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W. D. 6/2

SENATE FILE 546

By COMMITTEE ON HUMAN AND INDUSTRIAL RELATIONS

See S.F. 704

Passed Senate, Date _____ Passed House, Date _____
 Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
 Approved _____

A BILL FOR

1 An Act to extend and improve the federal-state unemployment
2 compensation program.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section ninety-six point three (96.3), subsec-
2 tion four (4), unnumbered paragraph one (1), Code 1971, is
3 amended as follows:

4 An individual's weekly benefit amount shall be an amount
5 equal to one ~~twenty-second~~ twentieth of his total wages in
6 insured work paid during that quarter of his base period in
7 which such total wages were highest, subject to the following
8 limitation: The commission shall determine annually a maximum
9 weekly benefit amount by computing fifty percent of the average
10 weekly wage paid to employees in insured work which shall
11 be effective the first day of the first full week in July.
12 Beginning with the first full week in July of 1972, and each
13 year thereafter the maximum weekly benefit amount shall be
14 determined by computing fifty-five percent of the average
15 weekly wage paid to employees in insured work. Such maximum
16 weekly benefit amount, if not a multiple of one dollar shall
17 be rounded to the nearest multiple of one dollar.

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

20 Sec. 3. Section ninety-six point four (96.4), Code 1971,
21 is amended by adding the following subsections:

22 1. "Benefits based on service in employment, defined in
23 section ninety-six point nineteen (96.19), subsection seven
24 (7), of the Code, shall be payable in the same amount, on
25 the same terms and subject to the same conditions as compen-
26 sation payable on the basis of other service subject to this
27 chapter; except that benefits based on service in an instruc-
28 tional, research, or principal administrative capacity in
29 an institution of higher education shall not be paid to an
30 individual for any week of unemployment which begins during
31 the period between two successive academic years or during
32 a similar period between two regular terms, whether or not
33 successive, or during a period of paid sabbatical leave pro-
34 vided for in the individual's contract if the individual has
35 a contract or contracts to perform services in any such ca-

1 capacity for any institution or institutions of higher educa-
2 tion for both such academic years or both such terms."

3 2. "Notwithstanding any other provisions in this subsec-
4 tion, no otherwise eligible individual shall be denied benefits
5 for any week because he is in training with the approval of
6 the commission, nor shall such individual be denied benefits
7 with respect to any week in which he is in training with the
8 approval of the commission by reason of the application of
9 the provision in subsection three (3) of this section relating
10 to availability for work, and an active search for work or
11 the provision of subsection three (3) of this section relating
12 to failure to apply for or a refusal to accept suitable work."

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

15 b. He has been laid off from his regular employment and has
16 sought temporary employment, and has notified his temporary em-
17 ployer that he expected to return to his regular job when it be-
18 came available, and the temporary employer employed him under
19 these conditions, and the worker did return to his regular em-
20 ployment with his regular employer as soon as it was available,
21 ~~provided, however, if such temporary employment proves to be un-~~
22 ~~suitable, (if so found by the commission), he shall forfeit only~~
23 ~~the credits he may have earned in said unsuitable employment.~~

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

27 g. In the case where he left his work voluntarily without
28 good cause attributable to his employer under circumstances
29 which did or would disqualify him for benefits, under this sub-
30 section he, subsequent to such leaving, worked in and was paid
31 wages for insured work in an amount not less than nine times the
32 claimant's weekly benefit amount, provided he is otherwise
33 eligible, but in no event shall benefits be withheld after
34 twelve weeks from the date on which the claim was filed.

35 Sec. 6. Section ninety-six point six (96.6), Code 1971,

1 is amended by striking subsection two (2) and inserting in
2 lieu thereof the following:

3 2. INITIAL DETERMINATION. A representative designated
4 by the commission, shall promptly notify all interested parties
5 to the claim of the filing thereof, and said parties shall
6 have seven days from the date of mailing the notice of the
7 filing of said claim by ordinary mail to the last known address
8 to protest payment of benefits to said claimant. The repre-
9 sentative shall promptly examine the claim and any protest
10 thereto and, on the basis of the facts found by him shall
11 either determine whether or not such claim is valid, the week
12 with respect to which benefits shall commence, the weekly
13 benefit amount payable and the maximum duration thereof, and
14 whether any disqualification shall be imposed, or shall refer
15 such claim or any question involved therein to an appeal
16 tribunal or to the commission, which shall make its determina-
17 tion with respect thereto in accordance with the procedure
18 described in subsection three (3) of this section, except
19 that in any case in which the payment or denial of benefits
20 will be determined by the provisions of section ninety-six
21 point five (96.5), subsection four (4), of the Code, the
22 representative shall promptly transmit his full findings of
23 fact with respect to that subsection to the commission, which,
24 on the basis of the evidence submitted and such additional
25 evidence as it may require, shall affirm, modify, or set aside
26 such findings of fact and transmit to the representative a
27 decision upon the issues involved under that subsection.
28 The representative shall promptly notify the claimant and
29 any other interested party of the decision and the reasons
30 therefor. Unless the claimant or other interested party,
31 within five calendar days after the delivery of such
32 notification, or within seven calendar days after such
33 notification was mailed to his last-known address, files an
34 appeal from such decision, such decision shall be final and
35 benefits shall be paid or denied in accordance therewith.

1 If an appeal tribunal affirms a decision of the representative,
2 or the commission affirms a decision of an appeal tribunal,
3 allowing benefits, such benefits shall be paid regardless
4 of any appeal which may thereafter be taken, but if such
5 decision is finally reversed, no employer's account shall
6 be charged with benefits so paid.

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

10 (2) **Benefits** The amount of regular benefits plus fifty
11 percent of the amount of extended benefits, as determined
12 under section 32 of this Act paid to an eligible individual
13 shall be charged against the account of the employers in the
14 base period in the inverse chronological order in which the
15 employment of such individual occurred. Provided, that in
16 any case in which a claimant to whom such benefits are paid
17 is in the employ of a base period employer at the time he
18 is receiving such benefits, and he is receiving the same
19 employment from such employer that he received during his
20 base period, then no charge of benefits paid to such claimant
21 shall be made against the account of such employer.

22 Sec. 8. Section ninety-six point seven (96.7), subsection
23 three (3), paragraph "a", subparagraph three (3), Code 1971,
24 is amended as follows:

25 (3) The amount of regular benefits so charged in any
26 calendar quarter against the account of any employer shall
27 not exceed the amount of such individual's wage credits based
28 on employment with such employer during such quarter. The
29 amount of extended benefits so charged in any calendar quarter
30 against the account of any employer shall not exceed an ad-
31 ditional fifty percent of the amount of such individual's
32 wage credits based on employment with such employer during
33 such quarter.

34 Sec. 9. Section ninety-six point seven (96.7), subsection
35 three (3), paragraph "b", Code 1971, is amended by inserting

1 after unnumbered paragraph one (1), the following:

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

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

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

35 Provided, however, that application for such transfer of

1 partial record is made within sixty days from the date of
2 transfer and meets the approval of the predecessor and the
3 commission, and provided further that such partial record
4 shall include sufficient information for the proper administra-
5 tion of this chapter with respect to payment of unemployment
6 benefits and computation of future rates based on benefit
7 experience."

