

Subs 1/15

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SENATE FILE 2017

By HUTCHINS, SCOTT, MILLER of
Cerro Gordo, PRIEBE, MILLER
of Des Moines, CALHOON,
GALLAGHER, ORR, SLATER, RODGERS,
JUNKINS and VAN GILST

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

A BILL FOR

1 An Act relating to the rate of unemployment compensation
2 contributions for employers.

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

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1 Section 1. Section ninety-six point seven (96.7),
 2 subsection three (3), paragraph d, unnumbered paragraphs four
 3 (4) and six (6), Code 1979, as the section is amended by Acts
 4 of the Sixty-eighth General Assembly, 1979 Session, chapter
 5 thirty-three (33), sections fifteen (15) through twenty-two
 6 (22), are amended to read as follows:

7 Each employer qualified for an experience rating shall
 8 be assigned a contribution rate for each rate year that
 9 corresponds to the employer's percentage of excess rank in
 10 the rate table effective for the rate year from the following
 11 rate tables. Each employer's percentage of excess rank shall
 12 be computed by listing all the employers by decreasing
 13 percentages of excess, from the highest positive percentage
 14 of excess to the highest negative percentage of excess and
 15 grouping the employers so listed into twenty-one separate
 16 ranks containing as nearly as possible four point seventy-
 17 six percent of the total taxable wages, excluding reimbursable
 18 employment wages, paid in covered employment during the first
 19 four completed calendar quarters immediately preceding the
 20 rate computation date. If an employer's taxable wages qualify
 21 the employer for two separate percentage of excess ranks the
 22 employer shall be afforded the percentage of excess rank
 23 assigned the lower contribution rate. Employers with identical
 24 percentages of excess shall be assigned to the same percentage
 25 of excess rank. However, an employer's percentage of excess
 26 rank shall not be changed on any rate contribution date to
 27 a rank assigned a higher contribution rate if that rank is
 28 separated from the employer's current rank on the contribution
 29 rate tables by more than three numerical ranks.

30 Percent-	Approximate	31 age of Cumulative Contribution Rate Tables									
32 Excess	Taxable Pay-										
33 Rank	roll Limit	1	2	3	4	5	6	7	8	9	
34 1	4.8%	.8	.6	0	0	0	0	0	0	0	
35 2	9.5%	1.0	.7	.5	.3	0	0	0	0	0	

1	3	14.3%	1.2	.8	.6	.5	.4	0	0	0	0
2	4	19.0%	1.4	1.0	.7	.6	.5	.3	0	0	0
3	5	23.8%	1.6	1.2	.8	.8	.6	.4	.2	0	0
4	6	28.6%	1.8	1.4	1.0	.9	.7	.5	.2	.1	0
5	7	33.3%	2.0	1.6	1.2	1.0	.8	.6	.3	.2	.1
6	8	38.1%	2.3	1.8	1.4	1.1	.9	.7	.4	.2	.1
7	9	42.8%	2.6	2.0	1.6	1.2	1.0	.8	.5	.3	.2
8	10	47.6%	2.9	2.3	1.8	1.3	1.1	.9	.6	.4	.2
9	11	52.4%	3.2	2.6	2.1	1.5	1.2	1.0	.7	.5	.2
10	12	57.1%	3.5	2.9	2.5	1.7	1.3	1.1	.8	.6	.2
11	13	61.9%	3.8	3.3	2.8	2.0	1.5	1.3	.9	.7	.3
12	14	66.6%	4.2	3.7	3.1	2.4	1.7	1.5	1.1	.9	.5
13	15	71.4%	4.6	4.1	3.5	2.9	1.9	1.7	1.3	1.0	.5
14	16	76.2%	5.0	4.5	3.9	3.4	2.3	1.9	1.7	1.0	.7
15	17	80.9%	5.5	5.0	4.4	4.0	3.0	2.5	2.0	1.5	.8
16	18	85.7%	6.0	5.5	5.0	4.5	3.7	3.1	2.5	2.0	1.0
17	19	90.4%	6.0	6.0	5.5	5.0	4.4	3.8	3.2	2.5	1.8
18	20	95.2%	6.0	6.0	6.0	5.5	5.0	4.5	4.0	3.0	2.5
19	21	100.0%	6.0	6.0	6.0	6.0	5.5	5.0	4.5	4.0	4.0

20 Provided, however, that notwithstanding any other provision
21 of this chapter, any employer which employs individuals for
22 construction as defined by the department pursuant to rules,
23 that has not qualified for an experience rating shall pay
24 four point zero percent in the calendar year 1968 through
25 the calendar year 1977 and be assigned to the rate specified
26 in the twenty-first percentage of excess rank for the rate
27 year beginning January 1, 1978 and every year thereafter until
28 such time as the employer has qualified for an experience
29 rating. However, such employer shall not qualify for an
30 experience rating until there shall have been twelve
31 consecutive calendar quarters immediately preceding the rate
32 computation date throughout which his account has been
33 chargeable with benefit payments.

34 ~~Provided, however, that notwithstanding any other provisions~~
35 ~~of this chapter, the applicable contribution rate table for~~

1 the-calendar-years-1978-and-1979-will-be-table-two-if-the
 2 ratio-of-the-current-reserve-fund-ratio-to-the-highest-benefit
 3 cost-rate-on-the-rate-computation-date-is-less-than-0.75.
 4 However, notwithstanding any other provision of this chapter,
 5 the applicable contribution rate table for the calendar years
 6 1980 and 1981 shall be table three unless the ratio of the
 7 current reserve fund ratio to the highest benefit cost rate
 8 on the rate computation date is 1.0 or higher. ~~Provided~~
 9 ~~further-that-during~~ During any rate year in which a rate table
 10 in rate tables ~~four~~ three through nine is effective an employer
 11 assigned a contribution rate under the provisions of this
 12 paragraph shall not be required to contribute to the
 13 unemployment compensation trust fund if the employer's
 14 percentage of excess is ~~seven-point-five~~ six percent or greater
 15 for the rate year and the employer has not been charged with
 16 benefit payments for any time within the ~~forty~~ twenty calendar
 17 quarters immediately preceding the rate computation date for
 18 the rate year.

19 EXPLANATION

20 This bill establishes a maximum annual increase in the
 21 rate of unemployment compensation contributions paid by
 22 employers by prohibiting an increase of more than 3 percentage
 23 of excess ranks over any employer's current rank on the
 24 contribution rate tables.

25 Concerning the zero contribution rate, current law provides
 26 that, for any year in which a rate table in rate tables 4
 27 through 9 is effective, an employer's contribution rate can
 28 be reduced to zero if the employer has been free from
 29 chargeable benefit payments for 40 calendar quarters and if
 30 the employer's percentage of excess is 7.5 percent or greater.
 31 The percentage of excess is the employer's excess contributions
 32 over benefits charged to the employer's account, divided by
 33 the employer's average annual payroll.

34 This bill would allow a zero contribution rate, for any
 35 year in which a rate table in rate tables 3 through 9 is

1 effective, for employers free from chargeable benefit payments
2 for 20 calendar quarters if the employer's percentage of
3 excess is 6 percent or greater.

4 The bill will become effective on July first following
5 passage.

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