of the Code, provided for in section  
 11 twenty-seven (27) of this Act. Any political subdivision electing  
 12 coverage under this paragraph shall make payments in lieu of con-

13 tributions with respect to benefits attributable to such employment  
14 as provided with respect to nonprofit organizations in section ninety-  
15 six point seven (96.7), subsection nine (9), paragraph "b", of the  
16 Code, provided for in section thirteen (13) of this Act. The provi-  
17 sions in section ninety-six point four (96.4) of the Code, provided  
18 for in section three (3) of this Act, with respect to benefit rights  
19 based on service for state and nonprofit institutions of higher edu-  
20 cation shall be applicable also to service covered by an election under  
21 this section.

22 The amounts required to be paid in lieu of contributions by any  
23 political subdivision under this paragraph shall be billed and pay-  
24 ment made as provided in section ninety-six point seven (96.7),  
25 subsection nine (9), paragraph "b", of the Code, provided for in sec-  
26 tion thirteen (13) of this Act, with respect to similar payments by  
27 nonprofit organizations.

28 An election under this section may be terminated, by filing with  
29 the commission written notice not later than thirty days preceding  
30 the last day of the calendar year in which the termination is to be  
31 effective. Such termination becomes effective as of the first day  
32 of the next ensuing calendar year with respect to services performed  
33 after that date.

1 SEC. 16. Section ninety-six point eleven (96.11), subsection  
2 eleven (11), Code 1971, is amended by striking unnumbered para-  
3 graph one (1) and inserting in lieu thereof the following:

4 "In the administration of this chapter, the commission shall co-  
5 operate with the United States department of labor to the fullest  
6 extent consistent with the provisions of this chapter, and shall take  
7 such action, through the adoption of appropriate rules, regulations,  
8 administrative methods and standards, as may be necessary to secure  
9 to this state and its citizens all advantages available under the pro-  
10 visions of the Social Security Act that relates to unemployment  
11 compensation, the Federal Unemployment Tax Act, the Wagner-  
12 Peyser Act, and the Federal-State Extended Unemployment Com-  
13 pensation Act of 1970.

14 In the administration of the provisions of section thirty-three (33)  
15 of this Act which are enacted to conform with the requirements of  
16 the Federal-State Extended Unemployment Compensation Act of  
17 1970, the commission shall take such action as may be necessary to  
18 insure that the provisions are so interpreted and applied as to meet  
19 the requirements of such federal Act as interpreted by the United  
20 States department of labor, and to secure to this state the full re-  
21 imbursement of the federal share of extended benefits paid under  
22 this chapter that are reimbursable under the federal Act.

23 The commission shall make such reports, in such form and con-  
24 taining such information as the United States department of labor  
25 may from time to time require, and shall comply with such provi-  
26 sions as the United States department of labor may from time to  
27 time find necessary to assure the correctness and verification of  
28 such reports; and shall comply with the regulations prescribed by  
29 the United States department of labor governing the expenditures  
30 of such sums as may be allotted and paid to this state under title  
31 three (III) of the Social Security Act for the purpose of assisting  
32 in administration of this chapter."

1 SEC. 17. Section ninety-six point fourteen (96.14), subsection  
 2 two (2), Code 1971, is amended by striking unnumbered paragraph  
 3 three (3) and inserting in lieu thereof the following:  
 4 However, in the event an employer is not required to make a con-  
 5 tribution, the penalties for failure to file a report when due, or an  
 6 insufficient report when due, shall be an amount equal to two per-  
 7 cent (2%) of the contributions which would have been required to  
 8 be paid had the employer's rate been one percent (1%) of his tax-  
 9 able payroll, for each month or part thereof for failure to file such  
 10 report, provided that the total of such penalties shall not exceed ten  
 11 percent (10%) of the contribution so determined. After December  
 12 31, 1971, no penalty or penalties shall be less than ten dollars  
 13 (\$10.00).

