

Reprinted
FILED MAR 06 1992

SENATE FILE 2329
BY COMMITTEE ON BUSINESS AND
LABOR RELATIONS
(Appropriations (p. 663))
(SUCCESSOR TO SSB 2271)

Passed Senate, Date 3/23/92 (p. 730) Passed House, Date 4/28/92 (p. 182)
Vote: Ayes 26 Nays 23 Vote: Ayes 52 Nays 46
Approved retired 5/22/92

A BILL FOR

1 An Act relating to qualification for, amount of, and deductions
2 from unemployment compensation benefits and providing an
3 effective date and applicability provision.

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

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SF 2329

1 Section 1. Section 96.4, subsection 4, unnumbered
2 paragraph 1, Code Supplement 1991, is amended to read as
3 follows:

4 The individual has been paid wages for insured work during
5 ~~the individual's base period in an amount at least one and~~
6 ~~one-quarter times the wages paid to the individual during that~~
7 ~~quarter of the individual's base period in which the~~
8 ~~individual's wages were highest; provided that the individual~~
9 ~~has been paid wages for insured work~~ in two calendar quarters
10 of the individual's base period in amounts totaling at least
11 three and five-tenths one-half percent and one and three-
12 fourths percent, rounded to the nearest multiple of ten
13 dollars, respectively, of the statewide average annual weekly
14 wage for insured work, multiplied by fifty-two, using the
15 statewide average weekly wage computed for the preceding
16 calendar year preceding the individual's benefit year if the
17 individual's benefit year begins on or after the first full
18 week in July and computed for the second preceding calendar
19 year if the individual's benefit year begins before the first
20 full week in July; ~~in that calendar quarter in the~~
21 ~~individual's base period in which the individual's wages were~~
22 ~~highest; and.~~ However, the individual shall be eligible to
23 receive benefits if the individual has been paid wages for
24 insured work totaling at least one-half of the amount of wages
25 required under this subsection in the calendar quarter of the
26 base period in which the individual's wages were highest; in a
27 calendar quarter in the individual's base period other than
28 the calendar quarter in which the individual's wages were
29 highest during the individual's base period in an amount equal
30 to or greater than the amount of taxable wages, as defined in
31 section 96.19, subsection 20, for the calendar year in which
32 the individual files the claim for benefits. The calendar
33 quarter wage requirements shall be rounded to the nearest
34 multiple of ten dollars.

35 Sec. 2. Section 96.5, subsection 5, paragraph c,

1 unnumbered paragraph 1, Code Supplement 1991, is amended to
2 read as follows:

3 A governmental or other pension, retirement or retired pay,
4 annuity, or any other similar periodic payment made under a
5 plan maintained or contributed to by a base period or
6 chargeable employer where, except for benefits under the
7 federal Social Security Act or the federal Railroad Retirement
8 Act of 1974 or the corresponding provisions of prior law, the
9 plan's eligibility requirements or benefit payments are
10 affected by the base period employment or the remuneration for
11 the base period employment. However, if an individual's
12 ~~benefits-are~~ weekly benefit amount shall not be reduced due to
13 the receipt of a payment under referred to in this paragraph,
14 ~~the-reduction-shall-be-decreased-by-the-same-percentage-as-the~~
15 ~~percentage-contribution-of~~ if the individual made any
16 contribution to the pension or retirement plan under which the
17 payment is made.

18 Sec. 3. Section 96.5, subsection 7, Code Supplement 1991,
19 is amended by striking the subsection.

20 Sec. 4. Section 96.29, Code 1991, is amended by adding the
21 following new subsection:

22 NEW SUBSECTION. 7. Notwithstanding subsection 4, an
23 individual qualified to receive extended benefits pursuant to
24 this section who is not qualified to receive emergency
25 benefits pursuant to Pub. L. No. 102-164 (H.R. 3575) and Pub.
26 L. No. 102-182 (H.R. 1724), or any such provision enacted by
27 the congress of the United States and signed by the president
28 after the effective date of this Act, shall receive from the
29 state additional benefits equal to the maximum amount an
30 individual could receive if the individual were qualified
31 under such federal law. This subsection shall be applied
32 prospectively from the effective date of this Act.

33 Sec. 5. EFFECTIVE DATE. This Act, being deemed of
34 immediate importance, takes effect upon enactment.

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EXPLANATION

1 This bill relates to unemployment compensation benefits.

2 Section 1 of the bill deletes the attachment-to-the-work-
3 force requirement for qualification for benefits of 1.25 times
4 an individual's high quarter earnings but maintains an
5 earnings requirement in two base period quarters. Section 1
6 also allows an individual who earns the taxable wage base in
7 the base period to be eligible for benefits.

8 Section 2 of the bill allows pension income to be deducted
9 from unemployment compensation benefits only when the
10 chargeable employer contributes 100 percent to the pension.

11 Section 3 of the bill eliminates the requirement that
12 vacation pay be deemed wages and therefore deducted from
13 weekly benefit payments.

14 Section 4 provides for payment of additional extended bene-
15 fits to individuals qualified to receive extended benefits
16 pursuant to Iowa law, but not qualified under the federal
17 emergency extended benefits program enacted in November 1991,
18 or any subsequent enactment.

