

CHAPTER 19
UNEMPLOYMENT COMPENSATION

H. F. 789

AN ACT relating to unemployment compensation by mandating rate table three for calendar years 1982 and 1983, by modifying the qualifications for a zero contribution rate, by extending the time period for set contribution rates for certain new employers, by surcharging the contribution rates of certain employers with negative balance accounts, by relieving reimbursable employers of certain charges paid to part-time employees, by providing for the deduction of only a portion of pension or retirement payments, by making changes in conformity with federal requirements regarding job service's fiscal year, taxation of separation pay, release of information to child support enforcement agencies, and extended benefit contribution, eligibility, and requalification requirements.

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

Section 1. Section 8.36, Code 1981, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. However, the department of job service may use the federal fiscal year instead of the fiscal year commencing on July 1.

Sec. 2. Section 96.5, subsection 5, Code 1981, is amended to read as follows:

5. OTHER COMPENSATION. For any week with respect to which the individual is receiving or has received payment in the form of any of the following:

a. Wages in lieu of notice, separation allowance, severance pay, or dismissal pay.

b. Compensation for temporary disability under the workers' compensation law of any state or under a similar law of the United States.

c. ~~Old-age-benefits-under-title-ii-of-the-Social-Security-Act--(42--USC, chapter--7),--as--amended,--or--similar--retirement-payments-under-any-Act-of Congress,~~

d. A governmental or other pension, retirement or retired pay, annuity, or any other similar periodic payment which is based on the previous work of the individual made under a plan maintained or contributed to by a base period or chargeable employer where, except for benefits under the federal Social Security Act or the federal Railroad Retirement Act of 1974 or the corresponding provisions of prior law, the plan's eligibility requirements or benefit payments are affected by the base period employment or the remuneration for the base period employment. However, if an individual's benefits are reduced due to the receipt of a payment under this paragraph, the reduction shall be decreased by the same percentage as the percentage contribution of the individual to the plan under which the payment is made.

Provided, that if ~~such~~ the remuneration is less than the benefits which would otherwise be due under this chapter, the individual ~~shall-be~~ is entitled to receive for ~~such~~ the week, if otherwise eligible, benefits reduced by the amount of ~~such~~ the remuneration. Provided further, if benefits were paid for any week under this chapter for a period when benefits, remuneration or compensation under paragraphs "a", "b", or "c", ~~or "d", of this subsection~~ were paid on a retroactive basis for the same period, or any part thereof, the department shall recover ~~any-such~~ the excess amount of benefits paid by the department for ~~such~~ the period, and no employer's account shall be charged with benefits so paid, ~~provided--further,--however, that.~~ However, compensation for service-connected disabilities or compensation for accrued leave based on military service, by the beneficiary, with the armed forces of the United States, irrespective of the amount of the benefit, ~~shall-in-no--way~~ does not disqualify any individual, otherwise qualified, from any of the benefits contemplated herein.

Sec. 3. Section 96.7, subsection 3, paragraph a, subparagraph (2), unnumbered paragraph 1, Code 1981, is amended to read as follows:

The amount of regular benefits plus fifty percent of the amount of extended benefits, as determined under section 96.29, paid to an eligible individual shall be charged against the account of the employers in the base period in the inverse chronological order in which the employment of the individual occurred. Provided, that in any case in which the individual to whom the benefits are paid is in the employ of a base period employer at the time the individual is receiving the benefits, and the individual is receiving the same employment from the employer that the individual received during the individual's base period, then benefits paid to the individual shall not be charged against the account of the employer. This provision applies to both contributing and reimbursable employers notwithstanding section 96.8, subsection 5, and subparagraph (3) of this paragraph. An employer's account shall not be charged with benefit payments made to any individual who has left the work of the employer voluntarily without good cause attributable to the employer, but shall be charged to the account of the next succeeding employer with whom the individual requalified for benefits as determined under section 96.5, subsection 1, paragraph "g". However, the succeeding employer's account shall first be charged with benefit payments to the individual due to wage credits earned by the individual while employed by the succeeding employer. After exhausting those wage credits, the succeeding employer's account shall not be charged with ten weeks of benefit payments to the individual due to wage credits earned by the individual from a previous employer, but rather the unemployment compensation trust fund shall be charged. After exhausting the ten weeks of noncharging, the succeeding employer's account shall again be charged with benefit payments. Provided further, that an employer's account shall not be charged with benefit payments made to an individual who has been discharged for misconduct in connection with the individual's employment, and shall not be charged with benefit payments made to an individual after the individual has failed without good cause, either to apply for available, suitable work or to accept suitable work or to return to customary self-employment, but shall be

charged to the account of the next succeeding employer with whom the individual requalifies for benefits as determined respectively under section 96.5, subsections 2 and 3.