1 SEC. 18. Section ninety-six point nineteen (96.19), subsection  
 2 one (1), Code 1971, is amended as follows:  
 3 1. "Annual payroll." The term "annual payroll" as used in sub-  
 4 section 3 "d" of section 96.7 means the total amount of taxable wages  
 5 paid by an employer for insured work during the period of four  
 6 consecutive calendar quarters ending on September 30 of each year,  
 7 and the term "average annual payroll" as used in said subsection  
 8 means the average of the "annual payrolls" of an employer for the  
 9 last three periods of four consecutive calendar quarters immediately  
 10 preceding the computation date. *Except that for an employer who*  
 11 *qualifies on any computation date for a computed rate on the basis*  
 12 *of less than twelve consecutive calendar quarters of chargeability*  
 13 *immediately preceding the computation date, the term average an-*  
 14 *annual payroll shall be the average of the annual payrolls for the*  
 15 *last two periods of four consecutive calendar quarters immediately*  
 16 *preceding the computation date.*

1 SEC. 19. Section ninety-six point nineteen (96.19), subsection  
 2 six (6), Code 1971, is amended by striking paragraphs "a", "b",  
 3 and "c" and inserting in lieu thereof the following:  
 4 a. For purposes of this chapter the term "employer" means with  
 5 respect to any calendar year after December 31, 1971 any employ-  
 6 ing unit which in any calendar quarter in either the current or pre-  
 7 ceding calendar year paid for service in employment wages as defined  
 8 in subsection thirteen (13) of this section of one thousand five hun-  
 9 dred dollars or more, or for some portion of a day in each of twenty  
 10 different calendar weeks, whether or not such weeks were consecu-  
 11 tive, in either the current or the preceding calendar year, had in em-  
 12 ployment at least one individual (irrespective of whether the same  
 13 individual was in employment in each such day).  
 14 b. Any employing unit (whether or not an employing unit at the  
 15 time of acquisition) which acquired the organization, trade, or busi-  
 16 ness, or substantially all of the assets thereof, of another employing  
 17 unit which at the time of such acquisition was an employer subject  
 18 to this chapter, or which acquired a part of the organization, trade,  
 19 or business of another employing unit which at the time of such  
 20 acquisition was an employer subject to this chapter. Provided, that  
 21 such other employing unit would have been an employer under para-  
 22 graph "a" of this subsection, if such part had constituted its entire  
 23 organization, trade, or business.

24 c. Any employing unit which acquired the organization, trade,  
25 or business, or substantially all the assets of another employing  
26 unit and which, if treated as a single unit with such other employ-  
27 ing unit, would be an employer under paragraph "a" of this sub-  
28 section.

1 SEC. 20. Section ninety-six point nineteen (96.19), subsection  
2 six (6), paragraph "e", Code 1971, is amended as follows:

3 e. Any employing unit which, having become an employer under  
4 paragraph "a", "b", "c" [or], "d", "f", "g", or "h" or "i" as provided  
5 for in section twenty-two (22) of this Act, has not, under section  
6 96.8, ceased to be an employer subject to this chapter.

1 SEC. 21. Section ninety-six point nineteen (96.19), subsection  
2 six (6), paragraph "g", Code 1971, is amended by striking unnum-  
3 bered paragraph one (1) and inserting in lieu thereof the following:

4 Any employing unit not an employer by reason of any other para-  
5 graph of this subsection for which, within either the current or  
6 preceding calendar year, service is or was performed with respect  
7 to which such employing unit is liable for any federal tax against  
8 which credit may be taken for contributions required to be paid  
9 into a state unemployment fund; or which, as a condition for ap-  
10 proval of this Act for full tax credit against the tax imposed by  
11 the Federal Unemployment Tax Act (26 U.S.C. 3301-3308), is re-  
12 quired, pursuant to such Act, to be an "employer" under this Act.

1 SEC. 22. Section ninety-six point nineteen (96.19), subsection  
2 six (6), Code 1971, is amended by adding the following new para-  
3 graphs:

4 h. Any employing unit for which service in employment as de-  
5 fined in subsection seven (7), paragraph "a", subparagraph four  
6 (4), of this section, provided for in section twenty-three (23) of  
7 this Act, is performed after December 31, 1971.

8 i. Any employing unit for which service in employment, as defined  
9 in subsection seven (7), paragraph "a", subparagraph five (5), of  
10 this section provided for in section twenty-three (23) of this Act,  
11 is performed after December 31, 1971.

12 j. For purposes of paragraphs "a" and "i", employment shall in-  
13 clude service which would constitute employment but for the fact  
14 that such service is deemed to be performed entirely within another  
15 state pursuant to an election under an arrangement entered into  
16 in accordance with subsection seven (7), paragraph "d" of this sec-  
17 tion, by the commission and an agency charged with the adminis-  
18 tration of any other state or federal unemployment compensation  
19 law.

20 k. For purposes of paragraphs "a" and "i" of this subsection, if  
21 any week includes both December thirty-first and January first, the  
22 days of that week up to January first shall be deemed one calendar  
23 week and the days beginning January first another such week.

