CHAPTER 222

BENEFIT RATIO UNEMPLOYMENT COMPENSATION CONTRIBUTION ARRAY SYSTEM

S.F. 507

AN ACT relating to the adoption of a benefit ratio unemployment compensation contribution array system and providing for the Act's applicability and providing for the future repeals of certain portions of this Act.

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

Section 1. Section 96.3, subsection 4, unnumbered paragraph 2, Code 1987, is amended by striking the unnumbered paragraph.

Sec. 2. Section 96.3, subsection 5, unnumbered paragraph 2, Code 1987, is amended by striking the unnumbered paragraph.

Sec. 3. Section 96.4, subsection 7, Code 1987, is amended by striking the subsection.

Sec. 4. Section 96.7, Code 1987, is amended to read as follows:

96.7 EMPLOYER CONTRIBUTIONS AND REIMBURSEMENTS.

1. PAYMENT.

~~a. On and after July 1, 1936, contributions shall~~ Contributions accrue and are payable, in accordance with rules adopted by the division, on all taxable wages paid by an employer for insured work.

~~b. Such contributions shall become due and be paid to the division of job service for the fund at such times and in such manner as the commissioner by regulation prescribes.~~

~~c. In the payment of any contribution the fractional part of a cent shall be disregarded unless it amounts to one-half cent or more in which case it shall be increased to one cent.~~

~~d. Contributions required from an employer shall not be deducted in whole or in part from the wages paid to individuals in the employer's employ.~~

~~2. RATE OF CONTRIBUTION BY EMPLOYERS. Each employer shall pay contributions equal to the following percentages of wages payable by the employer with respect to employment:~~

~~a. One and eight-tenths percent with respect to employment for the six months' period beginning July 1, 1936, provided that if the total of such contributions at such one and eight-tenths percent rate equals less than nine-tenths of one percent of the annual payroll of any employer for the calendar year 1936, such employer shall pay, at such time as the division of job service shall prescribe, an additional lump-sum contribution with respect to employment for such six months' period beginning July 1, 1936, equal to the difference between nine-tenths of one percent of the employer's annual payroll for the calendar year 1936 and the total of the employer's contributions at such one and eight-tenths percent rate for such six months' period beginning July 1, 1936, and provided further that in no event shall employers' contributions at such one and eight-tenths percent rate exceed nine-tenths of one percent of the employer's annual payroll for the calendar year 1936;~~

~~b. One and eight-tenths percent with respect to employment in the calendar year 1937;~~

~~c. Two and seven-tenths percent with respect to employment during the calendar years 1938, 1939, 1940; and~~

~~d. Two and seven-tenths percent of wages paid by the employer during the calendar year 1941, and during each calendar year thereafter, with respect to employment occurring after December 31, 1940, except as may be otherwise prescribed in subsection 3 of this section.~~

~~3~~ 2. ~~FUTURE~~ CONTRIBUTION RATES BASED ON BENEFIT EXPERIENCE.

a. (1) The division ~~of job service~~ shall maintain a separate account for each employer and shall credit each employer's account with all contributions which the employer has paid or which have been paid on the employer's behalf.

(2) 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.

PARAGRAPH DIVIDED. ~~Provided, that in any case in which~~ However, if 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~~ contributory and reimbursable employers, notwithstanding subparagraph (3) and section 96.8, subsection 5, ~~and subparagraph (3) of this paragraph~~.

PARAGRAPH DIVIDED. An employer's account shall not be charged with ~~benefit payments made~~ benefits paid to ~~any~~ an individual who ~~has~~ left the work of the employer voluntarily without good cause attributable to the employer or to an individual who was discharged for misconduct in connection with the individual's employment, but shall be charged to the account of the next succeeding employer with whom the individual requalified for benefits as determined respectively under section 96.5, subsection 1, paragraph "g" and section 96.5, subsection 2, paragraph "a". However, the succeeding employer's account shall first be charged with ~~benefit payments~~ benefits paid 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~~ benefits paid 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~~ the benefits paid.

PARAGRAPH DIVIDED. ~~Provided further, that an~~ An employer's account shall not be charged with ~~benefit payments made~~ benefits paid 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~~ requalified for benefits as determined ~~respectively~~ under section 96.5, ~~subsections 2 and~~ subsection 3.

~~However, with respect to a succeeding employer who employs an individual who has been discharged for misconduct by a previous employer, 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.~~

The amount of benefits paid to an individual, which is solely due to wage credits considered to be in an individual's base period due to the exclusion and substitution of calendar quarters from the individual's base period under section 96.23, shall be charged against the account of the employer responsible for paying the workers' compensation benefits for temporary total disability or during a healing period under section 85.33, section 85.34, subsection 1, or section 85A.17, or responsible for paying indemnity insurance benefits.

(3) The amount of regular benefits ~~so~~ charged ~~in any calendar quarter~~ against the account of ~~any~~ an employer for a calendar quarter of the base period shall not exceed the amount of ~~such~~ the individual s wage credits based on employment with ~~that~~ the employer during that quarter. The amount of extended benefits ~~so~~ charged ~~in any calendar quarter~~ against the

account of ~~any~~ an employer for a calendar quarter of the base period shall not exceed an additional fifty percent of the amount of ~~such~~ the individual's wage credits based on employment with ~~that~~ the employer during that quarter ~~except that all~~. However, the amount of extended benefits ~~shall be so~~ charged ~~to~~ against the account of a ~~government~~ governmental entity which is either a reimbursable or ~~contributing~~ contributory employer, for a calendar quarter of the base period shall not exceed an additional one hundred percent of the amount of the individual's wage credits based on employment with the governmental entity during that quarter.

(4) The ~~commissioner~~ division shall ~~by general rule prescribe~~ adopt rules prescribing the manner in which benefits shall be charged against the accounts of several employers for ~~whom~~ which an individual performed employment during the same calendar quarter.

(5) ~~Nothing in this~~ This chapter shall not be construed to grant ~~any~~ an employer or ~~the individuals~~ an individual in the employer's service, prior ~~claims~~ claim or ~~rights~~ right to the ~~amounts~~ amount paid by the employer into the unemployment compensation fund either on the employer's own behalf or on behalf of ~~such individuals~~ the individual.

(6) ~~As soon as practicable after the close of each calendar quarter, and in any event within~~ Within forty days after the close of ~~such~~ each calendar quarter, the division shall notify each employer of the amount ~~that has been~~ of benefits charged to the employer's account ~~for benefits paid~~ during ~~such~~ that quarter. ~~This statement to the employer~~ The notification shall show the name of each ~~claimant~~ individual to whom ~~such benefit payments~~ benefits were ~~made~~ paid, the ~~claimant's~~ individual's social security number, and the amount of benefits paid to ~~such claimant~~ the individual. ~~Any~~ An employer ~~who~~ which has not been notified as provided in section 96.6, subsection 2, of the allowance of benefits to ~~such claimants~~ an individual, may within thirty days after the ~~receipt of such statement~~ date of mailing of the notification appeal to the ~~commissioner~~ division for a hearing to determine the eligibility of the ~~claimant~~ individual to receive ~~such~~ benefits. The ~~commissioner~~ appeal shall ~~refer the same~~ be referred to a hearing officer for hearing and ~~both~~ the employer and the ~~claimant~~ individual shall receive notice of the time and place of ~~such~~ the hearing.

~~(7) Any employer may at any time make voluntary payments to the employer's account in excess of the other requirements of this chapter, and all such payments shall be considered on any computation date as contributions required under the provisions of this chapter if they are paid by the employer not later than the next December 15 after such computation date. Voluntary contributions shall not exceed the maximum voluntary contribution. For the purposes of this subparagraph "maximum voluntary contribution" shall equal an amount sufficient to lower the rate of contribution of an employer to the lower rate of contribution assigned in the next lower percentage of excess rank. Provided that an employer shall not contribute an amount sufficient to reduce the rate of contribution of the employer to a zero contribution rate.~~

b. ~~In any case in which the~~ If an enterprise or business, or a clearly segregable and identifiable part of an enterprise or business, for which contributions have been paid ~~has been~~ is sold or ~~otherwise~~ transferred to a subsequent employing unit, or ~~in any case in which~~ if one or more employing units have been reorganized or merged into a single employing unit, and the successor employer, having qualified as an employer as defined in section 96.19, subsection 5, paragraph "b", continues to operate ~~such~~ the enterprise or business, ~~such~~ the successor employer shall assume the position of the predecessor employer or employers with respect to ~~such~~ the predecessors' payrolls, contributions, accounts, and contribution rates to the same extent as if ~~there had been~~ no change had taken place in the ownership or control of ~~such~~ the enterprise or business. However, the successor employer shall not assume the position of the predecessor employer or employers with respect to the predecessor employer's or employers' payrolls, contributions, accounts, and contribution rates which are attributable to that part of the enterprise or business transferred, unless the successor employer applies to the division within sixty days from the date of the partial transfer, and the succession is approved by the predecessor employer or employers and the division.

