

Labor & Industrial Relations  
Anderson, Chair  
Hultman  
Hutchins

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SENATE FILE 2162

BY HULTMAN and GENTLEMAN

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

### A BILL FOR

1 An Act relating to unemployment compensation by recomputing  
 2 maximum weekly benefit amounts, by modifying the attachment  
 3 and reattachment eligibility requirements, by affecting  
 4 benefit amounts in certain disqualification and employer-  
 5 closing cases, by modifying eligibility requirements in  
 6 job bumping, educational interim, voluntary quit, and  
 7 waiting-week cases, by modifying certain burden of proof  
 8 requirements, by modifying certain special contribution  
 9 rate requirements, by transferring employer charges in  
 10 certain voluntary quit cases, by affecting the election  
 11 to become a reimbursable employer, by modifying the interest  
 12 payable on delinquent employer accounts, by affecting the  
 13 procedures for levying against the funds of governmental  
 14 entities, by modifying certain administrative penalties,  
 15 by setting off overpayments against income tax refunds and  
 16 delinquent contributions against benefits to employers, by  
 17 restricting expenditures from the special employment  
 18 security contingency fund, by making technical and conforming  
 19 changes to chapter 96, and by providing effective dates.

S-2162

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

21  
22  
23  
24  
25

1 Section 1. Section 96.3, subsection 4, in the portion  
2 following the weekly benefit amount table in unnumbered  
3 paragraph 1, Code Supplement 1983, is amended to read as  
4 follows:

5 PARAGRAPH DIVIDED. The maximum weekly benefit amount,  
6 if not a multiple of one dollar shall be rounded to the lower  
7 multiple of one dollar. However, until such time as ~~sixty-~~  
8 ~~five-percent-of-the-statewide-average-weekly-wage-exceeds~~  
9 ~~one-hundred-ninety-dollars~~ the trust fund reaches a positive  
10 balance and all advance moneys received from the federal  
11 government for the payment of unemployment compensation  
12 benefits are repaid, the maximum weekly benefit amounts shall  
13 be determined using the statewide average weekly wage computed  
14 on the basis of wages reported for calendar year 1981. For  
15 the five years following the date when the trust fund reaches  
16 a positive balance and all federal advances are repaid, the  
17 maximum weekly benefit amounts shall be determined using the  
18 statewide average weekly wage computed on the basis of wages  
19 reported for calendar year 1981 and annual twenty-percent  
20 increments of the difference between the statewide average  
21 weekly wage computed on 1981 wages and the statewide average  
22 weekly wage computed on the basis of wages reported for the  
23 last completed calendar year, until the statewide average  
24 weekly wage is computed on the basis of one hundred percent  
25 of the wages reported for the last completed calendar year.  
26 As used in this section "dependent" means dependent as defined  
27 in section 422.12, subsection 1, paragraph "c", as if the  
28 individual claimant was a taxpayer, except that an individual  
29 claimant's nonworking spouse ~~shall-be-deemed-to-be~~ is a  
30 dependent under this section. "Nonworking spouse" means a  
31 spouse who does not earn more than one hundred twenty dollars  
32 in gross wages in one week.

33 Sec. 2. Section 96.3, subsection 5, unnumbered paragraph  
34 1, Code Supplement 1983, is amended to read as follows:

35 The maximum total amount of benefits payable to any an

1 eligible individual during any a benefit year shall not exceed  
2 the total of the wage credits accrued to the individual's  
3 account during the individual's base period, or twenty-six  
4 times the individual's weekly benefit amount, whichever is  
5 the lesser. However, the maximum total amount of benefits  
6 payable during an individual's benefit year shall be decreased  
7 by five times the individual's weekly benefit amount if the  
8 individual is disqualified for benefits due to a discharge  
9 for misconduct, or due to voluntarily quitting work without  
10 good cause attributable to the employer, and requalifies for  
11 benefits pursuant to section 96.5, subsection 1, paragraph  
12 g, or subsection 2, paragraph a, except that the maximum total  
13 amount of benefits payable during a benefit year of an  
14 individual disqualified due to a voluntary quit shall not  
15 be decreased under this subsection below the individual's  
16 weekly benefit amount. The director shall maintain a separate  
17 account for each individual who earns wages in insured work.  
18 The director shall compute wage credits for each individual  
19 by crediting the individual's account with one-third of the  
20 wages for insured work paid to the individual during the  
21 individual's base period. ~~However, the director shall~~  
22 ~~recompute wage credits for an individual who is laid off due~~  
23 ~~to the individual's employer going out of business at the~~  
24 ~~factory, establishment, or other premises at which the~~  
25 ~~individual was last employed, by crediting the individual's~~  
26 ~~account with one-half, instead of one-third, of the wages~~  
27 ~~for insured work paid to the individual during the individual's~~  
28 ~~base period.~~ Benefits paid to an eligible individual shall  
29 be charged against the base period wage credits in the  
30 individual's account which have not been previously charged  
31 hereunder, in the inverse chronological order as the wages  
32 on which such wage credits are based were paid.

33 PARAGRAPH DIVIDED. However, if an individual's initial  
34 or continuing unemployment is due to the closing of a factory,  
35 establishment, or other premises at which ten or more employees

1 were employed in the calendar quarter immediately preceding  
2 the closing, the director shall recompute wage credits by  
3 crediting the individual's account with one-half, instead  
4 of one-third of the wages for insured work paid to the  
5 individual during the individual's base period, and, if the  
6 state and-national-"off-indicators"-are "off" indicator is  
7 in effect and-if-the-individual-is-laid-off-due-to-the  
8 individual's-employer-going-out-of-business-at-the-factory,  
9 establishment,-or-other-premises-at-which-the-individual-was  
10 last-employed, the director shall extend the maximum benefits  
11 payable shall-be-extended to thirty-nine times the individual's  
12 weekly benefit amount, but not to exceed the total of the  
13 wage credits accrued to the individual's account.

14 Sec. 3. Section 96.3, subsection 7, Code Supplement 1983,  
15 is amended to read as follows:

16 7. RECOVERY OF OVERPAYMENT OF BENEFITS.

