

**904.809 Private industry employment of inmates of correctional institutions.**

1. The following conditions shall apply to all agreements to provide private industry employment for inmates of correctional institutions:

a. The state director shall comply with the intent of [section 904.801](#).

b. An inmate shall not be compelled to take private industry employment.

c. Inmates shall receive allowances commensurate with those wages paid persons in similar jobs outside the correctional institutions. This may include piece rating in which the inmate is paid only for what is produced.

d. Employment of inmates in private industry shall not displace employed workers, apply to skills, crafts, or trades in which there is a local surplus of labor, or impair existing contracts for employment or services.

e. Inmates employed in private industry shall be eligible for workers' compensation in accordance with [section 85.59](#).

f. Inmates employed in private industry shall not be eligible for unemployment compensation while incarcerated.

g. The state director shall implement a system for screening and security of inmates to protect the safety of the public.

2. a. Any other provision of the Code to the contrary notwithstanding, the state director may lease one or more buildings or portions thereof on the grounds of any state adult correctional institution, together with the real estate needed for reasonable access to and egress from the leased buildings, for a term not to exceed twenty years, to a private corporation for the purpose of establishing and operating a factory for the manufacture and processing of products, or any other commercial enterprise deemed by the state director to be consistent with the intent stated in [section 904.801](#).

b. Each lease negotiated and concluded under [this subsection](#) shall include, and shall be valid only so long as the lessee adheres to, the following provisions:

(1) Persons working in the factory or other commercial enterprise operated in the leased property, except the lessee's supervisory employees and necessary support personnel approved by the state director, shall be inmates of the institution where the leased property is located who are approved for such work by the state director and the lessee.

(2) The factory or other commercial enterprise operated in the leased property shall observe at all times such practices and procedures regarding security as the lease may specify, or as the state director may temporarily stipulate during periods of emergency.

3. The state director may provide an inmate workforce to private industry. Under the program inmates will be employees of a private business.

4. Private or nonprofit organizations may subcontract with Iowa state industries to perform work in Iowa state industries shops located on the grounds of a state institution. The execution of the subcontract is subject to the following conditions:

a. The private employer shall pay to Iowa state industries a per unit price sufficient to fund allowances for inmate workers commensurate with similar jobs outside corrections institutions.

b. Iowa state industries shall negotiate a per unit price which takes into account staff supervision and equipment provided by Iowa state industries.

5. a. (1) An inmate of a correctional institution employed pursuant to [this section](#) shall surrender to the department of corrections the inmate's total earnings less deductions for federal, state, and local taxes, and any other payroll deductions required by law.

(2) The inmate's employer shall provide each employed inmate with the withholding statement required under [section 422.16](#), and any other employment information necessary for the receipt of the remainder of an inmate's payroll earnings.

b. From the inmate's gross payroll earnings, the following amounts shall be deducted:

(1) Twenty percent, to be deposited in the inmate's general account.

(2) All required tax deductions, to be collected by the inmate's employer.

(3) Five percent, to be deducted for the victim compensation fund created in [section 915.94](#).

c. From the balance remaining after deduction of the amounts under paragraph “b”, the following amounts shall be deducted in the following order of priority:

(1) An amount which the inmate may be legally obligated to pay for the support of the inmate’s dependents, which shall be paid through the department of health and human services collection services center, and which shall include an amount for delinquent child support not to exceed fifty percent of net earnings.

(2) Restitution as ordered by the court under [chapter 910](#).

(3) The department may retain up to fifty percent of any remaining balance after deductions made under subparagraphs (1) and (2) if the remaining balance is from an inmate employed in a new job created on or after July 1, 2004. The funds shall be used to staff supervision costs of private sector employment of inmates at correctional institutions. Funds retained pursuant to this subparagraph shall not be used for administrative costs of Iowa state industries.

(4) Any balance remaining after the deductions made under subparagraphs (1), (2), and (3) shall represent the costs of the inmate’s incarceration and shall be deposited in the general fund of the state.

d. Of the amount credited to the inmate’s general account, the department shall deduct an amount representing any other legal or administrative financial obligations of the inmate.

[C79, 81, §216.10]

[85 Acts, ch 21, §10, 54](#)

CS85, §246.809

C93, §904.809

[93 Acts, ch 46, §7; 97 Acts, ch 190, §6; 98 Acts, ch 1090, §79, 84; 99 Acts, ch 182, §6; 2000 Acts, ch 1154, §44; 2004 Acts, ch 1175, §203, 204; 2013 Acts, ch 30, §261; 2023 Acts, ch 19, §1338; 2024 Acts, ch 1170, §358 – 361](#)

Referred to in [§8A.311, 85.59, 904.805, 904.814](#)