~~In any case in which a clearly segregable and identifiable part of an enterprise or business for which contributions have been paid has been sold or otherwise transferred to a subsequent employing unit, and such successor employing unit having qualified as an "employer" as defined under section 96.19, subsection 5, paragraph "b", continues to operate such enterprise or business, such successor shall assume the position of the predecessor employer with respect to such predecessor's payrolls, contributions, accounts and contribution rates which are attributable to the part of the enterprise or business transferred to the same extent as if there has been no change in the ownership or control of such enterprise or business.~~

The contribution rate to be assigned to the ~~acquiring~~ successor employer for the period beginning not earlier than the date of the ~~transfer~~ succession and ending not later than the beginning of the next following ~~effective date of contribution rates~~ rate year, shall be the contribution rate ~~applicable to~~ of the ~~transferring~~ predecessor employer with respect to the period immediately preceding the date of the ~~transfer~~ succession, provided ~~that~~ the ~~acquiring~~ successor employer was not, prior to the ~~transfer~~ succession, a subject employer, and only one ~~transferring~~ predecessor employer, or only ~~transferring~~ predecessor employers ~~having~~ with identical rates, are involved; ~~or a newly computed rate based on the experience of the transferring employer attributable to the part of the business transferred to the acquiring employer combined with the experience of the acquiring employer as of the last computation date~~. If the predecessor employers' rates are not identical and the successor employer is not a subject employer prior to the succession, the division shall assign the successor employer a rate for the remainder of the rate year by combining the experience of the predecessor employers. If the successor employer is a subject employer prior to the succession, the successor employer may elect to retain the employer's own rate for the remainder of the rate year, or the successor employer may apply to the division to have the employer's rate redetermined by combining the employer's experience with the experience of the predecessor employer or employers. However, if the successor employer is a subject employer prior to the succession and has had a partial transfer of the experience of the predecessor employer or employers approved, then the division shall recompute the successor employer's rate for the remainder of the rate year.

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

~~Provided, however, that application for such transfer of partial record is made within sixty days from the date of transfer and meets the approval of the predecessor and the commissioner, and provided further that such partial record shall include sufficient information for the proper administration of this chapter with respect to payment of unemployment benefits and computation of future rates based on benefit experience.~~

~~In determining each employer's rate of contribution for the calendar year 1945, and for each year thereafter, such employer shall be given full credit for the payrolls, contributions, accounts and contribution rates of the employer's predecessor employer or employers to the same extent as if there had been no change in the organization or the ownership of the business. Provided, that in any case in which such sale, transfer, merger or reorganization has taken place in any year after the predecessor employer's rate of contribution (hereafter called rate) has been determined for such year the employer's rate for the remainder of such year, shall, upon the employer's application to the division be determined in the following manner:~~

~~(1) If the successor employer has no rate or if the successor employer has a rate and it is the same rate as that of the successor employer's predecessor employer or employers, their rates being the same rate, the successor employer's rate shall be that of the predecessor employer or employers.~~

~~(2) If the rate or rates of the predecessor employers are not the same rate, and that of the successor employer, if the successor employer has a rate, is not the same rate as that of the~~

~~predecessor employer then the rate of the successor employer shall be redetermined under the combined experience of the predecessor employer or employers and the successor employers.~~

~~e. 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 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 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 and 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 the employer's account has been chargeable with benefit payments.~~

c. (1) ~~Beginning January 1, 1982, a contributing~~ A nonconstruction contributory 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~~ twelfth benefit ratio 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~~ benefits 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~~.

(2) A construction contributory employer, as defined under rules adopted by the division, which is newly subject to this chapter shall pay contributions at the rate specified in the twenty-first benefit ratio rank until the end of the calendar year in which the employer's account has been chargeable with benefits for twelve consecutive calendar quarters immediately preceding the computation date.

(3) Thereafter, the employer's contribution rate shall be determined in accordance with paragraph "d" ~~of this subsection~~, except that the employer's average annual taxable payroll and benefit ratio may be computed, as determined by the division, for less than five periods of four consecutive calendar quarters immediately preceding the computation date.

d. The division ~~of job service~~ shall determine the contribution rate table to be in effect for the rate year following the ~~rate~~ computation date, by determining the ratio of the current reserve fund ratio to the highest benefit cost ~~rate~~ ratio on the ~~rate~~ computation date. On or before the fifth day of September the division shall make available to employers the contribution rate table to be in effect for the next rate year.

(1) The current reserve fund ratio ~~shall be~~ is computed by dividing the total ~~trust~~ funds available for payment of benefits, on the ~~rate~~ computation date, by the total wages paid in covered employment excluding reimbursable employment wages during the first four calendar quarters of the five calendar quarters immediately preceding the ~~rate~~ computation date.

(2) The highest benefit cost ~~rate shall be~~ ratio is the highest of the resulting ratios computed by dividing the total ~~benefit payments~~ benefits paid, excluding reimbursable ~~benefit payments~~ benefits paid, during each consecutive twelve-month period, during the ten-year period

ending on the ~~rate~~ computation date, by the total wages, excluding reimbursable employment wages, paid in the four calendar quarters ending nearest and prior to the last day of such twelve-month period.

If the current reserve fund ratio, divided by the highest benefit cost ~~rate~~ ratio:

Equals or exceeds	But is less than	The contribution rate table in effect shall be
~~0.0~~ —	~~0.5~~ 0.3	1
~~0.5~~ 0.3	~~0.75~~ 0.5	2
~~0.75~~ 0.5	~~1.0~~ 0.7	3
~~1.0~~ 0.7	~~1.5~~ 0.85	4
~~1.5~~ 0.85	~~1.9~~ 1.0	5
~~1.9~~ 1.0	~~2.3~~ 1.15	6
~~2.3~~ 1.15	~~2.7~~ 1.30	7
~~2.7~~ 1.30	~~3.0~~ —	8
~~3.0~~		~~9~~

~~The term "percentage of excess" means a number computed to six decimal places on July 1 of each year obtained by dividing the excess of all contributions attributable to an employer over the sum of all benefits charged to an employer by the employer's average annual payroll. An employer's percentage of excess is a positive number when the total of all contributions paid to an employer's account for all past periods to and including those for the quarter immediately preceding the rate computation date exceeds the total benefits charged to such account for the same period. An employer's percentage of excess is a negative number when the total of all contributions paid to an employer's account for all past periods to and including those for the quarter immediately preceding the rate computation date is less than the total benefits charged to such account for the same period.~~

"Benefit ratio" means a number computed to six decimal places on July 1 of each year obtained by dividing the average of all benefits charged to an employer during the five periods of four consecutive calendar quarters immediately preceding the computation date by the employer's average annual taxable payroll.

Each employer qualified for an experience rating shall be assigned a contribution rate for each rate year that corresponds to the employer's ~~percentage of excess~~ benefit ratio rank in the contribution rate table effective for the rate year from the following contribution rate tables. Each employer's ~~percentage of excess~~ benefit ratio rank shall be computed by listing all the employers by ~~decreasing percentages of excess~~ increasing benefit ratios, from the ~~highest positive percentage of excess~~ lowest benefit ratio to the highest ~~negative percentage of excess~~ benefit ratio and grouping the employers so listed into twenty-one separate ranks containing as nearly as possible four ~~point~~ and seventy-six hundredths percent of the total taxable wages, excluding reimbursable employment wages, paid in covered employment during the ~~first~~ four completed calendar quarters immediately preceding the ~~rate~~ computation date. If an employer's taxable wages qualify the employer for two separate ~~percentage of excess~~ benefit ratio ranks the employer shall be afforded the ~~percentage of excess~~ benefit ratio rank assigned the lower contribution rate. Employers with identical ~~percentages of excess~~ benefit ratios shall be assigned to the same ~~percentage of excess~~ benefit ratio rank.