1 SEC. 23. Section ninety-six point nineteen (96.19), subsection  
2 seven (7), Code 1971, is amended by striking paragraph "a" and  
3 inserting in lieu thereof the following:

4 a. Except as otherwise provided in this section "employment"  
5 means service, including service in interstate commerce, performed

6 for wages or under any contract of hire, written or oral, expressed  
7 or implied. Employment also means any service performed prior to  
8 January 1, 1972, which was employment as defined in this subsection  
9 prior to such date and, subject to the other provisions of this  
10 subsection, service performed after December 31, 1971, by:

11 (1) Any officer of a corporation, or

12 (2) Any individual who, under the usual common law rules appli-  
13 cable in determining the employer-employee relationship, has the  
14 status of an employee, or

15 (3) Any individual other than an individual who is an employee  
16 under subparagraphs one (1) or two (2) of this paragraph who  
17 performs services for remuneration for any person as an agent  
18 driver or commission driver engaged in distributing meat products,  
19 vegetable products, fruit products, bakery products, beverages (other  
20 than milk), or laundry or dry cleaning services for his principal; as  
21 a traveling or city salesman, other than as an agent driver or com-  
22 mission driver, engaged upon a full-time basis in the solicitation on  
23 behalf of, and the transmission to, his principal (except for sideline  
24 sales activities on behalf of some other person) of orders from whole-  
25 salers, retailers, contractors, or operators of hotels, restaurants, or  
26 other similar establishments for merchandise for resale or supplies  
27 for use in their business operations.

28 Provided, that for purposes of paragraph "a", subparagraph three  
29 (3) the term "employment" shall include services performed after  
30 December 31, 1971, only if:

31 (a) The contract of service contemplates that substantially all  
32 of the services are to be performed personally by such individual;

33 (b) The individual does not have a substantial investment in  
34 facilities used in connection with the performance of the services  
35 (other than in facilities for transportation); and

36 (c) The services are not in the nature of single transaction that  
37 is not part of a continuing relationship with the person for whom  
38 the services are performed.

39 (4) Service performed after December 31, 1971, by an individual  
40 in the employ of this state or any of its wholly owned instrumental-  
41 ities.

42 (5) Service performed after December 31, 1971, by an individual  
43 in the employ of a religious, charitable, educational or other organi-  
44 zation, but only if the service is excluded from "employment" as  
45 defined in the Federal Unemployment Tax Act (26 U.S.C. 3301-  
46 3308) solely by reason of section 3306 (c) (8) of that Act.

47 (6) For the purposes of subparagraphs four (4) and five (5), of  
48 this paragraph, the term "employment" does not apply to service  
49 performed:

50 (a) In the employ of a church or convention or association of  
51 churches, or an organization which is operated primarily for re-  
52 ligious purposes and which is operated, supervised, controlled, or  
53 principally supported by a church or convention or association of  
54 churches.

55 (b) By a duly ordained, commissioned, or licensed minister of a  
56 church in the exercise of his ministry or by a member of a religious  
57 order in the exercise of duties required by such order.

58 (c) In the employ of a school which is not an institution of higher  
59 education.



60 (d) In a facility conducted for the purpose of carrying out a  
61 program of rehabilitation for individuals whose earning capacity  
62 is impaired by age or physical or mental deficiency or injury or  
63 providing remunerative work for individuals who, because of their  
64 impaired physical or mental capacity, cannot be readily absorbed in  
65 the competitive labor market by an individual receiving such re-  
66 habilitation or remunerative work.

67 (e) As part of an unemployment work relief or work training  
68 program assisted or financed in whole or in part by any federal  
69 agency or an agency of a state or political subdivision thereof, by  
70 an individual receiving such work relief or work training; or

71 (f) For a hospital in a state prison or other state correctional  
72 institution by an inmate of the prison or correctional institution.

