

96.3 Payment — determination — duration — child support intercept.

1. *Payment.* Twenty-four months after the date when contributions first accrue under [this chapter](#), benefits shall become payable from the fund; provided, that wages earned for services defined in [section 96.1A, subsection 16](#), paragraph “g”, subparagraph (3), irrespective of when performed, shall not be included for purposes of determining eligibility, under [section 96.4](#) or full-time weekly wages, under [subsection 4](#) of [this section](#), for the purposes of any benefit year, nor shall any benefits with respect to unemployment be payable under [subsection 5](#) of [this section](#) on the basis of such wages. All benefits shall be paid through employment offices in accordance with such regulations as the department of workforce development may prescribe.

2. *Total unemployment.* Each eligible individual who is totally unemployed in any week shall be paid with respect to such week benefits in an amount which shall be equal to the individual’s weekly benefit amount.

3. *Partial unemployment.* An individual who is partially unemployed in any week as defined in [section 96.1A, subsection 37](#), paragraph “b”, and who meets the conditions of eligibility for benefits shall be paid with respect to that week an amount equal to the individual’s weekly benefit amount less that part of wages payable to the individual with respect to that week in excess of one-fourth of the individual’s weekly benefit amount. The benefits shall be rounded to the lower multiple of one dollar.

4. *Determination of benefits.*

a. With respect to benefit years beginning on or after July 1, 1983, an eligible individual’s weekly benefit amount for a week of total unemployment shall be an amount equal to the following fractions of the individual’s total wages in insured work paid during that quarter of the individual’s base period in which such total wages were highest. The director shall determine annually a maximum weekly benefit amount equal to the following percentages, to vary with the number of dependents, of the statewide average weekly wage paid to employees in insured work which shall be effective the first day of the first full week in July:

If the number of dependents is:	The weekly benefit amount shall equal the following fraction of high quarter wages:	Subject to the following maximum percentage of the statewide average weekly wage:
0	1/23	53%
1	1/22	55%
2	1/21	57%
3	1/20	60%
4 or more	1/19	65%

b. The maximum weekly benefit amount, if not a multiple of one dollar, shall be rounded to the lower multiple of one dollar. However, until such time as sixty-five percent of the statewide average weekly wage exceeds one hundred ninety dollars, the maximum weekly benefit amounts shall be determined using the statewide average weekly wage computed on the basis of wages reported for calendar year 1981. As used in [this section](#), “dependent” means dependent as defined in [section 422.12, subsection 1](#), paragraph “a”, as if the individual claimant was a taxpayer, except that an individual claimant’s nonworking spouse shall be deemed to be a dependent under [this section](#). “Nonworking spouse” means a spouse who does not earn more than one hundred twenty dollars in gross wages in one week.

5. a. *Duration of benefits.* The maximum total amount of benefits payable to an eligible individual during a benefit year shall not exceed the total of the wage credits accrued to the individual’s account during the individual’s base period, or sixteen times the individual’s weekly benefit amount, whichever is the lesser. The director shall maintain a separate account for each individual who earns wages in insured work. The director shall compute wage credits for each individual by crediting the individual’s account with one-third of the

wages for insured work paid to the individual during the individual's base period. However, the director shall recompute wage credits for an individual who is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, by crediting the individual's account with one-half, instead of one-third, of the wages for insured work paid to the individual during the individual's base period. Benefits paid to an eligible individual shall be charged against the base period wage credits in the individual's account which have not been previously charged, in the inverse chronological order as the wages on which the wage credits are based were paid. However if the state "off" indicator is in effect and if the individual is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, the maximum benefits payable shall be extended to twenty-six times the individual's weekly benefit amount, but not to exceed the total of the wage credits accrued to the individual's account.

b. Training extension benefits.

(1) An individual who has been separated from a declining occupation or who has been involuntarily separated from employment as a result of a permanent reduction of operations at the last place of employment and who is in training with the approval of the director or in a job training program pursuant to the Workforce Investment Act of 1998, Pub. L. No. 105-220, at the time regular benefits are exhausted, may be eligible for training extension benefits.

(2) A declining occupation is one in which there is a lack of sufficient current demand in the individual's labor market area for the occupational skills for which the individual is fitted by training and experience or current physical or mental capacity, and the lack of employment opportunities is expected to continue for an extended period of time, or the individual's occupation is one for which there is a seasonal variation in demand in the labor market and the individual has no other skill for which there is current demand.

(3) The training extension benefit amount shall be twenty-six times the individual's weekly benefit amount and the weekly benefit amount shall be equal to the individual's weekly benefit amount for the claim in which benefits were exhausted while in training.

