

CHAPTER 96

EMPLOYMENT SECURITY — UNEMPLOYMENT COMPENSATION

Referred to in §10A.601, 15H.5, 15H.9, 29C.24, 84A.5, 85.34, 91C.1, 91C.2, 93.2, 252B.5, 331.324, 331.424, 411.6

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96.1 Short title.

This chapter shall be known and may be cited as the “Iowa Employment Security Law”. [C39, §1551.07; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.1]

96.1A Definitions.

As used in this chapter, unless the context clearly requires otherwise:

1. “Appeal board” means the employment appeal board created under section 10A.601.
2. “Average annual taxable payroll” means the average of the total amount of taxable wages paid by an employer for insured work during the five periods of four consecutive calendar quarters immediately preceding the computation date.
3. “Base period” means the period beginning with the first day of the five completed calendar quarters immediately preceding the first day of an individual’s benefit year and ending with the last day of the next to the last completed calendar quarter immediately preceding the date on which the individual filed a valid claim.
4. “Benefit year” means a period of one year beginning with the day with respect to which an individual filed a valid claim for benefits. Any claim for benefits made in accordance with section 96.6, subsection 1, shall be deemed to be a valid claim for the purposes of this subsection if the individual has been paid wages for insured work required under the provisions of this chapter.
5. “Benefits” means the money payments payable to an individual, as provided in this chapter, with respect to the individual’s unemployment.
6. “Calendar quarter” means the period of three consecutive calendar months ending on March 31, June 30, September 30, or December 31, excluding, however, any calendar quarter or portion thereof which occurs prior to January 1, 1937, or the equivalent thereof as the department may by regulation prescribe.
7. “Computation date”. The computation date for contribution rates shall be July 1 of

that calendar year preceding the calendar year with respect to which such rates are to be effective.

8. “Contributions” means the money payments to the state unemployment compensation fund required by [this chapter](#).

9. “Department” means the department of workforce development created in [section 84A.1](#).

10. “Director” means the director of the department of workforce development created in [section 84A.1](#).

11. “Domestic service” includes service for an employing unit in the operation and maintenance of a private household, local college club, or local chapter of a college fraternity or sorority as distinguished from service as an employee in the pursuit of an employer’s trade, occupation, profession, enterprise, or vocation.

12. “Educational institution” means one in which participants, trainees, or students are offered an organized course of study or training designed to transfer to them knowledge, skills, information, doctrines, attitudes, or abilities from, by, or under the guidance of an instructor or teacher. It is approved, licensed, or issued a permit to operate as a school by the department of education or other government agency that is authorized within the state to approve, license, or issue a permit for the operation of a school. The course of study or training which it offers may be academic, technical, trade, or preparation for gainful employment in a recognized occupation.

13. “Eligibility period” of an individual means the period consisting of the weeks in the individual’s benefit year which begin in an extended benefit period and, if the individual’s benefit year ends within such extended benefit period, any weeks thereafter which begin in such period.

14. “Employer” means:

a. For purposes of [this chapter](#) with respect to any calendar year after December 31, 2018, any employing unit which in any calendar quarter in either the current or preceding calendar year paid wages for service in employment. An employing unit treated as a domestic service employer shall not be treated as an employer with respect to wages paid for service other than domestic service unless such employing unit is treated as an employer under this paragraph or as an agricultural labor employer.

b. Any employing unit, whether or not an employing unit at the time of acquisition, which acquired the organization, trade, or business, or substantially all of the assets thereof, of another employing unit which at the time of such acquisition was an employer subject to [this chapter](#), or which acquired a part of the organization, trade, or business of another employing unit which at the time of such acquisition was an employer subject to [this chapter](#). Provided, that such other employing unit would have been an employer under paragraph “a”, if such part had constituted its entire organization, trade, or business.

c. Any employing unit which acquired the organization, trade, or business, or substantially all the assets of another employing unit and which, if treated as a single unit with such other employing unit, would be an employer under paragraph “a” of [this subsection](#).

d. Any employing unit which, together with one or more other employing units, is owned or controlled, by legally enforceable means or otherwise, directly or indirectly by the same interests, or which owns or controls one or more other employing units by legally enforceable means or otherwise, and which, if treated as a single unit with such other employing unit, would be an employer under paragraph “a”.

e. Any employing unit which, having become an employer under paragraph “a”, “b”, “c”, “d”, “f”, “g”, “h”, or “i” has not, under [section 96.8](#), ceased to be an employer subject to [this chapter](#).

f. For the effective period of its election pursuant to [section 96.8, subsection 3](#), any other employing unit which has elected to become fully subject to [this chapter](#).

g. Any employing unit not an employer by reason of any other paragraph of [this subsection](#) for which, within either the current or preceding calendar year, service is or was performed with respect to which such employing unit is liable for any federal tax against which credit may be taken for contributions required to be paid into a state unemployment fund; or which, as a condition for approval of [this chapter](#) for full tax credit against the

tax imposed by the Federal Unemployment Tax Act, 26 U.S.C. §3301 – 3308, is required, pursuant to such Act, to be an “employer” under [this chapter](#). Provided, however, that if an employer subject to contributions solely because of the terms of [this subsection](#) shall establish proper proof to the satisfaction of the department that the employer’s employees have been and will be duly covered and insured under the unemployment compensation law of another jurisdiction such employer shall not be deemed an employer and such services shall not be deemed employment under [this chapter](#).

h. After December 31, 1971, this state or a state instrumentality and after December 31, 1977, a government entity unless the service is specifically excluded from the definition of employment.

i. Any employing unit for which service in employment, as defined in [subsection 16](#), paragraph “a”, subparagraph (5), is performed after December 31, 1971.

j. For purposes of paragraphs “a” and “i”, employment shall include service which would constitute employment but for the fact that such service is deemed to be performed entirely within another state pursuant to an election under an arrangement entered into in accordance with [subsection 16](#), paragraph “d”, by the department and an agency charged with the administration of any other state or federal unemployment compensation law.

k. For purposes of paragraphs “a” and “i”, if any week includes both December 31 and January 1, the days of that week up to January 1 shall be deemed one calendar week and the days beginning January 1 another such week.

l. An employing unit employing agricultural labor after December 31, 1977, if the employing unit:

(1) Paid during any calendar quarter in the calendar year or the preceding calendar year wages of twenty thousand dollars or more for agricultural labor, or

(2) Employed on each of some twenty days during the calendar year or during the preceding calendar year, each day being in a different calendar week, at least ten individuals in employment in agricultural labor for some portion of the day.

m. An employing unit employing after December 31, 1977, domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, and with respect to any calendar year, any employing unit who during any calendar quarter in the calendar year or the preceding calendar year paid wages in cash of one thousand dollars or more for such service.

n. An Indian tribe, subject to the requirements of [section 96.7, subsection 9](#).

15. “Employing unit” means any individual or type of organization, including this state and its political subdivisions, state agencies, boards, commissions, and instrumentalities thereof, any partnership, association, trust, estate, joint stock company, insurance company or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee or successor thereof, or the legal representative of a deceased person, which has or subsequent to January 1, 1936, had in its employ one or more individuals performing services for it within this state. All individuals performing services within this state for any employing unit which maintains two or more separate establishments within this state shall be deemed to be employed by a single employing unit for all the purposes of [this chapter](#). Whenever any employing unit contracts with or has under it any contractor or subcontractor for any work which is part of its usual trade, occupation, profession, or business, unless the employing unit as well as each such contractor or subcontractor is an employer by reason of [subsection 14](#) or [section 96.8, subsection 3](#), the employing unit shall for all the purposes of [this chapter](#) be deemed to employ each individual in the employ of each such contractor or subcontractor for each day during which such individual is engaged in performing such work; except that each such contractor or subcontractor who is an employer by reason of [subsection 14](#) or [section 96.8, subsection 3](#), shall alone be liable for the contributions measured by wages payable to individuals in the contractor’s or subcontractor’s employ, and except that any employing unit who shall become liable for and pay contributions with respect to individuals in the employ of any such contractor or subcontractor who is not an employer by reason of [subsection 14](#) or [section 96.8, subsection 3](#), may recover the same from such contractor or subcontractor, except as any contractor or subcontractor who would in the absence of [subsection 14](#) or [section 96.8, subsection 3](#), be liable to pay said contributions,

accepts exclusive liability for said contributions under an agreement with such employer made pursuant to general rules of the department. Each individual employed to perform or to assist in performing the work of any agent or employee of an employing unit shall be deemed to be employed by such employing unit for all the purposes of [this chapter](#), whether such individual was hired or paid directly by such employing unit or by such agent or employee, provided the employing unit had actual or constructive knowledge of such work, and provided, further, that such employment was for a total of not less than eight hours in any one calendar week. An employing unit shall not be deemed to employ an independent contractor as described in [section 85.61, subsection 12](#), paragraph “c”, subparagraph (3).

16. “*Employment*”.

a. Except as otherwise provided in [this subsection](#), “*employment*” means service, including service in interstate commerce, performed for wages or under any contract of hire, written or oral, expressed or implied. Employment also means any service performed prior to January 1, 1978, which was employment as defined in [this subsection](#) prior to such date and, subject to the other provisions of [this subsection](#), service performed after December 31, 1977, by:

(1) Any officer of a corporation. Provided that the term “*employment*” shall not include such officer if the officer is a majority stockholder and the officer shall not be considered an employee of the corporation unless such services are subject to a tax to be paid under any federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund or such services are required to be covered under [this chapter](#) of the Code, as a condition to receipt of a full tax credit against the tax imposed by the Federal Unemployment Tax Act, 26 U.S.C. §3301 – 3309, or

(2) Any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee, or

(3) (a) Any individual other than an individual who is an employee under subparagraph (1) or (2) who performs services for remuneration for any person as an agent driver or commission driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages other than milk, or laundry or dry cleaning services for the individual’s principal; as a traveling or city salesperson, other than as an agent driver or commission driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, the individual’s principal, except for sideline sales activities on behalf of some other person, of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations.

(b) Provided, that for purposes of this subparagraph (3), the term “*employment*” shall include services performed after December 31, 1971, only if:

(i) The contract of service contemplates that substantially all of the services are to be performed personally by such individual;

(ii) The individual does not have a substantial investment in facilities used in connection with the performance of the services, other than in facilities for transportation; and

(iii) The services are not in the nature of single transaction that is not part of a continuing relationship with the person for whom the services are performed.

(4) Service performed after December 31, 1971, by an individual in the employ of this state or any of its wholly owned instrumentalities and after December 31, 1977, service performed by an individual in the employ of a government entity unless specifically excluded from the definition of employment for a government entity.

(5) Service performed after December 31, 1971, by an individual in the employ of a religious, charitable, educational, or other organization, but only if the service is excluded from “*employment*” as defined in the Federal Unemployment Tax Act, 26 U.S.C. §3301 – 3309, solely by reason of section 3306(c)(8) of that Act.

(6) For the purposes of subparagraphs (4) and (5), the term “*employment*” does not apply to service performed:

(a) In the employ of a church or convention or association of churches, or an organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches.

(b) By a duly ordained, commissioned, or licensed minister of a church in the exercise of that ministry or by a member of a religious order in the exercise of duties required by such order.

(c) In the employ of a nonpublic school which is not an institution of higher education prior to January 1, 1978.

(d) In a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who, because of their impaired physical or mental capacity, cannot be readily absorbed in the competitive labor market, by an individual receiving such rehabilitation or remunerative work.

(e) As part of an unemployment work relief or work training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof, by an individual receiving such work relief or work training; or

(f) In the employ of a governmental entity, if such service is performed by an individual in the exercise of the individual's duties as an elected official; as a member of a legislative body, or a member of the judiciary, of a state or political subdivision; as a member of the state national guard or air national guard; as an employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency; or in a position which, pursuant to the state law, is designated as a major nontenured policymaking or advisory position, or a policymaking or advisory position which ordinarily does not require duties of more than eight hours per week.

(7) (a) A person in agricultural labor when such labor is performed for an employing unit which during any calendar quarter in the calendar year or the preceding calendar year paid remuneration in cash of twenty thousand dollars or more to individuals employed in agricultural labor excluding labor performed before January 1, 1980, by an alien referred to in this subparagraph; or on each of some twenty days during the calendar year or the preceding calendar year, each day being in a different calendar week, employed in agricultural labor for some portion of the day ten or more individuals, excluding labor performed before January 1, 1980, by an alien referred to in this subparagraph; and such labor is not agricultural labor performed before January 1, 1980, by an individual who is an alien admitted to the United States to perform agricultural labor pursuant to sections 214(c) and 101(a)(15)(H) of the Immigration and Nationality Act, 8 U.S.C. §1184(c), 1101(a)(15)(H) (1976). For purposes of this subparagraph division, "employed" shall not include services performed by agricultural workers who are aliens admitted to the United States to perform labor pursuant to section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act and who are not covered under the Federal Unemployment Tax Act.

(b) For purposes of this subparagraph, any individual who is a member of a crew furnished by a crew leader to perform agricultural labor for any other employing unit shall be treated as an employee of such crew leader if such crew leader holds a valid certificate of registration under the Farm Labor Contractor Registration Act of 1963; or substantially all the members of such crew operate or maintain tractors, mechanized harvesting or cropdusting equipment, or any other mechanized equipment, which is provided by such crew leader; and if such individual is not otherwise in employment as defined in [this subsection](#).

(c) For purposes of this subparagraph (7), in the case of any individual who is furnished by a crew leader to perform agricultural labor for any other employing unit and who is not treated as an employee of such crew leader as described above, such other employing unit and not the crew leader shall be treated as the employer of such individual; and such other employing unit shall be treated as having paid cash remuneration to such individual in an amount equal to the amount of cash remuneration paid to such individual by the crew leader either on the crew leader's behalf or on behalf of such other employing unit for the agricultural labor performed for such other employing unit.

(d) For purposes of this subparagraph (7), the term "crew leader" means an employing unit which furnishes individuals to perform agricultural labor for any other employing unit; pays, either on the crew leader's behalf or on behalf of such other employing unit, the individuals so furnished by the crew leader for the agricultural labor performed by them;

and has not entered into a written agreement with such other employing unit under which such individual is designated as an employee of such other employing unit.

(8) A person performing after December 31, 1977, domestic service in a private home, local college club, or local chapter of a college fraternity or sorority if performed for an employing unit who paid cash remuneration of one thousand dollars or more to individuals employed in such domestic service in any calendar quarter in the calendar year or the preceding calendar year.

(9) A member of a limited liability company. For such a member, the term “*employment*” shall not include any portion of such service that is performed in lieu of making a contribution of cash or property to acquire a membership interest in the limited liability company.

b. The term “*employment*” shall include an individual’s entire service, performed within or both within and without this state if:

(1) The service is localized in this state, or

(2) The service is not localized in any state but some of the service is performed in this state and (i) the base of operations, or, if there is no base of operations, then the place from which such service is directed or controlled, is in this state; or (ii) the base of operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed, but the individual’s residence is in this state, or

(3) The service is performed outside the United States, except in Canada, after December 31, 1971, by a citizen of the United States in the employ of an American employer, other than service which is deemed “*employment*” under the provisions of subparagraphs (1) and (2) or the parallel provisions of another state law, or service performed after December 31 of the year in which the United States secretary of labor approved the first time the unemployment compensation law submitted by the Virgin Islands, if:

(a) The employer’s principal place of business in the United States is located in this state; or

(b) The employer has no place of business in the United States but the employer is an individual who is a resident of this state, or the employer is a corporation which is organized under the laws of this state, or the employer is a partnership or a trust and the number of the partners or trustees who are residents of this state is greater than the number who are residents of any one other state; or

(c) None of the criteria of divisions (a) and (b) of this subparagraph is met, but the employer has elected coverage in this state, or the employer having failed to elect coverage in any state, the individual has filed a claim for benefits based on such service under the law of this state.

(d) An “*American employer*”, for purposes of this subparagraph, means a person who is an individual who is a resident of the United States or a partnership if two-thirds or more of the partners are residents of the United States, or a trust, if all of the trustees are residents of the United States, or a corporation organized under the laws of the United States or of any state.

(4) Notwithstanding the provisions of subparagraphs (1), (2), and (3), all service performed after December 31, 1971, by an officer or member of the crew of an American vessel on or in connection with such vessel, if the operating office from which the operations of such vessel operating on navigable waters within and without the United States are ordinarily and regularly supervised, managed, directed, and controlled is within this state, and

(5) Notwithstanding any other provisions of [this subsection](#), service with respect to which a tax is required to be paid under any federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund or which, as a condition for full tax credit against the tax imposed by the Federal Unemployment Tax Act, 26 U.S.C. §3301 – 3308, is required to be covered under [this chapter](#).

c. Services performed within this state but not covered under paragraph “b” of [this subsection](#) shall be deemed to be employment subject to [this chapter](#) if contributions are not required and paid with respect to such services under an unemployment compensation law of any other state or of the federal government.

d. Services not covered under paragraph “b” of [this subsection](#), and performed entirely without this state, with respect to no part of which contributions are required and paid under

an unemployment compensation law of any other state or of the federal government, shall be deemed to be employment subject to [this chapter](#) if the individual performing such services is a resident of this state and the department approves the election of the employing unit for whom such services are performed that the entire service of such individual shall be deemed to be employment subject to [this chapter](#).

e. Service shall be deemed to be localized within a state if:

(1) The service is performed entirely within such state, or

(2) The service is performed both within and without such state, but the service performed without such state is incidental to the individual's service within the state, for example, or is temporary or transitory in nature or consists of isolated transactions.

f. (1) Services performed by an individual for wages shall be deemed to be employment subject to [this chapter](#) unless and until it is shown to the satisfaction of the department that such individual has been and will continue to be free from control or direction over the performance of such services, both under the individual's contract of service and in fact.

(2) Services performed by an individual for two or more employing units shall be deemed to be employment to each employing unit for which the services are performed. However, an individual who concurrently performs services as a corporate officer for two or more related corporations and who is paid through a common paymaster that is one of the related corporations may, at the discretion of such related corporations, be considered to be in the employment of only the common paymaster.

g. The term "employment" shall not include:

(1) Service performed in the employ of any other state or its political subdivisions, or of the United States government, or of an instrumentality of any other state or states or their political subdivisions or of the United States; provided, however, that the general language just used shall not include any such instrumentality of the United States after Congress has, by appropriate legal action, expressly permitted the several states to require such instrumentalities to make payments into an employment fund under a state unemployment compensation law; and all such instrumentalities so released from the constitutional immunity to make the contributions, imposed by [this chapter](#) shall, thereafter, become subject to all the provisions of said chapter, and such provisions shall then be applicable to such instrumentalities and to all services performed for such instrumentalities in the same manner, to the same extent and on the same terms as are applicable to all other employers, employing units, individuals, and services. Should the social security administration, acting under section 1603 of the federal Internal Revenue Code, fail to certify the state of Iowa for any particular calendar year, then the payments required of such instrumentalities with respect to such year shall be refunded by the department from the fund in the same manner and within the same period as is provided for in [section 96.14, subsection 5](#), which section provides for the refunding of contributions erroneously collected.

(2) Service with respect to which unemployment compensation is payable under an unemployment compensation system established by an Act of Congress; provided, that the department is hereby authorized and directed to enter into agreements with the proper agencies under such Act of Congress, which agreements shall become effective ten days after publication thereof in the manner provided in [section 96.11, subsection 2](#), for general rules, to provide reciprocal treatment to individuals who have, after acquiring potential rights to benefits under [this chapter](#), acquired rights to unemployment compensation under such Act of Congress, or who have, after acquiring potential rights to unemployment compensation under such Act of Congress, acquired rights to benefits under [this chapter](#).

(3) Agricultural labor. For purposes of [this chapter](#), the term "agricultural labor" means any service performed prior to January 1, 1972, which was agricultural labor as defined in this subparagraph prior to such date, provided that after December 31, 1977, this subparagraph shall not exclude from employment agricultural labor specifically included as agricultural labor under the definition of employment in [this subsection](#), but shall otherwise include remunerated service performed after December 31, 1971:

(a) On a farm in the employ of any person in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including

the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

(b) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

(c) In connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15(g) of the Agricultural Marketing Act, as amended, 46 Stat. 1550, §3, 12 U.S.C. §1141j, or in connection with ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes.

(d) (i) In the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity, but only if such operator produced more than one-half of the commodity with respect to which such service is performed;

(ii) In the employ of a group of operators of farms, or a cooperative organization of which such operators are members, in the performance of service described in subparagraph subdivision (i), but only if such operators produced more than one-half of the commodity with respect to which such service is performed;

(iii) The provisions of subparagraph subdivisions (i) and (ii) of this subparagraph division (d) of this subparagraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

(e) On a farm operated for profit if such service is not in the course of the employer's trade or business.

(f) The term "farm" includes livestock, dairy, poultry, fruit, fur-bearing animals, and truck farms, plantations, ranches, nurseries, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

(4) Domestic service in a private home prior to January 1, 1978, and after December 31, 1977, domestic service in a private home not covered as domestic service under the definition of employment.

(5) Service performed by an individual in the employ of the individual's son, daughter, or spouse, and service performed by a child under the age of eighteen in the employ of the child's father or mother.

(6) Service performed in the employ of a school, college, or university if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university or by the spouse of such student, if such spouse is advised, at the time such spouse commences to perform such service, that the employment of such spouse to perform such service is provided under a program to provide financial assistance to such student by such school, college, or university, and such employment will not be covered by any program of unemployment insurance.

(7) Service performed by an individual who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on, as a student in a full-time program taken for credit at such institution, which combines academic instruction with work experience, if the service is an integral part of the program and the institution has so certified to the employer, except that this subparagraph does not apply to service performed in a program established for or on behalf of an employer or group of employers.