Notwithstanding any other provision of this chapter which assigns an employer a contribution rate which corresponds to the employer's benefit ratio rank in the contribution rate table, an employer qualified for an experience rating shall contribute at the rate specified in the twenty-first benefit ratio rank for the next calendar year if the following two conditions are met: as of the computation date the total benefits paid by the employer during the five periods of four consecutive calendar quarters immediately preceding the computation date exceed the contributions paid by the employer for that same period; and for the previous computation date the total benefits paid by the employer during the five periods of four consecutive calendar quarters immediately preceding that previous computation date exceeded the total contributions paid by the employer for that same period.

~~Percentage of Excess~~ Benefit Ratio Rank	Approximate Cumulative Taxable Payroll Limit	Contribution Rate Tables 1	2	3	4	5	6	7	8	9
~~1~~	~~4.8%~~	~~.5~~	~~.2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~2~~	~~9.5%~~	~~.9~~	~~.6~~	~~.5~~	~~.3~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~3~~	~~14.3%~~	~~1.0~~	~~.7~~	~~.6~~	~~.5~~	~~.4~~	~~0~~	~~0~~	~~0~~	~~0~~
~~4~~	~~19.0%~~	~~1.1~~	~~.8~~	~~.7~~	~~.6~~	~~.5~~	~~.3~~	~~0~~	~~0~~	~~0~~
~~5~~	~~23.8%~~	~~1.2~~	~~.9~~	~~.8~~	~~.8~~	~~.6~~	~~.4~~	~~.2~~	~~0~~	~~0~~
~~6~~	~~28.6%~~	~~1.5~~	~~1.2~~	~~1.0~~	~~.9~~	~~.7~~	~~.5~~	~~.2~~	~~.1~~	~~0~~
~~7~~	~~33.3%~~	~~1.9~~	~~1.5~~	~~1.2~~	~~1.0~~	~~.8~~	~~.6~~	~~.3~~	~~.2~~	~~.1~~
~~8~~	~~38.1%~~	~~2.1~~	~~1.7~~	~~1.4~~	~~1.1~~	~~.9~~	~~.7~~	~~.4~~	~~.2~~	~~.1~~
~~9~~	~~42.8%~~	~~2.3~~	~~2.1~~	~~1.6~~	~~1.2~~	~~1.0~~	~~.8~~	~~.5~~	~~.3~~	~~.2~~
~~10~~	~~47.6%~~	~~2.7~~	~~2.4~~	~~1.8~~	~~1.3~~	~~1.1~~	~~.9~~	~~.6~~	~~.4~~	~~.2~~
~~11~~	~~52.4%~~	~~3.3~~	~~2.9~~	~~2.1~~	~~1.5~~	~~1.2~~	~~1.0~~	~~.7~~	~~.5~~	~~.2~~
~~12~~	~~57.1%~~	~~3.8~~	~~3.4~~	~~2.5~~	~~1.7~~	~~1.3~~	~~1.1~~	~~.8~~	~~.6~~	~~.2~~
~~13~~	~~61.9%~~	~~4.3~~	~~4.0~~	~~2.8~~	~~2.0~~	~~1.5~~	~~1.3~~	~~.9~~	~~.7~~	~~.3~~
~~14~~	~~66.6%~~	~~4.9~~	~~4.6~~	~~3.1~~	~~2.4~~	~~1.7~~	~~1.5~~	~~1.1~~	~~.9~~	~~.5~~
~~15~~	~~71.4%~~	~~5.3~~	~~5.0~~	~~3.5~~	~~2.9~~	~~1.9~~	~~1.7~~	~~1.3~~	~~1.0~~	~~.5~~
~~16~~	~~76.2%~~	~~5.8~~	~~5.5~~	~~3.9~~	~~3.4~~	~~2.3~~	~~1.9~~	~~1.7~~	~~1.0~~	~~.7~~
~~17~~	~~80.9%~~	~~6.6~~	~~6.3~~	~~4.4~~	~~4.0~~	~~3.0~~	~~2.5~~	~~2.0~~	~~1.5~~	~~.8~~
~~18~~	~~85.7%~~	~~7.0~~	~~6.7~~	~~5.0~~	~~4.5~~	~~3.7~~	~~3.1~~	~~2.5~~	~~2.0~~	~~1.0~~
~~19~~	~~90.4%~~	~~7.0~~	~~6.8~~	~~5.5~~	~~5.0~~	~~4.4~~	~~3.8~~	~~3.2~~	~~2.5~~	~~1.8~~
~~20~~	~~95.2%~~	~~7.0~~	~~7.0~~	~~6.0~~	~~5.5~~	~~5.0~~	~~4.5~~	~~4.0~~	~~3.0~~	~~2.5~~
~~21~~	~~100.0%~~	~~7.0~~	~~7.0~~	~~6.0~~	~~6.0~~	~~5.5~~	~~5.0~~	~~4.5~~	~~4.0~~	~~4.0~~
1	4.8%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
2	9.5%	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
3	14.3%	0.4	0.2	0.1	0.1	0.0	0.0	0.0	0.0	
4	19.0%	0.7	0.4	0.3	0.2	0.1	0.0	0.0	0.0	
5	23.8%	1.0	0.6	0.5	0.3	0.2	0.1	0.0	0.0	
6	28.6%	1.3	0.8	0.7	0.4	0.3	0.2	0.1	0.0	
7	33.3%	1.6	1.1	0.9	0.6	0.4	0.3	0.2	0.1	
8	38.1%	1.9	1.4	1.1	0.8	0.5	0.4	0.3	0.2	
9	42.8%	2.2	1.7	1.3	1.0	0.6	0.5	0.4	0.3	
10	47.6%	2.5	2.0	1.5	1.2	0.7	0.6	0.5	0.4	
11	52.4%	2.8	2.4	1.8	1.4	0.8	0.7	0.6	0.5	
12	57.1%	3.1	2.8	2.1	1.6	0.9	0.8	0.7	0.6	
13	61.9%	3.6	3.2	2.4	1.8	1.1	0.9	0.8	0.7	
14	66.6%	4.1	3.6	2.9	2.2	1.4	1.0	0.9	0.8	
15	71.4%	4.7	4.2	3.4	2.6	1.8	1.1	1.0	0.9	
16	76.2%	5.4	4.8	4.2	3.3	2.5	1.6	1.1	1.0	
17	80.9%	6.1	5.4	5.4	4.3	3.5	2.4	1.6	1.1	
18	85.7%	7.0	6.7	6.3	5.4	5.4	3.9	2.5	1.3	
19	90.4%	8.0	8.0	7.3	6.6	6.0	5.4	3.9	2.3	
20	95.2%	8.5	8.5	8.5	7.8	7.2	6.4	5.4	3.8	
21	100.0%	9.0	9.0	9.0	9.0	8.4	7.4	6.4	5.4	

~~Notwithstanding any other provision of this chapter relating to limiting contribution rates to those specified in the contribution rate table, an employer which employs individuals for construction as defined by the division of job service pursuant to rules, that has not qualified for an experience rating shall pay the maximum contribution rate assigned to any employer under this chapter, including the additional contributions required under this lettered paragraph of an employer with a negative balance in the employer's account, until such time as the employer~~

~~has qualified for an experience rating. However, the employer shall not qualify for an experience rating until there have been twelve consecutive calendar quarters immediately preceding the rate computation date throughout which the employer's account has been chargeable with benefit payments.~~

~~On or before the fifth day of September immediately preceding the next following rate period the division shall make available to employers the table which will apply to the contribution rates in the following rate year.~~