(4) An individual who is receiving training extension benefits shall not be denied benefits due to application of [section 96.4, subsection 3](#), or [section 96.5, subsection 3](#). However, an employer's account shall not be charged with benefits so paid. Relief of charges under this paragraph "b" applies to both contributory and reimbursable employers, notwithstanding [section 96.8, subsection 5](#).

(5) In order for the individual to be eligible for training extension benefits, all of the following criteria must be met:

(a) The training must be for a high-demand occupation or high-technology occupation, including the fields of life sciences, advanced manufacturing, biotechnology, alternative fuels, insurance, and environmental technology. "*High-demand occupation*" means an occupation in a labor market area in which the department determines work opportunities are available and there is a lack of qualified applicants.

(b) The individual must file any unemployment insurance claim to which the individual becomes entitled under state or federal law, and must draw any unemployment insurance benefits on that claim until the claim has expired or has been exhausted, in order to maintain the individual's eligibility under this paragraph "b". Training extension benefits end upon completion of the training even though a portion of the training extension benefit amount may remain.

(c) The individual must be enrolled and making satisfactory progress to complete the training.

6. Part-time workers.

a. As used in [this subsection](#) the term "*part-time worker*" means an individual whose normal work is in an occupation in which the individual's services are not required for the customary scheduled full-time hours prevailing in the establishment in which the individual is employed, or who, owing to personal circumstances, does not customarily work the customary scheduled full-time hours prevailing in the establishment in which the individual is employed.

b. The director shall prescribe fair and reasonable general rules applicable to part-time

workers, for determining their full-time weekly wage, and the total wages in employment by employers required to qualify such workers for benefits. An individual is a part-time worker if a majority of the weeks of work in such individual's base period includes part-time work. Part-time workers are not required to be available for, seek, or accept full-time employment.

7. Recovery of overpayment of benefits.

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

b. (1) (a) If the department determines that an overpayment has been made, the charge for the overpayment against the employer's account shall be removed and the account shall be credited with an amount equal to the overpayment from the unemployment compensation trust fund and this credit shall include both contributory and reimbursable employers, notwithstanding [section 96.8, subsection 5](#). The employer shall not be relieved of charges if benefits are paid because the employer or an agent of the employer failed to respond timely or adequately to the department's request for information relating to the payment of benefits. This prohibition against relief of charges shall apply to both contributory and reimbursable employers. If the department determines that an employer's failure to respond timely or adequately was due to insufficient notification from the department, the employer's account shall not be charged for the overpayment.

(b) However, provided the benefits were not received as the result of fraud or willful misrepresentation by the individual, benefits shall not be recovered from an individual if the employer did not participate in the initial determination to award benefits pursuant to [section 96.6, subsection 2](#), and an overpayment occurred because of a subsequent reversal on appeal regarding the issue of the individual's separation from employment.

(2) An accounting firm, agent, unemployment insurance accounting firm, or other entity that represents an employer in unemployment claim matters and demonstrates a continuous pattern of failing to participate in the initial determinations to award benefits, as determined and defined by rule by the department, shall be denied permission by the department to represent any employers in unemployment insurance matters. This subparagraph does not apply to attorneys or counselors admitted to practice in the courts of this state pursuant to [section 602.10101](#).

8. *Back pay.* If an individual receives benefits for a period of unemployment and subsequently receives a payment for the same period from the individual's employer in the form of or in lieu of back pay, the benefits shall be recovered. The department, in its discretion, may reach an agreement with the individual and the employer to allow the employer to deduct the amount of the benefits from the back pay and remit a sum equal to that amount to the unemployment compensation fund and the balance to the individual, or may recover the amount of the benefits either by having a sum equal to that amount deducted from any future benefits payable to the individual or by having the individual pay to the department a sum equal to that amount. If an agreement is reached to allow the employer to deduct the amount of benefits from the back pay and remit that amount to the fund, the department shall not charge that amount to the employer's account under [section 96.7](#).

9. Child support intercept.

a. An individual filing a claim for benefits under [section 96.6, subsection 1](#), shall, at the time of filing, disclose whether the individual owes a child support obligation which is being enforced by child support services established in [section 252B.2](#). If an individual discloses that such a child support obligation is owed and the individual is determined to be eligible for benefits under [this chapter](#), the department shall notify child support services of the individual's disclosure and deduct and withhold from benefits payable to the individual the amount specified by the individual.

b. However, if child support services and an individual owing a child support obligation reach an agreement to have specified amounts deducted and withheld from the individual's

benefits and child support services submits a copy of the agreement to the department, the department shall deduct and withhold the specified amounts.

c. (1) However, if the department is notified of income withholding by child support services under [chapter 252D](#) or [section 598.22](#) or [598.23](#) or if income is garnisheed by child support services under [chapter 642](#) and an individual's benefits are condemned to the satisfaction of the child support obligation being enforced by child support services, the department shall deduct and withhold from the individual's benefits that amount required through legal process.