(8) Service performed in the employ of a hospital if such service is performed by a patient of the hospital.

(9) Services performed by an individual, who is not treated as an employee, for a person who is not treated as an employer, under either of the following conditions:

(a) The services are performed by the individual as a salesperson and as a licensed real

estate agent; substantially all of the remuneration for the services is directly related to sales or other output rather than to the number of hours worked; and the services are performed pursuant to a written contract between the individual and the person for whom the services are performed, which provides that the individual will not be treated as an employee with respect to the services for federal tax purposes.

(b) The services are performed by an individual engaged in the trade or business of selling or soliciting the sale of consumer products to any buyer on a buy-sell basis or a deposit-commission basis, for resale by the buyer or another person in the home or in a place other than a permanent retail establishment, or engaged in the trade or business of selling or soliciting the sale of consumer products in the home or in a place other than a permanent retail establishment; substantially all of the remuneration for the services is directly related to sales or other output rather than to the number of hours worked; and the services are performed pursuant to a written contract between the individual and the person for whom the services are performed, which provides that the individual will not be treated as an employee with respect to the services for federal tax purposes.

(10) Services performed by an inmate of a correctional institution.

h. Except as otherwise provided in [this subsection](#), “*employment*” shall include service performed in the employ of an Indian tribe, subject to the requirements of [section 96.7, subsection 9](#).

17. “*Employment office*” means a free public employment office, or branch thereof, operated by this state or maintained as a part of a state-controlled system of public employment offices.

18. “*Exhaustee*” means an individual who, with respect to any week of unemployment in the individual’s eligibility period has received, prior to such week, all of the regular benefits that were available to the individual under [this chapter](#) or any other state law, including dependents’ allowances and benefits payable to federal civilian employees and former armed forces personnel under 5 U.S.C. ch. 85, in the individual’s current benefit year that includes such weeks. Provided that for the purposes of [this subsection](#) an individual shall be deemed to have received all of the regular benefits that were available to the individual, although as a result of a pending appeal with respect to wages that were not considered in the original monetary determination in the individual’s benefit year the individual may subsequently be determined to be entitled to add regular benefits, or:

a. The individual’s benefit year having expired prior to such week, has no, or insufficient, wages and on the basis of which the individual could establish a new benefit year that would include such week, and

b. The individual has no right to unemployment benefits or allowances under the Railroad Unemployment Insurance Act, the Trade Expansion Act of 1962, the Automotive Products Trade Act of 1965, and such other federal laws as are specified in regulations issued by the United States secretary of labor, and the individual has not received and is not seeking unemployment benefits under the unemployment compensation law of Canada, but if the individual is seeking such benefits and the appropriate agency finally determines that the individual is not entitled to benefits under such law the individual is considered an exhaustee.

19. *a.* “*Extended benefit period*” means a period which begins with the third week after a week for which there is a state “*on*” indicator, and ends with either of the following weeks, whichever occurs later:

(1) The third week after the first week for which there is a state “*off*” indicator.

(2) The thirteenth consecutive week of such period.

b. However, an extended benefit period shall not begin by reason of a state “*on*” indicator before the fourteenth week following the end of a prior extended benefit period which was in effect with respect to this state.

20. “*Extended benefits*” means benefits, including benefits payable to federal civilian employees and to former armed forces personnel pursuant to 5 U.S.C. ch. 85, payable to an individual under the provisions of [this section](#) for weeks of unemployment in the individual’s eligibility period.

21. “*Fund*” means the unemployment compensation fund established by [this chapter](#), to

which all contributions required and from which all benefits provided under [this chapter](#) shall be paid.

22. “*Governmental entity*” means a state, a state instrumentality, a political subdivision or an instrumentality of a political subdivision, or a combination of one or more of the preceding.

23. “*Hospital*” means an institution which has been licensed, certified, or approved by the department of inspections, appeals, and licensing as a hospital.

24. “*Indian tribe*” shall have the meaning given to the term pursuant to section 4(e) of the federal Indian Self-Determination and Education Assistance Act, Pub. L. No. 93-638, and shall include any subdivision, subsidiary, or business enterprise wholly owned by such an Indian tribe.

25. “*Institution of higher education*” means an educational institution which admits as regular students individuals having a certificate of graduation from a high school, or the recognized equivalent of such certificate; is legally authorized in this state primarily to provide a program of education beyond high school; provides an educational program for which it awards a bachelor’s or higher degree or provides a program which is acceptable for full credit toward such a degree, a program of postgraduate or postdoctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and is a public or other nonprofit institution.

26. “*Insured work*” means employment for employers.

27. “*Nonprofit organization*” means an organization described in the federal Internal Revenue Code, 26 U.S.C. §501(c)(3), which is exempt from income taxation under 26 U.S.C. §501(a).

28. There is a state “*off*” indicator for a week if, for the period consisting of the week and the immediately preceding twelve weeks, the rate of insured unemployment under the state law was less than five percent, or less than one hundred twenty percent of the average of the rates for thirteen weeks ending in each of the two preceding calendar years, except that, notwithstanding any such provision of [this subsection](#), any week for which there would otherwise be a state “*on*” indicator shall continue to be such a week and shall not be determined to be a week for which there is a state “*off*” indicator.

29. There is a state “*on*” indicator for a week if the rate of insured unemployment under the state law for the period consisting of the week and the immediately preceding twelve weeks equaled or exceeded five percent and equaled or exceeded one hundred twenty percent of the average of the rates for the corresponding thirteen-week period ending in each of the two preceding calendar years.

30. “*Public housing agency*” means any agency described in section 3(b)(6) of the United States Housing Act of 1937, as amended through January 1, 1989.

31. “*Rate of insured unemployment*”, for purposes of determining state “*on*” indicator and state “*off*” indicator, means the percentage derived by dividing the average weekly number of individuals filing claims for regular benefits in Iowa for weeks of unemployment with respect to the most recent thirteen consecutive week period, as determined by the department on the basis of its reports to the United States secretary of labor, by the average monthly insured employment covered under [this chapter](#) for the first four of the most recent six completed calendar quarters ending before the end of such thirteen-week period.

32. “*Regular benefits*” means benefits payable to an individual under this or under any other state law, including benefits payable to federal civilian employees and to former armed forces personnel pursuant to 5 U.S.C. ch. 85, other than extended benefits.

33. “*State*” includes, in addition to the states of the United States, the District of Columbia, Canada, Puerto Rico, and the Virgin Islands.

34. “*State law*” means the unemployment insurance law of any state, approved by the United States secretary of labor under 26 U.S.C. §3304.

35. “*Statewide average weekly wage*” means the amount computed by the department at least once a year on the basis of the aggregate amount of wages reported by employers in the preceding twelve-month period ending on December 31 and divided by the product of fifty-two times the average mid-month employment reported by employers for the same twelve-month period. In determining the aggregate amount of wages paid statewide, the

department shall disregard any limitation on the amount of wages subject to contributions under [this chapter](#).

36. “*Taxable wages*” means an amount of wages upon which an employer is required to contribute based upon wages that have been paid in this state during a calendar year to an individual by an employer or the employer’s predecessor upon which the employer is required to contribute, which equals the greater of the following:

a. Thirty-three and one-third percent of the statewide average weekly wage that was used during the previous calendar year to determine maximum weekly benefit amounts, multiplied by fifty-two and rounded to the next highest multiple of one hundred dollars.

b. That portion of wages subject to a tax under a federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment compensation fund.

37. “*Totally unemployed*”, “*partially unemployed*”, and “*temporarily unemployed*”.

a. An individual shall be deemed “*totally unemployed*” in any week with respect to which no wages are payable to the individual and during which the individual performs no services.

b. An individual shall be deemed “*partially unemployed*” in any week in which either of the following apply:

(1) While employed at the individual’s then regular job, the individual works less than the regular full-time week and in which the individual earns less than the individual’s weekly benefit amount plus fifteen dollars.

(2) The individual, having been separated from the individual’s regular job, earns at odd jobs less than the individual’s weekly benefit amount plus fifteen dollars.

c. An individual shall be deemed “*temporarily unemployed*” if for a period, verified by the department, not to exceed four consecutive weeks, the individual is unemployed due to a plant shutdown, vacation, inventory, lack of work, or emergency from the individual’s regular job or trade in which the individual worked full-time and will again work full-time, if the individual’s employment, although temporarily suspended, has not been terminated.

38. “*Unemployment compensation administration fund*” means the unemployment compensation administration fund established by [this chapter](#), from which administration expenses under [this chapter](#) shall be paid.

39. “*United States*” for the purposes of [this section](#) includes the states, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

40. a. “*Wages*” means all remuneration for personal services, including commissions and bonuses and the cash value of all remuneration in any medium other than cash. The reasonable cash value of remuneration in any medium other than cash shall be estimated and determined in accordance with rules prescribed by the department.

b. The term “*wages*” shall not include:

(1) The amount of any payment, including any amount paid by an employer for insurance or annuities or into a fund to provide for such payment, made to or on behalf of an employee or any of the employee’s dependents under a plan or system established by an employer which makes provisions for the employer’s employees generally, or for the employer’s employees generally and their dependents, or for a class, or classes of the employer’s employees, or for a class or classes of the employer’s employees and their dependents, on account of retirement, sickness, accident disability, medical, or hospitalization expense in connection with sickness or accident disability, or death.

(2) Any payment paid to an employee, including any amount paid by any employer for insurance or annuities or into a fund to provide for any such payment, on account of retirement.

(3) Any payment on account of sickness or accident disability, or medical or hospitalization expense in connection with sickness or accident disability made by an employer to, or on behalf of, an employee after the expiration of six calendar months following the last calendar month in which the employee worked for such employer.

(4) Remuneration for agricultural labor paid in any medium other than cash.

(5) Any portion of the remuneration to a member of a limited liability company based on a membership interest in the company provided that the remuneration is allocated among members, and among classes of members, in proportion to their respective investments in

the company. If the amount of remuneration attributable to a membership interest cannot be determined, the entire amount of remuneration shall be deemed to be based on services performed.

41. “*Week*” means such period or periods of seven consecutive calendar days ending at midnight, or as the department may by regulations prescribe.

42. “*Weekly benefit amount*”. An individual’s “*weekly benefit amount*” means the amount of benefits the individual would be entitled to receive for one week of total unemployment. An individual’s weekly benefit amount, as determined for the first week of the individual’s benefit year, shall constitute the individual’s weekly benefit amount throughout such benefit year.

[C39, §1551.25; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.19; 81 Acts, ch 19, §9; 82 Acts, ch 1030, §3 – 7, 9, ch 1126, §3]

83 Acts, ch 101, §9; 83 Acts, ch 190, §22 – 24, 26, 27; 86 Acts, ch 1245, §525, 935; 87 Acts, ch 222, §6, 7; 89 Acts, ch 117, §2; 92 Acts, ch 1045, §4; 95 Acts, ch 43, §3; 96 Acts, ch 1121, §9 – 11; 96 Acts, ch 1186, §20 – 23; 97 Acts, ch 38, §3, 4; 2001 Acts, ch 111, §3 – 6; 2004 Acts, ch 1175, §66; 2008 Acts, ch 1032, §182, 183, 201; 2009 Acts, ch 41, §263; 2009 Acts, ch 133, §24; 2013 Acts, ch 90, §23; 2016 Acts, ch 1011, §24 – 31; 2016 Acts, ch 1073, §20; 2017 Acts, ch 54, §25; 2018 Acts, ch 1080, §7, 8; 2020 Acts, ch 1062, §22, 94; 2020 Acts, ch 1069, §4

C2021, §96.1A

2021 Acts, ch 76, §22; 2022 Acts, ch 1021, §32, 33; 2022 Acts, ch 1032, §24; 2023 Acts, ch 19, §1861; 2025 Acts, ch 6, §18; 2025 Acts, ch 125, §1

Referred to in §85.28, 85.31, 85.34, 85.37, 85.59, 93.1, 96.3, 96.4, 96.5, 96.7(2)(b), 96.8, 96.23, 96.40, 422.11A, 422.33

See Code editor’s note on simple harmonization at the beginning of this Code volume

Subsection 36 amended

96.1B Additional definitions.

As used in [this chapter](#), unless the context otherwise requires, “*book*”, “*list*”, “*record*”, or “*schedule*” kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in [section 445.1](#).

2000 Acts, ch 1148, §1

C2001, §96.1A

2020 Acts, ch 1062, §94

C2021, §96.1B

96.2 Guide for interpretation.

As a guide to the interpretation and application of [this chapter](#), the public policy of this state is declared to be as follows: Economic insecurity due to unemployment negatively impacts the health, morals, and welfare of the people of Iowa. These undesirable consequences can be reduced by encouraging employers to provide more stable employment and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment. [This chapter](#) provides for payment of benefits to workers unemployed through no fault of their own. The policy in [this chapter](#) is intended to encourage stabilization in employment, to provide for integrated employment and training services in support of state economic development programs, and to provide meaningful job training and employment opportunities for the unemployed, underemployed, economically disadvantaged, dislocated workers, and others with substantial barriers to employment. To further this public policy, the state, through its department of workforce development, will maintain close coordination among all federal, state, and local agencies whose missions affect the employment or employability of the unemployed and underemployed.

[C39, §1551.08; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.2]

2022 Acts, ch 1136, §1; 2023 Acts, ch 66, §20

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

96.4 Required findings.

An unemployed individual shall be eligible to receive benefits with respect to any week only if the department finds that:

1. The individual has registered for work at and thereafter has continued to report at an employment office in accordance with such regulations as the department may prescribe. The provisions of [this subsection](#) shall be waived if the individual is deemed temporarily unemployed as defined in [section 96.1A, subsection 37](#), paragraph “c”.

2. The individual has made a claim for benefits in accordance with the provisions of [section 96.6, subsection 1](#).

3. *a.* 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 96.1A, subsection 37](#), paragraph “b”, subparagraph (1), or temporarily unemployed as defined in [section 96.1A, subsection 37](#), 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 “h”.

b. Notwithstanding any provision of [this chapter](#) to the contrary, the department may establish by rule a process to waive or alter the work search requirements of [this subsection](#) for a claim for benefits if an individual has a reasonable expectation that the individual will be returning to employment and is attached to a regular job or industry or a member in good standing of a union therein eligible for referral for employment. To be considered attached to a regular job or industry, an individual must be on a short-term temporary layoff. If work is not available at the conclusion of the layoff period due to short-term circumstances beyond the employer’s control, the employer may request an extension of the waiver or alteration for up to two weeks from the department. For purposes of this paragraph, “*short-term temporary layoff*” means a layoff period of sixteen weeks or less due to seasonal weather conditions that impact the ability to perform work related to highway construction, repair, or maintenance with a specific return-to-work date verified by the employer.

4. *a.* The individual has been paid wages for insured work during the individual’s base period in an amount at least one and one-quarter times the wages paid to the individual during that quarter of the individual’s base period in which the individual’s wages were highest; provided that the individual has been paid wages for insured work totaling at least three and five-tenths percent of the statewide average annual wage for insured work, computed for the preceding calendar year if the individual’s benefit year begins on or after the first full week in July and computed for the second preceding calendar year if the individual’s benefit year begins before the first full week in July, in that calendar quarter in the individual’s base period in which the individual’s wages were highest, and the individual has been paid wages for insured work totaling at least one-half of the amount of wages required under this paragraph in the calendar quarter of the base period in which the individual’s wages were highest, in a calendar quarter in the individual’s base period other than the calendar quarter in which the individual’s wages were highest. The calendar quarter wage requirements shall be rounded to the nearest multiple of ten dollars.

b. For an individual who does not have sufficient wages in the base period, as defined in [section 96.1A](#), to otherwise qualify for benefits pursuant to [this subsection](#), the individual’s base period shall be the last four completed calendar quarters immediately preceding the first day of the individual’s benefit year if such period qualifies the individual for benefits under [this subsection](#).

(1) Wages that fall within the alternative base period established under this paragraph “b” are not available for qualifying benefits in any subsequent benefit year.

(2) Employers shall be charged in the manner provided in [this chapter](#) for benefits paid based upon quarters used in the alternative base period.

c. If the individual has drawn benefits in any benefit year, the individual must during or subsequent to that year, work in and be paid wages for insured work totaling at least eight times the individual's weekly benefit amount, as a condition to receive benefits in the next benefit year.

5. Benefits based on service in employment in a nonprofit organization or government entity, defined in [section 96.1A, subsection 16](#), are payable in the same amount, on the same terms and subject to the same conditions as compensation payable on the same basis of other service subject to [this chapter](#), except that:

a. Benefits based on service in an instructional, research, or principal administrative capacity in an educational institution including service in or provided to or on behalf of an educational institution while in the employ of an educational service agency, a government entity, or a nonprofit organization shall not be paid to an individual for any week of unemployment which begins during the period between two successive academic years or during a similar period between two regular terms, whether or not successive, or during a period of paid sabbatical leave provided for in the individual's contract, if the individual has a contract or reasonable assurance that the individual will perform services in any such capacity for any educational institution for both such academic years or both such terms.

b. Benefits based on service in any other capacity for an educational institution including service in or provided to or on behalf of an educational institution while in the employ of an educational service agency, a government entity, or a nonprofit organization, shall not be paid to an individual for any week of unemployment which begins during the period between two successive academic years or terms, if the individual performs the services in the first of such academic years or terms and has reasonable assurance that the individual will perform services for the second of such academic years or terms. If benefits are denied to an individual for any week as a result of this paragraph and the individual is not offered an opportunity to perform the services for an educational institution for the second of such academic years or terms, the individual is entitled to retroactive payments of benefits for each week for which the individual filed a timely claim for benefits and for which benefits were denied solely by reason of this paragraph.

c. With respect to services for an educational institution in any capacity under paragraph "a" or "b", benefits shall not be paid to an individual for any week of unemployment which begins during an established and customary vacation period or holiday recess if the individual performs the services in the period immediately before such vacation period or holiday recess, and the individual has reasonable assurance that the individual will perform the services in the period immediately following such vacation period or holiday recess.

d. For purposes of [this subsection](#), "educational service agency" means a governmental agency or government entity which is established and operated exclusively for the purpose of providing educational services to one or more educational institutions.

6. a. An otherwise eligible individual shall not be denied benefits for any week because the individual is in training with the approval of the director, nor shall the individual be denied benefits with respect to any week in which the individual is in training with the approval of the director by reason of the application of the provision in [subsection 3 of this section](#) relating to availability for work, and an active search for work or the provision of [section 96.5, subsection 3](#), relating to failure to apply for or a refusal to accept suitable work. However, an employer's account shall not be charged with benefits so paid.

b. (1) An otherwise eligible individual shall not be denied benefits for a week because the individual is in training approved under 19 U.S.C. §2296(a), as amended by section 2506 of the federal Omnibus Budget Reconciliation Act of 1981, because the individual leaves work which is not suitable employment to enter the approved training, or because of the application of [subsection 3 of this section](#) or [section 96.5, subsection 3](#), or a federal unemployment insurance law administered by the department relating to availability for work, active search for work, or refusal to accept work.

(2) For purposes of this paragraph, "suitable employment" means work of a substantially equal or higher skill level than an individual's past adversely affected employment, as defined in 19 U.S.C. §2319(l), if weekly wages for the work are not less than eighty percent of the individual's average weekly wage.

7. The individual participates in reemployment services as directed by the department pursuant to a profiling system, established by the department, which identifies individuals who are likely to exhaust benefits and be in need of reemployment services.