~~During any rate year an employer assigned a contribution rate under this lettered paragraph is not required to contribute to the unemployment compensation fund if the employer's percentage of excess is seven and five-tenths percent or greater for the rate year and the employer has not been charged with more than a total of one hundred dollars in benefit payments for any time within the twenty-four calendar quarters immediately preceding the computation date for the rate year. However, notwithstanding the voluntary contribution provisions of section 96.7, subsection 3, paragraph "a", subparagraph (7), if the employer's account has not been charged with more than a total of one hundred dollars in benefit payments during the twenty-four calendar quarters immediately preceding the computation date and the employer's percentage of excess is less than seven and five-tenths percent, the employer shall not be required to contribute to the unemployment compensation fund for the rate year if the employer makes a voluntary contribution which raises the employer's percentage of excess to seven and five-tenths percent or greater and which equals or exceeds the amount of any benefit charge, of no more than one hundred dollars within the preceding twenty-four calendar quarters, to the employer's account. If an employer is not required to contribute for a rate year to the 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. However, the employer's experience rate shall be limited for each of the next three consecutive rate years. For the first rate year, the employer's rate shall be limited to the rate in the percentage of excess rank which is no more than three percentage of excess ranks higher numerically than the rank containing the one and eight-tenths percent rate or the next lower rate. For each of the next two rate years, the employer's rate shall be limited to the rate in the percentage of excess rank which is no more than three percentage of excess ranks higher numerically than the rank in which the employer was placed for the immediate past rate year.~~

~~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 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 percent of taxable wages. Beginning with the initial surcharge of one percent each subsequent and consecutive surcharge of one percent of taxable wages shall be cumulative, except that the cumulative surcharge shall not exceed an amount sufficient to make the employer's combined contribution rate equal to nine percent of taxable wages.~~

e. ~~Based upon the formula above provided in this section the~~ The division shall fix the ~~rate of~~ contribution rate for each employer. ~~The division shall~~ and notify the employer of the rate ~~so fixed~~. An employer may appeal to the division for a revision of the contribution rate ~~of contribution so fixed~~ within thirty days from the date of the notice to ~~such~~ the employer. ~~The~~ After providing an opportunity for a hearing, the division ~~after such hearing~~ may affirm, set aside, or modify its former determination ~~or modify it~~ and may grant the employer a new contribution rate ~~of contribution~~. The division shall notify the employer of ~~this determination~~ its decision by ~~certified~~ regular mail. Judicial review of action of the division may be sought ~~in accordance with the terms of the Iowa administrative procedure Act~~ pursuant to chapter 17A.

If an employer's account has been charged with benefits as the result of a decision allowing benefits and the decision is reversed, the employer may appeal, within thirty days from the date of the next contribution rate notice, for a recomputation of the rate. If a base period employer's account has been charged with benefits paid to an employee at a time when the employee was employed by the base period employer in the same employment as in the base period, the employer may appeal, within thirty days from the date of the first notice of the employer's contribution rate which is based on the charges, for a recomputation of the rate. ~~The division shall remove the benefit charges from the rate computation, recompute the contribution rate, and notify the employer of the recomputed contribution rate.~~

f. If an employer has not filed a contribution ~~or~~ and payroll quarterly report, as required ~~under~~ pursuant to section 96.11, subsection 7, for a calendar quarter which precedes the computation date and upon which the employer's rate of contribution is computed, the employer's average annual taxable payroll shall be computed by ~~adding~~ considering the delinquent quarterly reports as containing zero taxable wages ~~in the appropriate quarterly reports on file and dividing that sum by the number of years and quarters of years for which quarterly reports are on file~~.

If a delinquent quarterly report is received by ~~November 15 immediately~~ September 30 following the computation date the contribution rate ~~of contribution~~ shall be recomputed by using the taxable wages in all the appropriate quarterly reports on file to determine the average annual taxable payroll.

If a delinquent quarterly report is received after ~~November 15~~ September 30 following the computation date the contribution rate ~~of contribution~~ shall not be recomputed, unless the rate is appealed in writing to the division under paragraph "e" ~~of this subsection~~ and the delinquent quarterly report ~~received after November 15~~ is also submitted not later than thirty days after the division notifies the employer of the rate under paragraph "e" ~~of this subsection~~.

4 3. DETERMINATION AND ASSESSMENT OF CONTRIBUTIONS.

a. As soon as practicable and in any event within two years after an employer has filed reports, as required ~~by the division of job service~~ pursuant to section 96.11, subsection 7, the division shall examine ~~such~~ the reports and determine the correct amount of contributions due, and the amount so determined by the division shall be the contributions payable. If the contributions found due ~~shall be~~ are greater than the amount ~~theretofore~~ paid, the division shall send a notice by certified mail to the employer with respect to the additional contributions, ~~together with any~~ and interest ~~and penalty, shall be sent by certified mail~~ assessed. A lien shall attach as provided in section 96.14, subsection 3, if the assessment is not paid or appealed within thirty days of the date of the notice of assessment.

b. If the division discovers from the examination of the reports required pursuant to section 96.11, subsection 7 or ~~otherwise~~ in some other manner that wages, or any portion of wages, payable for employment, ~~or any part thereof,~~ have not been listed in the reports, or that ~~no~~ reports were not filed when due, or that reports have been filed showing contributions due but ~~no~~ contributions in fact have not been paid, ~~it may~~ the division shall at any time within five years after the time ~~such~~ the reports were due, determine the correct amount of contributions payable, together with interest and any applicable penalty as provided in this chapter. The division shall send a notice by certified mail to the employer of the amount ~~so determined shall be~~ assessed and a lien shall attach as provided in paragraph "a" ~~of this subsection~~.

c. The certificate of the division to the effect that contributions have not been paid, that reports have not been filed, or that information has not been furnished, as required under the provisions of this chapter, ~~shall be~~ is prima-facie evidence ~~thereof~~ of the failure to pay contributions, file reports, or furnish information.

~~d~~ 4. EMPLOYER LIABILITY DETERMINATION. The division shall initially determine all questions relating to the liability of an employing unit or employer, including the amount of contribution, the contribution rate ~~of contribution~~, and successorship. A copy of the initial determination shall be sent by regular mail to the last address, according to the records of the division, of each affected employing unit or employer.

The affected employing unit or employer may appeal in writing to the division from the initial determination. An appeal shall not be entertained for any reason by the division unless the appeal is filed with the division within thirty days from the date on which the initial determination is mailed. If an appeal is not so filed, the initial determination shall with the expiration of the appeal period become final and conclusive in all respects and for all purposes.

A hearing on an appeal shall be conducted according to ~~the regulations and~~ rules ~~promulgated~~ adopted by the division. A copy of the decision of the hearing officer shall be sent by regular mail to the last address, according to the records of the division, of each affected employing unit or employer.

The division's decision on the appeal shall be final and conclusive as to the liability of the employing unit or employer unless the employing unit or employer files an appeal for judicial review within thirty days after the date of mailing of the decision as provided in subsection ~~6 of this section~~ 5.

~~5. REVISION OF CONTRIBUTIONS. An employer may appeal to the division of job service for revision of the contributions and interest assessed against such employer at any time within thirty days from the date of the notice of the assessment of such contributions and interest. The division shall grant a hearing thereon and if, upon such hearing, it shall determine that the amount of contributions payable with interest thereon is incorrect, it shall revise the same according to the law and the facts and adjust the computation of the contributions and interest accordingly. The division shall notify the employer by certified mail of its findings.~~

~~6~~ 5. JUDICIAL REVIEW. Notwithstanding ~~the terms of the Iowa administrative procedure Act~~ chapter 17A, petitions for judicial review may be filed in the district court of the county in which ~~such~~ the employer resides, or in which ~~such~~ the employer's principal place of business is located, or in the case of a nonresident not maintaining a place of business in this state either in ~~any~~ a county in which the wages payable for employment were earned or paid or in Polk county, within thirty days after the date of the notice to ~~such~~ the employer ~~notifying such employer of the employer's rate of contribution, or~~ of the ~~division of job service's~~ division's final determination as provided for in subsection ~~3 of this section or subsection 5 of this section~~ 2, 3, or 4.

The petitioner shall file with the clerk of ~~said~~ the district court a bond for the use of the respondent, with sureties approved by the clerk, ~~in~~ with any penalty to be fixed and approved by the clerk ~~of said court. In no case shall the~~ The bond shall not be less than fifty dollars and shall be conditioned ~~that~~ on the ~~petitioner shall perform~~ petitioner's performance of the orders of the court. In all other respects, the judicial review shall be in accordance with ~~the terms of the Iowa administrative procedure Act~~ chapter 17A.