19 Section 5 provides that the bill is effective upon enact-
20 ment.

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SENATE FILE 2329
FISCAL NOTE

A fiscal note for Senate File 2329 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2329 makes the following changes to unemployment compensation benefits:

1. Eliminates the attachment-to-the-workforce requirement for benefits of 1.25 times an individual's high quarter earnings but maintains an earnings requirement in 2 base period quarters.
2. Allows an individual who earns the taxable wage base in the base period to be eligible for benefits.
3. Allows pension income to be deducted from unemployment compensation benefits only when the chargeable employer contributes 100.0%.
4. Eliminates the requirement that vacation pay be deemed wages and therefore deducted from weekly benefit payments.

Background:

Most employers who pay unemployment taxes in Iowa do so by paying a tax applied against the amount of wages paid during the year. The tax is deposited into the Iowa Unemployment Trust Fund to pay unemployment benefits to employees. Some employers, including the State of Iowa, elect to be self-insured. Instead of paying a tax, these employers reimburse the Unemployment Trust Fund for actual benefits paid out. When changes in benefit calculations are made, it impacts reimbursable employers immediately, but does not affect employers who pay a tax until benefit payouts cause a change in the tax rates.

Assumptions - The fiscal impact was prepared by using an unemployment compensation model provided by the Job Service Division of the Department of Employment Services. The model compares current law projections with the changes proposed in this bill under a "middle of the road" projection. The model uses the following assumptions:

1. Years included in the model are 1992 to 2001.
2. Covered employment will grow an average of 2.0% per year.
3. Average weekly wages will grow an average of 3.5% per year.
4. The insured unemployment rate will average 2.1% per year.
5. The interest rate will average 8.0% per year of the Fund balance.
6. The high cost rate will decline to 0.01035.

Other Assumptions:

1. The FY 1992 standing unlimited appropriation for unemployment for the State's employees of \$1.8 million was used as a base for computation of the General Fund cost.
2. Unemployment compensation benefit payments will increase at least 12.7%

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per year.

Fiscal Impact:

This bill will increase General Fund expenditures by \$228,600 per year in FY 1993 and FY 1994 to pay increased unemployment benefits.

This bill will also increase benefit payments (costs) from the Unemployment Trust Fund by \$20.7 million per year in FY 1993 and FY 1994. The increase in benefits is broken down as follows by area of change:

1. Change in formula from 1.25 to 1 - \$ 1.5 million
2. Earned taxable wage base - \$ 6.7 million
3. Pension deduction - \$ 1.1 million
4. Vacation deduction - \$10.2 million

In addition, the increase in benefits paid will ultimately increase the unemployment tax rates paid by employers.

Sources: Department of Employment Service - Job Service Division
Department of Personnel
Department of Revenue and Finance

(LSB 6198sv, MAS)

FILED MARCH 23, 1992

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 2329

S-5280

1 Amend Senate File 2329 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. Section 96.4, subsection 4, unnumbered
5 paragraph 1, Code Supplement 1991, is amended to read
6 as follows:

7 The individual has been paid wages for insured work
8 ~~during the individual's base period in an amount at~~
9 ~~least one and one-quarter times the wages paid to the~~
10 ~~individual during that quarter of the individual's~~
11 ~~base period in which the individual's wages were~~
12 ~~highest, provided that the individual has been paid~~
13 ~~wages for insured work in two calendar quarters of the~~
14 ~~individual's base period in amounts totaling at least~~
15 ~~three and five-tenths one-half percent and one and~~
16 ~~three-fourths percent, rounded to the nearest multiple~~
17 ~~of ten dollars, respectively, of the statewide average~~
18 ~~annual weekly wage for insured work, multiplied by~~
19 ~~fifty-two, using the statewide average weekly wage~~
20 ~~computed for the preceding calendar year preceding the~~
21 ~~individual's benefit year if the individual's benefit~~
22 ~~year begins on or after the first full week in July~~
23 ~~and computed for the second preceding calendar year if~~
24 ~~the individual's benefit year begins before the first~~
25 ~~full week in July, in that calendar quarter in the~~
26 ~~individual's base period in which the individual's~~
27 ~~wages were highest, and. However, the individual~~
28 ~~shall be eligible to receive benefits if the~~
29 ~~individual has been paid wages for insured work~~
30 ~~totaling at least one-half of the amount of wages~~
31 ~~required under this subsection in the calendar quarter~~
32 ~~of the base period in which the individual's wages~~
33 ~~were highest, in a calendar quarter in the~~
34 ~~individual's base period other than the calendar~~
35 ~~quarter in which the individual's wages were highest~~
36 ~~during the individual's base period in an amount equal~~
37 ~~to or greater than the amount of taxable wages, as~~
38 ~~defined in section 96.19, subsection 20, for the~~
39 ~~calendar year in which the individual files the claim~~
40 ~~for benefits. The calendar quarter wage requirements~~
41 ~~shall be rounded to the nearest multiple of ten~~
42 ~~dollars.~~

43 Sec. 2. Section 96.5, subsection 5, paragraph a,
44 Code Supplement 1991, is amended by striking the
45 paragraph.

46 Sec. 3. Section 96.5, subsection 5, paragraph c,
47 unnumbered paragraph 1, Code Supplement 1991, is
48 amended to read as follows:

49 A governmental or other pension, retirement or
50 retired pay, annuity, or any other similar periodic

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1 payment made under a plan maintained or contributed to
2 by a base period or chargeable employer where, except
3 for benefits under the federal Social Security Act or
4 the Federal Railroad Retirement Act of 1974 or the
5 corresponding provisions of prior law, the plan's
6 eligibility requirements or benefit payments are
7 affected by the base period employment or the
8 remuneration for the base period employment. However,
9 if an individual's benefits-are weekly benefit amount
10 shall not be reduced due to the receipt of a payment
11 under referred to in this paragraph, the reduction
12 shall-be-decreased-by-the-same-percentage-as-the
13 percentage-contribution-of if the individual made any
14 contribution to the pension or retirement plan under
15 which the payment is made.

16 Sec. 4. Section 96.5, subsection 7, Code
17 Supplement 1991, is amended by striking the subsection
18 and inserting in lieu thereof the following:

19 7. VACATION PAY. For any week with respect to
20 which the individual is receiving or has received
21 vacation pay for a period in which the employer
22 annually ceases to operate a plant or location for an
23 annual vacation period.

24 Sec. 5. Section 96.29, Code 1991, is amended by
25 adding the following new subsection:

26 NEW SUBSECTION. 7. An individual who is
27 ineligible under subsection 1, paragraph "c", to
28 receive emergency unemployment compensation pursuant
29 to the federal Emergency Unemployment Compensation Act
30 of 1991, Pub. L. No. 102-164, as amended by Pub. L.
31 No. 102-182 and Pub. L. No. 102-244, shall be eligible
32 for benefits pursuant to this subsection under the
33 same terms and conditions as the federal Emergency
34 Unemployment Compensation Act of 1991, as amended, and
35 any future amendments to that federal Act for any week
36 of benefits beginning on or after the effective date
37 of this Act. Notwithstanding section 96.7, subsection
38 2, paragraph "a", subparagraph (2), an employer's
39 account shall not be charged with benefits paid under
40 this subsection.

41 Sec. 6. TEMPORARY EMPLOYER CONTRIBUTION RATE.
42 Notwithstanding section 96.7, subsection 2, paragraph
43 "d", the contribution rate table to be in effect for
44 the rate year following the July 1, 1992, computation
45 date shall be the contribution rate table which is
46 numerically one greater than the contribution rate
47 table determined by the division in accordance with
48 section 96.7, subsection 2, paragraph "d", to be in
49 effect for the rate year following the July 1, 1992,
50 computation date.

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1 Sec. 7. REPEAL. Section 1 of this Act is repealed
2 June 30, 1994, and the Code editor shall restore
3 section 96.4, subsection 4, unnumbered paragraph 1, to
4 the language existing in the Code Supplement 1991,
5 which shall be effective July 1, 1994.

6 Sec. 8. EFFECTIVE DATE. Section 5 of this Act,
7 being deemed of immediate importance, takes effect
8 upon enactment.

9 Sec. 9. APPLICABILITY. Sections 1 through 4 of
10 this Act apply to unemployment compensation claims
11 effectively filed on or after July 5, 1992."

By RICHARD VARN

S-5280 FILED MARCH 18, 1992

w/d 3/23 (p. 428)

SENATE FILE 2329

S-5211

1 Amend Senate File 2329 as follows:

2 1. Page 1, by inserting before line 35 the
3 following:

4 "Sec. ____ . Section 96.5, subsection 5, paragraph
5 a, Code Supplement 1991, is amended by striking the
6 paragraph."

7 2. Page 2, by striking lines 20 through 32 and
8 inserting the following:

9 "Sec. ____ . Section 96.29, Code 1991, is amended by
10 adding the following new subsection:

11 NEW SUBSECTION. 7. An individual who is
12 ineligible under subsection 1, paragraph "c", to
13 receive emergency unemployment compensation pursuant
14 to the federal Emergency Unemployment Compensation Act
15 of 1991, Pub. L. No. 102-164, Pub. L. No. 102-182, and
16 Pub. L. No. 102-244, shall be eligible for benefits
17 pursuant to this subsection under the same terms and
18 conditions as the federal Emergency Unemployment
19 Compensation Act of 1991, and any future amendments to
20 that federal Act for any week of benefits beginning on
21 or after the effective date of this Act.

22 Notwithstanding section 96.7, subsection 2, paragraph
23 "a", subparagraph (2), an employer's account shall not
24 be charged with benefits paid under this subsection."

25 3. By renumbering as necessary.

By AL STURGEON

RICHARD V. RUNNING

S-5211 FILED MARCH 12, 1992

w/d 3/23 (p. 929)

SENATE FILE 2329

S-5326

1 Amend Senate File 2329 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Section 1. Section 96.4, subsection 3, Code
5 Supplement 1991, is amended to read as follows:

6 3. The individual is able to work, is available
7 for work, and is earnestly and actively seeking work.
8 This subsection is waived if the individual is deemed
9 partially unemployed, while employed at the
10 individual's regular job, as defined in section 96.19,
11 subsection 9, paragraph "b", unnumbered paragraph 1,
12 or temporarily unemployed as defined in section 96.19,
13 subsection 9, paragraph "c". The work search
14 requirements of this subsection and the
15 disqualification requirement for failure to apply for,
16 or to accept suitable work of section 96.5, subsection
17 3 are waived if the individual is not disqualified for
18 benefits under section 96.5, subsection 1, paragraph
19 "i", or if the individual demonstrates to the division
20 that the individual has been offered and has accepted
21 suitable work which will begin within four weeks of
22 that demonstration."

