



[HF 2462](#) – Unemployment Insurance Program, Benefits (LSB5400HV)
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Fiscal Note Version – New

Description

[House File 2462](#) 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 enactment.

Background

For calendar year 2016 through calendar year 2018, the number of unemployment insurance benefits recipients related to an employer going out of business averaged approximately 2,500 annually. Approximately 1,200 recipients would have had their benefits impacted by this Bill, averaging an annual reduced benefit of approximately \$3,600 per impacted recipient.

Assumptions

- Business closings related to unemployment extended benefits do not fluctuate during the year.
- Approximately 1,200 unemployment insurance benefits recipients will be impacted annually by this Bill.
- The average annual impact per recipient will be a decrease in benefits of \$3,600.
- The Bill will be effective May 1, 2020.

Fiscal Impact

With the enactment of [HF 2462](#), the changes related to an employer going out of business will reduce payments from the Unemployment Insurance Trust Fund by approximately \$744,000 during FY 2020 and by \$4.3 million annually thereafter.

Source

Iowa Department of Workforce Development

/s/ Holly M. Lyons

February 25, 2020

Doc ID 1131155

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
