

Revised 2/29

RECEIVED MAR 12 1982

SENATE FILE 2273

BY COMMITTEE ON LABOR AND INDUSTRIAL RELATIONS

Approved (p. 722)

Passed Senate, Date 3-26-82 (p. 928) Passed House, Date 4-6-82 (p. 1266)

Vote: Ayes 41 Nays 5 Vote: Ayes 64 Nays 34

Approved April 22, 1982

A BILL FOR

1 An Act relating to balancing the unemployment compensation
2 trust fund and repaying any loans made by the federal
3 government to Iowa for the payment of unemployment
4 compensation benefits.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6

S. 227

SENATE FILE 2273

S-5280

1 Amend Senate File 2273 as follows:
2 1. Page 1, line 18, by inserting after the word
3 "one" the words "and one-half".
4 2. Page 1, line 22, by inserting after the figure
5 "1983" the words and figures ", and their employees.
6 Of the one and one-half percent tax for the calendar
7 quarter ending March 31, 1983, the employers shall
8 pay a one percent tax and their employees shall pay
9 a one-half of one percent tax. The employers shall
10 withhold, in trust, from the employee's wages, the
11 tax paid by an employee under this subsection, shall
12 show the tax withheld as deductions on the employee's
13 wage records, and shall transmit the tax withheld
14 to the special fund. The portion of an employee's
15 wages which is taxed under this subsection is exempt
16 from garnishment, attachment, execution, or any other
17 remedy for the collection of debts".

S-5280 FILED
MARCH 17, 1982
*Placed out of order
3/26 (p. 928)*

BY JOHN W. JENSEN
JACK W. HESTER

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5-27-83

1276 1217
(17)

1 Section 1. Section 96.7, subsections 15 and 16, Code 1981,
2 are amended by striking the subsections and inserting in lieu
3 thereof the following:

5-27-83 4 15. TEMPORARY EMERGENCY TAX. If on March 1, 1983, the
5 department has an outstanding balance of advance moneys re-
6 ceived from the federal government for the payment of unem-
7 ployment compensation benefits including interest accruing
8 from the advancement of the moneys, or is projected to have
9 an outstanding balance for the calendar quarter ending March
10 31, 1983, the director shall collect a temporary emergency
11 tax for the calendar quarter ending March 31, 1983, retroactive
12 to January 1, 1983. The tax shall be set at the rate necessary
13 to repay the moneys advanced to the department by the federal
14 government, and to repay any additional advances projected
15 for the remainder of the calendar quarter ending March 31,
16 1983 and to pay all interest accrued on the advances to the
17 date of repayment. However, the tax shall not be greater
18 than one percent of taxable wages for the calendar quarter
19 ending March 31, 1983. The tax shall apply to all employers
20 except government entities, nonprofit organizations, and
21 employers assigned a zero contribution rate for calendar year
22 1983. The director shall prescribe the manner in which the
23 tax will be collected. Interest shall accrue on all unpaid
24 tax under this subsection at the same rate as on regular con-
25 tributions and shall be collectible in the same manner. The
26 tax shall not affect the computation of regular contributions
27 under this chapter.

28 A special fund to be known as the temporary emergency tax
29 fund is created in the state treasury. The special fund is
30 separate and distinct from the unemployment compensation trust
31 fund. All contributions collected from the temporary emergency
32 tax shall be deposited in the special fund. The special fund
33 shall be used only to repay advance moneys received from the
34 federal government for the payment of unemployment compensation
35 benefits, including the payment of interest accruing from

1 the advancement of the moneys.

2 16. If the total unemployment compensation trust funds
3 available for the payment of benefits at any time during the
4 calendar quarter ending March 31, 1983, are less than ten
5 times the average total weekly benefits paid during four
6 consecutive weeks in that calendar quarter, the department
7 may require an advance payment of all or a portion of the
8 actual or projected employer contributions due for that
9 calendar quarter.