23 2. By renumbering as necessary.

By AL STURGEON

S-5326 FILED MARCH 20, 1992

Adopted 3/23 (p. 424)

SENATE FILE 2329

S-5328

1 Amend Senate File 2329 as follows:

2 1. Page 1, by inserting before line 35 the
3 following:

4 "Sec. 100. Section 96.5, subsection 5, paragraph
5 a, Code Supplement 1991, is amended by striking the
6 paragraph."

7 2. Page 2, by striking lines 18 through 34 and
8 inserting the following:

9 "Sec. 101. Section 96.5, subsection 7, Code
10 Supplement 1991, is amended by striking the subsection
11 and inserting in lieu thereof the following:

12 7. VACATION PAY. For any week with respect to
13 which the individual is receiving or has received
14 vacation pay for a period in which the employer
15 annually ceases to operate a plant or location for an
16 annual vacation period.

17 Sec. 102. Section 96.29, Code 1991, is amended by
18 adding the following new subsection:

19 NEW SUBSECTION. 7. An individual who is
20 ineligible under subsection 1, paragraph "c", to
21 receive emergency unemployment compensation pursuant
22 to the federal Emergency Unemployment Compensation Act
23 of 1991, Pub. L. No. 102-164, as amended by Pub. L.
24 No. 102-182 and Pub. L. No. 102-244, shall be eligible
25 for benefits pursuant to this subsection under the
26 same terms and conditions as the federal Emergency
27 Unemployment Compensation Act of 1991, as amended, and
28 any future amendments to that federal Act for any week
29 of benefits beginning on or after the effective date
30 of this Act. Notwithstanding section 96.7, subsection
31 2, paragraph "a", subparagraph (2), an employer's
32 account shall not be charged with benefits paid under
33 this subsection.

34 Sec. 103. EFFECTIVE DATE. Section 102 of this
35 Act, being deemed of immediate importance, takes
36 effect upon enactment.

37 Sec. 104. APPLICABILITY. Sections 1, 100, 2, and
38 101 of this Act apply to unemployment compensation
39 claims effectively filed on or after July 5, 1992."

40 3. By renumbering as necessary.

By AL STURGEON
RICHARD RUNNING

S-5328 FILED MARCH 20, 1992

(Adopted 3/23 (p. 929))

SENATE FILE 2329

S-5327

- 1 Amend Senate File 2329 as follows:
2 1. Page 2, by inserting before line 35 the
3 following:
4 "Sec. ____ . TEMPORARY EMPLOYER CONTRIBUTION RATE.
5 Notwithstanding section 96.7, subsection 2, paragraph
6 "d", the contribution rate table to be in effect for
7 the rate year following the July 1, 1992, computation
8 date shall be the contribution rate table which is
9 numerically one greater than the contribution rate
10 table determined by the division in accordance with
11 section 96.7, subsection 2, paragraph "d", to be in
12 effect for the rate year following the July 1, 1992,
13 computation date.
14 Sec. ____ . REPEAL. Section 1 of this Act is
15 repealed June 30, 1994, and the Code editor shall
16 restore section 96.4, subsection 4, unnumbered
17 paragraph 1, to the language existing in the Code
18 Supplement 1991, which shall be effective July 1,
19 1994."
20 2. By renumbering as necessary.

By RICHARD VARN

S-5327 FILED MARCH 20, 1992

Host 4/23 (p 920)

SENATE FILE 2329
AS AMENDED AND PASSED BY THE SENATE
FISCAL NOTE

A fiscal note for Senate File 2329 as amended and passed by the Senate is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2329 as amended and passed by the Senate makes the following changes to unemployment compensation benefits:

1. Eliminates the attachment-to-the-workforce requirement for benefits of 1.25 times an individual's high quarter earnings but maintains an earnings requirement in 2 base period quarters.
2. Allows an individual who earns the taxable wage base in the base period to be eligible for benefits.
3. Allows pension income to be deducted from unemployment compensation benefits only when the chargeable employer contributes 100.0%.
4. Eliminates the requirement that vacation and severance pay be deemed wages and therefore deducted from weekly benefit payments. An exception is made for annually scheduled plant or location shutdown vacations.
5. Allows extended unemployment benefits to be paid to employees who qualify under Iowa law, but not federal law.

Background:

Most employers who pay unemployment taxes in Iowa do so by paying a tax applied against the amount of wages paid during the year. The tax is deposited into the Iowa Unemployment Trust Fund to pay unemployment benefits to employees. Some employers, including the State of Iowa, elect to be self-insured. Instead of paying a tax, these employers reimburse the Unemployment Trust Fund for actual benefits paid out. When changes in benefit calculations are made, it impacts reimbursable employers immediately, but does not affect employers who pay a tax until benefit payouts cause a change in the tax rates.