~~An appeal may be taken by the employer or the division to the supreme court of this state, irrespective of the amount involved.~~

~~7~~ 6. JEOPARDY ASSESSMENTS. If the division ~~of job service~~ believes that the ~~assessment or~~ collection of contributions payable or benefits reimbursable will be jeopardized by delay, the division may immediately make an assessment of the estimated amount of contributions due or benefits reimbursable, together with ~~all~~ interest and ~~penalty thereon as provided by this chapter~~ applicable penalty, and demand payment ~~thereof~~ from the employer. If ~~such~~ the payment is not made, ~~a distress warrant may be issued or~~ the division may immediately

file a lien ~~filed~~ against ~~such~~ the employer ~~immediately~~ which may be followed by the issuance of a distress warrant.

The division shall be permitted to accept a bond from the employer to satisfy collection until the amount of contributions ~~legally~~ due ~~shall be~~ is determined. ~~Such~~ The bond ~~to~~ shall be in an amount deemed necessary, but not more than double the amount of the contributions involved, ~~and~~ with securities satisfactory to the division.

§ 7. FINANCING BENEFITS PAID TO EMPLOYEES OF ~~THE STATE OR POLITICAL SUBDIVISIONS OF THE STATE AND THEIR INSTRUMENTALITIES~~ GOVERNMENTAL ENTITIES.

a. A ~~government~~ governmental entity which is an employer under ~~the provisions of~~ this chapter shall ~~make benefit payments~~ pay benefits in a manner provided for a ~~government~~ reimbursable employer unless the ~~employer~~ governmental entity elects to ~~pay unemployment compensation benefits~~ make contributions as a ~~contributing~~ contributory employer. ~~Government entities may establish a group account as provided in this section. Any~~ The election ~~under this subsection to be a government contributing employer~~ shall be effective for a minimum of one calendar year and may be changed if an election is made to ~~be~~ become a ~~government~~ reimbursable employer prior to December 1 for a minimum of the following calendar year.

However, if on the effective date of the election the governmental entity has a negative balance in its contributory account, the governmental entity shall pay to the fund within a time period determined by the division the amount of the negative balance and shall immediately become liable to reimburse the unemployment compensation fund for benefits paid in lieu of contributions. Regular or extended benefits paid after the effective date of the election, including those based on wages paid while the governmental entity was a contributory employer, shall be billed to the governmental entity as a reimbursable employer.

~~b. For the purposes of this subsection "government contributing employer" means a government entity electing to contribute for a minimum period of one calendar year at a contribution rate determined by the division of job service in the following manner:~~

~~(1) For the calendar year beginning January 1, 1978, the contribution rate shall be one percent.~~

~~(2) For the calendar year beginning January 1, 1979, the contribution rate shall be one percent, provided that the division may reduce the contribution rate by fifteen hundredths of one percent or increase the contribution rate by not more than one percent. A rate adjustment shall be made only in an amount necessary to raise sufficient funds from contributing employers to finance an amount equal to the benefits for the previous calendar year and the amount by which the benefits of the preceding calendar year exceeded the employers' contributions.~~

~~(3) For the calendar year beginning January 1, 1980 the contribution rate shall be computed by the division immediately preceding the rate computation date by using the potential benefit charges of all government contributing employers for calendar year 1978 divided by the total of all taxable wages of government contributing employers for calendar year 1978.~~

~~(4)~~ b. ~~For the calendar year beginning January 1, 1981 and each subsequent year, each government contributing~~ A governmental entity electing to make contributions as a contributory employer, with at least eight consecutive calendar quarters immediately preceding the ~~rate~~ computation date throughout which the employer's account has been chargeable with ~~benefit payments~~ benefits, shall be assigned a contribution rate under ~~the provisions of~~ this ~~subparagraph~~ paragraph. Contribution rates shall be assigned by listing all ~~such government contributing~~ governmental contributory employers by decreasing percentages of excess from the highest positive percentage of excess to the highest negative percentage of excess. The employers so listed shall be grouped into seven separate percentage of excess ranks each containing as nearly as possible one-seventh of the total taxable wages of ~~government~~ governmental entities eligible to be assigned a rate under this ~~subparagraph~~ paragraph.

As used in this subsection, "percentage of excess" means a number computed to six decimal places on July 1 of each year obtained by dividing the excess of all contributions attributable to an employer over the sum of all benefits charged to an employer by the employer's average

annual payroll. An employer's percentage of excess is a positive number when the total of all contributions paid to an employer's account for all past periods to and including those for the quarter immediately preceding the rate computation date exceeds the total benefits charged to such account for the same period. An employer's percentage of excess is a negative number when the total of all contributions paid to an employer's account for all past periods to and including those for the quarter immediately preceding the rate computation date is less than the total benefits charged to such account for the same period.

As used in this subsection, "average annual taxable payroll" means the average of the total amount of taxable wages paid by an employer for insured work during the three periods of four consecutive calendar quarters immediately preceding the computation date. However, for an employer which qualifies on any computation date for a computed rate on the basis of less than twelve consecutive calendar quarters of chargeability immediately preceding the computation date, "average annual taxable payroll" means the average of the employer's total amount of taxable wages for the two periods of four consecutive calendar quarters immediately preceding the computation date.

PARAGRAPH DIVIDED. The division shall annually calculate a base rate for each calendar year. The base rate is equal to the sum of the ~~benefit payments~~ benefits charged to ~~government contributing~~ governmental contributory employers in the ~~preceding~~ calendar year ~~at the time of~~ immediately preceding the ~~rate~~ computation date plus or minus the difference between the total benefits ~~less~~ and contributions ~~made~~ paid by ~~government contributing~~ governmental contributory employers ~~since January 1, 1980 which sum is divided by the total taxable wages of government contributing employers for~~ during the ~~preceding~~ calendar year immediately preceding the computation date, rounded to the next highest one-tenth of a ~~percentage point~~ one percent. ~~If total contributions since January 1, 1980 exceed total benefit payments for government contributing employers, the difference shall be subtracted from the benefit payments of the preceding year. If benefits since January 1, 1980 exceed total contributions for government contributing employers the difference shall be added to the benefit payment of the preceding year.~~ Excess contributions ~~for~~ from the years 1978 and 1979 ~~will~~ shall be used to offset ~~benefit payments~~ benefits paid in any calendar year where total ~~benefit payments~~ benefits exceed total contributions of ~~government contributing~~ governmental contributory employers. The contribution rate as a percentage of taxable wages of the employer shall be assigned as follows:

If the percentage of excess rank is:	The contribution rate shall be:	Approximate cumulative taxable payroll:
1	Base Rate - 0.9	14.3
2	Base Rate - 0.6	28.6
3	Base Rate - 0.3	42.9
4	Base Rate	57.2
5	Base Rate + 0.3	71.5
6	Base Rate + 0.6	85.8
7	Base Rate + 0.9	100.0

PARAGRAPH DIVIDED. If a ~~government contributing~~ governmental contributory employer is grouped into two separate percentage of excess ranks, the employer shall be assigned the lower contribution rate of the two percentage of excess ranks. Notwithstanding the provisions of this subparagraph, a ~~government contributing~~ governmental contributory employer shall not be assigned a contribution rate less than one-tenth of one percent of taxable wages unless the employer has a positive percentage of excess greater than five percent. ~~For the purposes of this subsection percentage of excess has the meaning provided in subsection 3, paragraph "d" of this section.~~

~~For the calendar year beginning January 1, 1981, government~~ Governmental entities electing to be ~~government contributing~~ contributory employers which are not ~~otherwise~~ eligible to be assigned a contribution rate under this ~~subparagraph~~ paragraph shall be assigned the base rate ~~for the calendar year~~ as a contribution rate for the calendar year.