[C39, §1551.10; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.4; 82 Acts, ch 1030, §2] 83 Acts, ch 190, §5 – 8, 26, 27; 84 Acts, ch 1255, §1, 2; 87 Acts, ch 222, §3; 91 Acts, ch 45, §1, 2; 94 Acts, ch 1066, §6; 96 Acts, ch 1186, §23; 2008 Acts, ch 1032, §176, 197; 2009 Acts, ch 22, §3, 9; 2017 Acts, ch 72, §1, 2; 2020 Acts, ch 1062, §84 – 86; 2021 Acts, ch 171, §26 – 28

Referred to in §96.3, 96.6, 96.20, 96.23

96.5 Causes for disqualification.

An individual shall be disqualified for benefits, regardless of the source of the individual's wage credits:

1. *Voluntary quitting.* If the individual has left work voluntarily without good cause attributable to the individual's employer, if so found by the department. But the individual shall not be disqualified if the department finds that:

a. The individual left employment in good faith for the sole purpose of accepting other or better employment, which the individual did accept, and the individual performed services in the new employment. Benefits relating to wage credits earned with the employer that the individual has left shall be charged to the unemployment compensation fund. This paragraph applies to both contributory and reimbursable employers, notwithstanding [section 96.8, subsection 5](#).

b. The individual's leaving was caused by the relocation of the individual's spouse by the military. The employer's account shall not be charged for any benefits paid to an individual who leaves due to the relocation of a military spouse. Relief of charges under this paragraph applies to both contributory and reimbursable employers, notwithstanding [section 96.8, subsection 5](#).

c. The individual left employment for the necessary and sole purpose of taking care of a member of the individual's immediate family who was then injured or ill, and if after said member of the family sufficiently recovered, the individual immediately returned to and offered the individual's services to the individual's employer, provided, however, that during such period the individual did not accept any other employment.

d. The individual left employment because of illness, injury, or pregnancy upon the advice of a licensed and practicing physician or physician assistant, and upon knowledge of the necessity for absence immediately notified the employer, or the employer consented to the absence, and after recovering from the illness, injury, or pregnancy, when recovery was certified by a licensed and practicing physician or physician assistant, the individual returned to the employer and offered to perform services and the individual's regular work or comparable suitable work was not available, if so found by the department, provided the individual is otherwise eligible.

e. The individual left employment upon the advice of a licensed and practicing physician or physician assistant, for the sole purpose of taking a member of the individual's family to a place having a different climate, during which time the individual shall be deemed unavailable for work, and notwithstanding during such absence the individual secures temporary employment, and returned to the individual's regular employer and offered the individual's services and the individual's regular work or comparable work was not available, provided the individual is otherwise eligible.

f. The individual left the employing unit for not to exceed ten working days, or such additional time as may be allowed by the individual's employer, for compelling personal reasons, if so found by the department, and prior to such leaving had informed the individual's employer of such compelling personal reasons, and immediately after such compelling personal reasons ceased to exist the individual returned to the individual's employer and offered the individual's services and the individual's regular or comparable work was not available, provided the individual is otherwise eligible; except that during the time the individual is away from the individual's work because of the continuance of such compelling personal reasons, the individual shall not be eligible for benefits.

g. The individual left work voluntarily without good cause attributable to the employer

under circumstances which did or would disqualify the individual for benefits, except as provided in paragraph “a” of [this subsection](#) but, subsequent to the leaving, the individual worked in and was paid wages for insured work equal to ten times the individual’s weekly benefit amount, provided the individual is otherwise eligible.

h. The individual has left employment in lieu of exercising a right to bump or oust a fellow employee with less seniority or priority from the fellow employee’s job.

i. The individual is unemployed as a result of the individual’s employer selling or otherwise transferring a clearly segregable and identifiable part of the employer’s business or enterprise to another employer which does not make an offer of suitable work to the individual as provided under [subsection 3](#). However, if the individual does accept, and works in and is paid wages for, suitable work with the acquiring employer, the benefits paid which are based on the wages paid by the transferring employer shall be charged to the unemployment compensation fund provided that the acquiring employer has not received, or will not receive, a partial transfer of experience under the provisions of [section 96.7, subsection 2](#), paragraph “b”. Relief of charges under this paragraph applies to both contributory and reimbursable employers, notwithstanding [section 96.8, subsection 5](#).

j. (1) The individual is a temporary employee of a temporary employment firm who notifies the temporary employment firm of completion of an employment assignment and who seeks reassignment. Failure of the individual to notify the temporary employment firm of completion of an employment assignment within three working days of the completion of each employment assignment under a contract of hire shall be deemed a voluntary quit unless the individual was not advised in writing of the duty to notify the temporary employment firm upon completion of an employment assignment or the individual had good cause for not contacting the temporary employment firm within three working days and notified the firm at the first reasonable opportunity thereafter.

(2) To show that the employee was advised in writing of the notification requirement of this paragraph, the temporary employment firm shall advise the temporary employee by requiring the temporary employee, at the time of employment with the temporary employment firm, to read and sign a document that provides a clear and concise explanation of the notification requirement and the consequences of a failure to notify. The document shall be separate from any contract of employment and a copy of the signed document shall be provided to the temporary employee.

(3) For purposes of this lettered paragraph:

(a) “*Temporary employee*” means an individual who is employed by a temporary employment firm to provide services to clients to supplement their workforce during absences, seasonal workloads, temporary skill or labor market shortages, and for special assignments and projects.

(b) “*Temporary employment firm*” means a person engaged in the business of employing temporary employees.

2. *Discharge for misconduct*. If the department finds that the individual has been discharged for misconduct in connection with the individual’s employment:

a. The disqualification shall continue until the individual has worked in and has been paid wages for insured work equal to ten times the individual’s weekly benefit amount, provided the individual is otherwise eligible.

b. Provided further, if gross misconduct is established, the department shall cancel the individual’s wage credits earned, prior to the date of discharge, from all employers.

c. Gross misconduct is deemed to have occurred after a claimant loses employment as a result of an act constituting an indictable offense in connection with the claimant’s employment, provided the claimant is duly convicted thereof or has signed a statement admitting the commission of such an act. Determinations regarding a benefit claim may be redetermined within five years from the effective date of the claim. Any benefits paid to a claimant prior to a determination that the claimant has lost employment as a result of such act shall not be considered to have been accepted by the claimant in good faith.

d. For the purposes of [this subsection](#), “*misconduct*” means a deliberate act or omission by an employee that constitutes a material breach of the duties and obligations arising out of the employee’s contract of employment. Misconduct is limited to conduct evincing such

willful or wanton disregard of an employer's interest as is found in deliberate violation or disregard of standards of behavior which the employer has the right to expect of employees, or in carelessness or negligence of such degree of recurrence as to manifest equal culpability, wrongful intent or evil design, or to show an intentional and substantial disregard of the employer's interests or of the employee's duties and obligations to the employer. Misconduct by an individual includes but is not limited to all of the following:

- (1) Material falsification of the individual's employment application.
- (2) Knowing violation of a reasonable and uniformly enforced rule of an employer.
- (3) Intentional damage of an employer's property.
- (4) Consumption of alcohol, illegal or nonprescribed prescription drugs, or an impairing substance in a manner not directed by the manufacturer, or a combination of such substances, on the employer's premises in violation of the employer's employment policies.
- (5) Reporting to work under the influence of alcohol, illegal or nonprescribed prescription drugs, or an impairing substance in an off-label manner, or a combination of such substances, on the employer's premises in violation of the employer's employment policies, unless the individual is compelled to work by the employer outside of scheduled or on-call working hours.
- (6) Conduct that substantially and unjustifiably endangers the personal safety of coworkers or the general public.
- (7) Incarceration for an act for which one could reasonably expect to be incarcerated that results in missing work.
- (8) Incarceration as a result of a misdemeanor or felony conviction by a court of competent jurisdiction.
- (9) Excessive unexcused tardiness or absenteeism.
- (10) Falsification of any work-related report, task, or job that could expose the employer or coworkers to legal liability or sanction for violation of health or safety laws.
- (11) Failure to maintain any license, registration, or certification that is reasonably required by the employer or by law, or that is a functional requirement to perform the individual's regular job duties, unless the failure is not within the control of the individual.
- (12) Conduct that is libelous or slanderous toward an employer or an employee of the employer if such conduct is not protected under state or federal law.
- (13) Theft of an employer or coworker's funds or property.
- (14) Intentional misrepresentation of time worked or work carried out that results in the individual receiving unearned wages or unearned benefits.

3. *Failure to accept work.* If the department finds that an individual has failed, without good cause, either to apply for available, suitable work when directed by the department or to accept suitable work when offered that individual. The department shall, if possible, furnish the individual with the names of employers which are seeking employees. The individual shall apply to and obtain the signatures of the employers designated by the department on forms provided by the department. However, the employers may refuse to sign the forms. The individual's failure to obtain the signatures of designated employers, which have not refused to sign the forms, shall disqualify the individual for benefits until requalified. To requalify for benefits after disqualification under [this subsection](#), the individual shall work in and be paid wages for insured work equal to ten times the individual's weekly benefit amount, provided the individual is otherwise eligible.

a. (1) In determining whether or not any work is suitable for an individual, the department shall consider the degree of risk involved to the individual's health, safety, and morals, the individual's physical fitness, prior training, length of unemployment, and prospects for securing local work in the individual's customary occupation, the distance of the available work from the individual's residence, and any other factor which the department finds bears a reasonable relation to the purposes of this paragraph. Work is suitable if the work meets all the other criteria of this paragraph and if the gross weekly wages for the work equal or exceed the following percentages of the individual's average weekly wage for insured work paid to the individual during that quarter of the individual's base period in which the individual's wages were highest:

- (a) One hundred percent, if the work is offered during the first week of unemployment.

(b) Ninety percent, if the work is offered during the second through the third week of unemployment.

(c) Eighty percent, if the work is offered during the fourth through the fifth week of unemployment.

(d) Seventy percent, if the work is offered during the sixth through the eighth week of unemployment.

(e) Sixty percent, if the work is offered after the eighth week of unemployment.

(2) However, the provisions of this paragraph shall not require an individual to accept employment below the federal minimum wage.

b. Notwithstanding any other provision of [this chapter](#), no work shall be deemed suitable and benefits shall not be denied under [this chapter](#) to any otherwise eligible individual for refusing to accept new work under any of the following conditions:

(1) If the position offered is vacant due directly to a strike, lockout, or other labor dispute;

(2) If the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality;

(3) If as a condition of being employed, the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization.

4. *Labor disputes.*

a. For any week with respect to which the department finds that the individual's total or partial unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at which the individual is or was last employed, provided that [this subsection](#) shall not apply if it is shown to the satisfaction of the department that:

(1) The individual is not participating in or financing or directly interested in the labor dispute which caused the stoppage of work; and

(2) The individual does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage, there were members employed at the premises at which the stoppage occurs, any of whom are participating in or financing or directly interested in the dispute.

b. Provided, that if in any case separate branches of work which are commonly conducted as separate businesses in separate premises are conducted in separate departments of the same premises, each such department shall, for the purposes of [this subsection](#), be deemed to be a separate factory, establishment, or other premises.

5. *Other compensation.*

a. For any week with respect to which the individual is receiving or has received payment in the form of any of the following:

(1) Wages in lieu of notice, separation allowance, severance pay, or dismissal pay.

(2) Compensation for temporary disability under the workers' compensation law of any state or under a similar law of the United States.

(3) 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, this subparagraph shall only be applicable if the base period employer has made one hundred percent of the contributions to the plan.

b. Provided, that if the remuneration is less than the benefits which would otherwise be due under [this chapter](#), the individual is entitled to receive for the week, if otherwise eligible, benefits reduced by the amount of the remuneration. Provided further, if benefits were paid for any week under [this chapter](#) for a period when benefits, remuneration, or compensation under paragraph "a", subparagraph (1), (2), or (3), were paid on a retroactive basis for the same period, or any part thereof, the department shall recover the excess amount of benefits paid by the department for the period, and no employer's account shall be charged with benefits so paid. However, compensation for service-connected disabilities or compensation for accrued leave based on military service by the beneficiary with the armed forces of the

United States, irrespective of the amount of the benefit, does not disqualify any individual otherwise qualified from any of the benefits contemplated herein. A deduction shall not be made from the amount of benefits payable for a week for individuals receiving federal social security pensions to take into account the individuals' contributions to the pension program.

6. *Benefits from other state.* For any week with respect to which or a part of which an individual has received or is seeking unemployment benefits under an unemployment compensation law of another state or of the United States, provided that if the appropriate agency of such other state or of the United States finally determines that the individual is not entitled to such unemployment benefits, this disqualification shall not apply.

7. *Vacation pay.*

a. When an employer makes a payment or becomes obligated to make a payment to an individual for vacation pay, or for vacation pay allowance, or as pay in lieu of vacation, such payment or amount shall be deemed wages as defined in [section 96.1A, subsection 40](#), and shall be applied as provided in paragraph "c" of [this subsection 7](#).

b. When, in connection with a separation or layoff of an individual, the individual's employer makes a payment or payments to the individual, or becomes obligated to make a payment to the individual as, or in the nature of, vacation pay, or vacation pay allowance, or as pay in lieu of vacation. The amount of a payment or obligation to make payment, is deemed wages as defined in [section 96.1A, subsection 40](#), and shall be applied as provided in paragraph "c" of [this subsection 7](#).

c. Of the wages described in paragraph "a" or paragraph "b", a sum equal to the wages of such individual for a normal workday shall be attributed to, or deemed to be payable to the individual with respect to, the first and each subsequent workday in such period until such amount so paid or owing is exhausted, not to exceed five workdays. Any individual receiving or entitled to receive wages as provided herein shall be ineligible for benefits for any week in which the sums equal or exceed the individual's weekly benefit amount. If the amount is less than the weekly benefit amount of such individual, the individual's benefits shall be reduced by such amount.

d. Notwithstanding contrary provisions in paragraphs "a", "b", and "c", if an individual is separated from employment and is scheduled to receive vacation payments during the period of unemployment attributable to the employer, then payments made by the employer to the individual or an obligation to make a payment by the employer to the individual for vacation pay, vacation pay allowance or pay in lieu of vacation shall not be deemed wages as defined in [section 96.1A, subsection 40](#), for any period in excess of five workdays and such payments or the value of such obligations shall not be deducted for any period in excess of one week from the unemployment benefits the individual is otherwise entitled to receive under [this chapter](#).

e. If an employer pays or is obligated to pay a bonus to an individual at the same time the employer pays or is obligated to pay vacation pay, a vacation pay allowance, or pay in lieu of vacation, the bonus shall not be deemed wages for purposes of determining benefit eligibility and amount, and the bonus shall not be deducted from unemployment benefits the individual is otherwise entitled to receive under [this chapter](#).

8. *Administrative penalty.* If the department finds that, with respect to any week of an insured worker's unemployment for which such person claims credit or benefits, such person has, within the thirty-six calendar months immediately preceding such week, with intent to defraud by obtaining any benefits not due under [this chapter](#), willfully and knowingly made a false statement or misrepresentation, or willfully and knowingly failed to disclose a material fact; such person shall be disqualified for the week in which the department makes such determination, and forfeit all benefit rights under the unemployment compensation law for a period of not more than the remaining benefit period as determined by the department according to the circumstances of each case. Any penalties imposed by [this subsection](#) shall be in addition to those otherwise prescribed in [this chapter](#).

9. *Athletes — disqualified.* Services performed by an individual, substantially all of which consist of participating in sports or athletic events or training or preparing to so participate, for any week which commences during the period between two successive sport seasons or similar periods, if such individual performs such services in the first of such seasons or similar

periods and there is a reasonable assurance that such individual will perform such services in the later of such season or similar periods.

10. *Aliens — disqualified.* For services performed by an alien unless such alien is an individual who was lawfully admitted for permanent residence at the time such services were performed, was lawfully present for the purpose of performing such services, or was permanently residing in the United States under color of law at the time such services were performed, including an alien who is lawfully present in the United States as a result of the application of the provisions of section 212(d)(5) of the Immigration and Nationality Act. Any data or information required of individuals applying for benefits to determine whether benefits are not payable to them because of their alien status shall be uniformly required from all applicants for benefits. In the case of an individual whose application for benefits would otherwise be approved, no determination that benefits to such individual are not payable because of the individual's alien status shall be made except upon a preponderance of the evidence.

11. *Incarceration — disqualified.*

a. If the department finds that the individual became separated from employment due to the individual's incarceration in a jail, municipal holding facility, or correctional institution or facility, unless the department finds all of the following:

(1) The individual notified the employer that the individual would be absent from work due to the individual's incarceration prior to any such absence.

(2) Criminal charges relating to the incarceration were not filed against the individual, all criminal charges against the individual relating to the incarceration were dismissed, or the individual was found not guilty of all criminal charges relating to the incarceration.

(3) The individual reported back to the employer within two work days of the individual's release from incarceration and offered services.

(4) The employer rejected the individual's offer of services.

b. A disqualification under this subsection shall continue until the individual has worked in and has been paid wages for insured work equal to ten times the individual's weekly benefit amount, provided the individual is otherwise eligible.

12. *Supplemental part-time employment.* If the department finds that an individual is disqualified for benefits under [subsection 1](#) or [2](#) based on the nature of the individual's separation from supplemental part-time employment, all wages paid by the supplemental part-time employer to that individual in any quarter which are chargeable following a disqualifying separation under [subsection 1](#) or [2](#) shall not be considered wages credited to the individual until such time as the individual meets the conditions of requalification as provided for in this chapter, or until the period of disqualification provided for in this chapter has elapsed.

13. *Overpayment resulting in disqualification.* If the department finds that an individual has received benefits by reason of misrepresentation pursuant to [section 96.16](#), such individual shall be disqualified for benefits until the balance of the benefits received by the individual due to misrepresentation, including all penalties, interest, and lien fees, is paid in full.

14. *Marijuana or controlled substance use in the workplace — disqualified.*

a. For purposes of [this subsection](#), unless the context otherwise requires:

(1) "Controlled substance" means the same as defined in [section 124.101](#).

(2) "Marijuana" means the same as defined in [section 124E.2](#).

b. If the department finds that the individual became separated from employment due to ingesting marijuana in the workplace, working while under the influence of marijuana, or testing positive for any other controlled substance, for which the individual did not have a current prescription or which the individual was otherwise using unlawfully, under a drug testing policy pursuant to [section 730.5](#) or any other procedures provided by federal statutes, federal regulations, or orders issued pursuant to federal law.

c. A disqualification under [this subsection](#) shall continue until the individual has worked

in and has been paid wages for insured work equal to ten times the individual's weekly benefit amount, provided the individual is otherwise eligible.

[C39, §1551.11; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.5; 81 Acts, ch 19, §2]

83 Acts, ch 190, §9, 10, 27; 85 Acts, ch 99, §2; 86 Acts, ch 1166, §1; 87 Acts, ch 78, §1; 90 Acts, ch 1261, §28; 91 Acts, ch 45, §3, 4; 92 Acts, ch 1045, §1, 2; 95 Acts, ch 109, §2; 96 Acts, ch 1121, §2; 96 Acts, ch 1186, §23; 97 Acts, ch 132, §1; 2001 Acts, ch 111, §1, 6; 2007 Acts, ch 22, §26, 27; 2007 Acts, ch 215, §245, 258; 2008 Acts, ch 1032, §201; 2010 Acts, ch 1048, §1; 2017 Acts, ch 70, §1 – 3, 5; 2018 Acts, ch 1080, §2, 3; 2018 Acts, ch 1169, §21; 2020 Acts, ch 1062, §87; 2020 Acts, ch 1116, §1; 2022 Acts, ch 1066, §3; 2022 Acts, ch 1136, §4 – 6; 2023 Acts, ch 66, §21

Referred to in §96.3, 96.4, 96.6, 96.29

96.5A Refusal of COVID-19 vaccination — no disqualification.

Notwithstanding any other provision of [this chapter](#) to the contrary, an individual who is discharged from employment for refusing to receive a vaccination against COVID-19, as defined in [section 686D.2](#), shall not be disqualified for benefits on account of such discharge.

2021 Acts, 2nd Ex, ch 1, §3, 5

96.6 Filing — determination — appeal.

1. *Filing.* Claims for benefits shall be made in accordance with such regulations as the department may prescribe.

2. *Initial determination.* A representative designated by the director shall promptly notify all interested parties to the claim of its filing, and the parties have ten days from the date of issuance of the notice of the filing of the claim to protest payment of benefits to the claimant. All interested parties shall select a format as specified by the department to receive such notifications. The representative shall promptly examine the claim and any protest, take the initiative to ascertain relevant information concerning the claim, and, on the basis of the facts found by the representative, shall determine whether or not the claim is valid, the week with respect to which benefits shall commence, the weekly benefit amount payable and its maximum duration, and whether any disqualification shall be imposed. The claimant has the burden of proving that the claimant meets the basic eligibility conditions of [section 96.4](#). The employer has the burden of proving that the claimant is disqualified for benefits pursuant to [section 96.5](#), except as provided by [this subsection](#). The claimant has the initial burden to produce evidence showing that the claimant is not disqualified for benefits in cases involving [section 96.5, subsections 10 and 11](#), and has the burden of proving that a voluntary quit pursuant to [section 96.5, subsection 1](#), was for good cause attributable to the employer and that the claimant is not disqualified for benefits in cases involving [section 96.5, subsection 1](#), paragraphs “a” through “h”. Unless the claimant or other interested party, after notification or within ten calendar days after notification was issued, files an appeal from the decision, the decision is final and benefits shall be paid or denied in accordance with the decision. If an administrative law judge affirms a decision of the representative, or the appeal board affirms a decision of the administrative law judge allowing benefits, the benefits shall be paid regardless of any appeal which is thereafter taken, but if the decision is finally reversed, no employer's account shall be charged with benefits so paid and this relief from charges shall apply to both contributory and reimbursable employers, notwithstanding [section 96.8, subsection 5](#).

3. *Appeals.*

a. Unless the appeal is withdrawn, an administrative law judge, after affording the parties reasonable opportunity for fair hearing, shall affirm or modify the findings of fact and decision of the representative. The hearing shall be conducted pursuant to the provisions of [chapter 17A](#) relating to hearings for contested cases. Before the hearing is scheduled, the parties shall be afforded the opportunity to choose either a telephone hearing or an in-person hearing. A request for an in-person hearing shall be approved unless the in-person hearing would be impractical because of the distance between the parties to the hearing. The notice for a telephone or in-person hearing shall be sent to all the parties at least ten calendar days before the hearing date. Reasonable requests for the postponement of a hearing shall be granted.

The parties shall be duly notified of the administrative law judge's decision, together with the administrative law judge's reasons for the decision, which is the final decision of the department, unless within fifteen days after the date of notification or mailing of the decision, further appeal is initiated pursuant to [this section](#).

b. Appeals from the initial determination shall be heard by an administrative law judge employed by the division of administrative hearings created by [section 10A.801](#). An administrative law judge's decision may be appealed by any party to the employment appeal board created in [section 10A.601](#) or directly to the district court.

4. *Effect of determination.* A finding of fact or law, judgment, conclusion, or final order made pursuant to [this section](#) by an employee or representative of the department, administrative law judge, or the employment appeal board, is binding only upon the parties to proceedings brought under [this chapter](#), and is not binding upon any other proceedings or action involving the same facts brought by the same or related parties before the division of labor services, division of workers' compensation, other state agency, arbitrator, court, or judge of this state or the United States.