1 SEC. 24. Section ninety-six point nineteen (96.19), subsection  
2 seven (7), paragraph "b", Code 1971, is amended by striking sub-  
3 paragraph two (2) and inserting in lieu thereof the following:

4 (2) The service is not localized in any state but some of the serv-  
5 ice is performed in this state and (i) the base of operations, or, if  
6 there is no base of operations, then the place from which such serv-  
7 ice is directed or controlled, is in this state; or (ii) the base of oper-  
8 ations or place from which such service is directed or controlled is  
9 not in any state in which some part of the service is performed, but  
10 the individual's residence is in this state, or

11 (3) The service is performed outside the United States (except  
12 in Canada or the Virgin Islands) after December 31, 1971, by a  
13 citizen of the United States in the employ of an American employer  
14 (other than service which is deemed "employment" under the provi-  
15 sions of subparagraphs one (1) and two (2) of this paragraph or  
16 the parallel provisions of another state law), if:

17 (a) The employer's principal place of business in the United  
18 States is located in this state; or

19 (b) The employer has no place of business in the United States  
20 but the employer is an individual who is a resident of this state, or  
21 the employer is a corporation which is organized under the laws of  
22 this state, or the employer is a partnership or a trust and the  
23 number of the partners or trustees who are residents of this state  
24 is greater than the number who are residents of any one other state;  
25 or

26 (c) None of the criteria of subdivisions (a) and (b) of this sub-  
27 paragraph is met, but the employer has elected coverage in this  
28 state, or the employer having failed to elect coverage in any state,  
29 the individual has filed a claim for benefits based on such service  
30 under the law of this state.

31 (d) An "American employer", for purposes of this subparagraph,  
32 means a person who is an individual who is a resident of the United  
33 States or a partnership if two-thirds or more of the partners are  
34 residents of the United States, or a trust, if all of the trustees are  
35 residents of the United States, or a corporation organized under the  
36 laws of the United States or of any state.

37 (4) Notwithstanding the provisions of subparagraphs one (1),  
38 two (2), and three (3) of this paragraph, all service performed  
39 after December 31, 1971, by an officer or member of the crew of an

40 American vessel on or in connection with such vessel, if the operat-  
 41 ing office from which the operations of such vessel operating on nav-  
 42 igable waters within and without the United States are ordinarily  
 43 and regularly supervised, managed, directed and controlled is with-  
 44 in this state, and

45 (5) Notwithstanding any other provisions of this subsection,  
 46 service with respect to which a tax is required to be paid under any  
 47 federal law imposing a tax against which credit may be taken for  
 48 contributions required to be paid into a state unemployment fund  
 49 or which, as a condition for full tax credit against the tax imposed  
 50 by the Federal Unemployment Tax Act (26 U.S.C. 3301-3308), is  
 51 required to be covered under this Act.

1 SEC. 25. Section ninety-six point nineteen (96.19), subsection  
 2 seven (7), paragraph "g", Code 1971, is amended by striking sub-  
 3 paragraph one (1) and inserting in lieu thereof the following:

4 (1) Service performed in the employ of this state by an elected  
 5 official or service performed in the employ of any political subdivi-  
 6 sion of this state or any instrumentality of its political subdivisions.  
 7 Provided that this exemption shall not be deemed to apply to serv-  
 8 ices performed for a hospital or institution of higher education oper-  
 9 ated by a political subdivision of this state which has elected cover-  
 10 age for such services pursuant to section ninety-six point eight  
 11 (96.8), subsection three (3), paragraph "c", of the Code; and serv-  
 12 vice performed in the employ of any political subdivision of this state,  
 13 or any instrumentality of any political subdivision, which for the  
 14 effective period of its election pursuant to section ninety-six point  
 15 eight (96.8), subsection three (3), paragraph "a", of the Code, has  
 16 voluntarily elected that all services performed for it by individuals  
 17 in its employ shall be deemed to constitute employment for all pur-  
 18 poses of this chapter. Nothing in this or any other provision of this  
 19 chapter shall be construed to restrict the right of any political sub-  
 20 division to elect coverage solely for institutions of higher education  
 21 and hospitals as provided in section ninety-six point eight (96.8),  
 22 subsection three (3), paragraph "c" of the Code.

1 SEC. 26. Section ninety-six point nineteen (96.19), subsection  
 2 seven (7), paragraph "g", Code 1971, is amended by striking sub-  
 3 paragraph four (4) and inserting in lieu thereof the following:

4 (4) **Agricultural labor.** For purposes of this chapter, the term  
 5 "agricultural labor" means any service performed prior to January  
 6 1, 1972, which was agricultural labor as defined in this subparagraph  
 7 prior to such date, and remunerated service performed after Decem-  
 8 ber 31, 1971:

9 (a) On a farm in the employ of any person in connection with cul-  
 10 tivating the soil, or in connection with raising or harvesting any  
 11 agricultural or horticultural commodity, including the raising, shear-  
 12 ing, feeding, caring for, training, and management of livestock, bees,  
 13 poultry, and fur-bearing animals and wildlife.