(2) Notwithstanding [section 642.2, subsections 2, 3, 6, and 7](#), which restrict garnishments under [chapter 642](#) to wages of public employees, the department may be garnisheed under [chapter 642](#) by child support services established in [section 252B.2](#), pursuant to a judgment for child support against an individual eligible for benefits under [this chapter](#).

(3) Notwithstanding [section 96.15](#), benefits under [this chapter](#) are not exempt from income withholding, garnishment, attachment, or execution if withheld for or garnisheed by child support services, established in [section 252B.2](#), or if an income withholding order or notice of the income withholding order under [section 598.22](#) or [598.23](#) is being enforced by child support services to satisfy the child support obligation of an individual who is eligible for benefits under [this chapter](#).

d. An amount deducted and withheld under paragraph "a", "b", or "c" shall be paid by the department to child support services, and shall be treated as if it were paid to the individual as benefits under [this chapter](#) and as if it were paid by the individual to child support services in satisfaction of the individual's child support obligations.

e. If an agreement for reimbursement has been made, the department shall be reimbursed by child support services for the administrative costs incurred by the department under [this section](#) which are attributable to the enforcement of child support obligations by child support services.

10. *Voluntary income tax withholding.* All payments of benefits made after December 31, 1996, are subject to the following:

a. An individual filing a new application for benefits shall, at the time of filing the application, be advised of the following:

(1) Benefits paid under [this chapter](#) are subject to federal and state income tax.

(2) Legal requirements exist pertaining to estimated tax payments.

(3) The individual may elect to have federal income tax deducted and withheld from the individual's payment of benefits at the amount specified in the Internal Revenue Code as defined in [section 422.3](#).

(4) The individual may elect to have Iowa state income tax deducted and withheld from the individual's payment of benefits at the rate of five percent.

(5) The individual shall be permitted to change the individual's previously elected withholding status.

b. Amounts deducted and withheld from benefits shall remain in the unemployment compensation fund until transferred to the appropriate taxing authority as a payment of income tax.

c. The director shall follow all procedures specified by the United States department of labor, the federal internal revenue service, and the department of revenue pertaining to the deducting and withholding of income tax.

d. Amounts shall be deducted and withheld under [this subsection](#) only after amounts are deducted and withheld for any overpayment of benefits, child support obligations, and any other amounts authorized to be deducted and withheld under federal or state law.

11. *Overissuance of supplemental nutrition assistance program benefits.* The department shall collect any overissuance of supplemental nutrition assistance program benefits by offsetting the amount of the overissuance from the benefits payable under [this chapter](#) to the individual. [This subsection](#) shall only apply if the department is reimbursed under an agreement with the department of health and human services for administrative

costs incurred in recouping the overissuance. The provisions of [section 96.15](#) do not apply to [this subsection](#).

[C39, §**1551.09**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.3; [82 Acts, ch 1030, §1](#)]

[83 Acts, ch 190, §1 – 4, 27](#); [84 Acts, ch 1067, §17](#); [86 Acts, ch 1034, §1](#); [87 Acts, ch 111, §9](#); [87 Acts, ch 222, §1, 2](#); [89 Acts, ch 11, §1, 2](#); [93 Acts, ch 158, §1](#); [95 Acts, ch 23, §1](#); [95 Acts, ch 109, §1](#); [96 Acts, ch 1121, §1, 12](#); [96 Acts, ch 1186, §23](#); [97 Acts, ch 38, §1](#); [97 Acts, ch 175, §222](#); [2003 Acts, ch 145, §286](#); [2008 Acts, ch 1032, §175, 201](#); [2008 Acts, ch 1170, §1](#); [2009 Acts, ch 22, §1, 2, 9](#); [2009 Acts, ch 133, §227](#); [2009 Acts, ch 179, §48](#); [2013 Acts, ch 3, §1, 3](#); [2014 Acts, ch 1026, §21](#); [2018 Acts, ch 1026, §35](#); [2019 Acts, ch 24, §15](#); [2020 Acts, ch 1062, §83](#); [2022 Acts, ch 1136, §2, 3](#); [2023 Acts, ch 19, §60](#)

Referred to in [§85.60](#), [96.11](#), [96.20](#), [96.40](#)