[C39, §1551.12; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.6]

[83 Acts, ch 190, §11, 12, 27; 84 Acts, ch 1255, §3; 86 Acts, ch 1245, §522, 523; 88 Acts, ch 1109, §9; 91 Acts, ch 43, §1; 95 Acts, ch 109, §3; 96 Acts, ch 1186, §23; 98 Acts, ch 1061, §9; 98 Acts, ch 1158, §1; 2008 Acts, ch 1032, §177; 2017 Acts, ch 70, §4, 5; 2018 Acts, ch 1080, §4; 2020 Acts, ch 1088, §1; 2021 Acts, ch 76, §23; 2022 Acts, ch 1136, §7; 2023 Acts, ch 19, §1714](#)

Referred to in [§96.1A, 96.3, 96.4, 96.7\(2\)\(a\), 96.11, 235B.6](#)

96.7 Employer contributions and reimbursements.

1. *Payment.* Contributions accrue and are payable, in accordance with rules adopted by the department pursuant to [chapter 17A](#), on all taxable wages paid by an employer for insured work.

2. *Contribution rates based on benefit experience.*

a. (1) The department shall maintain a separate account for each employer and shall credit each employer's account with all contributions which the employer has paid or which have been paid on the employer's behalf.

(2) The amount of regular benefits plus fifty percent of the amount of extended benefits paid to an eligible individual shall be charged against the account of the employers in the base period in the inverse chronological order in which the employment of the individual occurred.

(a) However, if the individual to whom the benefits are paid is in the employ of a base period employer at the time the individual is receiving the benefits, and the individual is receiving the same employment from the employer that the individual received during the individual's base period, benefits paid to the individual shall not be charged against the account of the employer. This provision applies to both contributory and reimbursable employers, notwithstanding subparagraph (3) and [section 96.8, subsection 5](#).

(b) The benefits paid to an individual who left the work of the employer voluntarily without good cause attributable to the employer or to an individual who was discharged for misconduct in connection with the individual's employment, or to an individual who failed without good cause, either to apply for available, suitable work or to accept suitable work with that employer, shall not be charged to the employer's account, but shall be charged to the unemployment compensation fund. This subparagraph division applies to both contributory and reimbursable employers, notwithstanding [section 96.8, subsection 5](#).

(c) The amount of benefits paid to an individual, which is solely due to wage credits considered to be in an individual's base period due to the exclusion and substitution of calendar quarters from the individual's base period under [section 96.23](#), shall be charged against the account of the employer responsible for paying the workers' compensation benefits for temporary total disability or during a healing period under [section 85.33](#), [section 85.34, subsection 1](#), or [section 85A.17](#), or responsible for paying indemnity insurance benefits.

(d) The account of an employer shall not be charged with benefits paid to an individual for unemployment that is directly caused by a major natural disaster declared by the president of the United States, pursuant to the federal Disaster Relief Act of 1974, if the individual would

have been eligible for federal disaster unemployment assistance benefits with respect to that unemployment but for the individual's receipt of regular benefits.

(e) The account of an employer shall not be charged with benefits paid to an individual who is laid off if the benefits are paid as the result of the return to work of a permanent employee who is one of the following:

(i) A member of the national guard or organized reserves of the armed forces of the United States ordered to temporary duty, as defined in [section 29A.1, subsection 3, 8, or 12](#), for any purpose, who has completed the duty as evidenced in accordance with [section 29A.43](#).

(ii) A member of the civil air patrol performing duty pursuant to [section 29A.3A](#), who has completed the duty as evidenced in accordance with [section 29A.43](#).

(iii) A regular, reserve, or auxiliary member of the United States coast guard performing duty as defined in [section 29A.1, subsection 3, 8, or 12](#), who has completed the duty as evidenced in accordance with [section 29A.43](#).

(3) The amount of regular benefits charged against the account of an employer for a calendar quarter of the base period shall not exceed the amount of the individual's wage credits based on employment with the employer during that quarter. The amount of extended benefits charged against the account of an employer for a calendar quarter of the base period shall not exceed an additional fifty percent of the amount of the individual's wage credits based on employment with the employer during that quarter. However, the amount of extended benefits charged against the account of a governmental entity which is either a reimbursable or contributory employer, for a calendar quarter of the base period shall not exceed an additional one hundred percent of the amount of the individual's wage credits based on employment with the governmental entity during that quarter.

(4) The department shall adopt rules pursuant to [chapter 17A](#) prescribing the manner in which benefits shall be charged against the accounts of several employers for which an individual performed employment during the same calendar quarter.

(5) [This chapter](#) shall not be construed to grant an employer or an individual in the employer's service, prior claim or right to the amount paid by the employer into the unemployment compensation fund either on the employer's own behalf or on behalf of the individual.

(6) Within forty days after the close of each calendar quarter, the department shall notify each employer of the amount of benefits charged to the employer's account during that quarter. The notification shall show the name of each individual to whom benefits were paid, the individual's social security number, and the amount of benefits paid to the individual. An employer which has not been notified as provided in [section 96.6, subsection 2](#), of the allowance of benefits to an individual, may within thirty days after the date of mailing of the notification appeal to the department for a hearing to determine the eligibility of the individual to receive benefits. The appeal shall be referred to an administrative law judge for hearing and the employer and the individual shall receive notice of the time and place of the hearing.

b. (1) If an organization, trade, or business, or a clearly segregable and identifiable part of an organization, trade, or business, for which contributions have been paid is sold or transferred to a subsequent employing unit, or if one or more employing units have been reorganized or merged into a single employing unit, and the successor employer, having qualified as an employer as defined in [section 96.1A, subsection 14](#), paragraph "b", continues to operate the organization, trade, or business, the successor employer shall assume the position of the predecessor employer or employers with respect to the predecessors' payrolls, contributions, accounts, and contribution rates to the same extent as if no change had taken place in the ownership or control of the organization, trade, or business. However, the successor employer shall not assume the position of the predecessor employer or employers with respect to the predecessor employer's or employers' payrolls, contributions, accounts, and contribution rates which are attributable to that part of the organization, trade, or business transferred, unless the successor employer applies to the department within ninety days from the date of the partial transfer, and the succession is approved by the predecessor employer or employers and the department.

(2) Notwithstanding any other provision of [this chapter](#), if an employer sells or transfers

its organization, trade, or business, or a portion thereof, to another employer, and at the time of the sale or transfer, there is substantially common ownership, management, or control of the two employers, then the unemployment experience attributable to the sold or transferred organization, trade, or business shall be transferred to the successor employer. The transfer of part or all of an employer's workforce to another employer shall be considered a sale or transfer of the organization, trade, or business where the predecessor employer no longer operates the organization, trade, or business with respect to the transferred workforce and such organization, trade, or business is operated by the successor employer.

(3) (a) Notwithstanding any other provision of [this chapter](#), if a person is not an employer at the time such person acquires an organization, trade, or business of an employer, or a portion thereof, the unemployment experience of the acquired organization, trade, or business shall not be transferred to such person if the department finds such person acquired the organization, trade, or business solely or primarily for the purpose of obtaining a lower rate of contribution. Instead, such person shall be assigned the applicable new employer rate under paragraph "c".

(b) In determining whether an organization, trade, or business or portion thereof was acquired solely or primarily for the purpose of obtaining a lower rate of contribution, the department shall use objective factors which may include the cost of acquiring the organization, trade, or business; whether the person continued the acquired organization, trade, or business; how long such organization, trade, or business was continued; and whether a substantial number of new employees were hired for performance of duties unrelated to the organization, trade, or business operated prior to the acquisition. The department shall establish methods and procedures to identify the transfer or acquisition of an organization, trade, or business under this subparagraph (3) and subparagraph (2).

(4) The predecessor employer, prior to entering into a contract with a successor employer relating to the sale or transfer of the organization, trade, or business, or a clearly segregable and identifiable part of the organization, trade, or business, shall disclose to the successor employer the predecessor employer's record of charges of benefits payments and any layoffs or incidences since the last record that would affect the experience record. A predecessor employer who fails to disclose or willfully discloses incorrect information to a successor employer regarding the predecessor employer's record of charges of benefits payments is liable to the successor employer for any actual damages and attorney fees incurred by the successor employer as a result of the predecessor employer's failure to disclose or disclosure of incorrect information. The department shall include notice of the requirement of disclosure in the department's quarterly notification given to each employer pursuant to paragraph "a", subparagraph (6).

(5) The contribution rate to be assigned to the successor employer for the period beginning not earlier than the date of the succession and ending not later than the beginning of the next following rate year, shall be the contribution rate of the predecessor employer with respect to the period immediately preceding the date of the succession, provided the successor employer was not, prior to the succession, a subject employer, and only one predecessor employer, or only predecessor employers with identical rates, are involved. If the predecessor employers' rates are not identical and the successor employer is not a subject employer prior to the succession, the department shall assign the successor employer a rate for the remainder of the rate year by combining the experience of the predecessor employers. If the successor employer is a subject employer prior to the succession, the successor employer may elect to retain the employer's own rate for the remainder of the rate year, or the successor employer may apply to the department to have the employer's rate redetermined by combining the employer's experience with the experience of the predecessor employer or employers. However, if the successor employer is a subject employer prior to the succession and has had a partial transfer of the experience of the predecessor employer or employers approved, then the department shall recompute the successor employer's rate for the remainder of the rate year.

c. (1) A nonconstruction contributory employer newly subject to [this chapter](#) shall pay contributions at the rate specified in the fourth benefit ratio rank but not less than one percent until the end of the calendar year in which the employer's account has been chargeable with

benefits for twelve consecutive calendar quarters immediately preceding the computation date.

(2) A construction or landscaping contributory employer, as defined under rules adopted by the department pursuant to [chapter 17A](#), that is newly subject to [this chapter](#) shall pay contributions at the rate specified in the ninth benefit ratio rank until the end of the calendar year in which the employer’s account has been chargeable with benefits for twelve consecutive calendar quarters.

(3) Thereafter, the employer’s contribution rate shall be determined in accordance with paragraph “d”, except that the employer’s average annual taxable payroll and benefit ratio may be computed, as determined by the department, for less than five periods of four consecutive calendar quarters immediately preceding the computation date.

d. The department shall determine the contribution rate table to be in effect for the rate year following the computation date, by determining the ratio of the current reserve fund ratio to the highest benefit cost ratio on the computation date. On or before the fifth day of September the department shall make available to employers the contribution rate table to be in effect for the next rate year.

(1) The current reserve fund ratio is computed by dividing the total funds available for payment of benefits, on the computation date or on August 15 following the computation date if the total funds available for payment of benefits is a higher amount on August 15, by the total wages paid in covered employment excluding reimbursable employment wages during the year immediately preceding the computation date.

(2) (a) If the current reserve fund ratio:

Equals or exceeds	But is less than	The contribution rate table in effect shall be
—	0.50	A
0.50	0.90	B
0.90	1.30	C
1.30	—	D

(b) “Benefit ratio” means a number computed to six decimal places on July 1 of each year obtained by dividing the average of all benefits charged to an employer during the five periods of four consecutive calendar quarters immediately preceding the computation date by the employer’s average annual taxable payroll.

(c) Each employer qualified for an experience rating shall be assigned a contribution rate for each rate year that corresponds to the employer’s benefit ratio rank in the contribution rate table effective for the rate year from the following contribution rate tables. Each employer’s benefit ratio rank shall be computed by listing all the employers by increasing benefit ratios, from the lowest benefit ratio to the highest benefit ratio and grouping the employers so listed into nine separate ranks containing as nearly as possible fourteen and twenty-nine hundredths percent of the total taxable wages, excluding reimbursable employment wages, in the first six ranks, and four and seventy-six hundredths percent of the total taxable wages, excluding reimbursable employment wages, in ranks seven, eight, and nine, paid in covered employment during the four completed calendar quarters immediately preceding the computation date. If an employer’s taxable wages qualify the employer for two separate benefit ratio ranks, the employer shall be afforded the benefit ratio rank assigned the lower contribution rate. Employers with identical benefit ratios shall be assigned to the same benefit ratio rank.

Benefit Ratio Rank	Approximate Cumulative Taxable Payroll Limit	Contribution Rate Tables			
		A	B	C	D
1	14.29%	0.00	0.00	0.00	0.00
2	28.58%	0.40	0.30	0.10	0.10
3	42.87%	1.20	0.80	0.40	0.20
4	57.16%	2.10	1.40	0.60	0.30
5	71.45%	3.60	2.40	1.10	0.50
6	85.74%	5.40	4.10	1.90	0.90
7	90.50%	5.40	5.40	4.20	2.00
8	95.26%	5.40	5.40	5.40	2.80
9	100.00%	5.40	5.40	5.40	5.40

e. (1) The department shall fix the contribution rate for each employer and notify the employer of the rate by regular mail to the last known address of the employer. An employer may appeal to the department for a revision of the contribution rate within thirty days from the date of the notice to the employer. After providing an opportunity for a hearing, the department may affirm, set aside, or modify its former determination and may grant the employer a new contribution rate. The department shall notify the employer of its decision by regular mail. Judicial review of action of the department may be sought pursuant to [chapter 17A](#).

(2) If an employer’s account has been charged with benefits as the result of a decision allowing benefits and the decision is reversed, the employer may appeal, within thirty days from the date of the next contribution rate notice, for a recomputation of the rate. If contributions become due at a disputed contribution rate prior to the employer receiving a decision reversing benefits, the employer shall pay the contributions at the disputed rate but shall be eligible for a refund pursuant to [section 96.14, subsection 5](#). If a base period employer’s account has been charged with benefits paid to an employee at a time when the employee was employed by the base period employer in the same employment as in the base period, the employer may appeal, within thirty days from the date of the first notice of the employer’s contribution rate which is based on the charges, for a recomputation of the rate.

f. (1) If an employer has not filed a contribution and payroll quarterly report, as required pursuant to [section 96.11, subsection 6](#), for a calendar quarter which precedes the computation date and upon which the employer’s rate of contribution is computed, the employer’s average annual taxable payroll shall be computed by considering the delinquent quarterly reports as containing zero taxable wages.

(2) If a delinquent quarterly report is received by September 30 following the computation date the contribution rate shall be recomputed by using the taxable wages in all the appropriate quarterly reports on file to determine the average annual taxable payroll.

(3) If a delinquent quarterly report is received after September 30 following the computation date the contribution rate shall not be recomputed, unless the rate is appealed in writing to the department under paragraph “e” and the delinquent quarterly report is also submitted not later than thirty days after the department notifies the employer of the rate under paragraph “e”.

3. *Determination and assessment of contributions.*

a. As soon as practicable and in any event within two years after an employer has filed reports, as required pursuant to [section 96.11, subsection 6](#), the department shall examine the reports and determine the correct amount of contributions due, and the amount so determined by the department shall be the contributions payable. If the contributions found due are greater than the amount paid, the department shall send a notice by certified mail to the employer with respect to the additional contributions and interest assessed. A lien shall attach as provided in [section 96.14, subsection 3](#), if the assessment is not paid or appealed within thirty days of the date of the notice of assessment.

b. If the department discovers from the examination of the reports required pursuant to

section 96.11, subsection 6, or in some other manner that wages, or any portion of wages, payable for employment, have not been listed in the reports, or that reports were not filed when due, or that reports have been filed showing contributions due but contributions in fact have not been paid, the department shall at any time within five years after the time the reports were due, determine the correct amount of contributions payable, together with interest and any applicable penalty as provided in [this chapter](#). The department shall send a notice by certified mail to the employer of the amount assessed and a lien shall attach as provided in paragraph “a”.

c. The certificate of the department to the effect that contributions have not been paid, that reports have not been filed, or that information has not been furnished as required under the provisions of [this chapter](#), is prima facie evidence of the failure to pay contributions, file reports, or furnish information.

4. *Employer liability determination.*

a. The department shall initially determine all questions relating to the liability of an employing unit or employer, including the amount of contribution, the contribution rate, and successorship. A copy of the initial determination shall be sent by regular mail to the last address, according to the records of the department, of each affected employing unit or employer.

b. The affected employing unit or employer may appeal in writing to the department from the initial determination. An appeal shall not be entertained for any reason by the department unless the appeal is filed with the department within thirty days from the date on which the initial determination is mailed. If an appeal is not so filed, the initial determination shall with the expiration of the appeal period become final and conclusive in all respects and for all purposes.

c. A hearing on an appeal shall be conducted according to rules adopted by the department pursuant to [chapter 17A](#). A copy of the decision of the administrative law judge shall be sent by regular mail to the last address, according to the records of the department, of each affected employing unit or employer.

d. The department’s decision on the appeal shall be final and conclusive as to the liability of the employing unit or employer unless the employing unit or employer files an appeal for judicial review within thirty days after the date of mailing of the decision as provided in [subsection 5](#).

5. *Judicial review.*

a. Notwithstanding [chapter 17A](#), petitions for judicial review may be filed in the district court of the county in which the employer resides, or in which the employer’s principal place of business is located, or in the case of a nonresident not maintaining a place of business in this state either in a county in which the wages payable for employment were earned or paid or in Polk county, within thirty days after the date of the notice to the employer of the department’s final determination as provided for in [subsection 2, 3, or 4](#).

b. The petitioner shall file with the clerk of the district court a bond for the use of the respondent, with sureties approved by the clerk, with any penalty to be fixed and approved by the clerk. The bond shall not be less than fifty dollars and shall be conditioned on the petitioner’s performance of the orders of the court. In all other respects, the judicial review shall be in accordance with [chapter 17A](#).

6. *Jeopardy assessments.*

a. If the department believes that the collection of contributions payable or benefits reimbursable will be jeopardized by delay, the department may immediately make an assessment of the estimated amount of contributions due or benefits reimbursable, together with interest and applicable penalty, and demand payment from the employer. If the payment is not made, the department may immediately file a lien against the employer which may be followed by the issuance of a distress warrant.

b. The department shall be permitted to accept a bond from the employer to satisfy collection until the amount of contributions due is determined. The bond shall be in an amount deemed necessary, but not more than double the amount of the contributions involved, with securities satisfactory to the department.

7. *Financing benefits paid to employees of governmental entities.*

a. (1) A governmental entity which is an employer under [this chapter](#) shall pay benefits in a manner provided for a reimbursable employer unless the governmental entity elects to make contributions as a contributory employer. The election shall be effective for a minimum of one calendar year and may be changed if an election is made to become a reimbursable employer prior to December 1 for a minimum of the following calendar year.

(2) However, if on the effective date of the election the governmental entity has a negative balance in its contributory account, the governmental entity shall pay to the fund within a time period determined by the department the amount of the negative balance and shall immediately become liable to reimburse the unemployment compensation fund for benefits paid in lieu of contributions. Regular or extended benefits paid after the effective date of the election, including those based on wages paid while the governmental entity was a contributory employer, shall be billed to the governmental entity as a reimbursable employer.

b. (1) A governmental entity electing to make contributions as a contributory employer, with at least eight consecutive calendar quarters immediately preceding the computation date throughout which the employer's account has been chargeable with benefits, shall be assigned a contribution rate under this paragraph. Contribution rates shall be assigned by listing all governmental contributory employers by decreasing percentages of excess from the highest positive percentage of excess to the highest negative percentage of excess. The employers so listed shall be grouped into seven separate percentage of excess ranks each containing as nearly as possible one-seventh of the total taxable wages of governmental entities eligible to be assigned a rate under this paragraph.

(2) As used in this paragraph, "*percentage of excess*" means a number computed to six decimal places on July 1 of each year obtained by dividing the excess of all contributions attributable to an employer over the sum of all benefits charged to an employer by the employer's average annual payroll. An employer's percentage of excess is a positive number when the total of all contributions paid to an employer's account for all past periods to and including those for the quarter immediately preceding the rate computation date exceeds the total benefits charged to such account for the same period. An employer's percentage of excess is a negative number when the total of all contributions paid to an employer's account for all past periods to and including those for the quarter immediately preceding the rate computation date is less than the total benefits charged to such account for the same period.

(3) As used in [this section](#), "*average annual taxable payroll*" means the average of the total amount of taxable wages paid by an employer for insured work during the three periods of four consecutive calendar quarters immediately preceding the computation date. However, for an employer which qualifies on any computation date for a computed rate on the basis of less than twelve consecutive calendar quarters of chargeability immediately preceding the computation date, "*average annual taxable payroll*" means the average of the employer's total amount of taxable wages for the two periods of four consecutive calendar quarters immediately preceding the computation date.

(4) The department shall annually calculate a base rate for each calendar year. The base rate is equal to the sum of the benefits charged to governmental contributory employers in the calendar year immediately preceding the computation date plus or minus the difference between the total benefits and contributions paid by governmental contributory employers since January 1, 1980, which sum is divided by the total taxable wages reported by governmental contributory employers during the calendar year immediately preceding the computation date, rounded to the next highest one-tenth of one percent. Excess contributions from the years 1978 and 1979 shall be used to offset benefits paid in any calendar year where total benefits exceed total contributions of governmental contributory employers. The contribution rate as a percentage of taxable wages of the employer shall be assigned as follows:

If the percentage of excess rank is:	The contribution rate shall be:	Approximate cumulative taxable payroll
1	Base Rate – 0.9	14.3
2	Base Rate – 0.6	28.6
3	Base Rate – 0.3	42.9
4	Base Rate	57.2
5	Base Rate + 0.3	71.5
6	Base Rate + 0.6	85.8
7	Base Rate + 0.9	100.0

(5) If a governmental contributory employer is grouped into two separate percentage of excess ranks, the employer shall be assigned the lower contribution rate of the two percentage of excess ranks. Notwithstanding the provisions of this paragraph, a governmental contributory employer shall not be assigned a contribution rate less than one-tenth of one percent of taxable wages unless the employer has a positive percentage of excess greater than five percent.