14 (b) In the employ of the owner or tenant or other operator of a  
 15 farm, in connection with the operation, management, conservation,  
 16 improvement, or maintenance of such farm and its tools and equip-  
 17 ment, or in salvaging timber or clearing land of brush and other  
 18 debris left by a hurricane, if the major part of such service is per-  
 19 formed on a farm.

20 (c) In connection with the production or harvesting of any com-  
 21 modity defined as an agricultural commodity in section 15(g) of the  
 22 Agricultural Marketing Act, as amended (46 Stat. 1550, Sec. 3, 12  
 23 U.S.C. 1141j), or in connection with ginning of cotton, or in connec-  
 24 tion with the operation or maintenance of ditches, canals, reservoirs,  
 25 or waterways, not owned or operated for profit, used exclusively for  
 26 supplying and storing water for farming purposes.

27 (d) (i) In the employ of the operator of a farm in handling,  
 28 planting, drying, packing, packaging, processing, freezing, grading,  
 29 storing, or delivering to storage or to market or to a carrier for  
 30 transportation to market, in its unmanufactured state, any agricul-  
 31 tural or horticultural commodity, but only if such operator produced  
 32 more than one-half of the commodity with respect to which such  
 33 service is performed;

34 (ii) In the employ of a group of operators of farms (or a coop-  
 35 erative organization of which such operators are members) in the  
 36 performance of service described in (i) of subdivision (d) of this  
 37 subparagraph, but only if such operators produced more than one-  
 38 half of the commodity with respect to which such service is per-  
 39 formed;

40 (iii) The provisions of (i) and (ii) of subdivision (d) of this sub-  
 41 paragraph shall not be deemed to be applicable with respect to serv-  
 42 ice performed in connection with commercial canning or commercial  
 43 freezing or in connection with any agricultural or horticultural  
 44 commodity after its delivery to a terminal market for distribution for  
 45 consumption.

46 (e) On a farm operated for profit if such service is not in the  
 47 course of the employer's trade or business or is domestic service in  
 48 a private home of the employer.

49 (f) The term "farm" includes stock, dairy, poultry, fruit, fur-  
 50 bearing animals, and truck farms, plantations, ranches, nurseries,  
 51 ranges, greenhouses or other similar structures used primarily for  
 52 the raising of agricultural or horticultural commodities, and or-  
 53 chards.

1 SEC. 27. Section ninety-six point nineteen (96.19), subsection  
 2 seven (7), paragraph "g", Code 1971, is amended by striking sub-  
 3 paragraph seven (7) and inserting in lieu thereof the following:

4 (7) Service performed in the employ of a school, college, or uni-  
 5 versity if such service is performed by a student who is enrolled and  
 6 is regularly attending classes at such school, college or university or  
 7 by the spouse of such student, if such spouse is advised, at the time  
 8 such spouse commences to perform such service, that the employment  
 9 of such spouse to perform such service is provided under a program  
 10 to provide financial assistance to such student by such school, college,  
 11 or university, and such employment will not be covered by any pro-  
 12 gram of unemployment insurance.

13 Service performed by an individual under the age of twenty-two  
 14 years who is enrolled at a nonprofit or public educational institution  
 15 which normally maintains a regular faculty and curriculum and  
 16 normally has a regularly organized body of students in attendance  
 17 at the place where its educational activities are carried on as a  
 18 student in a full-time program, taken for credit at such institution,

19 which combines academic instruction with work experience, if such  
 20 service is an integral part of such program and such institution has  
 21 so certified to the employer, except that this subparagraph shall not  
 22 apply to service performed in a program established for or on behalf  
 23 of an employer or group of employers.

24 Service performed in the employ of a hospital if such service is  
 25 performed by a patient of the hospital.

1 SEC. 28. Section ninety-six point nineteen (96.19), subsection  
 2 seven (7), paragraph "g", Code 1971, is amended by striking sub-  
 3 paragraph eight (8).

1 SEC. 29. Section ninety-six point nineteen (96.19), Code 1971, is  
 2 amended by striking subsection eleven (11) and inserting in lieu  
 3 thereof the following:

4 11. "State" includes, in addition to the states of the United States,  
 5 the District of Columbia, Canada, Puerto Rico, and the Virgin  
 6 Islands.