10 Sec. 2. Section 96.13, subsection 3, unnumbered paragraph
11 3, Code 1981, is amended to read as follows:

12 Balances to the credit of the special employment security
13 contingency fund shall not lapse at any time but shall
14 continuously be available to the department for expenditures
15 consistent herewith with this subsection. ~~However,--if on~~
16 ~~July 1 of any year the balance in the special employment~~
17 ~~security contingency fund exceeds fifty thousand dollars by~~
18 ~~ten thousand dollars or more, the treasurer of state shall~~
19 ~~promptly transfer the entire amount over fifty thousand dollars~~
20 ~~to the unemployment compensation fund established in section~~
21 ~~96.9 unless the department determines that such transfer~~
22 ~~should not be made because of immediate obligations to be~~
23 ~~met from the fund.~~

24 Sec. 3. Section 96.19, subsection 21, Code 1981, is amended
25 to read as follows:

26 21. "COMPUTATION DATE". The computation date for
27 contribution rates shall be July 1 of that calendar year
28 preceding the calendar year with respect to which such rates
29 are to be effective. ~~If the total trust funds available for~~
30 ~~payment of unemployment compensation benefits through April~~
31 ~~17, 1978, is projected to fall below twenty million dollars,~~
32 ~~the director of the Iowa department of job service shall~~
33 ~~prepare and adopt such procedures for advance payment of a~~
34 ~~portion of the employer's unemployment contributions projected~~
35 ~~due for the first quarter of the calendar year beginning~~

1 ~~January-17-1978~~

2 EXPLANATION

3 Section 1 of this bill requires the director of job service
4 to collect a temporary emergency tax for the first calendar
5 quarter of 1983 of no more than one percent of taxable wages
6 for the calendar quarter, if for the first calendar quarter
7 of 1983 the department has an outstanding balance in loans
8 received from the federal government for the payment of
9 unemployment compensation benefits. The tax applies to all
10 employers other than government entities, nonprofit
11 organizations, and employers with zero contribution rates.
12 The tax is to be deposited in a special fund in the state
13 treasury separate and distinct from the unemployment
14 compensation trust fund. The special fund can only be used
15 to repay the federal loans.

16 Section 1 allows the department of job service to require
17 advance payments of contributions for the first calendar
18 quarter of 1983 if the unemployment compensation trust fund
19 falls below ten times the average weekly benefits paid during
20 four consecutive weeks in that calendar quarter.

21 Section 2 repeals the automatic transfer to the unemployment
22 compensation trust fund of any balance of \$10,000 or more
23 above \$50,000 in the special unemployment security contingency
24 fund.

25 Section 3 is corrective, striking outdated language.

26 The bill would become law July 1 following enactment.

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S-5311

1 Amend Senate File 2273 as follows:

2 1. Page 2, by inserting after line 9 the following:

3 "Sec. 2. Section 96.7, Code 1981, is amended by
4 adding the following new subsection:

5 NEW SUBSECTION. RATE OF CONTRIBUTION BY EMPLOYEES.

6 a. If the total, available unemployment compensa-
7 tion trust funds fall below twenty percent of the
8 total benefits paid in any preceding calendar year,
9 for a period longer than two weeks, each individual
10 employed by an employer subject to the payment of
11 contributions under this chapter shall contribute
12 to the fund, during the subsequent calendar year,
13 five-tenths of one percent of the individual's taxable
14 wages, as defined in section 96.19, subsection 20,
15 paid to the individual during the subsequent calendar
16 year.

17 b. If an individual is employed, in the same
18 calendar year, by more than one employer subject to
19 this chapter the individual shall be entitled to a
20 refund for contributions paid on wages which exceed
21 the maximum amount of taxable wages in section 96.19,
22 subsection 20.

23 c. An individual employed by an employer who is
24 required or elects, in lieu of contributing to the
25 fund at a fixed rate, to reimburse the fund for benefit
26 payments made on the employer's behalf shall not be
27 required to pay contributions on the wages earned
28 from the employer.

29 d. If an individual is required to contribute
30 to the fund, the individual's employer shall withhold,
31 in trust, the contributions from the individual's
32 wages, shall show the contributions withheld as
33 deductions on the individual's wage records and the
34 employer's payroll records, and shall transmit the
35 contribution withheld to the fund.

36 e. The portion of an individual's wages which
37 the individual is required to contribute to the fund
38 shall be exempt from garnishment, attachment, execution
39 or any other remedy for the collection of debts."