17 a. If an individual receives benefits for which the  
18 individual is subsequently determined to be ineligible, even  
19 though the individual acts in good faith and is not otherwise  
20 at fault, the benefits shall be recovered. The department  
21 in its discretion may recover the overpayment of benefits  
22 either by having a sum equal to the overpayment deducted from  
23 any future benefits payable to the individual or by having  
24 the individual pay to the department a sum equal to the  
25 overpayment.

26 If the department determines that an overpayment has been  
27 made, the charge for the overpayment against the employer's  
28 account shall be removed and the account shall be credited  
29 with an amount equal to the overpayment from the unemployment  
30 compensation trust fund.

31 b. The department shall assist the department of revenue,  
32 as provided in section 421.17, subsection 24, in setting off  
33 against an individual's income tax refund or rebate any  
34 overpayment of benefits made to the individual pursuant to  
35 this chapter.

1 Sec. 4. Section 96.4, subsection 3, Code Supplement 1983,  
2 is amended to read as follows:

3 3. The individual is able to work, is available for work,  
4 and is earnestly and actively seeking work. ~~The provision~~  
5 ~~of this~~ This subsection shall be ~~is~~ waived if the individual  
6 is deemed temporarily unemployed as defined in section 96.19,  
7 subsection 9, paragraph "c" ~~of~~. The work search requirements  
8 of this subsection and the disqualification requirement for  
9 failure to apply for, or to accept suitable work of section  
10 96.5, subsection 3 are waived if the individual is not  
11 disqualified for benefits under section 96.5, subsection 1,  
12 paragraph "i".

13 Sec. 5. Section 96.4, subsection 4, unnumbered paragraph  
14 1, Code Supplement 1983, is amended to read as follows:

15 The individual has been paid wages for insured work during  
16 the individual's base period in an amount at least one and  
17 ~~one-quarter~~ one-half times the wages paid to the individual  
18 during that quarter of the individual's base period in which  
19 the individual's wages were highest; provided that the  
20 individual has been paid wages for insured work totaling at  
21 least three and five-tenths percent of the statewide average  
22 annual wage for insured work, computed for the preceding  
23 calendar year if the individual's benefit year begins on or  
24 after the first full week in July and computed for the second  
25 preceding calendar year if the individual's benefit year  
26 begins before the first full week in July, in that calendar  
27 quarter in the individual's base period in which the  
28 individual's wages were highest, and the individual has been  
29 paid wages for insured work totaling at least one-half of  
30 the amount of wages required under this subsection in the  
31 calendar quarter of the base period in which the individual's  
32 wages were highest, in a calendar quarter in the individual's  
33 base period other than the calendar quarter in which the  
34 individual's wages were highest. The calendar quarter wage  
35 requirements shall be rounded to the nearest multiple of ten

1 dollars.

2 If the individual has drawn benefits in any benefit year,  
3 the individual must during or subsequent to that year, work  
4 in and be paid wages for insured work totaling at least ~~two~~  
5 ~~hundred-fifty-dollars~~ ten times the individual's weekly benefit  
6 amount, as a condition to receive benefits in the next benefit  
7 year.

8 Sec. 6. Section 96.4, subsection 5, Code Supplement 1983,  
9 is amended to read as follows:

10 5. Benefits based on service in employment in a nonprofit  
11 organization or government entity, defined in section 96.19,  
12 subsection 6, ~~shall-be~~ are payable in the same amount, on  
13 the same terms and subject to the same conditions as  
14 compensation payable on the same basis of other service subject  
15 to this chapter, except that:

16 a. Benefits based on service in ~~an-instructional,-research,-~~  
17 ~~or-principal-administrative~~ any capacity in an educational  
18 ~~institution of-higher-education~~ including service provided  
19 to or on behalf of an educational institution by an educational  
20 service agency or a nonprofit organization shall not be paid  
21 to an individual for any week of unemployment which begins  
22 during the period between two successive academic years or  
23 during a similar period between two regular terms, whether  
24 or not successive, or during a period of paid sabbatical  
25 leave, provided for in the individual's contract, if the  
26 individual has a contract or ~~contracts-to~~ reasonable assurance  
27 that the individual will perform services in any such capacity  
28 for any educational institution ~~or-institutions-of-higher~~  
29 ~~education~~ for both such academic years or both such terms.

30 b. ~~Benefits-based-on-service-in-employment,-defined-in~~  
31 ~~section-96-19,-subsection-6,-and-based-on-service-after~~  
32 ~~December-31,-1977-in-an-instructional,-research,-or-principal~~  
33 ~~administrative-capacity-for-an-educational-institution-operated~~  
34 ~~by-a-government-entity-or-a-nonprofit-organization,-shall~~  
35 ~~not-be-paid-to-an-individual-for-any-week-of-unemployment~~

1 which begins during the period between two successive academic  
2 years or terms, (or, when an agreement provides instead for  
3 a similar period between two regular but not successive terms,  
4 during such period) to any individual if such individual  
5 performs such services in the first of such academic years  
6 or terms and if there is a contract or reasonable assurance  
7 that such individual will perform services in any such capacity  
8 for any educational institution the second of such academic  
9 years or terms, or during a period of paid sabbatical leave,  
10 provided for in the individual's contract, and With respect  
11 to services performed in any capacity for an educational  
12 institution including services provided to or on behalf of  
13 an educational institution by an educational service agency  
14 or a nonprofit organization, benefits payable on the basis  
15 of the services shall be denied to an individual for any week  
16 which commences during an established and customary vacation  
17 period or holiday recess if the individual performs the  
18 services in the period immediately before the vacation period  
19 or holiday recess, and the individual has a contract or  
20 reasonable assurance that the individual will perform the  
21 services in the period immediately following the vacation  
22 period or holiday recess.