1 SEC. 30. Section ninety-six point nineteen (96.19), Code 1971, is  
 2 amended by striking subsection twenty-one (21) and inserting in  
 3 lieu thereof the following:

4 21. **Taxable wages.** For the purposes of section ninety-six point  
 5 seven (96.7), subsections one (1) and two (2) of the Code and sub-  
 6 sequent to December 31, 1971, taxable wages shall not include that  
 7 part of remuneration which, after remuneration equal to four thou-  
 8 sand two hundred dollars has been paid in a calendar year to an  
 9 individual by an employer or his predecessor with respect to employ-  
 10 ment during any calendar year, is paid to such individual by such  
 11 employer during such calendar year unless that part of the remunera-  
 12 tion is subject to a tax under a federal law imposing a tax against  
 13 which credit may be taken for contributions required to be paid into  
 14 a state unemployment fund.

15 For the purposes of this subsection, the term "employment" in-  
 16 cludes service constituting employment under any unemployment  
 17 compensation law of another state provided such other state will  
 18 consider service performed in Iowa in determining the contribution  
 19 base.

1 SEC. 31. Section ninety-six point nineteen (96.19), Code 1971, is  
 2 amended by adding the following new subsections:

3 1. "'Hospital' means an institution which has been licensed, certi-  
 4 fied, or approved by the Iowa department of health as a hospital."

5 2. "For the purposes of this chapter the phrase, 'institution of  
 6 higher education', means an educational institution which admits  
 7 as regular students individuals having a certificate of graduation  
 8 from a high school, or the recognized equivalent of such certificate;  
 9 is legally authorized in this state primarily to provide a program of  
 10 education beyond high school; provides an educational program for  
 11 which it awards a bachelor's or higher degree or provides a program  
 12 which is acceptable for full credit toward such a degree, a program  
 13 of postgraduate or postdoctoral studies, or a program of training to  
 14 prepare students for gainful employment in a recognized occupation;  
 15 and is a public or other nonprofit institution."

16 3. "'United States' for the purposes of this section includes the

17 states, the District of Columbia, and the Commonwealth of Puerto  
18 Rico.”

19 4. “‘Extended benefit period’ means a period which:

20 a. Begins with the third week after whichever of the following  
21 weeks occurs first:

22 (1) A week for which there is a national ‘on’ indicator, or

23 (2) A week for which there is a state ‘on’ indicator, and

24 b. Ends with either of the following weeks, whichever occurs later:

25 (1) The third week after the first week for which there is both a  
26 national ‘off’ indicator and a state ‘off’ indicator, or

27 (2) The thirteenth consecutive week of such period.

28 Provided that no extended benefit period may begin by reason of a  
29 state ‘on’ indicator before the fourteenth week following the end of  
30 a prior extended benefit period which was in effect with respect to  
31 this state, and

32 Provided further that no extended benefit period may become effective  
33 in this state prior to January 1, 1972.”

34 5. “‘National on indicator’ means for any week that the United  
35 States secretary of labor determines that for each of the three most  
36 recent completed calendar months ending before such week, the rate  
37 of insured unemployment (seasonally adjusted) for all states  
38 equalled or exceeded four and one-half percent.

39 6. “‘National off indicator’ means for any week that the United  
40 States secretary of labor determines that for each of the three most  
41 recent completed calendar months ending before such week the rate  
42 of insured unemployment (seasonally adjusted) for all states was  
43 less than four and one-half percent.”

44 7. “‘State on indicator’ means for any week that the commission  
45 determines, in accordance with the regulations of the United States  
46 secretary of labor, that for the period consisting of such week and  
47 the immediately preceding twelve weeks the rate of insured unem-  
48 ployment (not seasonally adjusted) under this Act equalled or ex-  
49 ceeded one hundred twenty percent of the average of such rates for  
50 the corresponding thirteen-week period ending in each of the preced-  
51 ing two calendar years and equalled or exceeded four percent.”

52 8. “‘State off indicator’ means for any week that the commission  
53 determines, in accordance with the regulations of the United States  
54 secretary of labor, that for the period consisting of such week and  
55 the immediately preceding twelve weeks the rate of insured unem-  
56 ployment (not seasonally adjusted) under this Act was less than  
57 one hundred twenty percent of the average of such rates for the  
58 corresponding thirteen-week period ending in each of the preceding  
59 two calendar years or was less than four percent.”

60 9. “‘Rate of insured unemployment’, for purposes of determining  
61 state ‘on’ indicator and state ‘off’ indicator, means the percentage  
62 derived by dividing the average weekly number of individuals filing  
63 claims in Iowa for weeks of unemployment with respect to the most  
64 recent thirteen consecutive week period, as determined by the com-  
65 mission on the basis of its reports to the United States secretary of  
66 labor, by the average monthly insured employment covered under  
67 this Act for the first four of the most recent six completed calendar  
68 quarters ending before the end of such thirteen-week period.”