40 2. By renumbering as necessary.

S-5311 FILED

BY RAY TAYLOR

MARCH 18, 1982

Out of order 3/26 (p. 928)

SENATE FILE 2273

S-5292

1 Amend Senate File 2273 as follows:

2 1. Page 1, by inserting before line 1, the following
3 new section:4 "Section 1. Section 96.4, subsection 3, Code 1981,
5 is amended to read as follows:6 3. He or she is able to work, is available for
7 work, and is earnestly and actively seeking work. The
8 provisions of this subsection shall be waived if he
9 or she is deemed temporarily unemployed as defined in
10 section 96.19, subsection 9, paragraph "c", except that
11 such waiver shall be granted only if the employer where
12 the individual is employed has no work, whether or not
13 at the individual's regular job or trade, for any week
14 which the department has an outstanding balance of
15 advance money received from the federal government for
16 the payment of unemployment compensation benefits".

S-5292 FILED

BY ARTHUR L. GRATIAS

MARCH 18, 1982

Placed out of order 3/26 (p. 928)

SENATE FILE 2273

S-5296

1 Amend Senate File 2273 as follows:

2 1. Page 1, by inserting before line 1, the following
3 new section:4 "Section 1. Section 96.4, subsection 4, Code 1981,
5 is amended by adding the following new unnumbered
6 paragraph:7 NEW UNNUMBERED PARAGRAPH. Provided that if the
8 department, during the calendar quarter in which the
9 individual makes the claim for benefits, has an
10 outstanding balance of advance money received from the
11 federal government for the payment of unemployment
12 compensation benefits, including interest accruing from
13 the advancement of the moneys, or is projected to have
14 an outstanding balance for such money during that or
15 the following calendar quarter, the individual must
16 have been paid wages for insured work during the
17 individual's base period in an amount at least one and
18 one-half times the wages paid to the individual during
19 that quarter of the individual's base period in which
20 the individual's wages were the highest, provided that
21 the individual has been paid wages for insured work of
22 not less than five hundred dollars in that calendar
23 quarter in the individual's base period in which the
24 individual's wages were the highest and the individual
25 meets the other requirements of this subsection."

S-5296 FILED

BY LUCAS J. DE KOSTER

MARCH 18, 1982

Placed out of order 3/26 (p. 928)

S-5312

- 1 Amend Senate File 2273 as follows:
- 2 1. Page 1, by inserting before line 1 the
- 3 following:
- 4 "Section 1. Section 96.4, Code 1981, is amended
- 5 by adding the following new subsection:
- 6 NEW SUBSECTION. The individual has satisfied a
- 7 one-week waiting period. For purposes of this sub-
- 8 section a one-week waiting period means the individual
- 9 must be unemployed for one week in the benefit year
- 10 for which the individual claims benefits, provided
- 11 that the individual is not eligible for any benefits
- 12 with respect to the week from another state and
- 13 provided that the individual is eligible for benefits
- 14 for the week from this state. Benefits shall not
- 15 be paid to the individual for the one-week waiting
- 16 period until benefits have been payable for five
- 17 consecutive weeks following the waiting period."
- 18 2. By renumbering as necessary.

S-5312 FILED
MARCH 18, 1982

BY RAY TAYLOR

Order of order 3/26 (p. 928)

SENATE 2
MARCH 30, 1982

SENATE FILE 2273
FISCAL NOTE

REQUESTED BY SENATOR CARNEY

In compliance with a written request there is hereby submitted a Fiscal Note for Amendment S-5353 to Senate File 2273 pursuant to Joint Rule 16.

Amendment S-5353 to Senate File 2273, An Act relating to balancing the unemployment compensation trust fund and repaying any loans made by the federal government to Iowa for the payment of unemployment compensation benefits.

This amendment requires the collection of a surcharge for interest only. If on March 1, June 1, September 1, or December 1, 1983, the department has an outstanding balance of interest accrued on advance money from the federal government, the Director may collect an emergency tax for the calendar quarter. The rate is to be set by the department, but cannot be greater than .1%. The tax is not to be collected on government, non-profit or zero rated employers. Taxable wages by quarter are shown in the table below along with the interest amount and interest rate necessary to meet interest payments in 1983.