23 c. With respect to services in any other capacity for  
24 an educational institution, benefits shall not be paid to  
25 an individual for any week of unemployment which begins during  
26 the period between two successive academic years, or terms  
27 if the individual performs the services in the first of such  
28 academic years or terms and there is a reasonable assurance  
29 that the individual will perform such services in the second  
30 of such academic years or terms. If benefits which are based  
31 on service in a function other than in an instructional,  
32 research, or principal administrative capacity are denied  
33 to an individual for any week as a result of this paragraph  
34 subsection and the individual is not offered an opportunity  
35 to perform such services for the educational institution for

1 the second of ~~such~~ the academic years or terms, the individual  
2 is entitled to a retroactive payment of benefits for each  
3 week for which the individual filed a timely claim for benefits  
4 and for which benefits were denied solely by reason of this  
5 paragraph subsection.

6 ~~d. With-respect-to-any-services-performed-after-July-1,~~  
7 ~~1977,-in-any-capacity-for-an-educational-institution-other~~  
8 ~~than-an-institution-of-higher-education,-compensation-payable~~  
9 ~~on-the-basis-of-such-services-shall-not-be-paid-to-any~~  
10 ~~individual-for-any-week-which-commences-during-an-established~~  
11 ~~and-customary-vacation-period-or-holiday-recess-if-such~~  
12 ~~individual-performs-such-service-in-the-period-immediately~~  
13 ~~before-such-vacation-period-or-holiday-recess,-and-there-is~~  
14 ~~a-reasonable-assurance-that-such-individual-will-perform-such~~  
15 ~~service-in-the-period-immediately-following-such-vacation~~  
16 ~~period-or-holiday-recess. For purposes of this subsection,~~  
17 "educational service agency" means a governmental agency or  
18 entity which is established and operated exclusively for the  
19 purpose of providing educational services to one or more  
20 educational institutions.

21 ~~e.--With-respect-to-services-performed-after-December-31,~~  
22 ~~1977,-in-an-instructional,-research,-or-principal~~  
23 ~~administrative-capacity-in-an-institution-of-higher-education,~~  
24 ~~compensation-payable-on-the-basis-of-such-services-shall-be~~  
25 ~~denied-to-any-individual-for-any-week-which-commences-during~~  
26 ~~an-established-and-customary-vacation-period-or-holiday-recess~~  
27 ~~if-such-individual-performs-such-services-in-the-period~~  
28 ~~immediately-before-such-vacation-period-or-holiday-recess,~~  
29 ~~and-there-is-a-reasonable-assurance-that-such-individual-will~~  
30 ~~perform-such-services-in-the-period-immediately-following~~  
31 ~~such-vacation-period-or-holiday-recess.~~

32 Sec. 7. Section 96.5, subsection 1, paragraph f, Code  
33 Supplement 1983, is amended to read as follows:

34 f. ~~He-or-she-is-the-principal-support-of-his-or-her-family,~~  
35 ~~or-is-a-widow,-widower,-legally-separated-from-his-or-her~~

1 ~~spouse, or a single person, and he or she~~ The individual left  
 2 ~~his or her~~ the employing unit for not to exceed ten working  
 3 days, or such additional time as may be allowed by ~~his or~~  
 4 ~~her~~ the employer, for compelling personal reasons, (if so  
 5 found by the department), and prior to ~~such~~ leaving had  
 6 informed ~~his or her~~ the employer of ~~such~~ the compelling  
 7 personal reasons, and immediately after ~~such~~ the compelling  
 8 personal reasons ceased to exist ~~he or she~~ the individual  
 9 returned to ~~his or her~~ the employer and offered ~~his or her~~  
 10 the employer the individual's services and ~~his or her~~ the  
 11 individual's regular or comparable work was not available,  
 12 provided ~~he or she~~ the individual is otherwise eligible;  
 13 except that during the time ~~he or she~~ the individual is away  
 14 from ~~his or her~~ work because of the continuance of ~~such~~ the  
 15 compelling personal reasons, ~~he or she shall~~ the individual  
 16 is not be eligible for benefits.

17 Sec. 8. Section 96.5, subsection 1, paragraph g, Code  
 18 Supplement 1983, is amended to read as follows:

19 g. The individual left work voluntarily without good cause  
 20 attributable to the employer under circumstances which did  
 21 or would disqualify the individual for benefits, except as  
 22 provided in paragraph "a" of this subsection but, subsequent  
 23 to the leaving, the individual worked in and was paid wages  
 24 for insured work equal to ten times the individual's weekly  
 25 benefit amount, provided the individual's maximum total amount  
 26 of benefits has been decreased pursuant to section 96.3,  
 27 subsection 5 and the individual is otherwise eligible.

28 Sec. 9. Section 96.5, subsection 1, Code Supplement 1983,  
 29 is amended by adding the following new lettered paragraph:

30 NEW LETTERED PARAGRAPH. j. The individual left employment  
 31 due to a transfer to a new job site as provided in an  
 32 apprenticeship and training agreement entered into by the  
 33 employer and the individual's labor representative. Wages  
 34 earned with the employer that the individual left shall be  
 35 deemed wages earned from the next succeeding employer and

1 benefits shall be charged to the next succeeding employer  
2 in the same manner as provided in paragraph "a".

3 Sec. 10. Section 96.5, subsection 2, paragraph a, Code  
4 Supplement 1983, is amended to read as follows:

5 a. The individual shall be disqualified for benefits until  
6 the individual has worked in and has been paid wages for  
7 insured work equal to ten times the individual's weekly benefit  
8 amount, provided the individual's maximum total amount of  
9 benefits has been decreased pursuant to section 96.3,  
10 subsection 5 and the individual is otherwise eligible.

11 Sec. 11. Section 96.5, subsection 3, unnumbered paragraph  
12 1, Code Supplement 1983, is amended to read as follows:

13 If the department finds that an individual has failed,  
14 without good cause, either to apply for available, suitable  
15 work when directed by the employment office or the department  
16 or to accept suitable work when offered that individual, ~~or~~  
17 ~~to return to customary self-employment, if any.~~ The department  
18 in co-operation with the employment office shall, if possible,  
19 furnish the individual with the names of employers which are  
20 seeking employees. The individual shall apply to and obtain  
21 the signatures of the employers designated by the department  
22 on forms provided by the department, unless the employers  
23 refuse to sign the forms. The individual's failure to ob-  
24 tain the signatures of designated employers, which have not  
25 refused to sign the forms, shall disqualify the individual  
26 from further benefits until requalified. To requalify for  
27 benefits after disqualification under this subsection, the  
28 individual shall work in and be paid wages for insured work  
29 equal to ten times the individual's weekly benefit amount,  
30 provided the individual is otherwise eligible.