69 10. “‘Regular benefits’ means benefits payable to an individual

70 under this or under any other state law (including benefits payable to  
71 federal civilian employees and to ex-servicemen pursuant to 5 U.S.C.,  
72 Chapter 85) other than extended benefits.”

73 11. “‘Extended benefits’ means benefits (including benefits pay-  
74 able to federal civilian employees and to ex-servicemen pursuant to  
75 5 U.S.C., Chapter 85) payable to an individual under the provisions  
76 of this section for weeks of unemployment in his eligibility period.”

77 12. “‘Eligibility period’ of an individual means the period consist-  
78 ing of the weeks in his benefit year which begin in an extended benef-  
79 it period and, if his benefit year ends within such extended benefit  
80 period, any weeks thereafter which begin in such period.”

81 13. “‘Exhaustee’ means an individual who, with respect to any  
82 week of unemployment in his eligibility period has received, prior to  
83 such week, all of the regular benefits that were available to him under  
84 this Act or any other state law (including dependents’ allowances  
85 and benefits payable to federal civilian employees and ex-servicemen  
86 under 5 U.S.C. Chapter 85) in his current benefit year that includes  
87 such weeks. Provided that for the purposes of this subsection an  
88 individual shall be deemed to have received all of the regular benefits  
89 that were available to him, although as a result of a pending appeal  
90 with respect to wages that were not considered in the original  
91 monetary determination in his benefit year he may subsequently be  
92 determined to be entitled to add regular benefits, or:

93 (a) His benefit year having expired prior to such week, has no, or  
94 insufficient, wages and on the basis of which he could establish a  
95 new benefit year that would include such week, and

96 (b) He has no right to unemployment benefits or allowances under  
97 the Railroad Unemployment Insurance Act, the Trade Expansion Act  
98 of 1962, the Automotive Products Trade Act of 1965, and such  
99 other federal laws as are specified in regulations issued by the United  
100 States secretary of labor, and he has not received and is not seeking  
101 unemployment benefits under the unemployment compensation law of  
102 the Virgin Islands or of Canada, but if he is seeking such benefits and  
103 the appropriate agency finally determines that he is not entitled to  
104 benefits under such law he is considered an exhaustee.”

105 14. “‘State law’ means the unemployment insurance law of any  
106 state, approved by the United States secretary of labor under 26  
107 U.S.C. 3304.”

1 SEC. 32. Section ninety-six point twenty (96.20), subsections one  
2 (1), two (2), and three (3), Code 1971, are amended as follows:

3 1. The commission is hereby authorized to enter into arrange-  
4 ments with the appropriate agencies of other states, *or a contiguous*  
5 *country with which the United States has an agreement with respect*  
6 *to unemployment compensation* or the federal government whereby  
7 potential rights to benefits accumulated under the unemployment  
8 compensation laws of several states or under such a law of the  
9 federal government, or both, may constitute the basis for the pay-  
10 ment of benefits through a single appropriate agency under terms  
11 which the commission finds will be fair and reasonable as to all  
12 affected interests and will not result in any substantial loss to the  
13 fund.

14 2. The commission may enter into arrangements with the appro-  
15 priate agencies of other states *or a contiguous country with which*

16 *the United States has an agreement with respect to unemployment*  
 17 *compensation or of the federal government (a) whereby wages or*  
 18 *services, upon the basis of which an individual may become entitled*  
 19 *to benefits under the unemployment compensation law of another*  
 20 *state or of the federal government, shall be deemed to be wages for*  
 21 *employment by employers for the purposes of section 96.3 and section*  
 22 *96.4, subsection 5; provided such other state agency or agency of the*  
 23 *federal government has agreed to reimburse the fund for such portion*  
 24 *of benefits, paid under this chapter upon the basis of such wages or*  
 25 *services as the commission finds will be fair and reasonable as to all*  
 26 *affected interests, and (b) whereby the commission will reimburse*  
 27 *other state or federal agencies charged with the administration of*  
 28 *unemployment compensation laws with such reasonable portion of*  
 29 *benefits paid under the law of any such other states or of the federal*  
 30 *government upon the basis of employment or wages for employment*  
 31 *by employers, as the commission finds will be fair and reasonable*  
 32 *as to all affected interests. Reimbursements so payable shall be*  
 33 *deemed to be benefits for the purposes of section 96.3, subsection 5,*  
 34 *and section 96.9, but no reimbursement so payable shall be charged*  
 35 *against any employer's account for the purposes of section 96.7.*  
 36 *The commission is hereby authorized to make to other state or federal*  
 37 *agencies and receive from such other state or federal agencies,*  
 38 *reimbursements from or to the fund, in accordance with arrange-*  
 39 *ments pursuant to this section.*