Calendar Quarter 1983	Estimated Taxable Wages	Estimated Interest Accrued Mid-range	Rate Necessary to collect interest
January-March	\$2.3 billion	\$ 962,500	.042%
April-June	1.6 billion	1,116,667	.072%
July-September	0.8 billion	987,500	.118%
October-December	0.6 billion	1,012,000	.169%
	\$5.3 billion	4,079,167	

The limit of .1% tax would be sufficient for interest payments for the January-June period only under the mid-range projection. Interest accrued during July-December would require a higher limit. For the entire year, interest collections allowed under the bill's 1/10 of 1% limit would be \$565,200 short for the last two calendar quarters.

The projected loan balance at the end of 1983 is \$53.0 million. The interest required for the entire year is \$4.1 million. The bill would allow \$3.5 million to be collected as a temporary emergency tax. Penalty and interest is projected to accumulate to a balance of \$861,500 proving a total fund of \$4,375,467 for payment of interest.

SOURCE: IOWA DEPARTMENT OF JOB SERVICE

RECEIVED BY THE SECRETARY OF THE SENATE, MARCH 25, 1982

FILED:
MARCH 29, 1982

BY GERRY RANKIN, FISCAL DIRECTOR

SENATE FILE 2273

S-5353

1 Amend Senate File 2273 as follows:

2 1. By striking everything after the enacting
3 clause and inserting in lieu thereof the following:
4 "Section 1. Section 96.7, subsections 15 and 16,
5 Code 1981, are amended by striking the subsections
6 and inserting in lieu thereof the following:

7 15. TEMPORARY EMERGENCY TAX. If on the first
8 day of the third month in any calendar quarter in
9 1983, the department has an outstanding balance of
10 interest accrued on advance moneys received from the
11 federal government for the payment of unemployment
12 compensation benefits, or is projected to have an
13 outstanding balance of accruing federal interest for
14 that calendar quarter, the director shall collect
15 a temporary emergency tax for that calendar quarter
16 in 1983, retroactive to the beginning of that calendar
17 quarter. The tax shall be set at the rate necessary
18 to pay the interest accrued on the moneys advanced
19 to the department by the federal government, and to
20 pay any additional federal interest which will accrue
21 for the remainder of that calendar quarter. However,
22 the tax shall not be greater than one-tenth of one
23 percent of taxable wages for that calendar quarter.
24 The tax shall apply to all employers except government
25 entities, nonprofit organizations, and employers
26 assigned a zero contribution rate for calendar year
27 1983. The director shall prescribe the manner in
28 which the tax will be collected. Interest shall
29 accrue on all unpaid tax under this subsection at
30 the same rate as on regular contributions and shall
31 be collectible in the same manner. The tax shall
32 not affect the computation of regular contributions
33 under this chapter.

34 A special fund to be known as the temporary
35 emergency tax fund is created in the state treasury.
36 The special fund is separate and distinct from the
37 unemployment compensation trust fund. All
38 contributions collected from the temporary emergency
39 tax shall be deposited in the special fund. The
40 special fund shall be used only to pay interest
41 accruing on advance moneys received from the federal
42 government for the payment of unemployment compensation
43 benefits.

44 16. If on March 1, 1983, the total unemployment
45 compensation trust funds available for the payment
46 of benefits are less than ten times the average total
47 weekly benefits paid during four consecutive weeks
48 of January and February, 1983, the department may
49 require an advance payment of all or a portion of
50 the actual or projected employer contributions due

1 for the calendar quarter ending March 31, 1983, payable
2 on March 31, 1983.