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

11 c. Each contributing employer's rate of contribution shall
12 be two and seven-tenths percent except as otherwise provided
13 in this chapter. No reduced rate of contribution shall be
14 granted to a contributing employer until there shall have
15 been twelve consecutive calendar quarters immediately preceding
16 the computation date throughout which his account has been
17 chargeable with benefit payments. Provided, that with respect
18 to the calendar year commencing January 1, 1972 and each
19 calendar year thereafter, and except as provided in paragraphs
20 "d" and "e" of this subsection, a contributing employer who
21 has not been subject to this chapter for a sufficient period
22 of time to meet the twelve-quarter requirement shall qualify
23 for a computed rate of contribution if there shall have been
24 a lesser period throughout which his account has been
25 chargeable, but in no event less than eight consecutive
26 calendar quarters immediately preceding the computation date;
27 provided further, that with respect to the calendar year
28 commencing January 1, 1972 and each calendar year thereafter,
29 and except as provided in paragraphs "d" and "e" of this
30 subsection, each contributing employer newly subject to this
31 chapter shall pay contributions at the rate of one and five-
32 tenths percent until the end of the calendar year in which
33 the employer shall have had eight consecutive calendar quarters
34 immediately preceding the computation date throughout which
35 his account has been chargeable with benefit payments,

1 thereafter his contribution rate shall be determined in
 2 accordance with paragraphs "d" and "e" of this subsection.

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

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

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

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

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

25 If the current reserve fund ratio, divided by the minimum
 26 adequate reserve fund ratio:

27	Equals or exceeds	But is less than	The table in effect
28	_____	_____	shall be
29	---	1.5	1
30	1.5	2.0	2
31	2.0	2.5	3
32	2.5	3.0	4
33	3.0	--	5

34 Each employer's rate for each calendar year after December
 35 31, 1971, shall be determined on the basis of his record and

1 the record of the predecessor owner of such enterprise, if
 2 any, up to the computation date for such year. If, on the
 3 computation date, the total of all contributions paid to an
 4 employer's account for all past periods to and including those
 5 for the quarter ending September thirtieth immediately
 6 preceding the computation date exceeds the total benefits
 7 charged to such account for all past periods to and including
 8 those for the quarter ending September thirtieth immediately
 9 preceding the computation date, such employer's contribution
 10 rate subject to the adjustment hereinafter provided, shall
 11 be fixed in accordance with the following effective table.
 12 Percentage of excess in said table means the percentage
 13 resulting from dividing the excess of contributions paid over
 14 benefits charged by the employer's average annual payroll.

	Table	Table	Table	Table	Table
Tax					
Rates	1	2	3	4	5
	Less than				
2.7	2.2	1.9	1.6	1.3	1.0
2.5	2.2--2.3	1.9--2.0	1.6	1.3	1.0
2.3	2.4--2.5	2.1--2.2	1.7	1.4	1.1
2.1	2.6--2.7	2.3--2.4	1.8	1.5	1.2
1.9	2.8--2.9	2.5--2.6	1.9	1.6	1.3
1.7	3.0--3.1	2.7--2.8	2.0--2.1	1.7	1.4
1.5	3.2--3.3	2.9--3.0	2.2--2.3	1.8	1.5
1.3	3.4--3.5	3.1--3.2	2.4--2.5	1.9	1.6
1.1	3.6--3.8	3.3--3.4	2.6--2.7	2.0--2.1	1.7
0.9	3.9--4.2	3.5--3.6	2.8--3.0	2.2--2.3	1.8
0.7	4.3--4.7	3.7--4.0	3.1--3.5	2.4--2.6	1.9
0.5	4.8--5.4	4.1--4.6	3.6--4.3	2.7--3.1	2.0--2.1
0.3	5.5--6.3	4.7--5.6	4.4--5.4	3.2--4.6	2.2--2.4
0.2					2.5--2.8
0.1	6.4--7.4	5.7--7.1	5.5--6.9	4.7--6.6	2.9--3.3
0.075					3.4--4.0
0.050					4.1--5.0

1 0.025 5.1--6.4
2 0.0 7.5 & over 7.2 & over 7.0 & over 6.7 & over 6.5 & over

3 If, on the computation date, the total of all benefits
4 paid from an employer's account for all past periods to and
5 including those for the quarter ending September thirtieth
6 immediately preceding the computation date, exceeds the total
7 contributions paid to such account for all past periods to
8 and including those for the quarter ending September thirtieth
9 immediately preceding the computation date, such employer's
10 contribution rate shall be:

11 Contribution

12 Rate	Percentage of Excess Is
13 4.0%	0.5% or more
14 3.5%	0.1% but less than 0.5%
15 3.0%	0.0% but less than 0.1%

16 Provided, that the maximum contribution rate of any employer
17 for the calendar year 1966 shall not be more than three
18 percent, and for the calendar year 1967 shall not be more
19 than three and five-tenths percent. Provided, however, that
20 notwithstanding any other provision of this chapter, any
21 employer which employs individuals in the construction,
22 erection, demolition, alteration or repair of roads and
23 highways, or of bridges, buildings, factories, residences,
24 earthwork, grading, river work, or any other construction
25 project, and who has not qualified for an experience rating
26 shall pay three percent in the calendar year 1966, three and
27 five-tenths percent in the calendar year 1967, and four point
28 zero percent in the calendar year 1968 and every calendar
29 year thereafter until such time as he has qualified for an
30 experience rating entitling said employer to a lesser rate
31 of contribution. Except that such employer shall not qualify
32 for a lesser rate of contribution until there shall have been
33 twelve consecutive calendar quarters immediately preceding
34 the computation date throughout which his account has been
35 chargeable with benefit payments. Provided further, that

1 in no event shall any employer's contribution rate be more
2 than two and seven-tenths percent of the first ten thousand
3 dollars of wages for insured work paid during any calendar
4 quarter.

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

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

17 Sec. 13. Section ninety-six point seven (96.7), Code 1971,
18 is amended by adding the following new subsections:

19 "8. FINANCING BENEFITS PAID TO STATE EMPLOYEES. Any state
20 agency, board, commission, department, or instrumentality
21 thereof, other than state-owned hospitals and institutions
22 of higher education, which, pursuant to section ninety-six
23 point nineteen (96.19), subsection six (6), paragraph 'h',
24 of the Code, provided for in section twenty-one (21) of this
25 Act, is, or becomes, subject to this Act on or after January
26 1, 1972, shall pay to the commission for the unemployment
27 fund an amount equal to the amount of regular benefits and
28 of one-half of the extended benefits paid, that is attributable
29 to service in the employ of such state agency, board,
30 commission, department, or instrumentality thereof. Such
31 payments shall be made in accordance with the provisions of
32 section ninety-six point seven (96.7), subsection nine (9),
33 paragraph 'b', of the Code, provided for in this section.

34 9. FINANCING BENEFITS PAID TO EMPLOYEES OF NONPROFIT
35 ORGANIZATIONS. Benefits paid to employees of nonprofit organi-

1 zations or of any state-owned hospital or institution of
2 higher education shall be financed in accordance with the
3 provisions of this subsection. For the purpose of this
4 subsection and section ninety-six point nineteen (96.19) of
5 the Code, a nonprofit organization is an organization described
6 in the U. S. Internal Revenue Code, 26 U.S.C. 501 (c) (3),
7 which is exempt from income tax under 26 U.S.C. 501 (a) of
8 such Code.

9 a. Any state-owned hospital or institution of higher
10 education, which, pursuant to section ninety-six point nineteen
11 (96.19), subsection six (6), paragraph 'h', of the Code,
12 provided for in section twenty-one (21) of this Act, or any
13 nonprofit organization which, pursuant to section ninety-six
14 point nineteen (96.19), subsection six (6), paragraph 'i',
15 of the Code, provided for in section twenty-one (21) of this
16 Act, is, or becomes, subject to this Act on or after January
17 1, 1972, shall pay contributions under the provisions of sub-
18 sections one (1), two (2), and three (3) of this section,
19 unless it elects, in accordance with this paragraph, to pay
20 to the commission for the unemployment fund an amount equal
21 to the amount of regular benefits and of one-half of the
22 extended benefits paid, that is attributable to service in
23 the employ of such nonprofit organization, to individuals
24 for weeks of unemployment which begin during the effective
25 period of such election.