40 *The commission shall participate in any arrangements for the pay-*  
 41 *ment of compensation on the basis of combining an individual's wages*  
 42 *and employment covered under this Act with his wages and employ-*  
 43 *ment covered under the unemployment compensation laws of other*  
 44 *states which are approved by the United States secretary of labor*  
 45 *in consultation with the state unemployment compensation agencies*  
 46 *as reasonably calculated to assure the prompt and full payment of*  
 47 *compensation in such situations and which include provisions for:*  
 48 *applying the base period of a single state law to a claim involving*  
 49 *the combining of an individual's wages and employment covered*  
 50 *under two or more state unemployment compensation laws, and*  
 51 *avoiding the duplication use of wages and employment by reason of*  
 52 *such combining.*

53 3. The commission is hereby authorized to enter into agreements  
 54 with the appropriate agencies of other states or a contiguous country  
 55 with which the United States has an agreement with respect to unem-  
 56 ployment compensation or the federal government administering  
 57 unemployment compensation laws to provide that contributions on  
 58 wages for services performed by an individual in more than one state  
 59 for the same employer may be paid to the appropriate agency of one  
 60 state.

1 SEC. 33. Chapter ninety-six (96), Code 1971, is amended by add-  
 2 ing the following new section:

3 "Extended benefits. Except when the result would be inconsistent  
 4 with the other provisions of this chapter, as provided in regulations  
 5 of the commission, the provisions of the law which apply to claims  
 6 for or the payment of regular benefits shall apply to claims for, and  
 7 the payment of, extended benefits.

8 1. Eligibility requirements for extended benefits. An individual

9 shall be eligible to receive extended benefits with respect to any week  
10 of unemployment in his eligibility period only if the commission  
11 finds that with respect to such week:

12 a. He is an 'exhaustee' as defined in this Act.

13 b. He has satisfied the requirements of this Act for the receipt of  
14 regular benefits that are applicable to individuals claiming extended  
15 benefits, including not being subject to a disqualification for the  
16 receipt of benefits.

17 2. **Weekly extended benefit amount.** The weekly extended benef-  
18 fit amount payable to an individual for a week of total unemployment  
19 in his eligibility period shall be an amount equal to the weekly benef-  
20 fit amount payable to him during his applicable benefit year.

21 3. **Total extended benefit amount.** The total extended benefit  
22 amount payable to any eligible individual with respect to his appli-  
23 cable benefit year shall be the least of the following amounts.

24 a. Fifty percent of the total amount of regular benefits which were  
25 payable to him under this Act in his applicable benefit year.

26 b. Thirteen times his weekly benefit amount which was payable to  
27 him under this Act for a week of total unemployment in the appli-  
28 cable benefit year.

29 4. **Beginning and termination of extended benefit period.** When-  
30 ever an extended benefit period is to become effective in Iowa, or in  
31 all states, as a result of a state or a national 'on' indicator, or an ex-  
32 tended benefit period is to be terminated in Iowa as a result of state  
33 and national 'off' indicators, the commission shall make an appro-  
34 priate public announcement. Computations required by the provisions  
35 of this subsection shall be made by the commission in accordance with  
36 regulations prescribed by the United States secretary of labor."

1 SEC. 34. The provisions of this Act shall become effective January  
2 1, 1972, except that sections ten (10) and eleven (11) of this Act  
3 shall become effective October 1, 1971.

Approved June 30, 1971.

*Italics indicate new material added to existing statutes; brackets indicate deletions from existing statutes. However, see Editor's note, page iii.*

## CHAPTER 114†

### UNEMPLOYMENT COMPENSATION FOR VETERANS

#### S. F. 70

AN ACT relating to eligibility for unemployment compensation for veterans.

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

1 SECTION 1. Section ninety-six point five (96.5), subsection five  
2 (5), Code 1971, is amended as follows:

3 5. Other compensation. For any week with respect to which he is  
4 receiving, has received, or is entitled to receive payment in the form  
5 of:

6 a. Wages in lieu of notice;

7 b. Compensation for temporary disability under the workmen's  
8 compensation law of any state or under a similar law of the United  
9 States;

†See Editor's note, page iii.