3 Sec. 2. Section 96.13, subsection 3, unnumbered
4 paragraph 3, Code 1981, is amended to read as follows:

5 Balances to the credit of the special employment
6 security contingency fund shall not lapse at any time
7 but shall continuously be available to the department
8 for expenditures consistent herewith with this
9 subsection. ~~However, if on July 1 of any year the~~
10 ~~balance in the special employment security contingency~~
11 ~~fund exceeds fifty thousand dollars by ten thousand~~
12 ~~dollars or more, the treasurer of state shall promptly~~
13 ~~transfer the entire amount over fifty thousand dollars~~
14 ~~to the unemployment compensation fund established~~
15 ~~in section 96.9 unless the department determines that~~
16 ~~such transfer should not be made because of immediate~~
17 ~~obligations to be met from the fund.~~

18 Sec. 3. Section 96.19, subsection 21, Code 1981,
19 is amended to read as follows:

20 21. "COMPUTATION DATE". The computation date
21 for contribution rates shall be July 1 of that calendar
22 year preceding the calendar year with respect to which
23 such rates are to be effective. ~~If the total trust~~
24 ~~funds available for payment of unemployment~~
25 ~~compensation benefits through April 17, 1978, is~~
26 ~~projected to fall below twenty million dollars, the~~
27 ~~director of the Iowa department of job service shall~~
28 ~~prepare and adopt such procedures for advance payment~~
29 ~~of a portion of the employer's unemployment~~
30 ~~contributions projected due for the first quarter~~
31 ~~of the calendar year beginning January 17, 1978."~~

S-5353 FILED

MARCH 23, 1982

Adopted 3/26 (p. 928)

BY CLARENCE CARNEY

TED ANDERSON

RICHARD DRAKE

SENATE FILE 2273

S-5389

1 Amend the Carney et al. amendment, S-5353, to
2 Senate File 2273 as follows:

3 1. Page 1, by striking line 4 through page 2,
4 line 31 and inserting in lieu thereof the following:

5 "Section 1. Section 96.3, subsection 4, Code 1981,
6 is amended by adding the following new unnumbered
7 paragraph:

8 NEW UNNUMBERED PARAGRAPH. Notwithstanding the
9 annual recomputation of the statewide average weekly
10 wage required by this subsection, the maximum weekly
11 benefit amounts effective for benefit claims filed
12 during the period beginning July 5, 1981, and ending
13 July 3, 1982, shall be effective for benefit claims
14 filed during the period beginning July 4, 1982 and
15 ending July 2, 1983.

16 Sec. 2. Section 96.5, Code 1981, is amended by
17 adding the following new subsection:

18 NEW SUBSECTION. SEASONAL EMPLOYMENT. If a seasonal
19 worker is unemployed for any week during the month
20 of January, February, or March. As used in this
21 subsection, "seasonal worker" means an individual
22 whose base period wages are more than seventy-five
23 percent attributable to a seasonal employer, and
24 "seasonal employer" means an employer in an industry
25 which customarily lays off forty percent or more of
26 its workers for at least twelve consecutive weeks
27 during a regularly recurring period of each year
28 because of the seasonal nature of the industry and
29 the high degree of impracticability or impossibility
30 of continuing the operations of the industry throughout
31 the entire year.

32 Sec. 3. Section 96.7, subsections 15 and 16, Code
33 1981, are amended by striking the subsections and
34 inserting in lieu thereof the following:

35 15. TEMPORARY EMERGENCY TAX. The department shall
36 collect a temporary emergency tax of one percent on
37 taxable wages for the four calendar quarters beginning
38 April 1, 1982, and ending March 31, 1983, retroactive
39 to April 1, 1982. The tax shall apply to all employers
40 except government entities, nonprofit organizations,
41 and employers assigned a zero contribution rate for
42 the applicable calendar quarter. The director shall
43 prescribe the manner in which the tax will be
44 collected. Interest shall accrue on all unpaid tax
45 under this subsection at the same rate as on regular
46 contributions and shall be collectible in the same
47 manner. The tax shall not affect the computation
48 of regular contributions under this chapter.

49 If the department determines that the unemployment
50 compensation trust funds available for the payment

1 of benefits are adequate to pay all benefits for
2 calendar years 1982 and 1983, that all advance moneys
3 received from the federal government for the payment
4 of unemployment compensation benefits have been repaid,
5 and that all interest accruing from the advancement
6 of the moneys has been paid, the department may sus-
7 pend the collection of the temporary emergency tax
8 for one or more of the four calendar quarters and
9 may reimburse employers for any or all of the tax
10 paid or credit future employer contribution
11 liabilities.