31 Sec. 12. Section 96.5, subsection 8, Code Supplement 1983,  
32 is amended to read as follows:

33 8. ADMINISTRATIVE PENALTY. If the department finds  
34 determines that, ~~with respect to any week of an insured~~  
35 ~~worker's unemployment for which such person claims credit~~

1 ~~or benefits, such a person has, within the thirty-six calendar~~  
 2 ~~months immediately preceding such week,~~ with intent to defraud  
 3 by obtaining for the person or for any other person any  
 4 benefits not due under this chapter, willfully and knowingly  
 5 made a false statement or misrepresentation, or willfully  
 6 and knowingly failed to disclose a material fact, ~~such the~~  
 7 department shall cancel the person's wage credits earned prior  
 8 to the date of the determination and, if applicable, the  
 9 person shall be disqualified for the week in which the  
 10 department makes ~~such the~~ determination, ~~and forfeit all~~  
 11 ~~benefit rights under the unemployment compensation law for~~  
 12 ~~a period of not more than the remaining benefit period as~~  
 13 ~~determined by the department according to the circumstances~~  
 14 ~~of each case.~~ Any The penalties imposed by this subsection  
 15 ~~shall be~~ are in addition to those otherwise prescribed in  
 16 this chapter.

17 Sec. 13. Section 96.6, subsection 2, Code Supplement 1983,  
 18 is amended to read as follows:

19 2. INITIAL DETERMINATION. A representative designated  
 20 by the director shall promptly notify all interested parties  
 21 to the claim of ~~the~~ its filing thereof, and the parties shall  
 22 have ten days from the date of mailing the notice of the  
 23 filing of ~~said~~ the claim by ordinary mail to the last known  
 24 address to protest payment of benefits to ~~said~~ the claimant.  
 25 The representative shall promptly examine the claim and any  
 26 protest ~~thereto~~ and, on the basis of the facts found by the  
 27 representative, shall determine whether or not ~~such the~~ claim  
 28 is valid, the week with respect to which benefits shall  
 29 commence, the weekly benefit amount payable and ~~the~~ its maximum  
 30 duration thereof, and whether any disqualification shall be  
 31 imposed. ~~The claimant has the burden of proving that the~~  
 32 ~~claimant meets the basic eligibility conditions of section~~  
 33 ~~96.4. The employer has the burden of proving that the claimant~~  
 34 ~~is disqualified for benefits pursuant to section 96.5.~~ Unless  
 35 the claimant or other interested party, after notification

1 or within ten calendar days after ~~such~~ notification was mailed  
2 to the claimant's last known address, files an appeal from  
3 ~~such~~ the decision, ~~such~~ the decision ~~shall-be~~ is final and  
4 benefits shall be paid or denied in accordance ~~therewith~~ with  
5 it. If a hearing officer affirms a decision of the  
6 representative, or the appeal board affirms a decision of  
7 the hearing officer, allowing benefits, ~~such~~ the benefits  
8 shall be paid regardless of any appeal which ~~may~~ is thereafter  
9 ~~be~~ taken, but if ~~such~~ the decision is finally reversed, no  
10 employer's account shall be charged with benefits so paid.

11 Sec. 14. Section 96.7, subsection 3, paragraph d, unnum-  
12 bered paragraph 6, Code Supplement 1983, is amended to read  
13 as follows:

14 ~~During-any-rate-year-in-which-a-rate-table-in-rate-tables~~  
15 ~~three-through-nine-is-effective-an~~ An employer assigned a  
16 contribution rate under this lettered paragraph is not required  
17 to contribute to the unemployment compensation trust fund  
18 if the employer's percentage of excess is seven point five  
19 percent or greater for the rate year and the employer has  
20 ~~not~~ been charged with less than five hundred dollars in benefit  
21 payments ~~for-any-time~~ within the twenty-four calendar quarters  
22 immediately preceding the rate computation date for the rate  
23 year. If an employer is not required to contribute for a  
24 rate year to the trust fund under this unnumbered paragraph  
25 but would be required to contribute for the next rate year  
26 under this lettered paragraph, the employer's contribution  
27 rate for the next rate year is either the employer's experience  
28 rate computed under this lettered paragraph or one and eight-  
29 tenths percent, whichever is less. For subsequent years,  
30 either the employer is not required to contribute under this  
31 unnumbered paragraph or the employer's contribution rate is  
32 the employer's experience rate computed under this lettered  
33 paragraph.

34 Sec. 15. Section 96.7, subsection 3, paragraph d, unnum-  
35 bered paragraph 7, Code Supplement 1983, is amended by striking

1 the unnumbered paragraph.

2 Sec. 16. Section 96.7, subsection 14, Code Supplement  
3 1983, is amended by striking the subsection and inserting  
4 in lieu thereof the following:

5 14. A contributory nonprofit organization which elects  
6 to become a reimbursable employer shall pay to the department  
7 the amount of the negative balance in the nonprofit  
8 organization's employer account on the effective date of the  
9 election.

10 Sec. 17. Section 96.13, subsection 3, unnumbered para-  
11 graph 1, Code 1983, is amended to read as follows:

12 There is hereby created in the state treasury a special  
13 fund to be known as the special employment security contingency  
14 fund. All interest, fines, and penalties, regardless of when  
15 ~~the same~~ they become payable, collected from employers under  
16 ~~the provisions of~~ section 96.14 ~~subsequent to July 17, 1970,~~  
17 shall be paid into this fund. ~~Said~~ The moneys shall not be  
18 expended or available for expenditure in any manner which  
19 would permit their substitution for federal funds which would  
20 in the absence of ~~said~~ the moneys be available to finance  
21 expenditures for the administration of the employment security  
22 law. ~~Nothing in this~~ This section ~~shall~~ does not prevent  
23 ~~said~~ the moneys from being used as a revolving fund to cover  
24 expenditures for which federal funds have been duly requested  
25 but not yet received, subject to the charging of ~~such~~ the  
26 expenditures against ~~such~~ the funds when received. ~~Said~~ The  
27 fund may be used for the payment of costs of administration  
28 which are found not to have been properly and validly  
29 chargeable against federal grants or other funds, received  
30 for or in the employment security administration fund. The  
31 moneys in this fund are hereby specifically made available  
32 to replace, within a reasonable time, any moneys received  
33 by this state in the form of grants from the federal government  
34 for administrative expenses which because of any action or  
35 contingency have been expended for purposes other than, or