Assumptions - The fiscal impact was prepared by using an unemployment compensation model provided by the Job Service Division of the Department of Employment Services. The model compares current law projections with the changes proposed in this bill under a "middle of the road" projection. The model uses the following assumptions:

1. Years included in the model are 1992 to 2001.
2. Covered employment will grow an average of 2.0% per year.
3. Average weekly wages will grow an average of 3.5% per year.
4. The insured unemployment rate will average 2.1% per year.
5. The interest rate will average 8.0% per year of the Fund balance.
6. The high cost rate will decline to 0.01035.

Other Assumptions:

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1. The FY 1992 standing unlimited appropriation for unemployment for State employees of \$1.8 million was used as a base for estimating future General Fund cost.
2. Unemployment compensation benefit payments will increase at least 7.142% per year.

Fiscal Impact:

This bill will increase General Fund expenditures by \$128,556 per year in FY 1993 and later years to pay increased unemployment benefits.

This bill will also increase benefit payments (costs) from the Unemployment Trust Fund by \$12.3 million in FY 1993 and by \$10.5 million per year in FY 1994 and later years. The increase in benefits is broken down as follows by areas of change:

1. Change in formula from 1.25 to 1 - \$ 1.5 million
2. Earned taxable wage base - \$ 6.7 million
3. Pension deduction - \$ 1.1 million
4. Vacation & severance deduction - \$ 1.2 million
5. Extended benefits (FY 1993 only) \$ 1.8 million

Sources: Department of Employment Service - Job Service Division
Department of Personnel
Department of Revenue and Finance

(LSB 6198SV.4, MAS)

FILED MARCH 25, 1992

BY DENNIS PROUTY, FISCAL DIRECTOR

1 Section 1. Section 96.4, subsection 3, Code Supplement
2 1991, 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. This subsection
5 is waived if the individual is deemed partially unemployed,
6 while employed at the individual's regular job, as defined in
7 section 96.19, subsection 9, paragraph "b", unnumbered
8 paragraph 1, or temporarily unemployed as defined in section
9 96.19, subsection 9, paragraph "c". The work search
10 requirements of this subsection and the disqualification
11 requirement for failure to apply for, or to accept suitable
12 work of section 96.5, subsection 3 are waived if the
13 individual is not disqualified for benefits under section
14 96.5, subsection 1, paragraph "i", or if the individual
15 demonstrates to the division that the individual has been
16 offered and has accepted suitable work which will begin within
17 four weeks of that demonstration.

18 Sec. 2. Section 96.4, subsection 4, unnumbered paragraph
19 1, Code Supplement 1991, is amended to read as follows:

20 The individual has been paid wages for insured work during
21 the individual's base period in an amount at least one and
22 one-quarter times the wages paid to the individual during that
23 quarter of the individual's base period in which the
24 individual's wages were highest; provided that the individual
25 has been paid wages for insured work in two calendar quarters
26 of the individual's base period in amounts totaling at least
27 three and five-tenths one-half percent and one and three-
28 fourths percent, rounded to the nearest multiple of ten
29 dollars, respectively, of the statewide average annual weekly
30 wage for insured work, multiplied by fifty-two, using the
31 statewide average weekly wage computed for the preceding
32 calendar year preceding the individual's benefit year if the
33 individual's benefit year begins on or after the first full
34 week in July and computed for the second preceding calendar
35 year if the individual's benefit year begins before the first

1 full week in July, ~~in that calendar quarter in the~~
2 ~~individual's base period in which the individual's wages were~~
3 ~~highest, and.~~ However, the individual shall be eligible to
4 receive benefits if the individual has been paid wages for
5 insured work ~~totaling at least one-half of the amount of wages~~
6 ~~required under this subsection in the calendar quarter of the~~
7 ~~base period in which the individual's wages were highest, in a~~
8 ~~calendar quarter in the individual's base period other than~~
9 ~~the calendar quarter in which the individual's wages were~~
10 highest during the individual's base period in an amount equal
11 to or greater than the amount of taxable wages, as defined in
12 section 96.19, subsection 20, for the calendar year in which
13 the individual files the claim for benefits. ~~The calendar~~
14 ~~quarter wage requirements shall be rounded to the nearest~~
15 ~~multiple of ten dollars.~~

16 Sec. 3. Section 96.5, subsection 5, paragraph a, Code
17 Supplement 1991, is amended by striking the paragraph.

18 Sec. 4. Section 96.5, subsection 5, paragraph c,
19 unnumbered paragraph 1, Code Supplement 1991, is amended to
20 read as follows:

21 A governmental or other pension, retirement or retired pay,
22 annuity, or any other similar periodic payment made under a
23 plan maintained or contributed to by a base period or
24 chargeable employer where, except for benefits under the
25 federal Social Security Act or the federal Railroad Retirement
26 Act of 1974 or the corresponding provisions of prior law, the
27 plan's eligibility requirements or benefit payments are
28 affected by the base period employment or the remuneration for
29 the base period employment. However, if an individual's
30 benefits are weekly benefit amount shall not be reduced due to
31 the receipt of a payment under referred to in this paragraph,
32 the reduction shall be decreased by the same percentage as the
33 percentage contribution of if the individual made any
34 contribution to the pension or retirement plan under which the
35 payment is made.