12 A special fund to be known as the temporary
13 emergency tax fund is created in the state treasury.
14 The special fund is separate and distinct from the
15 unemployment compensation trust fund. Ninety percent
16 of all contributions collected from the temporary
17 emergency tax shall be deposited in a distinct account
18 in the special fund and shall be used only to repay
19 advance moneys received from the federal government
20 for the payment of unemployment compensation benefits.
21 Ten percent of all contributions collected from the
22 temporary emergency tax shall be deposited in a
23 distinct account in the special fund and shall be
24 used only to pay interest accruing from the advancement
25 of the moneys. Any balance in the special fund on
26 June 30, 1983, shall be transferred by the treasurer
27 of state to the unemployment compensation trust fund
28 established in section 96.9, unless the department
29 determines that the transfer should not be made because
30 of immediate obligations to be met from the special
31 fund.

32 Sec. 4. Section 96.19, subsection 21, Code 1981,
33 is amended to read as follows:

34 21. "COMPUTATION DATE". The computation date
35 for contribution rates shall be July 1 of that calendar
36 year preceding the calendar year with respect to which
37 such rates are to be effective. ~~If the total trust~~
38 ~~funds available for payment of unemployment~~
39 ~~compensation benefits through April 1, 1978, is~~
40 ~~projected to fall below twenty million dollars, the~~
41 ~~director of the Iowa department of job service shall~~
42 ~~prepare and adopt such procedures for advance payment~~
43 ~~of a portion of the employer's unemployment~~
44 ~~contributions projected due for the first quarter~~
45 ~~of the calendar year beginning January 1, 1978."~~

S-5389 FILED
MARCH 26, 1982

BY GEORGE KINLEY

DIVISION A - LOST
DIVISION B - LOST

DIVISION C - LOST (p. 925)

S-5393

1 Amend the amendment, S-5353, to Senate File 2273,
2 as follows:
3 1. Page 1, by striking lines 7 through 33 and
4 inserting in lieu thereof the following:
5 "15. TEMPORARY EMERGENCY TAX. If on the first
6 day of June or September, 1983, the department has
7 an outstanding balance of interest accrued on advance
8 moneys received from the federal government for the
9 payment of unemployment compensation benefits, or
10 is projected to have an outstanding balance of accruing
11 federal interest for either the second or third
12 calendar quarter of 1983, the director shall collect
13 a temporary emergency tax for the second or third
14 calendar quarter in 1983, or for both calendar
15 quarters, retroactive to the beginning of either or
16 both calendar quarters. The tax shall be set at the
17 rate necessary to pay the interest accrued on the
18 moneys advanced to the department by the federal
19 government, and to pay any additional federal interest
20 which will accrue for the remainder of either or both
21 calendar quarters. However, the tax shall not be
22 greater than two-tenths of one percent of taxable
23 wages for either or both calendar quarters. The tax
24 shall apply to all employers except government
25 entities, nonprofit organizations, and employers
26 assigned a zero contribution rate for calendar year
27 1983. The director shall prescribe the manner in
28 which the tax will be collected. Interest shall
29 accrue on all unpaid tax under this subsection at
30 the same rate as on regular contributions and shall
31 be collectible in the same manner. The tax shall
32 not affect the computation of regular contributions
33 under this chapter."

S-5393 FILED & LOST BY BERL E. PRIEBE
MARCH 26, 1982 (p. 927)

SENATE 4
MARCH 29, 1982

SENATE FILE 2273

S-5390

1 Amend the amendment, S-5353, to Senate File 2273,
2 as follows:

3 1. Page 1, by inserting after line 43 the
4 following:

5 "Notwithstanding any provision of this subsection
6 to the contrary, the temporary emergency tax
7 established in this subsection shall not be collected
8 for any calendar quarter of 1983 if the total
9 unemployment compensation trust funds available for
10 the payment of benefits are at least twenty million
11 dollars on June 30, 1982."