(6) Governmental entities electing to be contributory employers which are not eligible to be assigned a contribution rate under this paragraph shall be assigned the base rate as a contribution rate for the calendar year.

c. For the purposes of [this subsection](#), “*governmental reimbursable employer*” means an employer which makes payments to the department for the unemployment compensation fund in an amount equal to the regular and extended benefits paid, which are based on wages paid for service in the employ of the employer. Benefits paid to an eligible individual shall be charged against the base period employers in the inverse chronological order in which the employment of the individual occurred. However, the amount of benefits charged against an employer for a calendar quarter of the base period shall not exceed the amount of the individual’s wage credits based upon employment with that employer during that quarter. At the end of each calendar quarter, the department shall bill each governmental reimbursable employer for benefits paid during that quarter. Payments by a governmental reimbursable employer shall be made in accordance with [subsection 8](#), paragraph “b”, subparagraphs (2) through (5).

d. A state agency, board, commission, or department, except a state board of regents institution, shall, after approval of the billing for a governmental reimbursable employer as provided in [subsection 8](#), paragraph “b”, submit the billing to the director of the department of administrative services. The director of the department of administrative services shall pay the approved billing out of any funds in the state treasury not otherwise appropriated. A state agency, board, commission, or department shall reimburse the director of the department of administrative services out of any revolving, special, trust, or federal fund from which all or a portion of the billing can be paid, for payments made by the director of the department of administrative services on behalf of the agency, board, commission, or department.

e. If the entire enterprise or business of a reimbursable governmental entity is sold or otherwise transferred to a subsequent employing unit and the acquiring employing unit continues to operate the enterprise or business, the acquiring employing unit shall assume the position of the reimbursable governmental entity with respect to the reimbursable governmental entity’s liability to pay the department for reimbursable benefits based on the governmental entity’s payroll to the same extent as if no change in the ownership or control of the enterprise or business had occurred, whether or not the acquiring employing unit elected or elects, or was or is eligible to elect, to become a reimbursable employer with respect to the acquiring employing unit’s own payroll prior to or after the acquisition of the governmental entity’s enterprise or business.

f. If a reimbursable instrumentality of the state or of a political subdivision is discontinued other than by sale or transfer to a subsequent employing unit as described in paragraph “e”,

the state or the political subdivision, respectively, shall reimburse the department for benefits paid to former employees of the instrumentality after the instrumentality is discontinued.

8. *Financing benefits paid to employees of nonprofit organizations.*

a. A nonprofit organization which is, or becomes, subject to [this chapter](#), shall pay contributions under [subsections 1 and 2](#), unless the nonprofit organization elects, in accordance with this paragraph, to reimburse the unemployment compensation fund for benefits paid in an amount equal to the amount of regular benefits and of one-half of the extended benefits paid, which are based on wages paid for service in the employ of the nonprofit organization during the effective period of the election.

(1) A nonprofit organization may elect to become a reimbursable employer for a period of not less than two calendar years by filing with the department a written notice of its election not later than thirty days prior to the beginning of the calendar year for which the election is to be effective.

(2) A nonprofit organization which makes an election in accordance with subparagraph (1) shall continue to be a reimbursable employer until the nonprofit organization files with the department a written notice terminating its election not later than thirty days prior to the beginning of the calendar year for which the termination is to be effective.

(3) The department may for good cause extend the period within which a notice of election or termination of election must be filed and may permit an election or termination of election to be retroactive.

(4) The department, in accordance with rules adopted by the department pursuant to [chapter 17A](#), shall notify each nonprofit organization of any determination made by the department of the status of the nonprofit organization as an employer and of the effective date of any election or termination of election. A determination is subject to appeal and review in accordance with [subsections 4 and 5](#).

b. Reimbursements for benefits paid in lieu of contributions shall be made in accordance with the following:

(1) At the end of each calendar quarter, the department shall bill each nonprofit organization which has elected to reimburse the unemployment compensation fund for benefits paid in an amount equal to the full amount of regular benefits and one-half of the amount of extended benefits paid during the quarter which are based on wages paid for service in the employ of the organization. Benefits paid to an individual shall be charged against the base period employers in the inverse chronological order in which the employment of the individual occurred. However, the amount of benefits charged against an employer for a calendar quarter of the base period shall not exceed the amount of the individual's wage credits based upon employment with that employer during that quarter.

(2) The nonprofit organization shall pay the bill not later than thirty days after the bill was mailed or otherwise delivered to the last known address of the nonprofit organization, unless the nonprofit organization has filed an application for redetermination in accordance with subparagraph (4).

(3) Reimbursements made by a nonprofit organization shall not be deducted, in whole or in part, from the wages of individuals in the employ of the nonprofit organization.

(4) The amount due specified in a bill from the department is conclusive unless, not later than fifteen days following the date the bill was mailed or otherwise delivered to the last known address of the nonprofit organization, the nonprofit organization files an application for redetermination with the department setting forth the grounds for the application. The department shall promptly review the amount due specified in the bill and shall issue a redetermination. The redetermination is conclusive on the nonprofit organization unless, within thirty days after the mailing of the notification, the nonprofit organization appeals to the department for a hearing to determine the eligibility of the individual to receive benefits. The appeal shall be referred to an administrative law judge for hearing, and the employer and the individual shall receive notice of the time and place of the hearing.

(5) The provisions for collection of contributions under [section 96.14](#) are applicable to reimbursements for benefits paid in lieu of contributions.

(6) If the entire enterprise or business of a reimbursable nonprofit organization is sold or otherwise transferred to a subsequent employing unit and the acquiring employing

unit continues to operate the enterprise or business, the acquiring employing unit shall assume the position of the reimbursable nonprofit organization with respect to the nonprofit organization's liability to pay the department for reimbursable benefits based on the nonprofit organization's payroll to the same extent as if no change in the ownership or control of the enterprise or business had occurred, whether or not the acquiring employing unit elected or elects, or was or is eligible to elect, to become a reimbursable employer with respect to the acquiring employing unit's own payroll prior to or after the acquisition of the nonprofit organization's enterprise or business.

c. (1) In the discretion of the department, a nonprofit organization employing fifteen or more full-time individuals that elects to become liable for payments in lieu of contributions shall be required, within fifteen days after the effective date of its election, to execute and file with the department a bond or security approved by the department. The amount of the bond or security shall be determined by rule pursuant to [chapter 17A](#).

(2) A bond or security deposited under [this subsection](#) shall be in force for a period of not less than two calendar years and shall be renewed with the approval of the department, at such times as the department may require, but not less frequently than at two-year intervals as long as the organization continues to be liable for payments in lieu of contributions. The department shall require adjustments to be made in a previously filed bond or security as it deems appropriate. If the bond or security is to be increased, the adjusted bond or security shall be filed by the organization within fifteen days after the date notice of the required adjustment was provided. Failure by an organization covered by such bond or security to pay the full amount of payments in lieu of contributions when due, together with any applicable interest and penalties, shall render the surety liable on said bond or security to the extent of the bond or security, as though the surety were such an organization.

(3) If a nonprofit organization fails to file a bond or security or to file a bond or security in an increased amount as required under this paragraph "c", the department may terminate the organization's election to make payments in lieu of contributions, and the termination shall continue for a period of not less than four consecutive calendar quarters beginning with the quarter in which the termination becomes effective, but the department may, for good cause, extend the applicable filing or adjustment period by not more than fifteen days.

d. If a nonprofit organization is delinquent in making payments in lieu of contributions as required under [this subsection](#), the department may terminate the organization's election to make payments in lieu of contributions as of the beginning of the next calendar year.

9. *Indian tribes.*

a. For purposes of [this chapter](#), employment by an Indian tribe shall be covered in the same manner and terms as provided for governmental entities and the same exclusions that are applicable for governmental entities shall also apply.

b. In financing benefits paid to employees of an Indian tribe under [this chapter](#), a contribution rate shall be determined and contributions shall be assessed and collected from an Indian tribe in the same manner provided in [this chapter](#) for contributory employers, except that an Indian tribe shall have the option of electing to become a governmental reimbursable employer. An Indian tribe shall have the option to make a separate election as provided in this paragraph for itself and for each subdivision, subsidiary, or business enterprise wholly owned by the Indian tribe. The reimbursable status of an Indian tribe shall be in the same manner, to the same extent, and on the same terms as are applicable to all governmental reimbursable employers under [this chapter](#).

c. If the department determines that an Indian tribe has failed to make any payment required pursuant to [this chapter](#) after providing the Indian tribe with ninety days' notice of this failure, the department may issue a determination that ceases coverage of all employment by that Indian tribe until such time as all payments are received by the department.

10. *Group accounts.* Two or more nonprofit organizations or two or more governmental entities which have become reimbursable employers in accordance with [subsection 7](#) or [subsection 8](#), paragraph "a", may file a joint application to the department for the establishment of a group account for the purpose of sharing the cost of benefits paid which are attributable to service in the employ of the employers. The application shall identify and authorize a group representative to act as the group's agent for the purposes of [this](#)

subsection. Upon approval of the application, the department shall establish a group account for the employers effective as of the beginning of the calendar quarter in which the department receives the application and shall notify the group's agent of the effective date of the account. The account shall remain in effect for not less than one year until terminated at the discretion of the department or upon application by the group. Upon establishment of the account, each employer member of the group shall be liable for benefit reimbursements in lieu of contributions with respect to each calendar quarter in an amount which bears the same ratio to the total benefits paid in the quarter which are attributable to service performed in the employ of all members of the group, as the total wages paid for service performed in the employ of the member in the quarter bear to the total wages paid for service performed in the employ of all members of the group in the quarter. The department shall adopt rules pursuant to [chapter 17A](#) with respect to applications for establishment, maintenance, and termination of group accounts, for addition of new members to, and withdrawal of active members from group accounts, and for the determination of the amounts which are payable by members of the group and the time and manner of the payments.

11. *Temporary emergency surcharge — fund.*

a. If on the first day of the third month in any calendar quarter, the department has an outstanding balance of interest accrued on advance moneys received from the federal government for the payment of unemployment compensation benefits, or is projected to have an outstanding balance of accruing federal interest for that calendar quarter, the department shall collect a uniform temporary emergency surcharge for that calendar quarter, retroactive to the beginning of that calendar quarter. The surcharge shall be a percentage of employer contribution rates and shall be set at a uniform percentage, for all employers subject to the surcharge, necessary to pay the interest accrued on the moneys advanced to the department by the federal government, and to pay any additional federal interest which will accrue for the remainder of that calendar quarter. The surcharge shall apply to all employers except governmental entities, nonprofit organizations, and employers assigned a zero contribution rate. The department shall adopt rules pursuant to [chapter 17A](#) prescribing the manner in which the surcharge will be collected. Interest shall accrue on all unpaid surcharges under [this subsection](#) at the same rate as on regular contributions and shall be collectible in the same manner. The surcharge shall not affect the computation of regular contributions under [this chapter](#).

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

c. If the department determines on June 1 that no outstanding balance of interest due has accrued on advanced moneys received from the federal government for the payment of unemployment compensation benefits, and that no outstanding balance is projected to accrue for the remainder of the calendar year, the department shall notify the treasurer of state of its determination. The treasurer of state shall immediately transfer all moneys, including accrued interest, in the temporary emergency surcharge fund to the unemployment compensation fund for the payment of benefits.

12. *Discharge for refusal of COVID-19 vaccination — effect on experience and rating — limitation on actions.* If an employee is discharged from employment for refusing to receive a vaccination against COVID-19, as defined in [section 686D.2](#), the contribution rate and unemployment experience of any employer employing the employee, or an employer that previously employed the employee other than the employer that so discharged the employee, shall be unaffected by such discharge. The department shall not impose any penalty on, or take any other action otherwise permitted under [this chapter](#) against, any

employer employing the employee, or an employer that previously employed the employee other than the employer that so discharged the employee, as a result of such discharge.

[C39, §1551.13; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, §96.7; C79, 81, §96.7, 96.19(21); 81 Acts, ch 19, §3 – 7; 82 Acts, ch 1126, §1]

83 Acts, ch 190, §13 – 20, 27; 84 Acts, ch 1255, §4 – 7; 86 Acts, ch 1066, §1; 86 Acts, ch 1166, §2; 86 Acts, ch 1209, §1; 87 Acts, ch 111, §10, 11; 87 Acts, ch 222, §4; 88 Acts, ch 1014, §1 – 3; 88 Acts, ch 1109, §10, 11; 88 Acts, ch 1274, §28; 89 Acts, ch 296, §14; 90 Acts, ch 1227, §1; 90 Acts, ch 1261, §29; 91 Acts, ch 45, §5; 91 Acts, ch 268, §426; 93 Acts, ch 23, §1 – 3; 95 Acts, ch 109, §4, 5; 96 Acts, ch 1121, §3 – 5; 96 Acts, ch 1186, §23; 98 Acts, ch 1051, §1, 2; 99 Acts, ch 5, §1; 2001 Acts, ch 111, §2, 6; 2001 Acts, ch 163, §1, 2; 2001 Acts, 1st Ex, ch 2, §1, 4; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 1, §127 – 129

[2003 Acts, 1st Ex, ch 1, §127 – 129 amendment to subsection 12 rescinded pursuant to *Rants v. Vilsack*, 684 N.W.2d 193]

2004 Acts, ch 1175, §65; 2004 Acts, 1st Ex, ch 1001, §31, 32; 2005 Acts, ch 98, §1; 2008 Acts, ch 1032, §201; 2009 Acts, ch 22, §4; 2010 Acts, ch 1193, §197; 2012 Acts, ch 1072, §31; 2015 Acts, ch 29, §11; 2016 Acts, ch 1011, §16 – 21; 2016 Acts, ch 1073, §18; 2018 Acts, ch 1041, §127; 2018 Acts, ch 1080, §5; 2019 Acts, ch 59, §39; 2020 Acts, ch 1056, §1; 2020 Acts, ch 1062, §88; 2020 Acts, ch 1063, §48; 2020 Acts, ch 1086, §1; 2021 Acts, ch 13, §4; 2021 Acts, 2nd Ex, ch 1, §4, 5; 2022 Acts, ch 1021, §34; 2022 Acts, ch 1032, §25; 2025 Acts, ch 30, §15; 2025 Acts, ch 125, §2 – 6

Referred to in §29C.24, 96.1A, 96.3, 96.5, 96.8, 96.9, 96.14, 96.16, 96.20

Subsection 2, paragraph a, subparagraph (2), subparagraph division (b) amended

Subsection 2, paragraph c, subparagraphs (1) and (2) amended

Subsection 2, paragraph d, subparagraph (1) amended

Subsection 2, paragraph d, subparagraph (2), subparagraph division (a) stricken

Subsection 2, paragraph d, subparagraph (2), former subparagraph division (b) stricken and rewritten and redesignated as (a)

Subsection 2, paragraph d, subparagraph (2), former subparagraph division (c) redesignated as (b)

Subsection 2, paragraph d, subparagraph (2), former subparagraph division (d) stricken and rewritten and redesignated as (c)

96.7A Appropriations for workforce development field offices. Repealed by 2018 Acts, ch 1026, §180.

96.8 Conditions and requirements.

1. *Period of coverage.* Any employing unit which is or becomes an employer subject to [this chapter](#) within any calendar year shall be subject to [this chapter](#) during the whole of such calendar year.

2. *Voluntary termination.* Except as otherwise provided in [subsection 3](#) of [this section](#), an employing unit ceases to be an employer subject to [this chapter](#), as of the first day of January of any year, if it files with the department, prior to the fifteenth day of February of that year, a written application for termination of coverage, and the department finds that the employing unit did not meet any of the qualifying liability requirements as provided under [section 96.1A](#), [subsection 14](#), in the preceding calendar year.

3. *Election by employer.*

a. An employing unit, not otherwise subject to [this chapter](#), which files with the department its written election to become an employer subject hereto for not less than two calendar years, shall with the written approval of such election by the department, become an employer subject hereto to the same extent as all other employers, as of the date stated in such approval, and shall cease to be subject hereto as of January 1 of any calendar year subsequent to such two calendar years, only if prior to the fifteenth day of February of such year, it has filed with the department a written notice to that effect.

b. Any employing unit for which services that do not constitute employment as defined in [this chapter](#) are performed, may file with the department a written election that all such services performed by individuals in its employ in one or more distinct establishments or places of business shall be deemed to constitute employment for all the purposes of [this chapter](#) for not less than two calendar years. Upon the written approval of such election by the department, such services shall be deemed to constitute employment subject to [this chapter](#) from and after the date stated in such approval. Such services shall cease to be deemed employment subject hereto as of January 1 of any calendar year subsequent to such

two calendar years, only if prior to the fifteenth day of February of such year such employing unit has filed with the department a written notice to that effect.

4. *Transfer or discontinuance of business.*

a. In any case in which the enterprise or business of a subject employer has been sold or otherwise transferred to a subsequent employing unit or reorganized or merged into a single employing unit under the provisions of [section 96.7, subsection 2](#), paragraph “b”, the account of the transferring employer shall terminate as of the date on which such transfer, reorganization, or merger was completed.

b. In any case in which the enterprise or business of a subject employer has been discontinued otherwise than by sale or transfer to a subsequent employing unit and such employer has had no employment for a period of one year, the department may, on its own motion, terminate said account.

5. *Liability of certain employers.* Employers who by election or determination of the department are liable for payments in lieu of contributions shall not be relieved of any regular benefit charges or extended benefit charges, except for those charges which are determined to be incorrect because of an error by the department.

[C39, §1551.14; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.8]

[84 Acts, ch 1067, §18; 89 Acts, ch 296, §15; 91 Acts, ch 45, §6; 96 Acts, ch 1186, §23; 2020 Acts, ch 1062, §89](#)

Referred to in [§96.1A, 96.3, 96.5, 96.6, 96.7\(2\)\(a\)](#)

96.9 Unemployment compensation fund.

1. *Establishment and control.* There is hereby established as a special fund, separate and apart from all public moneys or funds of this state, an unemployment compensation fund, which shall be administered by the department exclusively for the purposes of [this chapter](#). This fund shall consist of:

- a. All contributions collected under [this chapter](#),
- b. Interest earned upon any moneys in the fund,
- c. Any property or securities acquired through the use of moneys belonging to the fund,
- d. All earnings of such property or securities, and
- e. All money credited to this state’s account in the unemployment trust fund pursuant to section 903 of the Social Security Act, codified at 42 U.S.C. §501 – 503, 1103 – 1105, 1321 – 1324. All moneys in the unemployment compensation fund shall be mingled and undivided.

2. *Accounts and deposits.*

a. The state treasurer shall be ex officio treasurer and custodian of the fund and shall administer such fund in accordance with the directions of the department. The director of the department of administrative services shall issue warrants upon the fund pursuant to the order of the department and such warrants shall be paid from the fund by the treasurer.

b. The treasurer shall maintain within the fund three separate accounts:

- (1) A clearing account.
- (2) An unemployment trust fund account.
- (3) A benefit account.

c. All moneys payable to the unemployment compensation fund and all interest and penalties on delinquent contributions and reports shall, upon receipt thereof by the department, be forwarded to the treasurer who shall immediately deposit them in the clearing account, but the interest and penalties on delinquent contributions and reports shall not be deemed to be a part of the fund. Refunds of contributions payable pursuant to [section 96.14](#) shall be paid by the treasurer from the clearing account upon warrants issued by the director of the department of administrative services under the direction of the department. After clearance thereof, all other moneys in the clearing account, except interest and penalties on delinquent contributions and reports, shall be immediately deposited with the secretary of the treasury of the United States to the credit of the account of this state in the unemployment trust fund, established and maintained pursuant to section 904 of the Social Security Act as amended, any provisions of law in this state relating to the deposit, administration, release, or disbursement of moneys in the possession or custody of this state to the contrary notwithstanding. Interest and penalties on delinquent contributions

and reports collected from employers shall be transferred from the clearing account to the special employment security contingency fund. The benefit account shall consist of all moneys requisitioned from this state's account in the unemployment trust fund for the payment of benefits. Except as herein otherwise provided, moneys in the clearing and benefit account may be deposited by the treasurer, under the direction of the department, in any bank or public depository in which general funds of the state may be deposited, but no public deposit insurance charge or premium shall be paid out of the fund. The treasurer shall give a separate bond conditioned upon the faithful performance of the treasurer's duties as custodian of the fund in an amount fixed by the governor and in form and manner prescribed by law. Premiums for said bond shall be paid from the administration fund.

d. Interest paid upon the moneys deposited with the secretary of the treasury of the United States shall be credited to the unemployment compensation fund.

3. *Withdrawals.* Moneys shall be requisitioned from this state's account in the unemployment trust fund solely for the payment of benefits and in accordance with regulations prescribed by the department, except that money credited to this state's account pursuant to section 903 of the Social Security Act may, subject to the conditions prescribed in [subsection 4 of this section](#), be used for the payment of expenses incurred for the administration of [this chapter](#). The department shall from time to time requisition from the unemployment trust fund such amounts, not exceeding the amounts standing to the account of this state therein, as the department deems necessary for the payment of benefits for a reasonable future period. Upon receipt thereof the treasurer shall deposit such moneys in the benefit account, and shall disburse such moneys upon warrants drawn by the director of the department of administrative services pursuant to the order of the department for the payment of benefits solely from such benefit account. Expenditures of such moneys from the benefit account and refunds from the clearing account shall not be subject to any provisions of law requiring specific appropriations or other formal release by state officers of money in their custody. All warrants issued by the director of the department of administrative services for the payment of benefits and refunds shall bear the signature of the director of the department of administrative services. Any balance of moneys requisitioned from the unemployment trust fund which remains unclaimed or unpaid in the benefit account after the expiration of the period for which such sums were requisitioned shall either be deducted from estimates for, and may be utilized for the payment of, benefits during succeeding periods, or, in the discretion of the department, shall be redeposited with the secretary of the treasury of the United States, to the credit of this state's account in the unemployment trust fund, as provided in [subsection 2 of this section](#).