~~A government entity electing to contribute at a fixed contribution rate in lieu to making payments as a government reimbursable employer may elect to finance benefits as a government reimbursable employer however the government entity shall be obligated to pay within a time period determined by the division of job service to the fund the amount by which benefit payments for the government entity exceed contributions by the government entity on the effective date of the election.~~

c. For the purposes of this subsection, "~~government~~ governmental reimbursable employer" means an employer ~~paying~~ which makes payments to the division for the unemployment compensation fund in an amount equal to the ~~sum of the~~ regular and extended benefits ~~attributable to~~ paid, which are based on wages paid for service in the employ of the employer ~~and prior to January 1, 1979, plus one-half of the extended benefits paid for service in the employ of the employer, and beginning January 1, 1979, plus all of the extended benefits paid for service in the employ of the employer~~. Benefits paid to an eligible individual shall be charged against the base period employers in the inverse chronological order in which the employment of the individual occurred. However, the amount of benefits charged against an employer for a calendar quarter of the base period shall not exceed the amount of the individual's wage credits based upon employment with that employer during that quarter. At the end of each calendar quarter, the division shall bill each governmental reimbursable employer for benefits paid during that quarter. Payments by a governmental reimbursable employer shall be made in accordance with ~~the provisions of~~ subsection ~~9~~ 8, paragraph "b" ~~of this section~~, subparagraphs (2) through (5).

d. A state agency, board, commission, or department, except a state board of ~~regents~~ regents' institution ~~or the state fair board~~, shall, after approval of the billing for a governmental reimbursable employer as provided in subsection ~~9~~ 8, paragraph "b" ~~of this section~~, submit the billing to the director of revenue and finance. The director of revenue and finance shall pay the approved ~~billings~~ billing out of any funds in the state treasury not otherwise appropriated. A state agency, board, commission, or department shall reimburse the director of revenue and finance out of any revolving, special, trust, or federal fund from which all or a portion of the billing can be paid, for payments made by the director of revenue and finance on behalf of the agency, board, commission, or department.

~~9~~ 8. FINANCING BENEFITS PAID TO EMPLOYEES OF NONPROFIT ORGANIZATIONS. ~~Benefits paid to employees of nonprofit organizations or of any state-owned hospital or institution of higher education shall be financed in accordance with the provisions of this subsection. For the purpose of this subsection and section 96.19, a nonprofit organization is an organization described in the U.S. Internal Revenue Code, 26 U.S.C. 501(c)(3), which is exempt from income tax under 26 U.S.C. 501(a) of such Code.~~

a. ~~Any state-owned hospital or institution of higher education, which, pursuant to section 96.19, subsection 5, paragraph "h", or any~~ A nonprofit organization which, ~~pursuant to section 96.19, subsection 5, paragraph "i",~~ is, or becomes, subject to this chapter ~~on or after January 1, 1972~~, shall pay contributions under ~~the provisions of~~ subsections 1, and 2, ~~and 3 of this section,~~ unless ~~it~~ the nonprofit organization elects, in accordance with this paragraph, to ~~pay to the division of job service for~~ reimburse the unemployment compensation fund for benefits paid in an amount equal to the amount of regular benefits and of one-half of the extended benefits paid, ~~that is attributable to service in the employ of such nonprofit organization, to individuals for weeks of unemployment~~ which ~~begin~~ are based on wages paid for service in the employ of the nonprofit organization during the effective period of ~~such~~ the election.

(1) ~~Any~~ A nonprofit organization ~~or any state-owned hospital or institution of higher education which is, or becomes, subject to this chapter on January 1, 1972,~~ may elect to become ~~liable for payments in lieu of contributions~~ a reimbursable employer for a period of not less than two calendar years ~~commencing January 1, 1972, provided it files~~ by filing with the division a written notice of its election ~~within the thirty-day period immediately following such date or within a like period immediately following the effective date of this Act, whichever occurs later~~ not later than thirty days prior to the beginning of the calendar year for which the election is to be effective.

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

~~(3)~~ ~~Any~~ (2) A nonprofit organization ~~or any state-owned hospital or institution of higher education,~~ which makes an election in accordance with ~~subparagraphs~~ subparagraph (1) ~~or (2) of this paragraph~~ shall continue to be ~~liable for payments in lieu of contributions~~ a reimbursable employer until ~~it~~ the nonprofit organization files with the division a written notice terminating its election not later than thirty days prior to the beginning of the ~~taxable~~ calendar year for which ~~such~~ the termination ~~shall first~~ is to be effective.

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

~~(5)~~ (3) The division may for good cause extend the period within which a notice of election, or ~~a notice of~~ termination, of election must be filed and may permit an election or termination of election to be retroactive ~~but not any earlier than with respect to benefits paid after December 31, 1969~~.

~~(6)~~ (4) The division, in accordance with ~~such regulations as it may prescribe~~ rules, shall notify each nonprofit organization of any determination ~~which it may make~~ made by the division of ~~its~~ the status of the nonprofit organization as an employer and of the effective date of any election ~~which it makes and of any~~ or termination of ~~such~~ election. ~~Such determinations shall be~~ A determination is subject to ~~reconsideration,~~ appeal and review in accordance with ~~the provisions of~~ subsections ~~5~~ 4 and ~~6 of this section~~ 5.

b. ~~Payments~~ Reimbursements for benefits paid in lieu of contributions shall be made in accordance with the following:

(1) At the end of each calendar quarter, ~~or at the end of any other period as determined by the division,~~ the division shall bill each nonprofit organization which has elected to ~~make payments~~ reimburse the unemployment compensation fund for benefits paid in ~~lieu of contributions for~~ an amount equal to the full amount of regular benefits ~~plus~~ and one-half of the amount of extended benefits paid during ~~such~~ the quarter ~~or other prescribed period that is attributable to~~ which are based on wages paid for service in the employ of ~~such~~ the organization. ~~Unless federal funds are otherwise provided, at the end of each calendar quarter or other period determined by the division, the division shall also bill each governmental entity the amount of regular plus extended benefits owed as a governmental reimbursable employer for benefits paid during the quarter or period for such organization electing governmental reimbursable status including any benefits paid for a government entity for claims filed while the government entity was a contributing employer prior to an election to become a government reimbursable employer which were paid during the quarter or period.~~ Benefits paid to an individual shall be charged against the base period employers in the inverse chronological order in which the employment

of the individual occurred. However, the amount of benefits charged against an employer for a calendar quarter of the base period shall not exceed the amount of the individual's wage credits based upon employment with that employer during that quarter.

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

(3) ~~Payments~~ Reimbursements made by ~~any~~ a nonprofit organization ~~under the provisions of this subsection~~ shall not be deducted ~~or deductible~~, in whole or in part, from the ~~remuneration~~ wages of individuals in the employ of the nonprofit organization.

(4) The amount due specified in ~~any~~ a bill from the division ~~shall be~~ is conclusive ~~on the organization~~ unless, not later than fifteen days following the date the bill was mailed or otherwise delivered to ~~its~~ the last known address ~~or otherwise delivered to it~~ of the nonprofit organization, the nonprofit organization files an application for redetermination ~~by~~ with the division setting forth the grounds for ~~such~~ the application. The division shall promptly review ~~and reconsider~~ the amount due specified in the bill and shall ~~thereafter~~ issue a redetermination ~~in any case in which such application for redetermination has been filed~~. ~~Any such~~ The redetermination ~~shall be~~ is conclusive on the nonprofit organization unless, not later than ~~sixty~~ thirty days after the redetermination was mailed or otherwise delivered to ~~its~~ the last known address ~~or otherwise delivered to it~~ of the nonprofit organization, the nonprofit organization files an appeal to the district court pursuant to subsection ~~6 of this section~~ 5.

(5) The provisions for collection of contributions under section 96.14 ~~shall be~~ are applicable to ~~payments~~ reimbursements for benefits paid in lieu of contributions.

~~10~~ 9. ~~PROVISION OF~~ BOND OR OTHER SECURITY DEPOSITS. A nonprofit organization which elects, on or after July 1, 1975, to become ~~liable for payments in lieu of contributions~~ a reimbursable employer shall be required within thirty days after the effective date of the election to either execute and file with the division ~~of job service~~ a surety bond approved by the division or ~~the nonprofit organization may elect instead to~~ deposit with the division money or securities. ~~The amount of the bond or deposit shall be determined in accordance with this subsection.~~

a. The amount of the bond or deposit ~~required by this subsection~~ shall be equal to two and seven-tenths percent of the nonprofit organization's total taxable wages paid for employment ~~for~~ during the four calendar quarters immediately preceding the effective date of the election, or the renewal date ~~in the case~~ of a bond, ~~or the biennial anniversary of the effective date of election in the case of~~ or a deposit of money or securities, whichever date ~~shall be~~ is most recent and applicable. If the nonprofit organization did not pay wages in each of ~~such~~ the four calendar quarters, the amount of the bond or deposit shall be ~~as~~ determined by the division.