1 Sec. 5. Section 96.5, subsection 7, Code Supplement 1991,
2 is amended by striking the subsection and inserting in lieu
3 thereof the following:

4 7. VACATION PAY. For any week with respect to which the
5 individual is receiving or has received vacation pay for a
6 period in which the employer annually ceases to operate a
7 plant or location for an annual vacation period.

8 Sec. 6. Section 96.29, Code 1991, is amended by adding the
9 following new subsection:

10 NEW SUBSECTION. 7. An individual who is ineligible under
11 subsection 1, paragraph "c", to receive emergency unemployment
12 compensation pursuant to the federal Emergency Unemployment
13 Compensation Act of 1991, Pub. L. No. 102-164, as amended by
14 Pub. L. No. 102-182 and Pub. L. No. 102-244, shall be
15 eligible for benefits pursuant to this subsection under the
16 same terms and conditions as the federal Emergency
17 Unemployment Compensation Act of 1991, as amended, and any
18 future amendments to that federal Act for any week of benefits
19 beginning on or after the effective date of this Act.

20 Notwithstanding section 96.7, subsection 2, paragraph "a",
21 subparagraph (2), an employer's account shall not be charged
22 with benefits paid under this subsection.

23 Sec. 7. EFFECTIVE DATE. Section 6 of this Act, being
24 deemed of immediate importance, takes effect upon enactment.

25 Sec. 8. APPLICABILITY. Sections 2, 3, 4, and 5 of this
26 Act apply to unemployment compensation claims effectively
27 filed on or after July 5, 1992.

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SENATE FILE 2329

H-5527

1 Amend Senate File 2329, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. Section 96.5, subsection 5, paragraph
6 c, unnumbered paragraph 1, Code Supplement 1991, is
7 amended to read as follows:

8 A governmental or other pension, retirement or
9 retired pay, annuity, or any other similar periodic
10 payment made under a plan maintained or contributed to
11 by a base period or chargeable employer where, except
12 for military pensions and for benefits under the
13 federal Social Security Act or the federal Railroad
14 Retirement Act of 1974 or the corresponding provisions
15 of prior law, the plan's eligibility requirements or
16 benefit payments are affected by the base period
17 employment or the remuneration for the base period
18 employment. However, if an individual's benefits are
19 reduced due to the receipt of a payment under this
20 paragraph, the reduction shall be decreased by the
21 same percentage as the percentage contribution of the
22 individual to the plan under which the payment is
23 made."

24 2. Title page, by striking lines 1 through 3 and
25 inserting the following: "An Act relating to the
26 qualification of a person receiving a military pension
27 for unemployment compensation benefits."

By KREMER of Buchanan

H-5527 FILED MARCH 25, 1992

w/d 4/28 (p.1849)

SENATE FILE 2329

H-5981

1 Amend Senate File 2329, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. By striking page 1, line 18, through page 2,
4 line 15.

5 2. Page 3, line 25, by striking the figure "2,".

By SCHRADER of Marion

H-5981 FILED APRIL 21, 1992

Adopted 4/28 (p.1850)

SENATE FILE 2329

H-6019

1 Amend Senate File 2329, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. Section 96.5, subsection 5, paragraph
6 c, unnumbered paragraph 1, Code Supplement 1991, is
7 amended to read as follows:

8 A governmental or other pension, retirement or
9 retired pay, annuity, or any other similar periodic
10 payment made under a plan maintained or contributed to
11 by a base period or chargeable employer where, except
12 for benefits under the federal Social Security Act or
13 the federal Railroad Retirement Act of 1974 or the
14 corresponding provisions of prior law, the plan's
15 eligibility requirements or benefit payments are
16 affected by the base period employment or the
17 remuneration for the base period employment. However,
18 if an individual's benefits-are weekly benefit amount
19 shall not be reduced due to the receipt of a payment
20 under referred to in this paragraph, the-reduction
21 shall-be-decreased-by-the-same-percentage-as-the
22 percentage-contribution-of if the individual made any
23 contribution to the pension or retirement plan under
24 which the payment is made."

25 2. Title page, by striking lines 1 through 3 and
26 inserting the following: "An Act relating to the
27 qualification of a person receiving a pension for
28 unemployment compensation benefits."

By KREMER of Buchanan

H-6019 FILED APRIL 23, 1992

lost 4/28 (p. 1860)

HOUSE AMENDMENT TO
SENATE FILE 2329

S-5900

- 1 Amend Senate File 2329, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. By striking page 1, line 18, through page 2,
- 4 line 15.
- 5 2. Page 3, line 25, by striking the figure "2,".

RECEIVED FROM THE HOUSE

S-5900 FILED APRIL 28, 1992

Senate concurred 4/29 (p. 1705)

STURGEON, CH.
RUNNING
FURMAN

SSB 2271
BUSINESS & LABOR RELATIONS
NOW

SENATE FILE 2329
BY (PROPOSED COMMITTEE ON
BUSINESS AND LABOR RELATIONS
BILL BY CHAIRPERSON RUNNING)

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

A BILL FOR

1 An Act relating to qualification for, amount of, and deductions
2 from unemployment compensation benefits and providing an
3 effective date and applicability provision.