4. *Money credited under section 903 of the Social Security Act.*

a. (1) Money credited to the account of this state in the unemployment trust fund by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act may not be requisitioned from this state's account or used except for the payment of benefits and for the payment of expenses incurred for the administration of [this chapter](#). Such money may be requisitioned pursuant to [subsection 3 of this section](#) for the payment of benefits. Such money may also be requisitioned and used for the payment of expenses incurred for the administration of [this chapter](#) but only pursuant to a specific appropriation by the legislature and only if the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which:

(a) Specifies the purposes for which such money is appropriated and the amounts appropriated therefor;

(b) Limits the period within which such money may be obligated to a period ending not more than two years after the date of the enactment of the appropriation law; and

(c) Limits the amount which may be obligated during a twelve-month period beginning on July 1 and ending on the next June 30 to an amount which does not exceed the amount by which the aggregate of the amounts transferred to the account of this state pursuant to section 903 of the Social Security Act exceeds the aggregate of the amounts used by this state pursuant to [this chapter](#) and charged against the amounts transferred to the account of this state during the same twelve-month period.

(2) For purposes of [this subsection](#), amounts used by this state for administration shall be

chargeable against transferred amounts at the exact time the obligation is entered into. The use of money appropriated under [this subsection](#) shall be accounted for in accordance with standards established by the United States secretary of labor.

b. Money requisitioned as provided in [this subsection](#) for the payment of expenses of administration shall be deposited in the employment security administration fund, but, until expended, shall remain a part of the unemployment compensation fund. The treasurer of state shall maintain a separate record of the deposit, obligation, expenditure, and return of funds so deposited. Any money so deposited which either will not be obligated within the period specified by the appropriation law or remains unobligated at the end of the period, and any money which has been obligated within the period but will not be expended, shall be returned promptly to the account of this state in the unemployment trust fund.

5. *Administration expenses excluded.* Any amount credited to this state's account in the unemployment trust fund under section 903 of the Social Security Act which has been appropriated for expenses of administration pursuant to [subsection 4](#), whether or not withdrawn from such account, shall not be deemed assets of the unemployment compensation fund for the purpose of computing contribution rates under [section 96.7, subsection 3](#).

6. *Management of funds in the event of discontinuance of unemployment trust fund.* The provisions of [subsections 1, 2, and 3](#) to the extent that they relate to the unemployment trust fund shall be operative only so long as such unemployment trust fund continues to exist and so long as the secretary of the treasury of the United States continues to maintain for this state a separate book account of all funds deposited therein by this state for benefit purposes, together with this state's proportionate share of the earnings of such unemployment trust fund, from which no other state is permitted to make withdrawals. If and when such unemployment trust fund ceases to exist, or such separate book account is no longer maintained, all moneys, properties, or securities therein, belonging to the unemployment compensation fund of this state shall be transferred to the treasurer of the unemployment compensation fund, who shall hold, invest, transfer, sell, deposit, and release such moneys, properties, or securities in a manner approved by the director, treasurer of state, and governor, in accordance with the provisions of [this chapter](#), provided that such moneys shall be invested in such readily marketable classes of securities as are authorized by the laws of the state of Iowa for the investment of trust funds. The treasurer shall dispose of securities and other properties belonging to the unemployment compensation fund only under the direction of the director, treasurer of state, and governor.

7. *Cancellation of warrants.* The director of the department of administrative services, as of January 1, April 1, July 1, and October 1 of each year, shall stop payment on all warrants for the payment of benefits which have been outstanding and unredeemed by the state treasurer for six months or longer. Should the original warrants subsequently be presented for payment, warrants in lieu thereof shall be issued by the director of the department of administrative services at the discretion of and certification by the department.

[C39, §1551.15; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.9]

86 Acts, ch 1246, §622; 87 Acts, ch 222, §5; 91 Acts, ch 45, §7, 8; 92 Acts, ch 1045, §3; 96 Acts, ch 1186, §23; 2003 Acts, ch 145, §286; 2003 Acts, ch 179, §32, 47; 2004 Acts, 1st Ex, ch 1001, §30, 32; 2008 Acts, ch 1032, §178; 2009 Acts, ch 41, §30; 2010 Acts, ch 1061, §13; 2015 Acts, ch 30, §34; 2016 Acts, ch 1011, §22; 2021 Acts, ch 80, §47; 2024 Acts, ch 1162, §20

Referred to in §96.13, 96.20

96.10 Division of job service. Repealed by [96 Acts, ch 1186, §26](#).

96.11 Duties, powers, rules — privilege.

1. *Duties and powers of director.* It shall be the duty of the director to administer [this chapter](#); and the director shall have power and authority to adopt, amend, or rescind pursuant to [chapter 17A](#) such rules, to employ such persons, make such expenditures, require such reports, make such investigations, and take such other action as the director deems necessary or suitable to that end. Not later than the fifteenth day of December of each year, the director shall submit to the governor a report covering the administration and operation of [this chapter](#)

during the preceding fiscal year and shall make such recommendations for amendments to [this chapter](#) as the director deems proper. Such report shall include a balance sheet of the moneys in the fund. Whenever the director believes that a change in contribution or benefits rates will become necessary to protect the solvency of the fund, the director shall promptly so inform the governor and the legislature, and make recommendations with respect thereto.

2. *General and special rules.* Each employer shall post and maintain printed statements of all rules of the department in places readily accessible to individuals in the employer's service, and shall make available to each such individual at the time the individual becomes unemployed a printed statement of such rules relating to the filing of claims for benefits. Such printed statements shall be supplied by the department to each employer without cost to the employer.

3. *Publications.*

a. The director shall cause to be printed for distribution to the public the text of [this chapter](#), the department's general rules, its annual reports to the governor, and any other material the director deems relevant and suitable and shall furnish the same to any person upon application therefor.

b. The department shall prepare and distribute to the public as labor force data, only that data adjusted according to the current population survey and other nonlabor force statistics which the department determines are of interest to the public.

4. *Bonds.* The director may bond any employee handling moneys or signing checks.

5. *Employment stabilization.* The director, with the advice and aid of the appropriate bureaus of the department, shall take all appropriate steps to reduce and prevent unemployment; to encourage and assist in the adoption of practical methods of vocational training, retraining, and vocational guidance; to investigate, recommend, advise, and assist in the establishment and operation, by municipalities, counties, school districts, and the state, of reserves for public works to be used in times of business depression and unemployment; to promote the reemployment of unemployed workers throughout the state in every other way that may be feasible; and to these ends to carry on and publish the results of investigations and research studies.

6. *Records, reports, and confidentiality — penalty.*

a. An employing unit shall keep true and accurate work records, containing information required by the department. The records shall be open to inspection and copying by an authorized representative of the department at any reasonable time and as often as necessary. An authorized representative of the department may require from an employing unit a sworn or unsworn report, with respect to individuals employed by the employing unit, which the department deems necessary for the effective administration of [this chapter](#).

b. (1) The department shall hold confidential the information obtained from an employing unit or individual in the course of administering [this chapter](#) and the initial determination made by a representative of the department under [section 96.6, subsection 2](#), as to the benefit rights of an individual. The department shall not disclose or open this information for public inspection in a manner that reveals the identity of the employing unit or the individual, except as provided in subparagraph (3) or paragraph "c".

(2) A report or statement, whether written or verbal, made by a person to a representative of the department or to another person administering this law is a privileged communication. A person is not liable for slander or libel on account of the report or statement unless the report or statement is made with malice.

(3) Information obtained from an employing unit or individual in the course of administering [this chapter](#) and an initial determination made by a representative of the department under [section 96.6, subsection 2](#), as to benefit rights of an individual shall not be used in any action or proceeding, except in a contested case proceeding or judicial review under [chapter 17A](#). However, the department shall make information, which is obtained from an employing unit or individual in the course of administering [this chapter](#) and which relates to the employment and wage history of the individual, available to a county attorney for the county attorney's use in the performance of duties under [section 331.756, subsection 5](#), or [section 602.8107](#). The department shall make such information electronically accessible to the county attorney at the county attorney's office, if requested, provided the county

attorney's office pays the cost of the installation of the equipment to provide such access. Information in the department's possession which may affect a claim for benefits or a change in an employer's rating account shall be made available to the interested parties. The information may be used by the interested parties in a proceeding under [this chapter](#) to the extent necessary for the proper presentation or defense of a claim.

(4) The department shall hold confidential unemployment insurance information received by the department from an unemployment insurance agency of another state.

c. Subject to conditions as the department by rule prescribes, information obtained from an employing unit or individual in the course of administering [this chapter](#) and an initial determination made by a representative of the department under [section 96.6, subsection 2](#), as to benefit rights of an individual may be made available for purposes consistent with the purposes of [this chapter](#) to any of the following:

(1) An agency of this or any other state or a federal agency responsible for the administration of an unemployment compensation law or the maintenance of a system of public employment offices.

(2) The internal revenue service of the United States department of the treasury.

(3) The Iowa department of revenue.

(4) The social security administration of the United States department of health and human services.

(5) An agency of this or any other state or a federal agency responsible for the administration of public works or the administration of public assistance to unemployed individuals.

(6) Colleges, universities, and public agencies of this state for use in connection with research of a public nature, provided the department does not reveal the identity of an employing unit or individual.

(7) An employee of the department, a member of the general assembly, or a member of the United States Congress in connection with the employee's or member's official duties.

(8) The United States department of housing and urban development and representatives of a public housing agency.

d. Upon request of an agency of this or another state or of the federal government which administers or operates a program of public assistance or child support enforcement under either the law of this or another state or federal law, or which is charged with a duty or responsibility under the program, and if the agency is required by law to impose safeguards for the confidentiality of information at least as effective as required under [this subsection](#), then the department shall provide to the requesting agency, with respect to any named individual without regard to paragraph "g", any of the following information:

(1) Whether the individual is receiving or has received benefits, or has made an application for benefits under [this chapter](#).

(2) The period, if any, for which benefits were payable and the weekly benefit amount.

(3) The individual's most recent address.

(4) Whether the individual has refused an offer of employment, and, if so, the date of the refusal and a description of the employment refused, including duties, conditions of employment, and the rate of pay.

(5) The individual's wage information.

e. The department may require an agency which is provided information under [this subsection](#) to reimburse the department for the costs of furnishing the information.

f. A public official or an agent or contractor of a public official who receives information pursuant to [this subsection](#) or a third party other than an agent who acts on behalf of a claimant or employer and who violates [this subsection](#) is guilty, upon conviction, of a serious misdemeanor. For the purposes of [this subsection](#), "public official" means an official or employee within the executive branch of federal, state, or local government, or an elected official of the federal or a state or local government.

g. Information subject to the confidentiality of [this subsection](#) shall not be directly released to any authorized agency unless an attempt is made to provide written notification to the individual involved. Information released in accordance with criminal investigations by a law

enforcement agency of this state, another state, or the federal government is exempt from this requirement.

h. The department and its employees shall not be liable for any acts or omissions resulting from the release of information to any person pursuant to [this subsection](#).

7. Oaths and witnesses. In the discharge of the duties imposed by [this chapter](#), the chairperson of the appeal board and any duly authorized representative of the department shall have power to administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with a disputed claim or the administration of [this chapter](#).

8. Subpoenas. In case of contumacy by or refusal to obey a subpoena issued to any person, any court of this state within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the department, or any member or duly authorized representative thereof, shall have jurisdiction to issue to such person an order requiring such person to appear before the department or any member or duly authorized representative thereof to produce evidence if so ordered or to give testimony touching the matter under investigation or in question; any failure to obey such order of the court may be punished by said court as a contempt thereof.

9. Protection against self-incrimination. No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda, and other records before the department, or the appeal board, or in obedience to a subpoena in any cause or proceeding provided for in [this chapter](#), on the ground that the testimony or evidence, documentary or otherwise, required of the person may tend to incriminate the person or subject the person to a penalty for forfeiture; but no individual shall be prosecuted or subjected to any penalty of forfeiture for or on account of any transaction, matter, or thing concerning which the individual is compelled, after having claimed privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

10. State-federal cooperation.

a. In the administration of [this chapter](#), the department shall cooperate with the United States department of labor to the fullest extent consistent with the provisions of [this chapter](#), and shall take such action, through the adoption of appropriate rules, regulations, administrative methods, and standards, as may be necessary to secure to this state and its citizens all advantages available under the provisions of the Social Security Act that relate to unemployment compensation, the federal Unemployment Tax Act, the Wagner-Peyser Act, and the Federal-State Extended Unemployment Compensation Act of 1970.

b. In the administration of the provisions of [section 96.29](#) which are enacted to conform with the requirements of the Federal-State Extended Unemployment Compensation Act of 1970, the department shall take such action as may be necessary to ensure that the provisions are so interpreted and applied as to meet the requirements of such federal Act as interpreted by the United States department of labor, and to secure to this state the full reimbursement of the federal share of extended benefits paid under [this chapter](#) that are reimbursable under the federal Act.

c. The department shall make such reports, in such form and containing such information as the United States department of labor may from time to time require, and shall comply with such provisions as the United States department of labor may from time to time find necessary to assure the correctness and verification of such reports; and shall comply with the regulations prescribed by the United States department of labor governing the expenditures of such sums as may be allotted and paid to this state under Tit. III of the Social Security Act for the purpose of assisting in administration of [this chapter](#).

d. The department may make its records relating to the administration of [this chapter](#) available to the railroad retirement board, and may furnish the railroad retirement board such copies thereof as the railroad retirement board deems necessary for its purposes. The department may afford reasonable cooperation with every agency of the United States

charged with the administration of any unemployment insurance law. The railroad retirement board or any other agency requiring such services and reports from the department shall pay the department such compensation therefor as the department determines to be fair and reasonable.

11. *Destruction of records.* The department may destroy or dispose of such original reports or records as have been properly recorded or summarized in the permanent records of the department and are deemed by the director and the state records commission to be no longer necessary to the proper administration of [this chapter](#). Wage records of the individual worker or transcripts therefrom may be destroyed or disposed of, if approved by the state records commission, two years after the expiration of the period covered by such wage records or upon proof of the death of the worker. Such destruction or disposition shall be made only by order of the director in consultation with the state records commission. Any moneys received from the disposition of such records shall be deposited to the credit of the employment security administration fund, subject to rules promulgated by the department.

12. *Unemployment benefits contested case hearing records.* Notwithstanding the provisions of [section 17A.12](#) to the contrary, the recording of oral proceedings of a hearing conducted before an administrative law judge pursuant to [section 96.6, subsection 3](#), in which the decision of the administrative law judge is not appealed to the employment appeal board, shall be filed with and maintained by the department for at least two years from the date of decision.

13. *Purging uncollectible overpayments.* Notwithstanding any other provision of [this chapter](#), the department shall review all outstanding overpayments of benefit payments annually. The department may determine as uncollectible and purge from its records any remaining unpaid balances of outstanding overpayments which are ten years or older from the date of the overpayment decision.

14. *Access to available jobs list.* The department shall make available for consultation by the public, at each of the department's offices, a list of current job openings listed with the department, provided that the list shall comply with the confidentiality requirements of [subsection 6](#), or those mandated by the federal government.

15. *Special contractor numbers.* For purposes of contractor registration under [chapter 91C](#), the department shall provide for the issuance of special contractor numbers to contractors for whom employer accounts are not required under [this chapter](#). A contractor who is not in compliance with the requirements of [this chapter](#) shall not be issued a special contractor number.

16. *Reimbursement of setoff costs.* The department shall include in the amount set off in accordance with [section 421.65](#), for the collection of an overpayment created pursuant to [section 96.3, subsection 7](#), or [section 96.16, subsection 4](#), an additional amount for the reimbursement of setoff costs incurred by the department of revenue.

[C39, §1551.17; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.11; 81 Acts, ch 19, §8]

83 Acts, ch 190, §21, 27; 84 Acts, ch 1163, §1; 85 Acts, ch 244, §1; 86 Acts, ch 1245, §524, 934; 87 Acts, ch 66, §1; 87 Acts, ch 111, §12; 88 Acts, ch 1014, §4; 88 Acts, ch 1054, §1; 88 Acts, ch 1109, §12; 88 Acts, ch 1162, §1; 88 Acts, ch 1274, §29; 89 Acts, ch 117, §1; 91 Acts, ch 45, §9; 96 Acts, ch 1121, §6, 7; 96 Acts, ch 1186, §23; 97 Acts, ch 38, §2; 2001 Acts, ch 61, §14; 2002 Acts, ch 1090, §1; 2003 Acts, ch 145, §164, 286; 2007 Acts, ch 77, §1, 2; 2008 Acts, ch 1032, §179; 2008 Acts, ch 1172, §16; 2010 Acts, ch 1061, §180; 2014 Acts, ch 1026, §22; 2015 Acts, ch 29, §12; 2020 Acts, ch 1064, §3, 28; 2020 Acts, ch 1118, §73, 74

Referred to in §96.1A, 96.7(2)(f), 96.7(3)(a), 96.7(3)(b), 96.14, 216A.136, 422.20, 422.72

96.12 State employment service.

1. *Duties of department.* The department shall establish and maintain free public employment services accessible to all Iowans for the purposes of [this chapter](#), and for the purpose of performing the duties required by federal and state laws relating to employment and training including the Wagner-Peyser Act, 48 Stat. 113, codified at 29 U.S.C. §49. All duties and powers conferred upon any other department, agency, or officer of this state relating to the establishment, maintenance, and operation of free employment services shall be vested in the department. This state accepts and shall comply with the provisions of the

Wagner-Peyser Act, as amended. The department is designated and constituted the agency of this state for the purpose of the Wagner-Peyser Act. The department may cooperate with the railroad retirement board with respect to the establishment, maintenance, and use of department facilities. The railroad retirement board shall compensate the department for the services or facilities in the amount determined by the department to be fair and reasonable.

2. *Financing.* For the purpose of establishing and maintaining free public employment offices, the department is authorized to enter into agreements with the railroad retirement board, or any other agency of the United States charged with the administration of an employment security law, with any political subdivision of this state, or with any private, nonprofit organization, and as a part of any such agreement the department may accept moneys, services, or quarters as a contribution to the employment security administration fund.

[C39, §1551.18; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.12]

[96 Acts, ch 1186, §19, 23](#); [2006 Acts, ch 1010, §46](#)

Referred to in [§96.13](#)

96.13 Funds.

1. *Special fund.* There is hereby created in the state treasury a special fund to be known as the “*Employment Security Administration Fund*”. All moneys which are deposited or paid into this fund are hereby appropriated and made available to the department. All moneys in this fund, except money received pursuant to [section 96.9, subsection 4](#), which are received from the federal government or any agency thereof or which are appropriated by the state for the purposes described in [section 96.12](#) shall be expended solely for the purposes and in the amounts found necessary by the secretary of labor for the proper and efficient administration of [this chapter](#). This fund shall consist of all moneys appropriated by this state, and all moneys received from the United States, or any agency thereof, including the department of labor, the railroad retirement board, the United States employment service, established under the Wagner-Peyser Act, or from any other source for such purpose. Moneys received from the railroad retirement board, or any other agency, as compensation for services or facilities supplied to said board or agency shall be paid to the department, and the department shall allocate said moneys to the employment security administration fund. All moneys in this fund shall be deposited, administered, and disbursed, in the same manner and under the same conditions and requirements as is provided by law for special funds in the state treasury. Any balances in this fund shall not lapse at any time, but shall be continuously available to the department for expenditure consistent with [this chapter](#). The state treasurer shall give a separate and additional bond conditioned upon the faithful performance of the treasurer’s duties in connection with the employment security administration fund in an amount and with such sureties as shall be fixed and approved by the governor. The premiums for such bond and the premiums for the bond given by the treasurer of the unemployment compensation fund under [section 96.9](#), shall be paid from the moneys in the employment security administration fund. Notwithstanding any provision of [this section](#), all money requisitioned and deposited in this fund pursuant to [section 96.9, subsection 4](#), paragraph “b”, shall remain part of the unemployment compensation fund and shall be used only in accordance with the conditions specified in [section 96.9, subsection 4](#).

2. *Replenishment of lost funds.* If any moneys received after June 30, 1941, from the social security administration under Tit. III of the Social Security Act, or any unencumbered balances in the unemployment compensation administration fund as of that date, or any moneys granted after that date to this state pursuant to the provisions of the Wagner-Peyser Act, or any moneys made available by this state or its political subdivisions and matched by such moneys granted to this state pursuant to the provisions of the Wagner-Peyser Act, are found by the social security administration, because of any action or contingency, to have been lost or been expended for purposes other than or in amounts in excess of, those found necessary by the social security administration for the proper administration of [this chapter](#), it is the policy of this state that such moneys shall be replaced by moneys appropriated for such purpose from the general funds of this state to the unemployment compensation administration fund for expenditure as provided in [subsection 1](#). Upon receipt of notice of

such a finding by the social security administration, the department shall promptly report the amount required for such replacement to the governor and the governor shall at the earliest opportunity, submit to the legislature a request for the appropriation of such amount.