1 in excess of, those necessary for the proper administration  
2 of the employment security law. All moneys in the ~~special~~  
3 ~~employment-security-contingency~~ fund shall be deposited,  
4 administered, and disbursed in the same manner and under the  
5 same conditions and requirements as are provided by law for  
6 other special funds in the state treasury. However, an ex-  
7 penditure from the fund in excess of two thousand five hundred  
8 dollars is subject to the state purchasing system established  
9 by the director of the department of general services and  
10 the approval of the executive council.

11 Sec. 18. Section 96.13, subsection 3, unnumbered paragraph  
12 3, Code 1983, is amended to read as follows:

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

24 Sec. 19. Section 96.14, subsections 1, 2, and 3, Code  
25 1983, are amended to read as follows:

26 1. INTEREST. ~~Any An~~ employer who ~~shall-fail~~ fails to  
27 pay any contribution and at the time required by this chapter  
28 and the rules of the department shall pay to the department  
29 in addition to ~~such~~ the contribution, interest ~~thereon~~ on  
30 the contribution at the rate of five one-hundredths of one  
31 percent ~~per-month-and-one-thirtieth-of-one-percent~~ for each  
32 day or fraction ~~thereof~~ of a day computed from the date upon  
33 which ~~said~~ the contribution should have been paid.

34 2. PENALTIES. ~~Any An~~ employer who ~~shall-fail~~ fails to  
35 file a report of wages paid to each of ~~his-or-her~~ the

1 employer's employees for any period in the manner and within  
 2 the time required by this chapter and the rules of the  
 3 department or any an employer who the ~~commission~~ department  
 4 finds has filed an insufficient report and fails to file a  
 5 sufficient report within thirty days after a written request  
 6 from the department to do so shall pay a penalty to the  
 7 department.

8 The penalty ~~shall-become~~ becomes effective with the first  
 9 day the report is delinquent or, where a report is  
 10 insufficient, with the thirty-first day following the written  
 11 request for a sufficient report.

12 Penalty for failing to file a sufficient report ~~shall-be~~  
 13 is in addition to any penalty incurred for a delinquent report  
 14 where if the delinquent report is also insufficient.

15 The amount of the penalty for delinquent and insufficient  
 16 reports shall be computed based on total wages in the period  
 17 for which the report was due and shall be computed as follows:

18	Days Delinquent	
19	or Insufficient	Penalty Rate
20	1 - 60	0.1%
21	61 - 120	0.2%
22	121 - 180	0.3%
23	181 - 240	0.4%
24	241 or over	0.5%

25 No A penalty shall not be less than ten dollars for each  
 26 delinquent report or each insufficient report not made  
 27 sufficient within thirty days as of a request to do so.  
 28 Interest, penalties, and costs shall be collected by the  
 29 department in the same manner as provided by this chapter  
 30 for contributions.

31 If the department finds that any an employer has willfully  
 32 failed to pay any a contribution or part ~~thereof~~ of a  
 33 contribution when required by this chapter and the rules of  
 34 the department, with intent to defraud the department, ~~then~~  
 35 ~~such~~ the employer shall in addition to ~~such~~ the contribution

1 or part ~~thereof~~ of the contribution, pay a ~~contribution~~ penalty  
2 equal to fifty percent of the amount of ~~such~~ the contribution  
3 or part ~~thereof~~, ~~as the case may be~~ of the contribution.

4 The department may cancel any interest or penalties if  
5 it is shown to the satisfaction of the department that the  
6 failure to pay a required contribution or to file a required  
7 report was not the result of negligence, fraud, or intentional  
8 disregard of the law or the rules of the department.

9 3. LIEN OF CONTRIBUTIONS--COLLECTION. ~~Whenever any~~ If  
10 an employer liable to pay contributions refuses or neglects  
11 to pay the ~~same~~ contributions, the amount due, including any  
12 interest or penalty, together with the costs that may accrue  
13 in addition ~~thereto~~ to the contributions, interest, and  
14 penalty, ~~shall be~~ is a lien in favor of the state upon all  
15 property and rights to property, whether real or personal,  
16 belonging to ~~said~~ the employer. An assessment of the unpaid  
17 contributions, interest and penalty shall be applied as  
18 provided in section 96.7, subsection 4, paragraphs "a" and  
19 "b" and the lien shall attach as of the date the assessment  
20 is mailed or personally served upon the employer. However,  
21 the department may release ~~any~~ a lien, when after diligent  
22 investigation and effort it determines that the amount due  
23 is not collectible.

24 In order to preserve the ~~aforesaid~~ lien against ~~subsequent~~  
25 mortgagees, purchasers or judgment creditors, for value and  
26 without notice of the lien, on any property situated in a  
27 county, the department shall file with the recorder of the  
28 county, in which ~~said~~ the property is located, a notice of  
29 ~~said~~ the lien.

30 The county recorder of each county shall prepare and keep  
31 in ~~his or her~~ the recorder's office a book to be known as  
32 "index of unemployment contribution liens", so ruled as to  
33 show in appropriate columns the following data, under the  
34 names of employers, arranged alphabetically:

35 a. The name of the employer.

1 b. The name "State of Iowa" as claimant.

2 c. Time notice of lien was received.

3 d. Date of notice.

4 e. Amount of lien then due.

5 f. When satisfied.

6 The recorder shall endorse on each notice of lien the day,  
7 hour, and minute when received and shall ~~forthwith~~ index ~~said~~  
8 the notice in ~~said~~ the index book and ~~shall-forthwith~~ record  
9 ~~said~~ the lien in the manner provided for recording real estate  
10 mortgages, ~~and-the-said~~. The lien shall-be is effective from  
11 the time of the indexing ~~thereof~~ of the lien.