26 (1) Any nonprofit organization or any state-owned hospital
27 or institution of higher education which is, or becomes,
28 subject to this Act on January 1, 1972, may elect to become
29 liable for payments in lieu of contributions for a period
30 of not less than two calendar years commencing January 1,
31 1972, provided it files with the commission a written notice
32 of its election within the thirty-day period immediately fol-
33 lowing such date or within a like period immediately following
34 the effective date of this Act, whichever occurs later.

35 (2) Any nonprofit organization or any state-owned hospital

1 or institution of higher education, which becomes subject
2 to this Act after January 1, 1972, may elect to become liable
3 for payments in lieu of contributions for a period of not
4 less than two calendar years following the date on which such
5 subjectivity begins by filing a written notice of its election
6 with the commission not later than thirty days immediately
7 following the date of the determination of such subjectivity.

8 (3) Any nonprofit organization or any state-owned hospital
9 or institution of higher education, which makes an election
10 in accordance with subparagraphs one (1) or two (2) of this
11 paragraph shall continue to be liable for payments in lieu
12 of contributions until it files with the commission a written
13 notice terminating its election not later than thirty days
14 prior to the beginning of the taxable year for which such
15 termination shall first be effective.

16 (4) Any nonprofit organization or any state-owned hospital
17 or institution of higher education, which has been paying
18 contributions under this Act for a period on or after January
19 1, 1972, may change to a reimbursable basis by filing with
20 the commission not later than thirty days prior to the
21 beginning of any taxable year a written notice of election
22 to become liable for payments in lieu of contributions. Such
23 election shall not be terminable by the organization for that
24 and the next year.

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

30 (6) The commission, in accordance with such regulations
31 as it may prescribe, shall notify each nonprofit organiza-
32 tion of any determination which it may make of its status
33 as an employer and of the effective date of any election which
34 it makes and of any termination of such election. Such
35 determinations shall be subject to reconsideration, appeal

1 and review in accordance with the provisions of subsections
2 five (5) and six (6) of this section.

3 b. Payments in lieu of contributions shall be made in
4 accordance with the following:

5 (1) At the end of each calendar quarter, or at the end
6 of any other period as determined by the commission, the
7 commission shall bill each nonprofit organization which has
8 elected to make payments in lieu of contributions for an
9 amount equal to the full amount of regular benefits plus one-
10 half of the amount of extended benefits paid during such
11 quarter or other prescribed period that is attributable to
12 service in the employ of such organization.

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

19 (3) Payments made by any nonprofit organization under
20 the provisions of this subsection shall not be deducted or
21 deductible, in whole or in part, from the remuneration of
22 individuals in the employ of the organization.

23 (4) The amount due specified in any bill from the commis-
24 sion shall be conclusive on the organization unless, not later
25 than fifteen days following the date the bill was mailed to
26 its last known address or otherwise delivered to it, the
27 organization files an application for redetermination by the
28 commission setting forth the grounds for such application.
29 The commission shall promptly review and reconsider the amount
30 due specified in the bill and shall thereafter issue a re-
31 determination in any case in which such application for re-
32 determination has been filed. Any such redetermination shall
33 be conclusive on the organization unless, not later than sixty
34 days after the redetermination was mailed to its last known
35 address or otherwise delivered to it, the organization files

1 an appeal to the district court pursuant to subsection six
2 (6) of this section.

3 (5) The provisions for collection of contributions under
4 section ninety-six point fourteen (96.14) of the Code shall
5 be applicable to payments in lieu of contributions.

6 10. PROVISION OF BOND OR OTHER SECURITY. In the discretion
7 of the commission, any nonprofit organization that elects
8 to become liable for payments in lieu of contributions shall
9 be required within thirty days after the effective date of
10 its election to execute and file with the commission a surety
11 bond approved by the commission or it may elect instead to
12 deposit with the commission money or securities. The amount
13 of such bond or deposit shall be determined in accordance
14 with the provisions of this subsection.

15 a. The amount of the bond or deposit required by this
16 subsection shall be equal to two and seven-tenths percent
17 of the organization's total taxable wages paid for employment
18 for the four calendar quarters immediately preceding the
19 effective date of the election, the renewal date in the case
20 of a bond, or the biennial anniversary of the effective date
21 of election in the case of a deposit of money or securities,
22 whichever date shall be most recent and applicable. If the
23 nonprofit organization did not pay wages in each of such four
24 calendar quarters, the amount of the bond or deposit shall
25 be as determined by the commission.

26 b. Any bond deposited under this subsection shall be in
27 force for a period of not less than two taxable years and
28 shall be renewed with the approval of the commission, at such
29 times as the commission may prescribe, but not less frequently
30 than at two-year intervals as long as the organization
31 continues to be liable for payments in lieu of contributions.
32 The commission shall require adjustments to be made in a
33 previously filed bond as it deems appropriate. If the bond
34 is to be increased, the adjusted bond shall be filed by the
35 organization within thirty days of the date notice of the

1 required adjustment was mailed or otherwise delivered to it.
2 Failure by any organization covered by such bond to pay the
3 full amount of payments in lieu of contributions when due,
4 together with any applicable interest and penalties provided
5 for in section ninety-six point fourteen (96.14) of the Code
6 shall render the surety liable on said bond to the extent
7 of the bond, as though the surety was such organization.

8 c. Any deposit of money or securities in accordance with
9 this subsection shall be retained by the commission in an
10 escrow account until liability under the election is
11 terminated, at which time it shall be returned to the
12 organization, less any deductions as hereinafter provided.
13 The commission may deduct from the money deposited under this
14 paragraph by a nonprofit organization or sell the securities
15 it has so deposited to the extent necessary to satisfy any
16 due and unpaid payments in lieu of contributions and any
17 applicable interest and penalties provided for in section
18 ninety-six point fourteen (96.14) of the Code. The commission
19 shall require the organization within thirty days following
20 any deduction from a money deposit or sale of deposited
21 securities under the provisions of this paragraph to deposit
22 sufficient additional money or securities to make whole the
23 organization's deposit at the prior level. Any cash remaining
24 from the sale of such securities shall be a part of the
25 organization's escrow account. The commission may, at any
26 time, review the adequacy of the deposit made by any
27 organization. If, as a result of such review, it determines
28 that an adjustment is necessary, it shall require the
29 organization to make additional deposit within thirty days
30 of written notice of its determination or shall return to
31 it such portion of the deposit as it no longer considers
32 necessary, whichever action is appropriate. Disposition of
33 income from securities held in escrow shall be governed by
34 the applicable provisions of the Code.

35 11. AUTHORITY TO TERMINATE ELECTIONS. If any nonprofit

1 organization fails to file a bond or make a deposit, or to
2 file a bond in an increased amount or to increase or make
3 whole the amount of a previously made deposit, the commission
4 may terminate such organization's election to make payments
5 in lieu of contributions and such termination shall continue
6 for not less than the four-consecutive-calendar-quarter period
7 beginning with the quarter in which such termination becomes
8 effective; provided, that the commission may extend for good
9 cause the applicable filing, deposit, or adjustment period
10 by not more than thirty days.

11 12. ALLOCATION OF BENEFIT COST. Each employer that is
12 liable for payments in lieu of contributions shall pay to
13 the commission for the fund the amount of regular benefits
14 plus the amount of one-half of extended benefits paid during
15 each quarter that are attributable to service in the employ
16 of such employer. If benefits paid to an individual are based
17 on wages paid by more than one employer and one or more of
18 such employers are liable for payments in lieu of
19 contributions, the amount payable to the fund by each employer
20 that is liable for such payment shall be payable each quarter
21 by the base period employers in inverse chronological order
22 in which the employment of such individual occurred. Provided,
23 that the amount of any such employer's liability in any
24 calendar quarter shall not exceed the amount of such
25 individual's wage credits plus one-half the amount of extended
26 benefits based on employment with such employer during such
27 quarter of the base period.