S-5390 FILED & WITHDRAWN
MARCH 26, 1982 (p. 927)

BY BERL E. PRIEBE

SENATE FILE 2273

S-5394

1 Amend the amendment, S-5353, to Senate File 2273,
2 as follows:

3 1. Page 1, by inserting after line 43 the
4 following:

5 "Notwithstanding any provision of this subsection
6 to the contrary, the temporary emergency tax
7 established in this subsection shall not be collected
8 for any calendar quarter of 1983 if the balance of
9 the general fund of the state is at least twenty
10 million dollars on June 30, 1982. There is
11 appropriated from the general fund of the state for
12 the fiscal year beginning July 1, 1982, and ending
13 June 30, 1983, to the department of job service funds
14 sufficient to pay interest accruing on advance moneys
15 received from the federal government for the payment
16 of unemployment compensation benefits."

S-5394 FILED & LOST
MARCH 26, 1982 (p. 928)

BY BERL E. PRIEBE

Sen Labor 3/29 Do Pass 3/31 (p. 1147)

SENATE FILE 2273

BY COMMITTEE ON LABOR AND INDUSTRIAL RELATIONS

(AS AMENDED AND PASSED BY THE SENATE MARCH 26, 1982)

Passed Senate, Date 3-26-82 (p. 928) Passed House, Date 4-6-82 (p. 1266)

Vote: Ayes 41 Nays 5 Vote: Ayes 64 Nays 34

Approved April 22, 1982

A BILL FOR

1 An Act relating to balancing the unemployment compensation
2 trust fund and repaying any loans made by the federal
3 government to Iowa for the payment of unemployment
4 compensation benefits.

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

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_____ = New Language
by the Senate

1 Section 1. Section 96.7, subsections 15 and 16, Code 1981,
2 are amended by striking the subsections and inserting in lieu
3 thereof the following:

4 15. TEMPORARY EMERGENCY TAX. If on the first day of the
5 third month in any calendar quarter in 1983, the department
6 has an outstanding balance of interest accrued on advance
7 moneys received from the federal government for the payment
8 of unemployment compensation benefits, or is projected to
9 have an outstanding balance of accruing federal interest for
10 that calendar quarter, the director shall collect a temporary
11 emergency tax for that calendar quarter in 1983, retroactive
12 to the beginning of that calendar quarter. The tax shall
13 be set at the rate necessary to pay the interest accrued on
14 the moneys advanced to the department by the federal
15 government, and to pay any additional federal interest which
16 will accrue for the remainder of that calendar quarter.
17 However, the tax shall not be greater than one-tenth of one
18 percent of taxable wages for that calendar quarter. The tax
19 shall apply to all employers except government entities,
20 nonprofit organizations, and employers assigned a zero
21 contribution rate for calendar year 1983. The director shall
22 prescribe the manner in which the tax will be collected.
23 Interest shall accrue on all unpaid tax under this subsection
24 at the same rate as on regular contributions and shall be
25 collectible in the same manner. The tax shall not affect
26 the computation of regular contributions under this chapter.
27 A special fund to be known as the temporary emergency tax
28 fund is created in the state treasury. The special fund is
29 separate and distinct from the unemployment compensation trust
30 fund. All contributions collected from the temporary emergency
31 tax shall be deposited in the special fund. The special fund
32 shall be used only to pay interest accruing on advance moneys
33 received from the federal government for the payment of
34 unemployment compensation benefits.

35 16. If on March 1, 1983, the total unemployment

1 compensation trust funds available for the payment of benefits
 2 are less than ten times the average total weekly benefits
 3 paid during four consecutive weeks of January and February,
 4 1983, the department may require an advance payment of all
 5 or a portion of the actual or projected employer contributions
 6 due for the calendar quarter ending March 31, 1983, payable
 7 on March 31, 1983.

8 Sec. 2. Section 96.13, subsection 3, unnumbered paragraph
 9 3, Code 1981, is amended to read as follows:

10 Balances to the credit of the special employment security
 11 contingency fund shall not lapse at any time but shall
 12 continuously be available to the department for expenditures
 13 consistent herewith with this subsection. However, if on
 14 July 1 of any year the balance in the special employment
 15 security contingency fund exceeds fifty thousand dollars by
 16 ten thousand dollars or more, the treasurer of state shall
 17 promptly transfer the entire amount over fifty thousand dollars
 18 to the unemployment compensation fund established in section
 19 96-9 unless the department determines that such transfer
 20 should not be made because of immediate obligations to be
 21 met from the fund.