12 The department shall pay a recording fee as provided in  
13 section 331.604, for the recording of the lien, or for ~~its~~  
14 the satisfaction of the lien.

15 Upon the payment of contributions, interest, and penalties  
16 as to which the department has filed notice with a county  
17 recorder, the department shall ~~forthwith~~ file with ~~said~~ the  
18 recorder a satisfaction of ~~said~~ the contributions, interest,  
19 and penalties and the recorder shall enter ~~said~~ the  
20 satisfaction on the notice on file in ~~his-or-her~~ the recorder's  
21 office and indicate ~~said-fact~~ the satisfaction on the index  
22 ~~afesaid~~.

23 The department shall, substantially as provided in sections  
24 445.6 and 445.7, proceed to collect all contributions as soon  
25 as practicable after the ~~same~~ contributions become delinquent,  
26 except that no property of the employer ~~shall-be~~ is exempt  
27 from the payment of ~~said~~ the contributions.

28 If, after due notice, any an employer defaults in any  
29 payment of contributions, or interest thereon or penalties,  
30 the amount due may be collected by civil action in the name  
31 of the department and the employer adjudged in default shall  
32 pay the costs of ~~such~~ the action. Civil actions brought under  
33 this section to collect contributions, or interest thereon,  
34 or penalties from an employer shall be heard by the court  
35 at the earliest possible date and ~~shall-be~~ are entitled to

1 preference upon the calendar of the court over all other civil  
2 actions except petitions for judicial review under this chapter  
3 and cases arising under the workers' compensation law of this  
4 state.

5 ~~It is expressly provided that the~~ The foregoing remedies  
6 of the state ~~shall be~~ are cumulative and ~~that~~ no action taken  
7 by the department ~~shall be construed to be~~ is an election  
8 on the part of the state or any of its officers to pursue  
9 any remedy ~~hereunder~~ under this section to the exclusion of  
10 any other remedy provided by law.

11 The courts of this state shall recognize and enforce  
12 liabilities for unemployment contributions, penalties, interest  
13 and benefit overpayments imposed by other states which extend  
14 a like comity to this state. The department may sue in the  
15 courts of any other jurisdiction which extends such comity  
16 to collect unemployment contributions, penalties, interest  
17 and benefit overpayments due this state. The officials of  
18 other states which, by statute or otherwise, extend a like  
19 comity to this state may sue in the district court to collect  
20 ~~for such~~ contributions, penalties, interest and benefit  
21 overpayments. In any such case the director of the department  
22 of this state, as agent for and on behalf of any other state,  
23 may institute and conduct ~~such~~ the suit for ~~such~~ the other  
24 state. Venue of such proceedings ~~shall be~~ is the same as  
25 for actions to collect delinquent contributions, penalties,  
26 interest and benefit overpayments due under this chapter.  
27 A certificate by the secretary of any such state attesting  
28 the authority of ~~such~~ an official to collect the contributions,  
29 penalties, interest and benefit overpayments, is conclusive  
30 evidence of such authority. The requesting state shall pay  
31 the court costs.

32 ~~If a political subdivision or a political subdivision~~  
33 ~~instrumentality becomes delinquent in the payment of~~  
34 ~~contributions, any payments owed as a government employer,~~  
35 ~~penalty, interest and costs for more than two calendar~~

1 ~~quarters, the amount of such delinquency shall be deducted~~  
2 ~~from any further moneys due the employer by the state. Such~~  
3 ~~deduction shall be made by the state comptroller upon~~  
4 ~~certification of the amount due. A copy of the certification~~  
5 ~~will be mailed to the employer.~~

6 If an amount due from a governmental entity of this state  
7 remains due and unpaid ~~for a period of one hundred twenty~~  
8 ~~days~~ after the due date, the director shall ~~take action as~~  
9 ~~necessary to collect the amount and~~ issue an assessment to  
10 the governmental entity of the past due amount. If the amount  
11 due remains unpaid ten days after the assessment is mailed  
12 to the governmental entity, the director shall levy against  
13 any funds due the governmental entity from the state treasurer  
14 of state, the director of the department of revenue, or any  
15 other official or agency of this state or against an account  
16 established by the entity in any bank. The official, agency,  
17 or bank shall deduct the amount assessed and certified by  
18 the director from any accounts or deposits or any funds due  
19 the delinquent governmental entity without regard to any prior  
20 claim and shall promptly forward the amount to the director  
21 ~~for the fund. However, the director shall notify the~~  
22 ~~delinquent entity of the director's intent to file a levy~~  
23 ~~by certified mail at least ten days prior to filing the levy~~  
24 ~~on any funds due the entity from any state official or agency.~~

25 Sec. 20. Section 96.14, subsection 3, Code 1983, is amended  
26 by adding the following new unnumbered paragraph after  
27 unnumbered paragraph 8:

28 NEW UNNUMBERED PARAGRAPH. The department shall set off  
29 against benefits due an individual employer, a partner, or  
30 a corporate officer who controlled, supervised, or was respon-  
31 sible for filing the corporation's contribution reports or  
32 for making the corporation's contribution payments and will-  
33 fully failed to do so, the amount of unpaid contributions,  
34 interest, or penalties due from the individual employer,  
35 partner, or corporate officer.

1 Sec. 21. Section 96.19, subsection 18, Code Supplement  
2 1983, is amended by striking the subsection.

3 Sec. 22. Section 96.19, subsections 31 and 32, Code  
4 Supplement 1983, are amended to read as follows:

5 31. "Regular benefits" means benefits payable to an  
6 individual under this or under any other state law, ~~(including~~  
7 ~~benefits payable to federal civilian employees and to ex-~~  
8 ~~servicemen-or-women~~ ex-service members pursuant to 5 U.S.C.,  
9 ~~chapter ch. 85)~~, other than extended benefits.