28 13. GROUP ACCOUNTS. Two or more employers that have
29 become liable for payments in lieu of contributions, in
30 accordance with the provisions of subsection nine (9),
31 paragraph 'a', of this section, may file a joint application
32 to the commission for the establishment of a group account
33 for the purpose of sharing the cost of benefits paid that
34 are attributable to service in the employ of such employers.
35 Each such application shall identify and authorize a group

1 representative to act as the group's agent for the purposes
2 of this subsection. Upon its approval of the application,
3 the commission shall establish a group account for such
4 employers effective as of the beginning of the calendar quarter
5 in which it receives the application and shall notify the
6 group's representative of the effective date of the account.
7 Such account shall remain in effect for not less than one
8 year and thereafter until terminated at the discretion of
9 the commission or upon application by the group. Upon
10 establishment of the account, each member of the group shall
11 be liable for payments in lieu of contributions with respect
12 to each calendar quarter in the amount that bears the same
13 ratio to the total benefits paid in such quarter that are
14 attributable to service performed in the employ of all members
15 of the group as the total wages paid for service in employment
16 by such member in such quarter bear to the total wages paid
17 during such quarter for service performed in the employ of
18 all members of the group. The commission shall prescribe
19 such regulations as it deems necessary with respect to
20 applications for establishment, maintenance and termination
21 of group accounts that are authorized by this subsection,
22 for addition of new members to, and withdrawal of active
23 members from, such accounts, and for the determination of
24 the amounts that are payable under this subsection by members
25 of the group and the time and manner of such payments.

26 14. Notwithstanding any provisions in subsection nine
27 (9), of this section, any nonprofit organization that prior
28 to January 1, 1969, paid contributions required by this section
29 of the Code, and, pursuant to subsection nine (9) of this
30 section, elects, within thirty days after the effective date
31 of this Act to make payments in lieu of contributions, shall
32 not be required to make any such payment on account of any
33 regular or extended benefits paid, on the basis of wages paid
34 by such organization to individuals for weeks of unemployment
35 which begin on or after the effective date of such election

1 until the total amount of such benefits equals the amount
2 of the positive balance in the experience rating account of
3 such organization."

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

6 2. VOLUNTARY TERMINATION. Except as otherwise provided
7 in subsection 3 of this section, an employing unit shall cease
8 to be an employer subject to this chapter, as of the first
9 day of January of any calendar year, if it files with the
10 commission, prior to the fifteenth day of February of such
11 year, a written application for termination of coverage, and
12 the commission finds that ~~there was no twenty-different-weeks~~
13 ~~within-the-preceding-calendar-year-within-which-such-employing~~
14 ~~unit-employed-four-or-more-individuals-in-employment-subject~~
15 ~~to-this-chapter.--For-the-purpose-of-this-subsection,-the~~
16 ~~two-or-more-employing-units-mentioned-in-paragraph-"b"-or~~
17 ~~"c"-or-"d"-of-section-96.19-subsection-6-shall-be-treated~~
18 ~~as-a-single-employing-unit~~ such employing unit did not meet
19 any of the qualifying liability requirements as provided under
20 section 96.19, subsection 6, paragraphs "a," "b," "c," "d,"
21 "e," "f," or "g," and section 96.19, subsection 6, paragraphs
22 "h" or "i" provided for in section twenty-one (21) of this
23 Act, in the preceding calendar year.

24 Sec. 15. Section ninety-six point eight (96.8), subsection
25 three (3), Code 1971, is amended by adding the following new
26 subsection:

27 c. Any political subdivision of this state may elect to
28 cover under this Act service performed by employees in all
29 of the hospitals and institutions of higher education operated
30 by such political subdivision. Election is to be made by
31 filing with the commission a notice of such election at least
32 thirty days prior to the effective date of such election.
33 The election may exclude any services described in section
34 ninety-six point nineteen (96.19), subsection seven (7),
35 paragraph "g", subparagraph seven (7) of the Code, provided

1 for in section twenty-five (25) of this Act. Any political
2 subdivision electing coverage under this paragraph shall make
3 payments in lieu of contributions with respect to benefits
4 attributable to such employment as provided with respect to
5 nonprofit organizations in section ninety-six point seven
6 (96.7), subsection nine (9), paragraph "b", of the Code,
7 provided for in section thirteen (13) of this Act. The
8 provisions in section ninety-six point four (96.4) of the
9 Code, provided for in section three (3) of this Act, with
10 respect to benefit rights based on service for state and
11 nonprofit institutions of higher education shall be applicable
12 also to service covered by an election under this section.

13 The amounts required to be paid in lieu of contributions
14 by any political subdivision under this paragraph shall be
15 billed and payment made as provided in section ninety-six
16 point seven (96.7), subsection nine (9), paragraph "b", of
17 the Code, provided for in section thirteen (13) of this Act,
18 with respect to similar payments by nonprofit organizations.

19 An election under this section may be terminated, by filing
20 with the commission written notice not later than thirty days
21 preceding the last day of the calendar year in which the ter-
22 mination is to be effective. Such termination becomes effec-
23 tive as of the first day of the next ensuing calendar year
24 with respect to services performed after that date.

25 Sec. 16. Section ninety-six point eleven (96.11), subsec-
26 tion eleven (11), Code 1971, is amended by striking unnumbered
27 paragraph one (1) and inserting in lieu thereof the follow-
28 ing:

29 "In the administration of this chapter, the commission
30 shall cooperate with the United States department of labor
31 to the fullest extent consistent with the provisions of this
32 chapter, and shall take such action, through the adoption
33 of appropriate rules, regulations, administrative methods
34 and standards, as may be necessary to secure to this state
35 and its citizens all advantages available under the provisions

1 of the Social Security Act that relates to unemployment
2 compensation, the Federal Unemployment Tax Act, the Wagner-
3 Peyser Act, and the Federal-State Extended Unemployment
4 Compensation Act of 1970.

5 In the administration of the provisions of section thirty-
6 two (32) of this Act which are enacted to conform with the
7 requirements of the Federal-State Extended Unemployment
8 Compensation Act of 1970, the commission shall take such
9 action as may be necessary to insure that the provisions are
10 so interpreted and applied as to meet the requirements of
11 such federal Act as interpreted by the United States department
12 of labor, and to secure to this state the full reimbursement
13 of the federal share of extended benefits paid under this
14 chapter that are reimbursable under the federal Act.

15 The commission shall make such reports, in such form and
16 containing such information as the United States department
17 of labor may from time to time require, and shall comply with
18 such provisions as the United States department of labor may
19 from time to time find necessary to assure the correctness
20 and verification of such reports; and shall comply with the
21 regulations prescribed by the United States department of
22 labor governing the expenditures of such sums as may be al-
23 lotted and paid to this state under title three (III) of the
24 Social Security Act for the purpose of assisting in adminis-
25 tration of this chapter."

26 Sec. 17. Section ninety-six point nineteen (96.19), subsec-
27 tion one (1), Code 1971, is amended as follows:

28 1. "ANNUAL PAYROLL." The term "annual payroll" as used
29 in subsection 3 "d" of section 96.7 means the total amount
30 of taxable wages paid by an employer for insured work during
31 the period of four consecutive calendar quarters ending on
32 September 30 of each year, and the term "average annual pay-
33 roll" as used in said subsection means the average of the
34 "annual payrolls" of an employer for the last three periods
35 of four consecutive calendar quarters immediately preceding

1 the computation date. Except that for an employer who
2 qualifies on any computation date for a computed rate on the
3 basis of less than twelve consecutive calendar quarters of
4 chargeability immediately preceding the computation date,
5 the term average annual payroll shall be the average of the
6 annual payrolls for the last two periods of four consecutive
7 calendar quarters immediately preceding the computation date.