Sec. 4. Section 96.7, subsection 3, paragraph a, subparagraph (3), Code 1981, is amended to read as follows:

(3) The amount of regular benefits so charged in any calendar quarter against the account of any employer shall not exceed the amount of such individual's wage credits based on employment with ~~such that~~ such that employer during ~~such that~~ such that quarter. The amount of extended benefits so charged in any calendar quarter against the account of any employer shall not exceed an additional fifty percent of the amount of such individual's wage credits based on employment with ~~such that~~ such that employer during ~~such that~~ such that quarter except that all extended benefits shall be so charged ~~if to~~ to a government entity which is either a reimbursable or contributing employer pays-all-extended benefits-under-subsection-8, paragraph-"e" of this-section-

Sec. 5. Section 96.7, subsection 3, paragraph c, Code 1981, is amended to read as follows:

~~c. Each-contributing-employer's-rate-of-contribution--shall--be--two--and seven-tenths--percent--except--as--otherwise--provided--in--this-chapter.~~ No reduced rate of contribution shall be granted to a contributing employer until there shall have been twelve consecutive calendar quarters immediately preceding the first computation date throughout which ~~his--or--her~~ the employer's account has been chargeable with benefit payments. Provided, that with respect to the calendar year commencing January 1, 1972, and each calendar year thereafter through December 31, 1981, except as provided in paragraph "d" of this subsection, a contributing employer who has not been subject to this chapter for a sufficient period of time to meet the twelve-quarter requirement shall qualify for a computed rate of contribution if there shall have been a lesser period throughout which ~~his--or--her~~ the employer's account has been chargeable, but in no event less than eight consecutive calendar quarters immediately preceding the computation date; provided further, that with respect to the calendar years commencing January 1, 1972, and ending December 31, 1977, except as provided in paragraph "d" of this subsection, each contributing employer newly subject to this chapter shall pay contributions at the rate of one and five-tenths percent and beginning January 1, 1978, and ending December 31, 1981, at the rate specified in the ninth percentage of excess rank but not less than one ~~point~~ and eight eight-tenths percent until the end of the calendar year in which the employer shall have had eight consecutive calendar quarters immediately preceding the computation date throughout which ~~his--or--her~~ the employer's account has been chargeable with benefit payments, ~~thereafter-his-or-her.~~ Beginning January 1, 1982, a contributing employer newly subject to this chapter and not previously qualified for a computed rate shall pay contributions at the rate specified in the ninth percentage of excess rank but not less than one and eight-tenths percent until the end of the calendar year in which the employer's account has been chargeable with benefit payments for twenty consecutive calendar quarters immediately preceding the computation date; however, the employer shall pay contributions at a computed

rate if the employer's percentage of excess is a negative number, the employer's account has been chargeable with benefit payments for eight consecutive calendar quarters immediately preceding the computation date, and the employer's account has been charged with benefit payments of more than twenty-six times the maximum weekly benefit amount for an individual with four or more dependents during the four consecutive calendar quarters immediately preceding the computation date. Thereafter, the employer's contribution rate shall be determined in accordance with paragraph "d" of this subsection.

Sec. 6. Section 96.7, subsection 3, paragraph d, unnumbered paragraph 6, Code 1981, is amended to read as follows:

~~Provided, however, that notwithstanding any other provisions of this chapter, the applicable contribution rate table for the calendar years 1978 and 1979 will be table two if the ratio of the current reserve fund ratio to the highest benefit cost rate on the rate computation date is less than 0.75.~~ However, notwithstanding any other provision of this chapter relating to the applicable contribution rate table for a calendar year, the applicable contribution rate table for the calendar years ~~1980 and 1981 shall be~~ 1982 and 1983 is table three unless the ratio of the current reserve fund ratio to the highest benefit cost rate on the rate computation date is 1.0 or higher. ~~Provided further that during~~ During any rate year in which a rate table in rate tables ~~four~~ three through nine is effective an employer assigned a contribution rate under ~~the provisions of~~ this paragraph ~~shall~~ is not be required to contribute to the unemployment compensation trust fund if the employer's percentage of excess is seven point five percent or greater for the rate year and the employer has not been charged with benefit payments for any time within the ~~forty~~ twenty-four calendar quarters immediately preceding the rate computation date for the rate year. If an employer is not required to contribute for a rate year to the trust fund under this unnumbered paragraph but would be required to contribute for the next rate year under this lettered paragraph, the employer's contribution rate for the next rate year is either the employer's experience rate computed under this lettered paragraph or one and eight-tenths percent, whichever is less. For subsequent years, either the employer is not required to contribute under this unnumbered paragraph or the employer's contribution rate is the employer's experience rate computed under this lettered paragraph.