10 32. "Extended benefits" means benefits, ~~(including benefits~~  
11 payable to federal civilian employees and to ~~ex-servicemen~~  
12 ~~or-women~~ ex-service members pursuant to 5 U.S.C., ~~chapter~~  
13 ~~ch. 85)~~, payable to an individual under the provisions of  
14 this section for weeks of unemployment in ~~his-or-her~~ the  
15 individual's eligibility period.

16 Sec. 23. Section 96.19, subsection 34, unnumbered para-  
17 graph 1, Code Supplement 1983, is amended to read as follows:

18 "Exhaustee" means an individual who, with respect to any  
19 week of unemployment in ~~his-or-her~~ the individual's eligibility  
20 period has received, prior to ~~such~~ that week, all of the  
21 regular benefits that were available to ~~him-or-her~~ the  
22 individual under this chapter or any other state law,  
23 ~~(including dependents' allowances and benefits payable to~~  
24 federal civilian employees and ~~ex-servicemen-or-women~~ ex-  
25 service members under 5 U.S.C., ~~chapter ch. 85)~~, in ~~his-or~~  
26 ~~her~~ the individual's current benefit year that includes ~~such~~  
27 weeks that week. ~~Provided-that~~ However, for the purposes  
28 of this subsection an individual shall be deemed to have  
29 received all of the regular benefits that were available to  
30 ~~him-or-her~~ the individual, although as a result of a pending  
31 appeal with respect to wages that were not considered in the  
32 original monetary determination in ~~his-or-her~~ the individual's  
33 benefit year ~~he-or-she~~ the individual may subsequently be  
34 determined to be entitled to add regular benefits, or:

35 Sec. 24. Section 421.17, Code Supplement 1983, is amended

1 by adding the following new subsection after subsection 23  
2 and renumbering the subsequent subsections:

3 NEW SUBSECTION. 24. To establish and maintain a procedure  
4 to set off against an individual's income tax refund or rebate  
5 any debt which is owed to the department of job service due  
6 to an overpayment of unemployment compensation benefits made  
7 under chapter 96. The procedure shall meet the following  
8 conditions:

9 a. Before setoff all outstanding tax liabilities  
10 collectible by the department of revenue shall be satisfied  
11 except that a refund or rebate shall not be credited against  
12 tax liabilities which are not yet due.

13 b. Before setoff the department of job service shall  
14 obtain and forward to the department of revenue the full name  
15 and social security number of the individual. The department  
16 of revenue shall cooperate in the exchange of relevant  
17 information with the department of job service.

18 c. The department of job service shall, at least annually,  
19 submit to the department of revenue for setoff the  
20 overpayments, which are at least fifty dollars, on a date  
21 or dates to be specified by the department of job service.

22 d. Upon submission of a claim, the department of revenue  
23 shall notify the department of job service as to whether the  
24 individual is entitled to a refund or rebate of at least fifty  
25 dollars and if so entitled shall notify the department of  
26 job service of the amount of the refund or rebate and of the  
27 individual's address on the income tax return. Section 422.72,  
28 subsection 1, does not apply to this paragraph.

29 e. Upon notice of entitlement to a refund or rebate, the  
30 department of job service shall send written notice to the  
31 individual, and a copy of the notice to the department of  
32 revenue, of the department of job service's assertion of its  
33 rights to all or a portion of the individual's refund or  
34 rebate and the entitlement to recover the amount of the  
35 overpayment through the setoff procedure, the basis of the

1 assertion, the individual's opportunity to request that a  
2 joint income tax refund or rebate be divided between spouses,  
3 the individual's opportunity to give written notice of intent  
4 to contest the claim, and the fact that failure to contest  
5 the claim by written application for a hearing before a  
6 specified date will result in a waiver of the opportunity  
7 to contest the claim, causing final setoff by default. Upon  
8 application, the department of job service shall grant a  
9 hearing pursuant to chapter 17A. An appeal taken from the  
10 decision of a hearing officer and any subsequent appeals shall  
11 be taken pursuant to chapter 17A.

12 f. Upon the timely request of an individual or an  
13 individual's spouse to the department of job service and upon  
14 receipt of the full name and social security number of the  
15 individual's spouse, the department shall notify the department  
16 of revenue of the request to divide a joint income tax refund  
17 or rebate. The department of revenue shall upon receipt of  
18 the notice divide a joint income tax refund or rebate between  
19 the individual and the individual's spouse in proportion to  
20 each spouse's net income as determined under section 422.7.

21 g. The department of revenue shall, after notice has been  
22 sent to the individual by the department of job service, set  
23 off the amount of the overpayment against the individual's  
24 income tax refund or rebate if both the amount of the  
25 overpayment and the refund or rebate are at least fifty  
26 dollars. The department shall refund any balance of the  
27 income tax refund or rebate to the individual. The department  
28 of revenue shall periodically transfer the amount set off  
29 to the department of job service. If the individual gives  
30 written notice of intent to contest the claim, the department  
31 of job service shall hold the refund or rebate until final  
32 disposition of the contested claim pursuant to chapter 17A  
33 or by court judgment. The department of job service shall  
34 notify the individual in writing upon completion of setoff.

35 Sec. 25. Section 421.17, subsection 25, Code Supplement

1 1983, is amended to read as follows:

2     ~~25~~ 26. To provide that in the case of multiple claims  
3 to refunds or rebates filed under subsections 21, ~~and 23~~ and  
4 24, that priority shall be given to claims filed by the child  
5 support recovery unit or the foster care recovery unit under  
6 subsection 21, next priority shall be given to claims filed  
7 by the college aid commission under subsection 23, ~~and last~~  
8 next priority shall be given to claims filed by the office  
9 of investigations under subsection 21, and last priority shall  
10 be given to claims filed by the department of job service  
11 under subsection 24.

12     Sec. 26. 1983 Iowa Acts, chapter 190, section 26, is  
13 amended to read as follows:

14     SEC. 26. PROSPECTIVE REPEAL. ~~Sections 8 and~~ Section 24  
15 of this Act ~~are prospectively is~~ is repealed on January 1 of  
16 the first calendar year after December 31, 1985 for which  
17 a contribution rate table other than contribution rate table  
18 one is effective. ~~Section 8 is repealed for benefit claims~~  
19 ~~effectively filed for and after the first full week in that~~  
20 ~~first calendar year.~~ Section 24 is repealed for taxable wages  
21 for that first calendar year and subsequent calendar years.