b. ~~Any~~ A bond ~~deposited~~ filed under this subsection shall be in force for a period of not less than two ~~taxable~~ years and shall be renewed with the approval of the division, at such times as the division may prescribe, but not less frequently than at two-year intervals ~~as long as the organization continues to be liable for payments in lieu of contributions~~. The division shall require adjustments to be made in a previously filed bond as it deems appropriate. If the bond is to be increased or decreased, the adjusted bond shall be filed by the nonprofit organization within thirty days of the date notice of the required adjustment was mailed or otherwise delivered ~~to it~~. Failure by ~~any~~ a nonprofit organization covered by ~~such~~ a bond to ~~pay the full amount of payments in lieu of contributions~~ fully reimburse the unemployment compensation fund for benefits paid when due, ~~together with any applicable interest and penalties provided for in section 96.14~~ shall render the surety liable ~~on said bond~~ for the due and unpaid reimbursements and any interest and penalty due as provided in section 96.14 to the extent of the bond, ~~as though the surety was such organization~~.

c. ~~Any deposit of money~~ Money or securities deposited in accordance with this subsection shall be retained by the division in an escrow account until the nonprofit organization's liability under the election is terminated, at which time ~~it~~ the money or securities shall be returned to the nonprofit organization, less any deductions ~~as hereinafter provided~~ made by the division. The division may ~~deduct~~ make deductions from the money deposited ~~under this paragraph by a nonprofit organization~~ or sell the securities ~~it has so~~ deposited ~~to the extent~~ if necessary to satisfy any due and unpaid ~~payments in lieu of contributions~~ reimbursements and any ~~applicable~~ interest and ~~penalties~~ penalty due as provided ~~for~~ in section 96.14. ~~The division shall require the organization within thirty days following any deduction from a money deposit or sale of deposited securities under the provisions of this paragraph to deposit sufficient additional money or securities to make whole the organization's deposit at the prior level. Any cash remaining from the sale of such securities shall be a part of the organization's escrow account.~~ The division may, at any time, review the adequacy of the deposit made by ~~any~~ a nonprofit organization. If~~, as a result of such review, it~~ the division determines that an adjustment is necessary, ~~it~~ the division shall require the organization to make an additional deposit within thirty days of written notice of ~~its~~ the determination or shall return to ~~it such~~ the nonprofit organization the portion of the deposit ~~as it~~ no longer ~~considers~~ considered necessary~~, whichever action is appropriate~~. Disposition of income from securities held in escrow or any cash remaining from the sale of securities shall be governed by the applicable provisions of the Code.

~~11. AUTHORITY TO TERMINATE ELECTIONS.~~

d. If ~~any~~ a nonprofit organization fails to file a bond or make a deposit, or to file a bond ~~in an increased amount or to increase or make whole the amount of a previously made deposit~~ or make a deposit to meet an adjustment, the division ~~of job service~~ may terminate ~~such~~ the nonprofit organization's election to ~~make payments~~ reimburse the unemployment compensation fund for benefits paid in lieu of making contributions ~~and such~~. The termination shall continue for not less than ~~the four-consecutive-calendar-quarter period~~ four consecutive calendar quarters beginning with the quarter in which ~~such~~ the termination becomes effective~~; provided, that~~. However, the division may extend for good cause the applicable filing, deposit, or adjustment period by not more than thirty days.

~~12. ALLOCATION OF BENEFIT COST. Each employer that is liable for payments in lieu of contributions shall pay to the division of job service for the fund the amount of regular benefits and unless a government entity plus the amount of one-half of extended benefits paid during each quarter that are attributable to service in the employ of such employer. A government entity shall make benefit payments in the amounts provided for a government reimbursable employer. If benefits paid to an individual are based on wages paid by more than one employer and one or more of such employers are liable for payments in lieu of contributions, the amount payable to the fund by each employer that is liable for such payment shall be payable each quarter by the base period employers in inverse chronological order in which the employment of such individual occurred. Provided, that the amount of any such employer's liability in any calendar quarter shall not exceed the amount of such individual's wage credits and unless a government entity plus one-half the amount of extended benefits based on employment with such employer during such quarter of the base period. A government entity's liability in any calendar quarter shall not exceed the amount of the individual's wage credits plus that amount of extended benefits a government entity is required to pay as a government reimbursable employer.~~

~~13~~ 10. GROUP ACCOUNTS. Two or more ~~employers that~~ nonprofit organizations or two or more governmental entities which have become ~~liable for payments in lieu of contributions,~~ reimbursable employers in accordance with ~~the provisions of~~ subsection 8 ~~and~~ 7 or subsection ~~9~~ 8, paragraph "a", ~~of this section~~ may file a joint application to the division ~~of job service~~ for the establishment of a group account for the purpose of sharing the cost of benefits paid ~~that~~ which are attributable to service in the employ of ~~such~~ the employers. ~~Each such~~ The

application shall identify and authorize a group representative to act as the group's agent for the purposes of this subsection. Upon ~~its~~ approval of the application, the division shall establish a group account for ~~such~~ the employers effective as of the beginning of the calendar quarter in which ~~it~~ the division receives the application and shall notify the group's ~~representative~~ agent of the effective date of the account. ~~Such~~ The account shall remain in effect for not less than one year ~~and thereafter~~ until terminated at the discretion of the division or upon application by the group. Upon establishment of the account, each employer member of the group shall be liable for ~~payments~~ benefit reimbursements in lieu of contributions with respect to each calendar quarter in ~~the~~ an amount ~~that~~ which bears the same ratio to the total benefits paid in ~~such~~ the quarter ~~that~~ which are attributable to service performed in the employ of all members of the group, as the total wages paid for service performed in ~~employment by such~~ the employ of the member in ~~such~~ the quarter bear to the total wages paid ~~during such quarter~~ for service performed in the employ of all members of the group in the quarter. The division shall ~~prescribe such regulations as it deems necessary~~ adopt rules with respect to applications for establishment, maintenance, and termination of group accounts ~~that are authorized by this subsection~~, for addition of new members to, and withdrawal of active members from, ~~such~~ group accounts, and for the determination of the amounts ~~that~~ which are payable ~~under this subsection~~ by members of the group and the time and manner of ~~such~~ the payments.

~~14. NONPROFIT ORGANIZATION ELECTION.~~

~~a. Notwithstanding any provisions in subsection 9 of this section, any nonprofit organization that prior to January 1, 1969, paid contributions required by this section and, pursuant to subsection 9 of this section, elects, before April 1, 1972, to make payments in lieu of contributions, shall not be required to make any such payment on account of any regular or extended benefits paid, on the basis of wages paid by such organization to individuals for weeks of unemployment which begin on or after the effective date of such election until the total amount of such benefits equals the amount of the positive balance in the experience rating account of such organization.~~

~~b. A nonprofit organization or group not required to be covered employment prior to January 1, 1978, that paid contributions as an employer prior to October 20, 1976, and which elects within thirty days after January 1, 1978, to make payments in lieu of contributions shall not be required to make any such payment for regular or extended benefits paid after its election until the total amount of benefits equal the amount of the positive balance in the experience rating account of such organization.~~

~~15~~ 11. TEMPORARY EMERGENCY ~~TAX~~ SURCHARGE. If on the first day of the third month in any calendar quarter, the division ~~of job service~~ has an outstanding balance of interest accrued on advance moneys received from the federal government for the payment of unemployment compensation benefits, or is projected to have an outstanding balance of accruing federal interest for that calendar quarter, the ~~commissioner~~ division shall collect a uniform temporary emergency surcharge for that calendar quarter, retroactive to the beginning of that calendar quarter. The surcharge shall be a percentage of employer contribution rates and shall be set at a uniform percentage, for all employers subject to the surcharge, necessary to pay the interest accrued on the moneys advanced to the division by the federal government, and to pay any additional federal interest which will accrue for the remainder of that calendar quarter. The surcharge shall apply to all employers except ~~government~~ governmental entities, nonprofit organizations, and employers assigned a zero contribution rate. The ~~commissioner~~ division shall ~~prescribe~~ adopt rules prescribing the manner in which the surcharge will be collected. Interest shall accrue on all unpaid surcharges under this subsection at the same rate as on regular contributions and shall be collectible in the same manner. The surcharge shall not affect the computation of regular contributions under this chapter.