22 Sec. 3. Section 96.19, subsection 21, Code 1981, is amended
 23 to read as follows:

24 21. "COMPUTATION DATE". The computation date for
 25 contribution rates shall be July 1 of that calendar year
 26 preceding the calendar year with respect to which such rates
 27 are to be effective. if the total trust funds available for
 28 payment of unemployment compensation benefits through April
 29 17-1978, is projected to fall below twenty million dollars,
 30 the director of the Iowa department of job service shall
 31 prepare and adopt such procedures for advance payment of a
 32 portion of the employer's unemployment contributions projected
 33 due for the first quarter of the calendar year beginning
 34 January 17-1978.

35

SF 2273
rj/slc/26c

SENATE FILE 2273

AN ACT

RELATING TO BALANCING THE UNEMPLOYMENT COMPENSATION TRUST FUND AND REPAYING ANY LOANS MADE BY THE FEDERAL GOVERNMENT TO IOWA FOR THE PAYMENT OF UNEMPLOYMENT COMPENSATION BENEFITS.

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

Section 1. Section 96.7, subsections 15 and 16, Code 1981, are amended by striking the subsections and inserting in lieu thereof the following:

15. TEMPORARY EMERGENCY TAX. If on the first day of the third month in any calendar quarter in 1983, the department has an outstanding balance of interest accrued on advance moneys received from the federal government for the payment of unemployment compensation benefits, or is projected to have an outstanding balance of accruing federal interest for that calendar quarter, the director shall collect a temporary emergency tax for that calendar quarter in 1983, retroactive to the beginning of that calendar quarter. The tax shall be set at the rate necessary to pay the interest accrued on the moneys advanced to the department by the federal government, and to pay any additional federal interest which will accrue for the remainder of that calendar quarter. However, the tax shall not be greater than one-tenth of one percent of taxable wages for that calendar quarter. The tax shall apply to all employers except government entities, nonprofit organizations, and employers assigned a zero contribution rate for calendar year 1983. The director shall prescribe the manner in which the tax will be collected. Interest shall accrue on all unpaid tax under this subsection at the same rate as on regular contributions and shall be collectible in the same manner. The tax shall not affect the computation of regular contributions under this chapter.

A special fund to be known as the temporary emergency tax fund is created in the state treasury. The special fund is separate and distinct from the unemployment compensation trust fund. All contributions collected from the temporary emergency tax shall be deposited in the special fund. The special fund shall be used only to pay interest accruing on advance moneys received from the federal government for the payment of unemployment compensation benefits.

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

Sec. 2. Section 96.13, subsection 3, unnumbered paragraph 3, Code 1981, is amended to read as follows:

Balances to the credit of the special employment security contingency fund shall not lapse at any time but shall continuously be available to the department for expenditures consistent herewith with this subsection. ~~However, if on July 1 of any year the balance in the special employment security contingency fund exceeds fifty thousand dollars by ten thousand dollars or more, the treasurer of state shall promptly transfer the entire amount over fifty thousand dollars to the unemployment compensation fund established in section 96.9 unless the department determines that such transfer should not be made because of immediate obligations to be met from the fund.~~

Sec. 3. Section 96.19, subsection 21, Code 1981, is amended to read as follows:

21. "COMPUTATION DATE". The computation date for contribution rates shall be July 1 of that calendar year preceding the calendar year with respect to which such rates

are to be effective. ~~if-the-total-trust-funds-available-for
payment-of-unemployment-compensation-benefits-through-April
17-1978-is-projected-to-fall-below-twenty-million-dollars,
the-director-of-the-Iowa-department-of-job-service-shall
prepare-and-adopt-such-procedures-for-advance-payment-of-a
portion-of-the-employer's-unemployment-contributions-projected
due-for-the-first-quarter-of-the-calendar-year-beginning
January-17-1978-~~

TERRY E. BRANSTAD
President of the Senate

DELWYN STROMER
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2273, Sixty-ninth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved April 22, 1982

ROBERT D. RAY
Governor