22     Sec. 27. 1983 Iowa Acts, chapter 190, section 27, sub-  
23 section 7, is amended to read as follows:

24     7. Section 8 of this Act takes effect only for initial  
25 unemployment compensation benefit claims effectively filed  
26 on or after ~~January 6, 1985~~ July 1, 1984.

27     Sec. 28. Section 96.22, Code 1983, is repealed.

28     Sec. 29. The sections of this Act take effect as follows:

29     1. Section 6 of this Act, being deemed of immediate  
30 importance, takes effect from and after its publication in  
31 The Sioux City Journal, a newspaper published in Sioux City,  
32 Iowa, and in the Waterloo Courier Record, a newspaper published  
33 in Waterloo, Iowa, and is retroactive to April 1, 1984 and  
34 applies to benefits paid for weeks beginning on or after April  
35 1, 1984.

1     2. Sections 1, 3, 16, 17, 18, 19, 20, 22, 23, 24, 25,  
2 26, and 28 take effect July 1, 1984.

3     3. Sections 4, 7, 9, 11, 12, 13, and 21 take effect July  
4 1, 1984 and apply to all new or pending benefit claims.

5     4. Sections 2, 5, 8, 10, and 27 take effect only for bene-  
6 fit claims effectively filed on or after July 1, 1984.

7     5. Sections 14 and 15 take effect January 1, 1985 and  
8 apply to calendar year 1985 and subsequent calendar years.

9

#### EXPLANATION

10     Section 1 of this bill extends the use of 1981 wages for  
11 computing the maximum weekly benefit amounts under section  
12 96.3, subsection 4 until the trust fund's balance is positive  
13 and all federal loans are repaid. For the following five  
14 years, rather than use the latest completed calendar year  
15 wages, the maximum benefit amounts are to be calculated by  
16 using increments of 20 percent of the difference between the  
17 latest calendar year wages and the 1981 wages.

18     Sections 2, 8, and 10 reduce the maximum total amount of  
19 yearly benefits by five times the weekly benefit amount for  
20 each disqualifying discharge for misconduct or voluntary quit,  
21 but for voluntary quits not below the weekly benefit amount.  
22 Section 2 also provides that the earning of wage credits at  
23 a rate of one-half of wages and the extension of benefits  
24 to 39 times the weekly benefit amount apply only if the  
25 employees are unemployed due to the closing of a business  
26 or portion of a business with ten or more employees in the  
27 preceding calendar quarter.

28     Sections 3, 24 and 25 extend the current income tax re-  
29 fund and rebate setoff procedure to overpayments of unem-  
30 ployment compensation benefits.

31     Section 4 removes, in job bumping situations, the blanket  
32 waiver of the able, available, and job search requirements.  
33 A limited waiver is substituted which waives the job search  
34 requirements and the disqualification requirement for failure  
35 to apply for, or to accept suitable work.

1 Section 5 raises the attachment-to-the-work-force require-  
2 ment to one and one-half times high quarter wages and changes  
3 the reattachment-to-the-work-force requirement to ten times  
4 the weekly benefit amount.

5 Section 6 treats all employees of all educational  
6 institutions similarly for purposes of denying benefits between  
7 academic terms and during sabbatical leave, vacation periods,  
8 and holiday recesses.

9 Section 7 deletes several conditions on the voluntary quit  
10 savings clause relating to eligibility for benefits after  
11 a ten-day leave taken by an employee for compelling personal  
12 reasons.

13 Section 9 adds an additional savings clause to the voluntary  
14 quit disqualification which would allow an employee to collect  
15 benefits at some later time if the employee left employment  
16 due to a transfer to a new job site required by an  
17 apprenticeship and training agreement. The benefits are to  
18 be charged to the next succeeding employer.

19 Sections 11 and 21 delete the specific disqualification  
20 from the law relating to failure, without good cause, to  
21 return to customary self-employment.

22 Section 12 changes the administrative penalty from a  
23 forfeiture of benefit rights to a cancellation of wage credits  
24 earned prior to the date of a determination of fraud used  
25 to obtain benefits for oneself or someone else.

26 Section 13 deletes the burden of proof language added in  
27 1983 which principally allocated the burden of proof in  
28 voluntary quit cases.

29 Sections 14 and 15 delete the five-tenths of one percent  
30 special contribution rate for employers with percentages of  
31 excess of at least 7.5 percent and allow a zero contribution  
32 rate for 1985 and subsequent calendar years for such employers  
33 which have been charged with less than \$500 in benefit pay-  
34 ments in the six years preceding the rate computation date.

35 Section 16 deletes two out-of-date provisions related to

1 a nonprofit organization's positive account balance upon  
2 electing to become a reimbursable employer. A provision is  
3 added requiring a contributory nonprofit organization, with  
4 a negative employer account balance, electing to become a  
5 reimbursable employer to pay the department the amount of  
6 the negative balance.

7 Section 17 makes expenditures from the special employment  
8 security contingency fund (penalty and interest fund) in ex-  
9 cess of \$2,500 subject to the state purchasing system and  
10 the approval of the executive council.

11 Section 18 reinstates prior Code language which transfers  
12 unobligated amounts over \$50,000 from the special employment  
13 security contingency fund (penalty and interest fund), if  
14 the fund contains at least \$60,000, to the unemployment trust  
15 fund.

16 Section 19 modifies the rate of interest payable by em-  
17 ployers on overdue contributions and provides a simplified  
18 method for levying against governmental funds of delinquent  
19 governmental entities.

20 Section 20 authorizes the department to set off unpaid  
21 contributions, interest, and penalties against benefits due  
22 certain individual employers, partners, and corporate officers.

23 Sections 22 and 23 desex the references to ex-servicemen  
24 and ex-servicewomen.

25 Sections 26 and 27 make the waiting week requirement  
26 permanent and effective July 1, 1984.

27 Section 28 repeals an outdated provision related to Korean  
28 War veterans.

29 Section 29 provides a specific effective date for each  
30 section of the bill.

31  
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