Sec. 7. Section 96.7, subsection 3, paragraph d, Code 1981, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding any other provision of this chapter relating to limiting contribution rates to those specified in the contribution rate table, if an employer qualified for an experience rating has a negative balance in the employer's account on the rate computation date and had a negative balance on the previous rate computation date, the employer shall contribute an additional one-half percent of taxable wages above the contribution rate assigned the employer by the effective rate contribution table. For each subsequent and consecutive rate computation date on which the employer still has a negative balance in the employer's account, the employer shall contribute an additional one-half percent of

taxable wages. Beginning with the initial surcharge of one-half percent each subsequent and consecutive surcharge of one-half percent of taxable wages shall be cumulative except that the cumulative surcharge shall not exceed three percent of taxable wages.

Sec. 8. Section 96.11, subsection 7, paragraph d, Code 1981, is amended to read as follows:

d. Upon request of an agency of this or another state or of the federal government which administers or operates a program of public assistance or child support enforcement under either federal law or the law of this or another state, or which is charged with a duty or responsibility under any such program, and if that agency is required by law to impose safeguards for the confidentiality of information at least as effective as required under this section, then the department shall provide to the requesting agency, with respect to any named individual specified, any of the following information:

(1) Whether the individual is receiving, has received, or has made application for unemployment compensation under this chapter.

(2) The period, if any, for which unemployment compensation was payable and the weekly rate of compensation paid.

(3) The individual's most recent address.

(4) Whether the individual has refused an offer of employment, and, if so, the date of the refusal and a description of the employment refused, including duties, conditions of employment, and the rate of pay.

(5) Wage information.

Paragraph g does not apply to information released under this paragraph.

Sec. 9. Section 96.19, subsection 12, paragraph e, Code 1981, is amended by striking the paragraph.

Sec. 10. Section 96.29, Code 1981, is amended by adding the following new subsection after subsection 1, and renumbering the remaining subsections:

NEW SUBSECTION. DISQUALIFICATION FOR EXTENDED BENEFITS. The disqualification provisions of this chapter applicable to regular benefits are applicable to extended benefits, except:

a. An individual shall be disqualified for extended benefits if the individual fails to apply for or refuses to accept an offer of suitable work to which the individual was referred by the department or the individual fails to actively seek work, unless the individual has been employed during at least four weeks, which need not be consecutive, subsequent to the disqualification and has earned at least four times the individual's weekly extended benefit amount. In order to be considered suitable work under this subsection, the gross weekly wage for the suitable work shall be in excess of the individual's weekly extended benefit amount plus any weekly supplemental unemployment compensation benefits which the individual is receiving.

b. An individual shall not be disqualified for extended benefits for failing to apply for or refusing to accept an offer of suitable work, unless the suitable work was offered to the individual in writing or was listed with the department.

Sec. 11. Section 96.29, subsection 3, Code 1981, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. However, an eligible individual shall receive a maximum of two additional weeks of extended benefits if the individual moves from this state, before or during an extended benefit period triggered by this state's "on" indicator, to another state in which an extended benefit period is not in effect.

Sec. 12. This Act takes effect July 1, 1981, and applies to all unemployment compensation benefits received for the period beginning on or after July 5, 1981.

Approved May 4, 1981

CHAPTER 20
PAYROLL ACCRUAL ACCOUNT
S. F. 112

AN ACT relating to the accounting for pay periods, effective upon publication.

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

Section 1. Section 8.42, Code 1981, is amended to read as follows:

8.42 PAYROLL ACCRUAL ACCOUNT. The Beginning July 1, 1982, the state comptroller shall establish a payroll accrual account in the office of the state treasurer. In preparation of budgets for state departments, the state comptroller shall compute an amount for each fiscal year sufficient to provide funds to meet the twenty-seventh biweekly payroll when it occurs and shall deposit the necessary amount each year in the payroll accrual account.

Sec. 2. Section 79.1, unnumbered paragraph 9, Code 1981, is amended by striking the unnumbered paragraph and inserting in lieu thereof the following:

The state comptroller shall charge the entire payroll for a pay period to the fiscal year in which the payroll is paid.

However, a specific annual salary rate or annual salary adjustment commencing with a fiscal year shall commence on July 1 except that if a pay period overlaps two fiscal years, a specific annual salary rate or annual salary adjustment shall commence with the first day of a pay period as specified by the general assembly.

Sec. 3. Acts of the Sixty-eighth General Assembly, 1979 Session, chapter 2, section 29, is repealed.

Sec. 4. This Act, being deemed of immediate importance, takes effect from and after its publication in the Ankeny Press-Citizen, a newspaper published