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

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1 Section 1. Section 96.4, subsection 4, unnumbered
2 paragraph 1, Code Supplement 1991, is amended to read as
3 follows:

4 The individual has been paid wages for insured work during
5 ~~the individual's base period in an amount at least one and~~
6 ~~one-quarter times the wages paid to the individual during that~~
7 ~~quarter of the individual's base period in which the~~
8 ~~individual's wages were highest, provided that the individual~~
9 ~~has been paid wages for insured work~~ in two calendar quarters
10 of the individual's base period in amounts totaling at least
11 three and five-tenths one-half percent and one and three-
12 fourths percent, rounded to the nearest multiple of ten
13 dollars, respectively, of the statewide average annual weekly
14 wage for insured work, multiplied by fifty-two, using the
15 statewide average weekly wage computed for the preceding
16 calendar year preceding the individual's benefit year if the
17 individual's benefit year begins on or after the first full
18 week in July and computed for the second preceding calendar
19 year if the individual's benefit year begins before the first
20 full week in July, in that calendar quarter in the
21 ~~individual's base period in which the individual's wages were~~
22 ~~highest, and.~~ However, the individual shall be eligible to
23 receive benefits if the individual has been paid wages for
24 insured work totaling at least one-half of the amount of wages
25 required under this subsection in the calendar quarter of the
26 base period in which the individual's wages were highest, in a
27 calendar quarter in the individual's base period other than
28 the calendar quarter in which the individual's wages were
29 highest during the individual's base period in an amount equal
30 to or greater than the amount of taxable wages, as defined in
31 section 96.19, subsection 20, for the calendar year in which
32 the individual files the claim for benefits. The calendar
33 quarter wage requirements shall be rounded to the nearest
34 multiple of ten dollars.

35 Sec. 2. Section 96.5, subsection 5, paragraph c,

1 unnumbered paragraph 1, Code Supplement 1991, is amended to
2 read as follows:

3 A governmental or other pension, retirement or retired pay,
4 annuity, or any other similar periodic payment made under a
5 plan maintained or contributed to by a base period or
6 chargeable employer where, except for benefits under the
7 federal Social Security Act or the federal Railroad Retirement
8 Act of 1974 or the corresponding provisions of prior law, the
9 plan's eligibility requirements or benefit payments are
10 affected by the base period employment or the remuneration for
11 the base period employment. However, if an individual's
12 ~~benefits-are~~ weekly benefit amount shall not be reduced due to
13 the receipt of a payment under referred to in this paragraph,
14 ~~the-reduction-shall-be-decreased-by-the-same-percentage-as-the~~
15 ~~percentage-contribution-of~~ if the individual made any
16 contribution to the pension or retirement plan under which the
17 payment is made.

18 Sec. 3. Section 96.5, subsection 7, Code Supplement 1991,
19 is amended by striking the subsection.

20 Sec. 4. Section 96.29, Code 1991, is amended by adding the
21 following new subsection:

22 NEW SUBSECTION. 7. Notwithstanding subsection 4, an
23 individual qualified to receive extended benefits pursuant to
24 this section who is not qualified to receive emergency
25 benefits pursuant to Pub. L. No. 102-164 (H.R. 3575) and Pub.
26 L. No. 102-182 (H.R. 1724), or any such provision enacted by
27 the congress of the United States and signed by the president
28 after the effective date of this Act, shall receive from the
29 state additional benefits equal to the maximum amount an
30 individual could receive if the individual were qualified
31 under such federal law. This subsection shall be applied
32 prospectively from the effective date of this Act.

33 Sec. 5. EFFECTIVE DATE. This Act, being deemed of
34 immediate importance, takes effect upon enactment.

35

EXPLANATION

1 This bill relates to unemployment compensation benefits.

2 Section 1 of the bill deletes the attachment-to-the-work-
3 force requirement for qualification for benefits of 1.25 times
4 an individual's high quarter earnings but maintains an
5 earnings requirement in two base period quarters. Section 1
6 also allows an individual who earns the taxable wage base in
7 the base period to be eligible for benefits.

8 Section 2 of the bill allows pension income to be deducted
9 from unemployment compensation benefits only when the
10 chargeable employer contributes 100 percent to the pension.

11 Section 3 of the bill eliminates the requirement that
12 vacation pay be deemed wages and therefore deducted from
13 weekly benefit payments.

14 Section 4 provides for payment of additional extended bene-
15 fits to individuals qualified to receive extended benefits
16 pursuant to Iowa law, but not qualified under the federal
17 emergency extended benefits program enacted in November 1991,
18 or any subsequent enactment.

19 Section 5 provides that the bill is effective upon enact-
20 ment.

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OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319

B/S 281-521

TERRY E. BRANSTAD
GOVERNOR

May 22, 1992

The Honorable Elaine Baxter
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

Senate File 2329, an act relating to qualification for, amount of, and deductions from unemployment compensation benefits and providing an effective date and applicability provision, is hereby disapproved and transmitted to you in accordance with Article III, Section 16, of the Constitution of the State of Iowa.