3. *Special employment security contingency fund.*

a. (1) There is created in the state treasury a special fund to be known as the special employment security contingency fund. All interest, fines, and penalties, regardless of when they become payable, collected from employers under [section 96.14](#) shall be paid into the fund. The moneys shall not be expended or available for expenditure in any manner which would permit their substitution for federal funds which would in the absence of the moneys be available to finance expenditures for the administration of the department. However, the moneys may be used as a revolving fund to cover expenditures for which federal funds have been duly requested but not yet received, subject to the charging of the expenditures against the funds when received. The moneys may be used for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants or other funds, received for the department. The moneys in the fund are specifically made available to replace, within a reasonable time, any moneys received by this state in the form of grants from the federal government for administrative expenses which because of any action or contingency have been expended for purposes other than, or in excess of, those necessary for the proper administration of the department. All moneys in the fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for other special funds in the state treasury. Interest earned upon moneys in the fund shall be deposited in and credited to the fund.

(2) The treasurer of state shall be the custodian of the fund and shall give a separate and additional bond conditioned upon the faithful performance of the treasurer's duties in connection with the fund in an amount and with sureties as shall be fixed and approved by the governor. The premium for the bond shall be paid from the moneys in the fund. All sums recovered on the bond for losses sustained by the fund shall be deposited in the fund. Refunds of interest and penalties shall be paid only from the fund.

(3) Balances to the credit of the fund shall not lapse at any time but shall continuously be available to the department for expenditures consistent with [this subsection](#). Moneys remaining in the fund at the end of each fiscal year shall not revert to any fund and shall remain in the fund.

b. The department shall annually report to the joint economic development appropriations subcommittee on its plans for expenditures during the next state fiscal year from the special employment security contingency fund. The report shall describe the specific expenditures and explain why the expenditures are to be made from the fund and not from federal administrative funds.

c. The department may appear before the executive council and request authorization of moneys to meet unanticipated emergencies as an expense from the appropriations addressed in [section 7D.29](#).

[C39, §1551.19; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.13; [82 Acts, ch 1126, §2](#); [84 Acts, ch 1204, §1 – 3](#); [86 Acts, ch 1209, §2](#); [91 Acts, ch 45, §10](#); [92 Acts, ch 1242, §19](#); [96 Acts, ch 1186, §23](#); [98 Acts, ch 1074, §10](#); [2008 Acts, ch 1032, §201](#); [2011 Acts, ch 131, §24, 158](#); [2013 Acts, ch 30, §20](#); [2016 Acts, ch 1073, §19](#)

Referred to in [§96.17](#)

96.14 Priority — refunds.

1. *Interest.* Any employer who fails to pay any contribution and fails to pay the contribution at the time required by [this chapter](#) and the rules of the department, shall pay to the department in addition to the contribution, interest on the contribution at the rate of one percent per month and one-thirtieth of one percent for each day or fraction thereof computed from the date upon which the contribution should have been paid.

2. *Penalties.* Any employer who shall fail to file a report of wages paid to each of the employer's employees for any period in the manner and within the time required by [this chapter](#) and the rules of the department or any employer who the department finds has filed

an insufficient report and fails to file a sufficient report within thirty days after a written request from the department to do so shall pay a penalty to the department.

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

b. The penalty for failing to file a sufficient report shall be in addition to any penalty incurred for a delinquent report where the delinquent report is also insufficient.

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

Days Delinquent or Insufficient	Penalty Rate
1 – 60	0.1%
61 – 120	0.2%
121 – 180	0.3%
181 – 240	0.4%
241 or over	0.5%

d. A penalty shall not be less than thirty-five dollars for each delinquent or insufficient report. Interest, penalties, and cost shall be collected by the department in the same manner as provided by [this chapter](#) for contributions.

e. If the department finds that any employer has willfully failed to pay any contribution or part thereof when required by [this chapter](#) and the rules of the department, with intent to defraud the department, then such employer shall in addition to such contribution or part thereof, pay a contribution equal to fifty percent of the amount of such contribution or part thereof, as the case may be.

f. If any tendered payment of any amount due in the form of a check, draft, or money order is not honored when presented to a financial institution, any costs assessed to the department by the financial institution and a fee of thirty dollars shall be assessed to the employer.

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

3. *Lien of contributions — collection.*

a. Whenever any employer liable to pay contributions refuses or neglects to pay the same, the amount, including any interest, together with the costs that may accrue in addition thereto, shall be a lien in favor of the state upon all property and rights to property, whether real or personal, belonging to said employer. An assessment of the unpaid contributions, interest and penalty shall be applied as provided in [section 96.7, subsection 3](#), paragraphs “a” and “b”, and the lien shall attach as of the date the assessment is mailed or personally served upon the employer and shall continue for ten years, or until the liability for the amount is satisfied, unless sooner released or otherwise discharged. The lien may, within ten years from the date the lien attaches, be extended for up to an additional ten years by filing a notice during the ninth year with the appropriate county official of any county. However, the department may release any lien, when after diligent investigation and effort it determines that the amount due is not collectible.

b. In order to preserve the lien attached to any property situated in a county under paragraph “a” against subsequent mortgagees, purchasers, or judgment creditors for value and without notice of the lien, the department shall file with the recorder of the county in which the property is located, a notice of the lien.

c. The county recorder of each county shall prepare and keep in the recorder’s office an index containing the applicable entries specified in [sections 558.49](#) and [558.52](#) and showing the following data, under the names of employers, arranged alphabetically:

- (1) The name of the employer.
- (2) The name “State of Iowa” as claimant.
- (3) Time notice of lien was filed for recording.

- (4) Date of notice.
- (5) Amount of lien then due.
- (6) When satisfied.

d. The recorder shall endorse on each notice of lien the day, hour, and minute when filed for recording and the document reference number, shall index the notice in the index, and shall record the lien in the manner provided for recording real estate mortgages. The lien is effective from the time of the indexing of the lien.

e. The department shall pay recording fees as provided in [section 331.604](#), for the recording of the lien, or for its satisfaction.

f. Upon the payment of contributions as to which the department has filed notice with a county recorder, the department shall forthwith file with said recorder a satisfaction of said contributions and the recorder shall enter said satisfaction on the notice on file in the recorder's office and indicate said fact on the index aforesaid.

g. The department shall, substantially as provided in [this chapter](#) and [chapter 626](#), proceed to collect all contributions as soon as practicable after they become delinquent, except that no property of the employer is exempt from payment of the contributions.

h. If, after due notice, any employer defaults in any payment of contributions or interest thereon, the amount due may be collected by civil action in the name of the department and the employer adjudged in default shall pay the costs of such action. Civil actions brought under [this section](#) to collect contributions or interest thereon from an employer shall be heard by the court at the earliest possible date and shall be entitled to preference upon the calendar of the court over all other civil actions except petitions for judicial review under [this chapter](#) and cases arising under the workers' compensation law of this state.

i. It is expressly provided that the remedies of the state under [this section](#) shall be cumulative and that no action taken by the department shall be construed to be an election on the part of the state or any of its officers to pursue any remedy under [this section](#) to the exclusion of any other remedy provided by law.

j. The courts of this state shall recognize and enforce liabilities for unemployment contributions, penalties, interest, and benefit overpayments imposed by other states which extend a like comity to this state. The department may sue in the courts of any other jurisdiction which extends such comity to collect unemployment contributions, penalties, interest, and benefit overpayments due this state. The officials of other states which, by statute or otherwise, extend a like comity to this state may sue in the district court to collect for such contributions, penalties, interest, and benefit overpayments. In any such case the director, as agent for and on behalf of any other state, may institute and conduct such suit for such other state. Venue of such proceedings shall be the same as for actions to collect delinquent contributions, penalties, interest, and benefit overpayments due under [this chapter](#). A certificate by the secretary of any such state attesting the authority of such official to collect the contributions, penalties, interest, and benefit overpayments is conclusive evidence of such authority. The requesting state shall pay the court costs.

k. If a political subdivision or a political subdivision instrumentality becomes delinquent in the payment of contributions, any payments owed as a government employer, penalty, interest, and costs for more than two calendar quarters, the amount of such delinquency shall be deducted from any further moneys due the employer by the state. Such deduction shall be made by the director of the department of administrative services upon certification of the amount due. A copy of the certification will be mailed to the employer.

l. If an amount due from a governmental entity of this state remains due and unpaid for a period of one hundred twenty days after the due date, the director shall take action as necessary to collect the amount and shall levy against any funds due the governmental entity from the state treasurer, director of the department of administrative services, or any other official or agency of this state, or against an account established by the entity in any bank. The official, agency, or bank shall deduct the amount certified by the director from any accounts or deposits or any funds due the delinquent governmental entity without regard to any prior claim and shall promptly forward the amount to the director for the fund. However, the director shall notify the delinquent entity of the director's intent to file a levy by certified mail

at least ten days prior to filing the levy on any funds due the entity from any state official or agency.

4. *Priorities under legal dissolutions or distributions.* In the event of any distribution of an employer's assets pursuant to an order of any court under the laws of this state, including any receivership, assignment for benefit of creditors, adjudicated insolvency, composition, or similar proceeding, contributions then or thereafter due shall be paid in full prior to all other claims except taxes and claims for wages preferred as provided by statute. In the event of an employer's adjudication in bankruptcy, judicially confirmed extension proposal, or composition, under the federal Bankruptcy Act of 1898, as amended, contributions then or thereafter due shall be entitled to such priority as is provided in section 64 "a" of that Act, 11 U.S.C. §507.

5. *Refunds, compromises, and settlements.* If the department finds that an employer has paid contributions, interest on contributions, or penalties, which have been erroneously paid or if the employer has overpaid contributions because the employer's contribution rate was subsequently reduced pursuant to [section 96.7, subsection 2](#), paragraph "e", solely due to benefits initially charged against but later removed from an employer's account, and the employer has filed an application for refund, the department shall refund the erroneous payment or overpayment. Refunds so made shall be charged to the fund to which the collections have been credited, and shall be paid to the employer without interest. A claim for refund shall be made within three years from the date of payment. For like cause, refunds, compromises, and settlements may be made by the department on its own initiative within three years of the date of the payment or assessment. If the department finds that the contribution that has been assessed against an employer is of doubtful collectibility or may not be collected in full, the department may institute a proceeding in the district court in the county in which the employer against which the tax is levied is located, requesting authority to compromise the contribution. Notice of the filing of an application shall be given to the interested parties as the court may prescribe. The court upon hearing may authorize the department to compromise and settle its claim for the contribution and shall fix the amount to be received by the department in full settlement of the claim and shall authorize the release of the department's lien for the contribution.

6. *Nonresident employing units.* Any employing unit which is a nonresident of the state of Iowa and for which services are performed in insured work within the state of Iowa and any resident employer for which such services are performed and who thereafter leaves the state of Iowa by having such services performed within the state of Iowa shall be deemed:

a. To agree that such employing unit shall be subject to the jurisdiction of the district court of the state of Iowa over all civil actions and proceedings against such employing unit for all purposes of [this chapter](#), and

b. To appoint the secretary of state of this state as its lawful attorney upon whom may be served all original notices of suit and other legal processes pertaining to such actions and proceedings, and

c. To agree that any original notice of suit or any other legal process so served upon such nonresident employing unit shall be of the same legal force and validity as if personally served on it in this state.

7. *Original notice — form.* The original notice of suit filed with the secretary of state shall be in form and substance the same as now provided in suits against residents of this state, except that the part of the notice pertaining to the return day shall be in substantially the following form:

And unless you appear and defend in the district court of Iowa in and for county at the courthouse in, Iowa, before noon of the sixtieth day following the filing of this notice with the secretary of state of this state, you will be adjudged in default, your default entered of record, and judgment rendered against you for the relief sought in plaintiff's petition.

8. *Manner of service.* Plaintiff in any such action shall cause the original notice of suit to be served by doing all of the following:

a. Filing a copy of the original notice of suit with the secretary of state, together with a fee of four dollars.

b. Mailing to the defendant, and to each of the defendants if more than one, within ten days after filing the notice with the secretary of state, by restricted certified mail addressed to the defendant at the defendant’s last known residence or place of abode, a notification of the filing with the secretary of state.

9. *Notification to nonresident — form.* The notification, provided for in subsection 7, shall be in substantially the following form:

To (Here insert the name of each defendant and the defendant’s residence or last known place of abode as definitely as known.)

You will take notice that an original notice of suit against you, a copy of which is hereto attached, was duly served upon you at Des Moines, Iowa, by filing a copy of said notice on the day of (month), (year), with the secretary of state of the state of Iowa.

Dated at, Iowa, this day of (month), (year).

.....
Plaintiff.

By
Attorney for Plaintiff.

10. *Optional notification.* In lieu of mailing said notification to the defendant in a foreign state, plaintiff may cause said notification to be personally served in the foreign state on the defendant by any adult person not a party to the suit, by delivering said notification to the defendant or by offering to make such delivery in case defendant refuses to accept delivery.

11. *Proof of service.* Proof of the filing of a copy of said original notice of suit with the secretary of state, and proof of the mailing or personal delivery of said notification to said nonresident shall be made by affidavit of the party doing said acts. All affidavits of service shall be endorsed upon or attached to the originals of the papers to which they relate. All proofs of service, including the restricted certified mail return receipt, shall be forthwith filed with the clerk of the district court.

12. *Actual service within this state.* The foregoing provisions relative to service of original notice of suit on nonresidents shall not be deemed to prevent actual personal service in this state upon the nonresident in the time, manner, form, and under the conditions provided for service on residents.

13. *Venue of actions.* Actions against nonresidents as contemplated by this law may be brought in Polk county or in the county in which such services were performed.

14. *Continuances.* The court in which such action is pending shall grant such continuances to a nonresident defendant as may be necessary to afford the defendant reasonable opportunity to defend said action.

15. *Duty of secretary of state.* The secretary of state shall keep a record of all notices of suit filed with the secretary, shall not permit said filed notices to be taken from the secretary’s office except on an order of court, and shall, on request, and without fee, furnish any defendant with a certified copy of the notice in which the person is a defendant.

16. *Injunction upon nonpayment.* Any employer or employing unit refusing or failing to make and file required reports or records, or to pay any contributions, interest, or penalty under the provisions of this chapter, after ten days’ written notice sent by the department to the employer’s or employing unit’s last known address by certified mail, may be enjoined from operating any business in the state while in violation of this chapter upon the complaint of the department in the district court of a county in which the employer or employing unit has or had a place of business within the state, and any temporary injunction enjoining the continuance of such business may be granted without notice and without a bond being required from the department. Such injunction may enjoin any employer or employing unit from operating a business unit until the delinquent contributions, interest, or penalties

shall have been made and filed or paid; or the employer shall have furnished a good and sufficient bond conditioned upon the payment of such delinquencies in such an amount and containing such terms as may be determined by the court; or the employer has entered into a plan for the liquidation of the business to pay for such delinquencies as the court may approve, provided that such injunction may be reinstated upon the employer's failure to comply with the terms of said plan.

17. *Employer subpoena cost and penalty.* An employer who is served with a subpoena pursuant to [section 96.11, subsection 7](#), for the investigation of an employer liability issue, to complete audits, to secure reports, or to assess contributions shall pay all costs associated with the subpoena, including service fees and court costs. The department shall penalize an employer in the amount of two hundred fifty dollars if that employer refused to honor a subpoena or negligently failed to honor a subpoena. The cost of the subpoena and any penalty shall be collected in the manner provided in [subsection 3 of this section](#).

[C39, §1551.20; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §96.14; 81 Acts, ch 21, §3, ch 117, §1205]

84 Acts, ch 1255, §8; 87 Acts, ch 115, §12; 90 Acts, ch 1168, §11; 91 Acts, ch 45, §11; 91 Acts, ch 191, §1; 94 Acts, ch 1116, §1; 96 Acts, ch 1121, §8; 96 Acts, ch 1186, §23; 2000 Acts, ch 1058, §56; 2001 Acts, ch 44, §3; 2003 Acts, ch 145, §286; 2007 Acts, ch 22, §28; 2008 Acts, ch 1032, §180; 2008 Acts, ch 1170, §2 – 5; 2009 Acts, ch 27, §2; 2015 Acts, ch 30, §35; 2016 Acts, ch 1011, §23; 2020 Acts, ch 1087, §1; 2021 Acts, ch 76, §24; 2022 Acts, ch 1021, §35, 36; 2022 Acts, ch 1032, §26 – 29

Referred to in §96.1A, 96.7(2)(e), 96.7(3)(a), 96.7(8)(b), 96.9, 96.13, 96.16, 331.602, 331.607

96.15 Waiver — fees — assignments — penalties.

1. *Waiver of rights void.* Any agreement by an individual to waive, release, or commute the individual's rights to benefits or any other rights under [this chapter](#) shall be void. Any agreement by any individual in the employ of any person or concern to pay all or any portion of an employer's contributions, required under [this chapter](#) from such employer, shall be void. No employer shall directly or indirectly make or require or accept any deduction from wages to finance the employer's contributions required from the employer, or require or accept any waiver of any right under [this chapter](#) by any individual in the employer's employ. Any employer or officer or agent of an employer who violates any provision of [this subsection](#) shall, for each offense, be guilty of a serious misdemeanor.

2. *Prohibition against fees.* An individual claiming benefits shall not be charged fees of any kind in any proceeding under [this chapter](#) by the department or its representatives or by a court or an officer of the court. An individual claiming benefits in a proceeding before the department, an appeal tribunal, or a court may be represented by counsel or other duly authorized agent. A person who violates a provision of [this subsection](#) is guilty of a serious misdemeanor for each violation.

3. *No assignment of benefits — exemptions.* Any assignment, pledge, or encumbrance of any right to benefits which are or may become due or payable under [this chapter](#) shall be void, and such rights to benefits shall be exempt from levy, execution, attachment, or any other remedy whatsoever provided for the collection of debt; and benefits received by any individual, so long as they are not mingled with other funds of the recipient, shall be exempt from any remedy whatsoever for the collection of all debts. Any waiver of any exemption provided for in [this subsection](#) shall be void.

[C39, §1551.21; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.15]

85 Acts, ch 54, §1; 96 Acts, ch 1186, §23; 2022 Acts, ch 1021, §37

Referred to in §96.3

96.16 Offenses.

1. *Penalties.* An individual who makes a false statement or representation knowing it to be false or knowingly fails to disclose a material fact, to obtain or increase any benefit or other payment under [this chapter](#), either for the individual or for any other individual, is guilty of a fraudulent practice as defined in [sections 714.8 through 714.14](#). The total amount of benefits

or payments involved in the completion of or in the attempt to complete a fraudulent practice shall be used in determining the value involved under [section 714.14](#).

2. *False statement.* Any employing unit or any officer or agent of an employing unit or any other person who makes a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact, to prevent or reduce the payment of benefits to any individual entitled thereto, or to avoid becoming or remaining subject hereto, or to avoid or reduce any contribution or other payment required from an employing unit under [this chapter](#), or who willfully fails or refuses to make any such contributions or other payment or to furnish any reports required hereunder or to produce or permit the inspection or copying of records as required hereunder, is guilty of a fraudulent practice as defined in [sections 714.8 through 714.14](#). The total amount of benefits, contributions, or payments involved in the completion of or in the attempt to complete a fraudulent practice shall be used in determining the value involved under [section 714.14](#).

3. *Unlawful acts.* Any person who shall willfully violate any provisions of [this chapter](#) or any rule thereunder, the violation of which is made unlawful or the observance of which is required under the terms of [this chapter](#), and for which a penalty is neither prescribed herein nor provided by any other applicable statute, shall be guilty of a simple misdemeanor, and each day such violation continues shall be deemed to be a separate offense.

4. *Misrepresentation.*

a. An individual who, by reason of the nondisclosure or misrepresentation by the individual or by another of a material fact, has received any sum as benefits under [this chapter](#) while any conditions for the receipt of benefits imposed by [this chapter](#) were not fulfilled in the individual's case, or while the individual was disqualified from receiving benefits, shall be liable to repay to the department for the unemployment compensation fund, a sum equal to the amount so received by the individual. If the department seeks to recover the amount of the benefits by having the individual pay to the department a sum equal to that amount, the department may file a lien with the county recorder in favor of the state on the individual's property and rights to property, whether real or personal. The amount of the lien shall be collected in a manner similar to the provisions for the collection of past-due contributions in [section 96.14, subsection 3](#).

b. The department shall assess a penalty equal to fifteen percent of the amount of a fraudulent overpayment. The penalty shall be collected in the same manner as the overpayment. The penalty shall be added to the amount of any lien filed pursuant to paragraph "a" and shall not be deducted from any future benefits payable to the individual under [this chapter](#). Funds received for overpayment penalties shall be deposited in the unemployment trust fund.

5. *Experience and tax rate avoidance.*

a. If a person knowingly violates or attempts to violate [section 96.7, subsection 2, paragraph "b"](#), subparagraph (2) or (3), with respect to a transfer of unemployment experience, or if a person knowingly advises another person in a way that results in a violation of such subparagraph, the person shall be subject to the penalties established in [this subsection](#). If the person is an employer, the employer shall be assigned a penalty rate of contribution of two percent of taxable wages in addition to the regular contribution rate assigned for the year during which such violation or attempted violation occurred and for the two rate years immediately following. If the person is not an employer, the person shall be subject to a civil penalty of not more than five thousand dollars for each violation which shall be deposited in the unemployment trust fund, and shall be used for payment of unemployment benefits. In addition to any other penalty imposed in [this subsection](#), violations described in [this subsection](#) shall also constitute an aggravated misdemeanor.

b. For purposes of [this subsection](#):

(1) "Knowingly" means having actual knowledge of or acting with deliberate ignorance of or reckless disregard for the requirement or prohibition involved.

(2) “Violates or attempts to violate” includes but is not limited to the intent to evade, misrepresentation, and willful nondisclosure.