8 Sec. 18. Section ninety-six point nineteen (96.19), sub-
9 section six (6), Code 1971, is amended by striking paragraphs
10 "a", "b", and "c" and inserting in lieu thereof the following:

11 a. For purposes of this chapter the term "employer" means
12 with respect to any calendar year after December 31, 1971
13 any employing unit which in any calendar quarter in either
14 the current or preceding calendar year paid for service in
15 employment wages (as defined in subsection thirteen (13) of
16 this Act) of one thousand five hundred dollars or more, or
17 for some portion of a day in each of twenty different calendar
18 weeks, whether or not such weeks were consecutive, in either
19 the current or the preceding calendar year, had in employment
20 at least one individual (irrespective of whether the same
21 individual was in employment in each such day).

22 b. Any employing unit (whether or not an employing unit
23 at the time of acquisition) which acquired the organization,
24 trade, or business, or substantially all of the assets thereof,
25 of another employing unit which at the time of such acqui-
26 sition was an employer subject to this chapter, or which acquired
27 a part of the organization, trade, or business of another
28 employing unit which at the time of such acquisition was an
29 employer subject to this chapter. Provided, that such other
30 employing unit would have been an employer under paragraph
31 "a" of this subsection, if such part had constituted its
32 entire organization, trade, or business.

33 c. Any employing unit which acquired the organization,
34 trade, or business, or substantially all the assets of an-
35 other employing unit and which, if treated as a single unit

1 with such other employing unit, would be an employer under
2 paragraph "a" of this subsection.

3 Sec. 19. Section ninety-six point nineteen (96.19), sub-
4 section six (6), paragraph "e", Code 1971, is amended as
5 follows:

6 e. Any employing unit which, having become an employer
7 under paragraph "a", "b", "c" ~~or~~, "d", "f", "g", or "h" or
8 "i" as provided for in section twenty-one (21) of this Act,
9 has not, under section 96.8, ceased to be an employer subject
10 to this chapter.

11 Sec. 20. Section ninety-six point nineteen (96.19), subsec-
12 tion six (6), paragraph "g", Code 1971, is amended by strik-
13 ing unnumbered paragraph one (1) and inserting in lieu thereof
14 the following:

15 Any employing unit not an employer by reason of any other
16 paragraph of this subsection for which, within either the
17 current or preceding calendar year, service is or was performed
18 with respect to which such employing unit is liable for any
19 federal tax against which credit may be taken for contribu-
20 tions required to be paid into a state unemployment fund;
21 or which, as a condition for approval of this Act for full
22 tax credit against the tax imposed by the Federal Unemployment
23 Tax Act (26 U.S.C. 3301-3308), is required, pursuant to such
24 Act, to be an "employer" under this Act.

25 Sec. 21. Section ninety-six point nineteen (96.19), sub-
26 section six (6), Code 1971, is amended by adding the follow-
27 ing new paragraphs:

28 h. Any employing unit for which service in employment
29 as defined in subsection seven (7), paragraph "a", subparagraph
30 four (4), of this section, provided for in section twenty-
31 two (22) of this Act, is performed after December 31, 1971.

32 i. Any employing unit for which service in employment,
33 as defined in subsection seven (7), paragraph "a", subparagraph
34 five (5), of this section provided for in section twenty-two (22)
35 of this Act, is performed after December 31, 1971.

1 j. For purposes of paragraphs "a" and "i", employment
2 shall include service which would constitute employment but
3 for the fact that such service is deemed to be performed
4 entirely within another state pursuant to an election under
5 an arrangement entered into in accordance with subsection
6 seven (7), paragraph "d" of this section, by the commission
7 and an agency charged with the administration of any other
8 state or federal unemployment compensation law.

9 k. For purposes of paragraphs "a" and "i" of this sub-
10 section, if any week includes both December thirty-first and
11 January first, the days of that week up to January first shall
12 be deemed one calendar week and the days beginning January
13 first another such week.

14 Sec. 22. Section ninety-six point nineteen (96.19), sub-
15 section seven (7), Code 1971, is amended by striking paragraph
16 "a" and inserting in lieu thereof the following:

17 a. Except as otherwise provided in this section "employ-
18 ment" means service, including service in interstate com-
19 merce, performed for wages or under any contract of hire,
20 written or oral, expressed or implied. Employment also means
21 any service performed prior to January 1, 1972, which was
22 employment as defined in this subsection prior to such date
23 and, subject to the other provisions of this subsection,
24 service performed after December 31, 1971, by:

- 25 (1) Any officer of a corporation, or
- 26 (2) Any individual who, under the usual common law rules
27 applicable in determining the employer-employee relationship,
28 has the status of an employee, or
- 29 (3) Any individual other than an individual who is an
30 employee under subparagraphs one (1) or two (2) of this para-
31 graph who performs services for remuneration for any person
32 as an agent driver or commission driver engaged in distribut-
33 ing meat products, vegetable products, fruit products, bakery
34 products, beverages (other than milk), or laundry or dry
35 cleaning services for his principal; as a traveling or city

1 salesman, other than as an agent driver or commission driver,
2 engaged upon a full-time basis in the solicitation on behalf
3 of, and the transmission to, his principal (except for side-
4 line sales activities on behalf of some other person) of
5 orders from wholesalers, retailers, contractors, or operators
6 of hotels, restaurants, or other similar establishments for
7 merchandise for resale or supplies for use in their business
8 operations.

9 Provided, that for purposes of paragraph "a", subparagraph
10 three (3) the term "employment" shall include services per-
11 formed after December 31, 1971, only if:

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

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

18 (c) The services are not in the nature of single transac-
19 tion that is not part of a continuing relationship with the
20 person for whom the services are performed.

21 (4) Service performed after December 31, 1971, by an in-
22 dividual in the employ of this state or any of its wholly
23 owned instrumentalities.

24 (5) Service performed after December 31, 1971, by an in-
25 dividual in the employ of a religious, charitable, educational
26 or other organization, but only if the service is excluded
27 from "employment" as defined in the Federal Unemployment Tax
28 Act (26 U.S.C. 3301-3308) solely by reason of section 3306
29 (c)(8) of that Act.

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

33 (a) In the employ of a church or convention or associa-
34 tion of churches, or an organization which is operated pri-
35 marily for religious purposes and which is operated, super-

1 vised, controlled, or principally supported by a church or
2 convention or association of churches.

3 (b) By a duly ordained, commissioned, or licensed minister
4 of a church in the exercise of his ministry or by a member
5 of a religious order in the exercise of duties required by
6 such order.

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

9 (d) In a facility conducted for the purpose of carrying
10 out a program of rehabilitation for individuals whose earn-
11 ing capacity is impaired by age or physical or mental de-
12 ficiency or injury or providing remunerative work for in-
13 dividuals who, because of their impaired physical or mental
14 capacity, cannot be readily absorbed in the competitive labor
15 market by an individual receiving such rehabilitation or re-
16 munerative work.

17 (e) As part of an unemployment work relief or work train-
18 ing program assisted or financed in whole or in part by any
19 federal agency or an agency of a state or political subdivi-
20 sion thereof, by an individual receiving such work relief
21 or work training; or

22 (f) For a hospital in a state prison or other state cor-
23 rectional institution by an inmate of the prison or
24 correctional institution.

25 Sec. 23. Section ninety-six point nineteen (96.19), sub-
26 section seven (7), paragraph "b", Code 1971, is amended by
27 striking subparagraph two (2) and inserting in lieu thereof
28 the following:

29 (2) The service is not localized in any state but some
30 of the service is performed in this state and (i) the base
31 of operations, or, if there is no base of operations, then
32 the place from which such service is directed or controlled,
33 is in this state; or (ii) the base of operations or place
34 from which such service is directed or controlled is not in
35 any state in which some part of the service is performed,

1 but the individual's residence is in this state, or

2 (3) The service is performed outside the United States
3 (except in Canada or the Virgin Islands) after December 31,
4 1971, by a citizen of the United States in the employ of an
5 American employer (other than service which is deemed "em-
6 ployment" under the provisions of subparagraphs one (1) and
7 two (2) of this paragraph or the parallel provisions of another
8 state law), if:

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

11 (b) The employer has no place of business in the United
12 States but the employer is an individual who is a resident
13 of this state, or the employer is a corporation which is
14 organized under the laws of this state, or the employer is
15 a partnership or a trust and the number of the partners or
16 trustees who are residents of this state is greater than the
17 number who are residents of any one other state; or

18 (c) None of the criteria of subdivisions (a) and (b) of
19 this subparagraph is met, but the employer has elected coverage
20 in this state, or the employer having failed to elect coverage
21 in any state, the individual has filed a claim for benefits
22 based on such service under the law of this state.

