

CHAPTER 1034

UNEMPLOYMENT COMPENSATION — VOLUNTARY SHARED WORK PROGRAM CHANGES

H.F. 2199

AN ACT relating to conformity with federal law concerning the voluntary shared work program under the state unemployment insurance law and including applicability provisions.

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

Section 1. Section 96.40, subsection 2, paragraphs b, d, e, f, and j, Code 2014, are amended to read as follows:

b. The plan certifies that the aggregate reduction in work hours is in lieu of temporary layoffs which would have affected at least ten percent of the employees in the affected unit or units to which the plan applies and which would have resulted in an equivalent reduction in work hours. The employer provides an estimate of the number of layoffs that would occur absent participation in the program. “Affected unit” means a specified plant, department, shift, or other definable unit.

d. The shared work plan reduces the normal weekly hours of work for an employee in the affected unit by not less than twenty percent and not more than fifty percent with a corresponding reduction in wages. ~~Only full-time employees who normally work between thirty-five and forty hours per week are eligible to participate.~~

e. The reduction in hours and corresponding reduction in wages must be applied equally to all of the full-time employees in the affected unit.

f. The plan provides that fringe benefits will continue to be provided to employees in affected units as though their workweeks had not been reduced or to the same extent as other employees not participating in the program. “Fringe benefits” means employer-provided health benefits and retirement benefits under a defined benefit plan or a defined contribution plan pursuant to the Internal Revenue Code.

j. The plan is approved in writing by the collective bargaining representative for each employee organization or union which has members in the affected unit, and the plan provides for notification to employees in advance of participation.

Sec. 2. Section 96.40, subsection 2, Code 2014, is amended by adding the following new paragraph:

NEW PARAGRAPH. k. Participation by the employer shall be consistent with applicable federal and state laws.

Sec. 3. Section 96.40, subsections 7 and 9, Code 2014, are amended to read as follows:

7. The department shall pay an individual who is eligible for shared work benefits under this section a weekly shared work benefit amount equal to the individual’s regular weekly benefit amount for a period of total unemployment, less any deductible amounts under this chapter except wages received from any employer, multiplied by the full percentage of reduction in the individual’s hours as set forth in the employer’s shared work plan. If the shared work benefit amount calculated under this subsection is not a multiple of one dollar, the department shall round the amount so calculated to the next lowest multiple of one dollar. An individual shall be ~~ineligible~~ eligible for shared work benefits for any week in which the individual performs paid work for the participating employer ~~in excess of the reduced hours established under the shared work plan~~ for a number of hours equal to not less than twenty percent and not more than fifty percent of the normal weekly hours of work for the employee.

9. ~~a. Notwithstanding any other provisions of this chapter, all~~ All benefits paid under a shared work plan, ~~which are chargeable to the participating employer or any other base period employer of a participating employee, shall be charged to the account of the participating employer under the plan~~ in the manner provided in this chapter for the charging of regular benefits.

b. An employer may provide as part of the plan a training program the employees may attend during the hours that have been reduced. Such a training program may include a training program funded under the Workforce Investment Act of 1998, Pub. L. No. 105-220. If the employer is able to show that the training program will provide a substantive increase in the workplace and employability skills of the employee so as to reduce the potential for future periods of unemployment, the department shall relieve the employer of charges for benefits paid to the individual attending training under the plan. The employee may attend the training at the work site utilizing internal resources, provided the training is outside of the normal course of employment, or in conjunction with an educational institution.

Sec. 4. APPLICABILITY. This Act applies to all voluntary shared work plans approved by the department of workforce development on or after July 1, 2014.

Approved March 26, 2014