[C39, §1551.22; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.16]
 96 Acts, ch 1186, §23; 2005 Acts, ch 98, §2; 2008 Acts, ch 1032, §181; 2013 Acts, ch 3, §2, 4;
 2018 Acts, ch 1080, §6; 2019 Acts, ch 59, §40

Referred to in §96.5, 96.11

96.17 Counsel.

1. *Legal services.* In any civil action to enforce the provisions of [this chapter](#), the department and the state may be represented by any qualified attorney who is a regular salaried employee of the department and is designated by it for this purpose or, at the department’s request, by the attorney general. In case the governor designates special counsel to defend on behalf of the state, the validity of [this chapter](#), the expenses and compensation of such special counsel employed by the department in connection with such proceeding may be charged to the unemployment compensation administration fund.

2. *County attorney.* All criminal actions for violations of any provision of [this chapter](#), or of any rules issued by the department pursuant thereto, shall be prosecuted by the prosecuting attorney of any county in which the employer has a place of business or the violator resides, or, at the request of the department, shall be prosecuted by the attorney general.

3. *Indemnification.* Any member of the department or any employee of the department shall be indemnified for any damages and legal expenses incurred as a result of the good faith performance of their official duties, for any claim for civil damages not specifically covered by the Iowa tort claims Act, [chapter 669](#). Any payment described herein shall be paid from the special employment security contingency fund in [section 96.13, subsection 3](#).

[C39, §1551.23; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.17]

96 Acts, ch 1186, §23; 2007 Acts, ch 22, §29

Referred to in §331.756(18)

96.18 Nonliability of state.

Benefits shall be deemed to be due and payable under [this chapter](#) only to the extent provided in [this chapter](#) and to the extent that moneys are available therefor to the credit of the unemployment compensation fund. The state; the department; the department of inspections, appeals, and licensing; and the employment appeal board shall not be liable for any amount in excess of such sums.

[C39, §1551.24; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.18]

96 Acts, ch 1186, §23; 2025 Acts, ch 92, §3

Section amended

96.19 Definitions. Transferred to [§96.1A](#); 2020 Acts, ch 1062, §94.

96.20 Reciprocal benefit arrangements.

1. The department is hereby authorized to enter into arrangements with the appropriate agencies of other states, or a contiguous country with which the United States has an agreement with respect to unemployment compensation or the federal government whereby potential rights to benefits accumulated under the unemployment compensation laws of several states or under such a law of the federal government, or both, may constitute the basis for the payment of benefits through a single appropriate agency under terms which the department finds will be fair and reasonable as to all affected interests and will not result in any substantial loss to the fund.

2. *a.* The department may enter into arrangements with the appropriate agencies of other states, or a contiguous country with which the United States has an agreement with respect to unemployment compensation or of the federal government:

(1) Whereby wages or services, upon the basis of which an individual may become entitled to benefits under the unemployment compensation law of another state or of the federal government, shall be deemed to be wages for employment by employers for the purposes of [section 96.3](#) and [section 96.4, subsection 5](#); provided such other state agency or agency of the federal government has agreed to reimburse the fund for such portion of benefits paid

under [this chapter](#) upon the basis of such wages or services as the department finds will be fair and reasonable as to all affected interests, and

(2) Whereby the department will reimburse other state or federal agencies charged with the administration of unemployment compensation laws with such reasonable portion of benefits, paid under the law of any such other states or of the federal government upon the basis of employment or wages for employment by employers, as the department finds will be fair and reasonable as to all affected interests.

b. Reimbursements so payable shall be deemed to be benefits for the purposes of [section 96.3, subsection 5](#), paragraph “a”, and [section 96.9](#), but no reimbursement so payable shall be charged against any employer’s account for the purposes of [section 96.7](#), unless wages so transferred are sufficient to establish a valid claim in Iowa, and that such charges shall not exceed the amount that would have been charged on the basis of a valid claim. The department is hereby authorized to make to other state or federal agencies and receive from such other state or federal agencies, reimbursements from or to the fund, in accordance with arrangements pursuant to [this section](#). The department shall participate in any arrangements for the payment of compensation on the basis of combining an individual’s wages and employment covered under [this chapter](#) with the individual’s wages and employment covered under the unemployment compensation laws of other states which are approved by the United States secretary of labor in consultation with the state unemployment compensation agencies as reasonably calculated to assure the prompt and full payment of compensation in such situations and which include provisions for applying the base period of a single state law to a claim involving the combining of an individual’s wages and employment covered under two or more state unemployment compensation laws, and avoiding duplication in the use of wages and employment by reason of such combining.

3. The department is hereby authorized to enter into agreements with the appropriate agencies of other states, or a contiguous country with which the United States has an agreement with respect to unemployment compensation or the federal government administering unemployment compensation laws to provide that contributions on wages for services performed by an individual in more than one state for the same employer may be paid to the appropriate agency of one state.

[C39, §1551.26; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.20]

[96 Acts, ch 1186, §23](#); [2009 Acts, ch 22, §5](#); [2010 Acts, ch 1061, §14](#); [2015 Acts, ch 30, §36](#); [2016 Acts, ch 1073, §21](#)

96.21 Termination.

If at any time Tit. IX of the Social Security Act, as amended, shall be amended or repealed by Congress or held unconstitutional by the supreme court of the United States, with the result that no portion of the contributions required under [this chapter](#) may be credited against the tax imposed by said Tit. IX, in any such event the operation of the provisions of [this chapter](#) requiring the payment of contributions and benefits shall immediately cease, the department shall thereupon requisition from the unemployment trust fund all moneys therein standing to its credit, and such moneys, together with any other moneys in the unemployment compensation fund shall be refunded, without interest and under regulations prescribed by the department, to each employer by whom contributions have been paid, proportionately to the employer’s pro rata share of the total contributions paid under [this chapter](#). Any interest or earnings of the fund shall be available to the department to pay for the costs of making such refunds. When the department shall have executed the duties prescribed in [this section](#) and performed such other acts as are incidental to the termination of its duties under [this chapter](#), the provisions of [this chapter](#), in their entirety, shall cease to be operative.

[C39, §1551.27; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.21]

[96 Acts, ch 1186, §23](#); [2012 Acts, ch 1023, §14](#)

96.22 Reserved.

96.23 Base period exclusion.

1. The department shall exclude three or more calendar quarters from an individual’s

base period, as defined in [section 96.1A, subsection 3](#), if the individual received workers' compensation benefits for temporary total disability or during a healing period under [section 85.33](#), [section 85.34, subsection 1](#), or [section 85A.17](#) or indemnity insurance benefits during those three or more calendar quarters, if one of the following conditions applies to the individual's base period:

- a. The individual did not receive wages from insured work for three calendar quarters.
- b. The individual did not receive wages from insured work for two calendar quarters and did not receive wages from insured work for another calendar quarter equal to or greater than the amount required for a calendar quarter, other than the calendar quarter in which the individual's wages were highest, under [section 96.4, subsection 4](#), paragraph "a".

2. The department shall substitute, in lieu of the three or more calendar quarters excluded from the base period, those three or more consecutive calendar quarters, immediately preceding the base period, in which the individual did not receive such workers' compensation benefits or indemnity insurance benefits.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.23]

[83 Acts, ch 190, §25, 27](#); [86 Acts, ch 1034, §2, 3](#); [96 Acts, ch 1186, §23](#); [2008 Acts, ch 1032, §201](#); [2009 Acts, ch 22, §6](#); [2020 Acts, ch 1062, §90](#)

Referred to in [§96.7\(2\)\(a\)](#)

96.24 Employer to be notified.

Whenever an employee is separated from employment for the purpose of joining the armed forces of the United States, the employee shall notify the employer in writing of the employee's acceptance and date of reporting for service and the employer shall, within fifteen days after said notice from the employee, notify the department of such separation and date of termination of wages on a form furnished by the department.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §96.24]

[96 Acts, ch 1186, §23](#)

96.25 Office building.

The department may acquire for and in the name of the state of Iowa by purchase, or by rental purchase agreement, such lands and buildings upon such terms and conditions as may entitle this state to grants or credits of funds under the Social Security Act or the Wagner-Peyser Act to be applied against the cost of such property, for the purpose of providing office space for the department at such places as the department finds necessary and suitable.

[C62, 66, 71, 73, 75, 77, 79, 81, §96.25]

[86 Acts, ch 1245, §1979](#); [96 Acts, ch 1186, §23](#)

Referred to in [§96.26](#), [96.27](#), [96.28](#)

96.26 Moneys received.

The department is authorized to accept, receive, and receipt for all moneys received from the United States for the payments authorized by [section 96.25](#), [this section](#), [section 96.27](#), and [section 96.28](#) for lands and buildings and to comply with any rules made under the Social Security Act or the Wagner-Peyser Act.

[C62, 66, 71, 73, 75, 77, 79, 81, §96.26]

[96 Acts, ch 1186, §23](#); [2021 Acts, ch 80, §48](#)

Referred to in [§96.28](#)

96.27 Approval of attorney general.

An agreement made for the purchase or other acquisition of the premises mentioned in [section 96.25](#) with funds granted or credited to this state for such purpose under the Social Security Act or the Wagner-Peyser Act shall be subject to the approval of the attorney general of the state of Iowa as to form and as to title thereto.

[C62, 66, 71, 73, 75, 77, 79, 81, §96.27]

[2012 Acts, ch 1023, §15](#)

Referred to in [§96.26](#), [96.28](#)

96.28 Deposit of funds.

All moneys received from the United States for the payments authorized by [sections 96.25 through 96.27](#) for lands and buildings shall be deposited in the employment security administration fund in the state treasury and are appropriated therefrom for the purposes of [this chapter](#).

[C62, 66, 71, 73, 75, 77, 79, 81, §96.28]

[2021 Acts, ch 80, §49](#)

Referred to in [§96.26](#)

96.29 Extended benefits.

Except when the result would be inconsistent with the other provisions of [this chapter](#), as provided in rules of the department, the provisions of the law which apply to claims for or the payment of regular benefits shall apply to claims for, and the payment of, extended benefits.

1. *Eligibility requirements for extended benefits.* An individual is eligible to receive extended benefits with respect to a week of unemployment in the individual's eligibility period only if the department finds that all of the following conditions are met:

a. The individual is an "exhaustee" as defined in [this chapter](#).

b. The individual has satisfied the requirements of [this chapter](#) for the receipt of regular benefits that are applicable to individuals claiming extended benefits, including not being subject to a disqualification for the receipt of benefits.

c. The individual has been paid wages for insured work during the individual's base period in an amount at least one and one-half times the wages paid to the individual during that quarter of the individual's base period in which the individual's wages were highest.

2. *Disqualification for extended benefits.* If an individual claiming extended benefits furnishes satisfactory evidence to the department that the individual's prospects for obtaining work in the individual's customary occupation within a reasonably short period are good, [section 96.5, subsection 3](#) applies. If the department determines that an individual is claiming extended benefits and the individual's prospects for obtaining work in the individual's customary occupation are poor, the following paragraphs apply:

a. An individual shall be disqualified for extended benefits if the individual fails to apply for or refuses to accept an offer of suitable work to which the individual was referred by the department or the individual fails to actively seek work, unless the individual has been employed during at least four weeks, which need not be consecutive, subsequent to the disqualification and has earned at least four times the individual's weekly extended benefit amount. In order to be considered suitable work under [this subsection](#), the gross weekly wage for the suitable work shall be in excess of the individual's weekly extended benefit amount plus any weekly supplemental unemployment compensation benefits which the individual is receiving.

b. An individual shall not be disqualified for extended benefits for failing to apply for or refusing to accept an offer of suitable work, unless the suitable work was offered to the individual in writing or was listed with the department.

c. [This subsection](#) shall not apply to claims for extended benefits if otherwise prohibited by federal law.

3. *Weekly extended benefit amount.* The weekly extended benefit amount payable to an individual for a week of total unemployment in the individual's eligibility period is an amount equal to the weekly benefit amount payable to the individual during the individual's applicable benefit year.

4. *Total extended benefit amount.*

a. The total extended benefit amount payable to an eligible individual with respect to the individual's applicable benefit year is the least of the following amounts:

(1) Fifty percent of the total amount of regular benefits which were payable to the individual under [this chapter](#) in the individual's applicable benefit year.

(2) Thirteen times the individual's weekly benefit amount which was payable to the individual under [this chapter](#) for a week of total unemployment in the applicable benefit year.

b. Except for the first two weeks of an interstate claim for extended benefits filed in any state under the interstate benefit payment plan and payable from an individual's extended

benefit account, the individual is not eligible for extended benefits payable under the interstate claim if an extended benefit period is not in effect in that state.

5. *Beginning and termination of extended benefit period.* If an extended benefit period is to become effective in Iowa as a result of the state “on” indicator, or an extended benefit period is to be terminated in Iowa as a result of the state “off” indicator, the department shall make an appropriate public announcement. Computations required by [this subsection](#) shall be made by the department in accordance with regulations prescribed by the United States secretary of labor.

6. Notwithstanding any other provisions of [this section](#), if the benefit year of an individual ends within an eligibility period for extended benefits, the remaining extended benefits which the individual would, but for [this section](#), be entitled to receive in that portion of the eligibility period which extends beyond the end of the individual’s benefit year, shall be reduced, but not below zero, by the number of weeks for which the individual received federal trade readjustment allowances, under 19 U.S.C. §2101 et seq., as amended by the Omnibus Budget Reconciliation Act of 1981, within the individual’s benefit year multiplied by the individual’s weekly extended benefit amount.

[C73, 75, 77, 79, 81, §96.29; 81 Acts, ch 19, §10, 11; 82 Acts, ch 1030, §8, 9]

[93 Acts, ch 10, §1](#); [96 Acts, ch 1186, §23](#); [2008 Acts, ch 1032, §201](#); [2017 Acts, ch 29, §34](#)

Referred to in [§96.11, 96.40](#)

96.30 Reserved.

96.31 Tax for benefits.

Political subdivisions may levy a tax outside their general fund levy limits to pay the cost of unemployment benefits. For school districts the cost of unemployment benefits shall be included in the district management levy pursuant to [section 298.4](#).

[C79, 81, §96.31]

[83 Acts, ch 123, §50, 209](#); [89 Acts, ch 135, §51](#)

Referred to in [§298.4](#)

96.32 Fraud and overpayment personnel.

It is the declared intent of the general assembly of the state of Iowa that the department shall employ employees as full-time claims specialists in the fraud and overpayment section of the job insurance bureau of the department to the extent that federal funds are available to the department for the employment of such full-time personnel.

[C79, 81, §96.32]

[96 Acts, ch 1186, §23](#)

96.33 and 96.34 Reserved.

96.35 Status report.

The department shall annually submit a status report on the unemployment compensation trust fund to the general assembly.

[C79, 81, §96.35]

[96 Acts, ch 1186, §23](#)

96.36 Franchisor-franchisee relationship.

1. For purposes of [this section](#), “*franchisee*” and “*franchisor*” mean the same as defined in [section 523H.1](#).

2. For purposes of [this chapter](#), a franchisor shall not be considered to be an employer of a franchisee or of an employee of a franchisee unless any of the following conditions apply:

a. The franchisor has agreed in writing to be considered to be the employer of the franchisee or of the employees of the franchisee.

b. The franchisor has been found by the department to have exercised a type or degree of control over the franchisee or the franchisee’s employees that is not customarily exercised by a franchisor for the purpose of protecting the franchisor’s trademarks and brand.

[2019 Acts, ch 21, §4, 6](#)

96.37 through 96.39 Reserved.

96.40 Voluntary shared work program.

1. An employer who wishes to participate in the shared work unemployment compensation program established under [this section](#) shall submit a written shared work plan in a form acceptable to the department for approval.

a. As a condition for approval by the department, a participating employer shall agree to furnish the department with reports relating to the operation of the shared work plan as requested by the department.

b. The employer shall monitor and evaluate the operation of the established shared work plan as requested by the department and shall report the findings to the department.

2. The department may approve a shared work plan if all of the following conditions are met:

a. The employer has filed all reports required to be filed under [this chapter](#) for all past and current periods and has paid all contributions due for all past and current periods.

b. The plan certifies that the aggregate reduction in work hours is in lieu of layoffs which would have affected at least ten percent of the employees in the affected unit or units to which the plan applies and which would have resulted in an equivalent reduction in work hours. The employer provides an estimate of the number of layoffs that would occur absent participation in the program. "Affected unit" means a specified plant, department, shift, or other definable unit.

c. The employees in the affected unit are identified by name and social security number and consist of at least five individuals.

d. The shared work plan reduces the normal weekly hours of work for an employee in the affected unit by not less than twenty percent and not more than fifty percent with a corresponding reduction in wages.

e. The reduction in hours and corresponding reduction in wages must be applied equally to all employees in the affected unit for each week reported.

f. The plan provides that fringe benefits will continue to be provided to employees in affected units as though their workweeks had not been reduced or to the same extent as other employees not participating in the program. "Fringe benefits" means employer-provided health benefits and retirement benefits under a defined benefit plan or a defined contribution plan pursuant to the Internal Revenue Code.

g. The plan will not serve as a subsidy of seasonal employment during the off season, nor as a subsidy of temporary part-time or intermittent employment.

h. The employer certifies that the employer will not hire additional part-time or full-time employees for the affected work force while the program is in operation.

i. The duration of the shared work plan will not exceed fifty-two weeks.

j. The plan is approved in writing by the collective bargaining representative for each employee organization or union which has members in the affected unit, and the plan provides for notification to employees in advance of participation.

k. Participation by the employer shall be consistent with applicable federal and state laws.

l. The reduction in work hours for employees was not based on a work week exceeding forty hours.

3. The employer shall submit a shared work plan to the department for approval at least thirty days prior to the proposed implementation date.

4. The department may revoke approval of a shared work plan and terminate the plan if the department determines that the shared work plan is not being executed according to the terms and intent of the shared work unemployment compensation program, or if it is determined by the department that the approval of the shared work plan was based, in whole or in part, upon information contained in the plan which was either false or substantially misleading.

5. Approval of a shared work plan shall be revoked if the employer lays off any employee, whether the employee is employed within an affected unit or not, while participating in the shared work unemployment compensation program.

6. An employer may file an appeal in writing from a denial or approval of a plan or

revocation of an approved plan by the department within thirty days from the date of the decision.

7. An individual who is otherwise entitled to receive regular unemployment compensation benefits under [this chapter](#) shall be eligible to receive shared work benefits with respect to any week in which the department finds all of the following:

a. The individual is employed as a member of an affected unit subject to a shared work plan that was approved before the week in question and is in effect for that week.

b. The individual is able to work, available for work, and works all available hours with the participating employer.

c. The individual's normal weekly hours of work have been reduced by at least twenty percent but not more than fifty percent, with a corresponding reduction in wages.

8. The department shall not deny shared work benefits for any week to an otherwise eligible individual by reason of the application of any provision of [this chapter](#) which relates to availability for work, active search for work, or refusal to apply for or accept work with an employer other than the participating employer under the plan.

9. The department shall pay an individual who is eligible for shared work benefits under [this section](#) a weekly shared work benefit amount equal to the individual's regular weekly benefit amount for a period of total unemployment, less any deductible amounts under [this chapter](#) except wages received from any employer, multiplied by the full percentage of reduction in the individual's hours as set forth in the employer's shared work plan. If the shared work benefit amount calculated under [this subsection](#) is not a multiple of one dollar, the department shall round the amount so calculated to the next lowest multiple of one dollar. An individual shall be eligible for shared work benefits for any week in which the individual performs paid work for the participating employer for a number of hours equal to not less than twenty percent and not more than fifty percent of the normal weekly hours of work for the employee.

10. An individual shall not be entitled to receive shared work benefits and regular unemployment compensation benefits in an aggregate amount which exceeds the maximum total amount of benefits payable to that individual in a benefit year as provided under [section 96.3, subsection 5, paragraph "a"](#).

11. a. All benefits paid under a shared work plan shall be charged in the manner provided in [this chapter](#) for the charging of regular benefits.

b. An employer may provide as part of the plan a training program the employees may attend during the hours that have been reduced. Such a training program may include a training program funded under the federal Workforce Innovation and Opportunity Act, Pub. L. No. 113-128. If the employer is able to show that the training program will provide a substantive increase in the workplace and employability skills of the employee so as to reduce the potential for future periods of unemployment, the department shall relieve the employer of charges for benefits paid to the individual attending training under the plan. The employee may attend the training at the work site utilizing internal resources, provided the training is outside of the normal course of employment, or in conjunction with an educational institution.

12. An individual who has received all of the shared work benefits and regular unemployment compensation benefits available in a benefit year shall be considered an exhaustee, as defined in [section 96.1A, subsection 18](#), for purposes of the extended benefit program administered pursuant to [section 96.29](#).

13. A part-time employee shall be eligible for shared work unemployment compensation program benefits, provided that the employee meets all other requirements in [this section](#).

[91 Acts, ch 197, §1; 94 Acts, ch 1066, §7; 96 Acts, ch 1186, §23; 97 Acts, ch 38, §5; 2008 Acts, ch 1032, §201; 2009 Acts, ch 22, §7; 2009 Acts, ch 179, §111, 112; 2010 Acts, ch 1110, §1; 2014 Acts, ch 1034, §1 – 4; 2020 Acts, ch 1062, §91; 2020 Acts, ch 1088, §2 – 5; 2021 Acts, ch 76, §25; 2022 Acts, ch 1136, §8, 9](#)

96.41 through 96.50 Reserved.

96.51 Field office operating fund.

A field office operating fund is created in the state treasury under the control of the department of workforce development. The fund is separate and distinct from the unemployment compensation fund. All moneys properly credited to and deposited in the fund are annually appropriated to the department of workforce development to be used for personnel and nonpersonnel costs of operating field offices.

[2005 Acts, ch 170, §20](#)