23 (d) An "American employer", for purposes of this subpara-
24 graph, means a person who is an individual who is a resident
25 of the United States or a partnership if two-thirds or more
26 of the partners are residents of the United States, or a
27 trust, if all of the trustees are residents of the United
28 States, or a corporation organized under the laws of the
29 United States or of any state.

30 (4) Notwithstanding the provisions of subparagraphs one
31 (1), two (2), and three (3) of this paragraph, all service
32 performed after December 31, 1971, by an officer or member
33 of the crew of an American vessel on or in connection with
34 such vessel, if the operating office from which the opera-
35 tions of such vessel operating on navigable waters within

1 and without the United States are ordinarily and regularly
2 supervised, managed, directed and controlled is within this
3 state, and

4 (5) Notwithstanding any other provisions of this subsec-
5 tion, service with respect to which a tax is required to be
6 paid under any federal law imposing a tax against which credit
7 may be taken for contributions required to be paid into a
8 state unemployment fund or which, as a condition for full
9 tax credit against the tax imposed by the Federal Unemployment
10 Tax Act (26 U.S.C. 3301-3308), is required to be covered under
11 this Act.

12 Sec. 24. Section ninety-six point nineteen (96.19), sub-
13 section seven (7), paragraph "g", Code 1971, is amended by
14 striking subparagraph one (1) and inserting in lieu thereof
15 the following:

16 (1) Service performed in the employ of this state by an
17 elected official or service performed in the employ of any
18 political subdivision of this state or any instrumentality
19 of its political subdivisions. Provided that this exemption
20 shall not be deemed to apply to services performed for a
21 hospital or institution of higher education operated by a
22 political subdivision of this state which has elected cover-
23 age for such services pursuant to section ninety-six point
24 eight (96.8), subsection three (3), paragraph "c", of the
25 Code; and service performed in the employ of any political
26 subdivision of this state, or any instrumentality of any
27 political subdivision, which for the effective period of its
28 election pursuant to section ninety-six point eight (96.8),
29 subsection three (3), paragraph "a", of the Code, has
30 voluntarily elected that all services performed for it by
31 individuals in its employ shall be deemed to constitute
32 employment for all purposes of this chapter. Nothing in this
33 or any other provision of this chapter shall be construed
34 to restrict the right of any political subdivision to elect
35 coverage solely for institutions of higher education and

1 hospitals as provided in section ninety-six point eight (96.8),
2 subsection three (3), paragraph "c" of the Code.

3 Sec. 25. Section ninety-six point nineteen (96.19), sub-
4 section seven (7), paragraph "g", Code 1971, is amended by
5 striking subparagraph four (4) and inserting in lieu thereof
6 the following:

7 (4) AGRICULTURAL LABOR. For purposes of this chapter,
8 the term "agricultural labor" means any service performed
9 prior to January 1, 1972, which was agricultural labor as
10 defined in this subparagraph prior to such date, and remuner-
11 ated service performed after December 31, 1971:

12 (a) On a farm in the employ of any person in connection
13 with cultivating the soil, or in connection with raising or
14 harvesting any agricultural or horticultural commodity, in-
15 cluding the raising, shearing, feeding, caring for, training,
16 and management of livestock, bees, poultry, and fur-bearing
17 animals and wildlife.

18 (b) In the employ of the owner or tenant or other operator
19 of a farm, in connection with the operation, management, con-
20 servation, improvement, or maintenance of such farm and its
21 tools and equipment, or in salvaging timber or clearing land
22 of brush and other debris left by a hurricane, if the major
23 part of such service is performed on a farm.

24 (c) In connection with the production or harvesting of
25 any commodity defined as an agricultural commodity in section
26 15(g) of the Agricultural Marketing Act, as amended (46 Stat.
27 1550, Sec. 3, 12 U.S.C. 1141j), or in connection with ginning
28 of cotton, or in connection with the operation or maintenance
29 of ditches, canals, reservoirs, or waterways, not owned or
30 operated for profit, used exclusively for supplying and stor-
31 ing water for farming purposes.

32 (d) (i) In the employ of the operator of a farm in han-
33 dling, planting, drying, packing, packaging, processing,
34 freezing, grading, storing, or delivering to storage or to
35 market or to a carrier for transportation to market, in its

1 unmanufactured state, any agricultural or horticultural
2 commodity, but only if such operator produced more than one-
3 half of the commodity with respect to which such service is
4 performed;

5 (ii) In the employ of a group of operators of farms (or
6 a cooperative organization of which such operators are members)
7 in the performance of service described in (i) of subdivision
8 (d) of this subparagraph, but only if such operators produced
9 more than one-half of the commodity with respect to which
10 such service is performed;

11 (iii) The provisions of (i) and (ii) of subdivision (d)
12 of this subparagraph shall not be deemed to be applicable
13 with respect to service performed in connection with commercial
14 canning or commercial freezing or in connection with any
15 agricultural or horticultural commodity after its delivery
16 to a terminal market for distribution for consumption.

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

20 (f) The term "farm" includes stock, dairy, poultry, fruit,
21 fur-bearing animals, and truck farms, plantations, ranches,
22 nurseries, ranges, greenhouses or other similar structures
23 used primarily for the raising of agricultural or horticultural
24 commodities, and orchards.

25 Sec. 26. Section ninety-six point nineteen (96.19), sub-
26 section seven (7), paragraph "g", Code 1971, is amended by
27 striking subparagraph seven (7) and inserting in lieu thereof
28 the following:

29 (7) Service performed in the employ of a school, college,
30 or university if such service is performed by a student who
31 is enrolled and is regularly attending classes at such school,
32 college or university or by the spouse of such student, if
33 such spouse is advised, at the time such spouse commences
34 to perform such service, that the employment of such spouse
35 to perform such service is provided under a program to pro-

1 vide financial assistance to such student by such school,
2 college, or university, and such employment will not be covered
3 by any program of unemployment insurance.

4 Service performed by an individual under the age of twenty-
5 two years who is enrolled at a nonprofit or public educational
6 institution which normally maintains a regular faculty and
7 curriculum and normally has a regularly organized body of
8 students in attendance at the place where its educational
9 activities are carried on as a student in a full-time program,
10 taken for credit at such institution, which combines academic
11 instruction with work experience, if such service is an in-
12 tegral part of such program and such institution has so cer-
13 tified to the employer, except that this subparagraph shall
14 not apply to service performed in a program established for
15 or on behalf of an employer or group of employers.

16 Service performed in the employ of a hospital if such
17 service is performed by a patient of the hospital.

18 Sec. 27. Section ninety-six point nineteen (96.19), sub-
19 section seven (7), paragraph "g", Code 1971, is amended by
20 striking subparagraph eight (8).

21 Sec. 28. Section ninety-six point nineteen (96.19), Code
22 1971, is amended by striking subsection eleven (11) and in-
23 sserting in lieu thereof the following:

24 11. "State" includes, in addition to the states of the
25 United States, the District of Columbia, Canada, Puerto Rico,
26 and the Virgin Islands.