Senate File 2329 would expand eligibility for unemployment insurance benefits by eliminating the deduction from unemployment benefits the compensation which individuals receive for vacation pay, severance pay, and pensions, and by allowing benefits to be paid to certain individuals who would otherwise be ineligible under the federal Emergency Unemployment Compensation Act.

An individual who is otherwise eligible for unemployment insurance, but who is being compensated by an employer for vacation benefits or other benefits, should not be eligible to receive unemployment compensation. After benefits which are being provided by an employer have been exhausted, eligible individuals should be able to receive unemployment compensation. It would be inappropriate for an individual to receive both unemployment compensation and compensation from an employer during the same period.

Additionally, it would be inappropriate to provide unemployment compensation benefits, which would be financed entirely by Iowa employers, to individuals who do not meet the eligibility requirements under the Emergency Unemployment Compensation Act recently approved by Congress. Eligibility requirements for extended unemployment benefits in Iowa should be the same as provided in other states under federal law.

The Honorable Elaine Baxter
May 22, 1992
Page 2

The impact on the Iowa Unemployment Compensation Trust Fund should be seriously evaluated when changes in unemployment benefits are considered. Over the next ten years, Senate File 2329 would increase employer contributions to the Trust Fund by nearly \$53 million, increase unemployment benefit payments by \$40 million, and result in the loss of nearly \$8 million in interest earned by the Trust Fund. During the next seven years, the balance in the Unemployment Compensation Trust Fund is projected to decline by nearly two-thirds. Given the projected decline in available resources for unemployment benefits, it would be unwise to expand the eligibility for benefits at the present time.

For the above reasons, I hereby respectfully disapprove Senate File 2329.

Sincerely,

A handwritten signature in cursive script, reading "Terry E. Branstad". The signature is written in dark ink and is positioned above the printed name and title.

Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

SENATE FILE 2329

AN ACT

RELATING TO QUALIFICATION FOR, AMOUNT OF, AND DEDUCTIONS FROM
UNEMPLOYMENT COMPENSATION BENEFITS AND PROVIDING AN EFFECTIVE
DATE AND APPLICABILITY PROVISION.

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

Section 1. Section 96.4, subsection 3, Code Supplement 1991, is amended to read as follows:

3. The individual is able to work, is available for work, and is earnestly and actively seeking work. This subsection is waived if the individual is deemed partially unemployed, while employed at the individual's regular job, as defined in section 96.19, subsection 9, paragraph "b", unnumbered paragraph 1, or temporarily unemployed as defined in section 96.19, subsection 9, paragraph "c". The work search requirements of this subsection and the disqualification requirement for failure to apply for, or to accept suitable work of section 96.5, subsection 3 are waived if the individual is not disqualified for benefits under section 96.5, subsection 1, paragraph "i", or if the individual demonstrates to the division that the individual has been offered and has accepted suitable work which will begin within four weeks of that demonstration.

Sec. 2. Section 96.5, subsection 5, paragraph a, Code Supplement 1991, is amended by striking the paragraph.

Sec. 3. Section 96.5, subsection 5, paragraph c, unnumbered paragraph 1, Code Supplement 1991, is amended to read as follows:

A governmental or other pension, retirement or retired pay, annuity, or any other similar periodic payment made under a plan maintained or contributed to by a base period or chargeable employer where, except for benefits under the

federal Social Security Act or the federal Railroad Retirement Act of 1974 or the corresponding provisions of prior law, the plan's eligibility requirements or benefit payments are affected by the base period employment or the remuneration for the base period employment. However, ~~if an individual's benefits are weekly benefit amount shall not be~~ reduced due to the receipt of a payment ~~under referred to in~~ this paragraph, ~~the reduction shall be decreased by the same percentage as the percentage contribution of~~ if the individual made any contribution to the pension or retirement plan under which the payment is made.

Sec. 4. Section 96.5, subsection 7, Code Supplement 1991, is amended by striking the subsection and inserting in lieu thereof the following:

7. VACATION PAY. For any week with respect to which the individual is receiving or has received vacation pay for a period in which the employer annually ceases to operate a plant or location for an annual vacation period.

Sec. 5. Section 96.29, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 7. An individual who is ineligible under subsection 1, paragraph "c", to receive emergency unemployment compensation pursuant to the federal Emergency Unemployment Compensation Act of 1991, Pub. L. No. 102-164, as amended by Pub. L. No. 102-182 and Pub. L. No. 102-244, shall be eligible for benefits pursuant to this subsection under the same terms and conditions as the federal Emergency Unemployment Compensation Act of 1991, as amended, and any future amendments to that federal Act for any week of benefits beginning on or after the effective date of this Act. Notwithstanding section 96.7, subsection 2, paragraph "a", subparagraph (2), an employer's account shall not be charged with benefits paid under this subsection.

Sec. 6. EFFECTIVE DATE. Section 5 of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 7. APPLICABILITY. Sections 2, 3, and 4 of this Act apply to unemployment compensation claims effectively filed on or after July 5, 1992.

MICHAEL E. GRONSTAL
President of the Senate

ROBERT C. ARNOULD
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2329, Seventy-fourth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved  5/22, 1992

TERRY E. BRANSTAD
Governor