



HF 531 – Unemployment Insurance Tax and Benefits (LSB1241HV)
Analyst: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 531](#) relates to unemployment insurance under Iowa Code chapter [96](#).

The Bill reduces the benefits that are available to a claimant when the individual's employer goes out of business. This change is effective upon enactment and applies to any week of unemployment benefits beginning on or after the first Sunday after the effective date of this Bill.

The Bill provides that effective July 1, 2020, landscaping employers will contribute to the Unemployment Insurance Trust Fund at the same rate as construction employers.

The Bill removes the requirement that a notice of the filing of an unemployment claim be sent by ordinary mail. This change is effective upon enactment.

Assumptions

- Business closings related to unemployment extended benefits do not fluctuate during the year.
- It is not known how the Iowa Department of Workforce Development will implement the change allowed for the sending of notices of unemployment claims.
- The Bill will be effective May 1, 2019.

Fiscal Impact

The changes related to an employer going out of business will reduce payments from the Unemployment Insurance Trust Fund by approximately \$880,000 during FY 2019 and \$5.3 million annually thereafter.

Requiring landscaping employers to contribute to the Unemployment Insurance Trust Fund at the same rate as construction employers will increase contributions to the Trust Fund by approximately \$910,000 annually, beginning with FY 2021.

Information is not available to determine the amount that expenditures will be reduced from the federal Unemployment Base Grant by removing the requirement that a notice of the filing of an unemployment claim be sent by ordinary mail.

Sources

Iowa Department of Workforce Development

/s/ Holly M. Lyons

March 4, 2019