27 Sec. 29. Section ninety-six point nineteen (96.19), Code
28 1971, is amended by striking subsection twenty-one (21) and
29 inserting in lieu thereof the following:

30 21. TAXABLE WAGES. For the purposes of section ninety-
31 six point seven (96.7), subsections one (1) and two (2) of
32 the Code and subsequent to December 31, 1971, taxable wages
33 shall not include that part of remuneration which, after
34 remuneration equal to four thousand two hundred dollars has
35 been paid in a calendar year to an individual by an employer

1 or his predecessor with respect to employment during any
2 calendar year, is paid to such individual by such employer
3 during such calendar year unless that part of the remuneration
4 is subject to a tax under a federal law imposing a tax against
5 which credit may be taken for contributions required to be
6 paid into a state unemployment fund.

7 For the purposes of this subsection, the term "employment"
8 includes service constituting employment under any unemploy-
9 ment compensation law of another state provided such other
10 state will consider service performed in Iowa in determining
11 the contribution base.

12 Sec. 30. Section ninety-six point nineteen (96.19), Code
13 1971, is amended by adding the following new subsections:

14 1. "'Hospital' means an institution which has been li-
15 censed, certified, or approved by the Iowa department of
16 health as a hospital."

17 2. "For the purposes of this chapter the phrase, 'insti-
18 tution of higher education', means an educational institution
19 which admits as regular students individuals having a certifi-
20 cate of graduation from a high school, or the recognized
21 equivalent of such certificate; is legally authorized in this
22 state primarily to provide a program of education beyond high
23 school; provides an educational program for which it awards
24 a bachelor's or higher degree or provides a program which
25 is acceptable for full credit toward such a degree, a program
26 of postgraduate or postdoctoral studies, or a program of
27 training to prepare students for gainful employment in a
28 recognized occupation; and is a public or other nonprofit
29 institution."

30 3. "'United States' for the purposes of this section in-
31 cludes the states, the District of Columbia, and the Common-
32 wealth of Puerto Rico."

33 4. "'Extended benefit period' means a period which:

34 a. Begins with the third week after whichever of the fol-
35 lowing weeks occurs first:

1 (1) A week for which there is a national 'on' indicator,
2 or

3 (2) A week for which there is a state 'on' indicator,
4 and

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

7 (1) The third week after the first week for which there
8 is both a national 'off' indicator and a state 'off' indi-
9 cator, or

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

11 Provided that no extended benefit period may begin by
12 reason of a state 'on' indicator before the fourteenth week
13 following the end of a prior extended benefit period which
14 was in effect with respect to this state, and

15 Provided further that no extended benefit period may be-
16 come effective in this state prior to January 1, 1972."

17 5. "'National on indicator' means for any week that the
18 United States secretary of labor determines that for each
19 of the three most recent completed calendar months ending
20 before such week, the rate of insured unemployment (season-
21 ally adjusted) for all states equalled or exceeded four and
22 one-half percent."

23 6. "'National off indicator' means for any week that the
24 United States secretary of labor determines that for each
25 of the three most recent completed calendar months ending
26 before such week the rate of insured unemployment (season-
27 ally adjusted) for all states was less than four and one-half
28 percent."

29 7. "'State on indicator' means for any week that the com-
30 mission determines, in accordance with the regulations of
31 the United States secretary of labor, that for the period
32 consisting of such week and the immediately preceding twelve
33 weeks the rate of insured unemployment (not seasonally ad-
34 justed) under this Act equalled or exceeded one hundred twenty
35 percent of the average of such rates for the corresponding

1 thirteen-week period ending in each of the preceding two
2 calendar years and equalled or exceeded four percent."

3 8. "'State off indicator' means for any week that the
4 commission determines, in accordance with the regulations
5 of the United States secretary of labor, that for the period
6 consisting of such week and the immediately preceding twelve
7 weeks the rate of insured unemployment (not seasonally ad-
8 justed) under this Act was less than one hundred twenty per-
9 cent of the average of such rates for the corresponding
10 thirteen-week period ending in each of the preceding two
11 calendar years or was less than four percent."

12 9. "'Rate of insured unemployment', for purposes of de-
13 termining state 'on' indicator and state 'off' indicator,
14 means the percentage derived by dividing the average weekly
15 number of individuals filing claims in Iowa for weeks of
16 unemployment with respect to the most recent thirteen con-
17 secutive week period, as determined by the commission on the
18 basis of its reports to the United States secretary of labor,
19 by the average monthly insured employment covered under this
20 Act for the first four of the most recent six completed cal-
21 endar quarters ending before the end of such thirteen-week
22 period."

23 10. "'Regular benefits' means benefits payable to an in-
24 dividual under this or under any other state law (including
25 benefits payable to federal civilian employees and to ex-
26 servicemen pursuant to 5 U.S.C., Chapter 85) other than
27 extended benefits."

28 11. "'Extended benefits' means benefits (including bene-
29 fits payable to federal civilian employees and to ex-service-
30 men pursuant to 5 U.S.C. Chapter 85) payable to an individual
31 under the provisions of this section for weeks of unemployment
32 in his eligibility period."

33 12. "'Eligibility period' of an individual means the pe-
34 riod consisting of the weeks in his benefit year which begin
35 in an extended benefit period and, if his benefit year ends

1 within such extended benefit period, any weeks thereafter
2 which begin in such period."

3 13. "'Exhaustee' means an individual who, with respect
4 to any week of unemployment in his eligibility period has
5 received, prior to such week, all of the regular benefits
6 that were available to him under this Act or any other state
7 law (including dependents' allowances and benefits payable
8 to federal civilian employees and ex-servicemen under 5 U.S.C.
9 Chapter 85) in his current benefit year that includes such
10 weeks. Provided that for the purposes of this subsection
11 an individual shall be deemed to have received all of the
12 regular benefits that were available to him, although as a
13 result of a pending appeal with respect to wages that were
14 not considered in the original monetary determination in his
15 benefit year he may subsequently be determined to be entitled
16 to add regular benefits, or:

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

21 (b) He has no right to unemployment benefits or allow-
22 ances under the Railroad Unemployment Insurance Act, the Trade
23 Expansion Act of 1962, the Automotive Products Trade Act of
24 1965, and such other federal laws as are specified in
25 regulations issued by the United States secretary of labor,
26 and he has not received and is not seeking unemployment bene-
27 fits under the unemployment compensation law of the Virgin
28 Islands or of Canada, but if he is seeking such benefits and
29 the appropriate agency finally determines that he is not
30 entitled to benefits under such law he is considered an
31 exhaustee."

32 14. "'State law' means the unemployment insurance law
33 of any state, approved by the United States secretary of labor
34 under 26 U.S.C. 3304."

35 Sec. 31. Section ninety-six point twenty (96.20), subsec-

1 tions one (1), two (2), and three (3), Code 1971, are amended
2 as follows:

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

14 2. The commission may enter into arrangements with the
15 appropriate agencies of other states or a contiguous country
16 with which the United States has an agreement with respect
17 to unemployment compensation or of the federal government
18 (a) whereby wages or services, upon the basis of which an
19 individual may become entitled to benefits under the unem-
20 ployment compensation law of another state or of the federal
21 government, shall be deemed to be wages for employment by
22 employers for the purposes of section 96.3 and section 96.4,
23 subsection 5; provided such other state agency or agency of
24 the federal government has agreed to reimburse the fund for
25 such portion of benefits, paid under this chapter upon the
26 basis of such wages or services as the commission finds will
27 be fair and reasonable as to all affected interests, and (b)
28 whereby the commission will reimburse other state or federal
29 agencies charged with the administration of unemployment com-
30 pensation laws with such reasonable portion of benefits paid
31 under the law of any such other states or of the federal gov-
32 ernment upon the basis of employment or wages for employment
33 by employers, as the commission finds will be fair and rea-
34 sonable as to all affected interests. Reimbursements so pay-
35 able shall be deemed to be benefits for the purposes of section

1 96.3, subsection 5, and section 96.9, but no reimbursement
2 so payable shall be charged against any employer's account
3 for the purposes of section 96.7. The commission is hereby
4 authorized to make to other state or federal agencies and
5 receive from such other state or federal agencies,
6 reimbursements from or to the fund, in accordance with ar-
7 rangements pursuant to this section.