A special fund to be known as the temporary emergency surcharge fund is created in the state treasury. The special fund is separate and distinct from the unemployment compensation ~~trust~~ fund. All contributions collected from the temporary emergency surcharge shall be

deposited in the special fund. The special fund shall be used only to pay interest accruing on advance moneys received from the federal government for the payment of unemployment compensation benefits. Interest earned upon moneys in the special fund shall be deposited in and credited to the special fund.

If the division determines on June 1 that no outstanding balance of interest due has accrued on advanced moneys received from the federal government for the payment of unemployment compensation benefits, and that no outstanding balance is projected to accrue for the remainder of the calendar year, the division shall notify the treasurer of state of its determination. The treasurer of state shall immediately transfer all moneys, including accrued interest, in the temporary emergency surcharge fund to the unemployment compensation fund for the payment of benefits.

~~16. ADVANCE PAYMENT. If on March 1, 1983, the total unemployment compensation trust funds available for the payment of benefits are less than ten times the average total weekly benefits paid during four consecutive weeks of January and February, 1983, the division of job service may require an advance payment of all or a portion of the actual or projected employer contributions due for the calendar quarter ending March 31, 1983, payable on March 31, 1983.~~

12. ADMINISTRATIVE CONTRIBUTION SURCHARGE — FUND.

a. An employer other than a governmental entity or a nonprofit organization, subject to this chapter, shall pay an administrative contribution surcharge equal in amount to one-tenth of one percent of federal taxable wages, as defined in section 96.19, subsection 20, paragraph "b". The division shall recompute the amount as a percentage of taxable wages, as defined in section 96.19, subsection 20, and shall add the percentage surcharge to the employer's contribution rate determined under this section. The division shall adopt rules prescribing the manner in which the surcharge will be collected. Interest shall accrue on all unpaid surcharges under this subsection at the same rate as on regular contributions and shall be collectible in the same manner.

b. A special fund to be known as the administrative contribution surcharge fund is created in the state treasury. The fund is separate and distinct from the unemployment compensation fund. All contributions collected from the administrative contribution surcharge shall be deposited in the fund. Interest earned upon moneys in the fund shall be deposited in and credited to the fund.

c. Moneys in the fund shall be used by the division only upon appropriation by the general assembly and only for personnel and nonpersonnel costs of rural and satellite job service offices in population centers of less than twenty thousand. After the end of a state fiscal year the treasurer of state shall promptly transfer all moneys in the fund which have not been appropriated or which have been appropriated but remain unencumbered or unobligated to the unemployment compensation fund.

d. This subsection is repealed July 1, 1990, and the repeal is applicable to contribution rates for calendar year 1991 and subsequent calendar years.

Sec. 5. Section 96.9, subsection 2, unnumbered paragraph 2, Code 1987, is amended to read as follows:

Interest paid upon the ~~trust fund~~ moneys deposited with the secretary of the treasury of the United States ~~under the provisions of this subsection 2 of this section for any calendar year~~ shall be ~~allocated and~~ credited to ~~and become a part of each employer's reserve account, said allocation to be made in the following manner: For the calendar year 1950 and each calendar year thereafter, the division shall add and credit to each employer's reserve account, the percentage of the total interest paid upon the aggregate of the reserve accounts of all of the employers in the state in said year that each such employer's individual reserve account bears to said aggregate reserve account~~ the unemployment compensation fund. ~~Said interest shall be credited and applied in the same manner as a voluntary contribution made by each such employer.~~

Sec. 6. Section 96.19, subsections 1, 20, and 38, Code 1987, are amended to read as follows:

1. ~~"ANNUAL PAYROLL". The term~~ "Average annual taxable payroll" ~~as used in subsection 3 "d" of section 96.7 means the total amount of taxable wages paid by an employer for insured work during the period of four consecutive calendar quarters ending on June 30 of each year, and the term "average annual payroll" as used in said subsection~~ means the average of the ~~"annual payrolls" of~~ total amount of taxable wages paid by an employer for insured work during the ~~last three~~ five periods of four consecutive calendar quarters immediately preceding the computation date. ~~Except that for an employer who qualifies on any computation date for a computed rate on the basis of less than twelve consecutive calendar quarters of chargeability immediately preceding the computation date, the term average annual payroll shall be the average of the annual payrolls for the last two periods of four consecutive calendar quarters immediately preceding the computation date.~~

20. ~~"TAXABLE WAGES". For the purposes of section 96.7, subsections 1 and 2 and for the period beginning January 1, 1972 and ending December 31, 1977, taxable wages shall not include that part of remuneration which, after remuneration equal to four thousand two hundred dollars has been paid in a calendar year to an individual by an employer or the employer's predecessor with respect to employment during any calendar year, is paid to such individual by such employer during such calendar year unless that part of the remuneration is subject to a tax under a federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund, except that for the calendar years 1976 and 1977 the remuneration figure shall be six thousand dollars.~~

~~For the purposes of this subsection, the term "employment" includes service constituting employment under any unemployment compensation law of another state provided such other state will consider service performed in Iowa in determining the contribution base.~~

~~For the calendar year beginning January 1, 1978, and each subsequent calendar year, taxable~~ "Taxable wages" means an amount of wages upon which an employer ~~shall be~~ is required to contribute based upon ~~remuneration~~ wages which ~~has~~ have been paid ~~in~~ during a calendar year to an individual by an employer or the employer's predecessor, in this state or another state which extends a like comity to this state, with respect to employment ~~during any calendar year shall be equal to~~, upon which the employer is required to contribute, which equals the greater of the following:

a. Sixty-six and two-thirds percent of the statewide average ~~annual~~ weekly wage ~~paid to employees in insured work~~ which was used during the previous calendar year to determine maximum weekly benefit amounts, multiplied by fifty-two and rounded to the next highest multiple of one hundred dollars ~~based upon the calculation made during the previous calendar year used to determine the maximum weekly benefit amount, or~~.

b. That portion of ~~remuneration~~ wages subject to a tax under a federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment compensation fund.

~~However, the amount of taxable wages otherwise determined under this subsection shall be increased by six hundred dollars for calendar year 1984, by eleven hundred dollars for calendar year 1985, and by sixteen hundred dollars for calendar year 1986 and subsequent calendar years.~~

38. "~~Government~~ Governmental entity"~~,~~ means a state, a state instrumentality, a political subdivision or an instrumentality of a political subdivision ~~instrumentality~~, or a combination of one or more of the preceding.

Sec. 7. Section 96.19, Code 1987, is amended by adding the following new subsections:

NEW SUBSECTION. 42. "Statewide average weekly wage" means the amount computed by the division at least once a year on the basis of the aggregate amount of wages reported by employers in the preceding twelve-month period ending on December 31 and divided by the product of fifty-two times the average mid-month employment reported by employers for the same twelve-month period. In determining the aggregate amount of wages paid statewide,

the division shall disregard any limitation on the amount of wages subject to contributions under this chapter.

NEW SUBSECTION. 43. "Nonprofit organization" means an organization described in the federal Internal Revenue Code, 26 U.S.C. § 501(c)(3), which is exempt from income taxation under 26 U.S.C. § 501(a).

NEW SUBSECTION. 44. "Division" means the division of job service of the department of employment services created in section 84A.1.

Sec. 8. REPEALS.

1. Section 96.7B, Code 1987, is repealed.
2. 1983 Iowa Acts, chapter 190, section 26, is repealed.

Sec. 9. APPLICABILITY.

1. This Act takes effect July 1, 1987 and is applicable to contribution rates for calendar year 1988 and subsequent calendar years.
2. Notwithstanding any other provision of chapter 96 or this Act relating to the applicable contribution rate table for calendar year 1988, the applicable contribution rate table for calendar year 1988 is rate table three, as amended in this Act.
3. Section 3 of this Act applies to benefit claims effectively filed for and after the first full week in calendar year 1988.

Sec. 10. FUTURE REPEAL. Sections 1, 2, 4, and 5, section 6 except for the amendment to section 96.19, subsection 20, and sections 7 and 9 of this Act are repealed effective July 1, 1988, and the repeals are applicable to contribution rates for calendar year 1989 and subsequent calendar years. The Code sections amended by sections 1, 2, 4, and 5, section 6 except for the amendment to section 96.19, subsection 20, and section 7 of this Act revert on July 1, 1988, applicable to contribution rates for calendar year 1989 and subsequent calendar years, to their content before amendment by this Act, and the Code sections as they existed before amendment by this Act are reenacted in that form.

Approved June 8, 1987