8 The commission shall participate in any arrangements for
9 the payment of compensation on the basis of combining an in-
10 dividual's wages and employment covered under this Act with
11 his wages and employment covered under the unemployment com-
12 penetration laws of other states which are approved by the
13 United States secretary of labor in consultation with the
14 state unemployment compensation agencies as reasonably cal-
15 culated to assure the prompt and full payment of compensation
16 in such situations and which include provisions for: apply-
17 ing the base period of a single state law to a claim involv-
18 ing the combining of an individual's wages and employment
19 covered under two or more state unemployment compensation
20 laws, and avoiding the duplication use of wages and employ-
21 ment by reason of such combining.

22 3. The commission is hereby authorized to enter into
23 agreements with the appropriate agencies of other states or
24 a contiguous country with which the United States has an
25 agreement with respect to unemployment compensation or the
26 federal government administering unemployment compensation
27 laws to provide that contributions on wages for services
28 performed by an individual in more than one state for the
29 same employer may be paid to the appropriate agency of one
30 state.

31 Sec. 32. Chapter ninety-six (96), Code 1971, is amended
32 by adding the following new section:

33 "EXTENDED BENEFITS. Except when the result would be
34 inconsistent with the other provisions of this chapter, as
35 provided in regulations of the commission, the provisions

1 of the law which apply to claims for or the payment of regular
2 benefits shall apply to claims for, and the payment of,
3 extended benefits.

4 1. ELIGIBILITY REQUIREMENTS FOR EXTENDED BENEFITS. An
5 individual shall be eligible to receive extended benefits
6 with respect to any week of unemployment in his eligibility
7 period only if the commission finds that with respect to such
8 week:

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

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

14 2. WEEKLY EXTENDED BENEFIT AMOUNT. The weekly extended
15 benefit amount payable to an individual for a week of total
16 unemployment in his eligibility period shall be an amount
17 equal to the weekly benefit amount payable to him during his
18 applicable benefit year.

19 3. TOTAL EXTENDED BENEFIT AMOUNT. The total extended
20 benefit amount payable to any eligible individual with respect
21 to his applicable benefit year shall be the least of the
22 following amounts.

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

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

29 4. BEGINNING AND TERMINATION OF EXTENDED BENEFIT PERIOD.
30 Whenever an extended benefit period is to become effective
31 in Iowa, or in all states, as a result of a state or a na-
32 tional 'on' indicator, or an extended benefit period is to
33 be terminated in Iowa as a result of state and national 'off'
34 indicators, the commission shall make an appropriate public
35 announcement. Computations required by the provisions of

1 this subsection shall be made by the commission in accordance
2 with regulations prescribed by the United States secretary
3 of labor."

4 Sec. 33. The provisions of this Act shall become effec-
5 tive January 1, 1972, except that sections ten (10) and eleven
6 (11) of this Act shall become effective October 1, 1971.

7 EXPLANATION

8 Legislation passed by the Second Session of the 91st U.S.
9 Congress provided both mandatory and optional changes in the
10 unemployment insurance program. The Congress required that
11 mandatory changes in state law must go into effect by January
12 1, 1972. This bill provides for the following mandatory and
13 optional changes in the Iowa Employment Security Law.

14 Mandatory Provisions--Extension of Coverage

15 1. The definition of a covered employer has been changed
16 to an employer who employs one or more workers at least 1
17 day in 20 different weeks of the calendar year or to an
18 employer who has a payroll of \$1,500 in a calendar quarter.

19 2. Unemployment insurance coverage is now extended to
20 jobs in state hospitals and institutions of higher education.

21 3. Unemployment insurance coverage is now extended to
22 nonprofit organizations that employ 4 or more workers in 20
23 weeks in the current or preceding calendar year. Employees
24 of a church, association of churches, or school other than
25 institutions of higher learning are not covered. However,
26 nonprofit organizations now have the option of reimbursing
27 the state for UI benefits paid out for claims filed by their
28 former employees or paying regular state UI taxes. They are
29 not subject to Federal taxes. The bill proposes to cover
30 nonprofit organizations that employ one or more rather than
31 four or more persons, thus following the requirements of the
32 private sector more closely.

33 4. Hospitals and institutions of higher education operated
34 by political subdivisions of the state have the right to elect
35 coverage for their employees.

1 5. Coverage is extended to a few categories of marginal
2 agricultural processing workers, such as workers in processing
3 plants where one-half or more of the commodities handled are
4 not produced by the plant operators. Other agricultural
5 workers are still not covered.

6 6. Coverage is extended to U.S. citizens working for
7 American firms in foreign lands.

8 Other Mandatory Provisions

9 1. The taxable wage base is increased from \$3,000 to
10 \$4,200 effective January 1, 1972.

11 2. Beginning in 1972 Iowa has a provision for extended
12 benefits. Extended benefits for up to 13 weeks can be
13 triggered into operation when either the national or state
14 unemployment rate reaches a certain percentage. Fifty percent
15 of the cost of these benefits will be paid by the federal
16 government and 50 percent will be paid by the State. (See
17 Optional Provision 2)

18 3. Every unemployment insurance claimant must have had
19 some work since the establishment of the first benefit year
20 before he can receive unemployment insurance payments in a
21 second consecutive benefit year.

22 4. Unemployment insurance cannot be denied to an individual
23 who is taking approved training.

24 5. Unemployment insurance payments cannot be totally
25 denied or reduced except in cases of misconduct connected
26 with work, fraud or the receipt of disqualifying income.

27 6. Payments cannot be denied or reduced because the person
28 is residing or filing a claim in another state or Canada.

29 7. States are required to participate in combined wage
30 arrangements approved by the Secretary of Labor.

31 Optional Provisions

32 1. Newly covered employers may be given a reduced rate
33 rather than the standard minimum of 2.7 percent. However,
34 the federal law says the rate cannot be less than 1 percent
35 of taxable wages. The Iowa Employment Security Commission

1 recommends, and the bill provides for, a 1.5 percent rate
2 for new employers. With this 1.5 percent rate, newly covered
3 employers are eligible for a reduced rate based on a favorable
4 employment record after 8 chargeable quarters. Presently,
5 employers must have 12 chargeable quarters before they are
6 eligible for a rate based on their experience with
7 unemployment. Generally, newly covered construction employers
8 would be taxed at a rate of 2.7 percent for 12 chargeable
9 quarters before they received a rate based on experience.

10 2. The Iowa Employment Security Commission recommends,
11 and the bill provides for, charging the accounts of the
12 involved employers for 50 percent of the amount of extended
13 benefits paid to workers.

14 3. The bill permits the election of coverage of government
15 workers at the state and local level. With state hospitals
16 and institutions of higher learning mandatorily covered, the
17 Iowa Employment Security Commission recommends, and the bill
18 permits, all state employees to be covered, and the coverage
19 requirements for nonprofit organizations are one or more for
20 twenty weeks. Provisions are made for the voluntary election
21 of coverage by local government units.

22 4. Current unemployment benefits are based on 1/22 of
23 the worker's total wages during his high quarter of wages
24 in his base period. The bill would change the 1/22 to 1/20.
25 The effect is to slightly increase the benefits received by
26 those who do not receive the maximum benefit allowance.

27 5. The bill would change the formula for determining the
28 maximum benefit allowance. Currently the payment cannot
29 exceed 50% of the average weekly wage paid to all workers
30 in work covered by the unemployment insurance program during
31 the preceding calendar year. It is proposed to raise the
32 formula to 55% because of the anticipated effect of the newly
33 covered smaller employers and general cost-of-living increases
34 since the formula was originally established in 1965.

35