

Senate Com. report adopted 5/16

March 12, 1969

HOUSE FILE 528

Human and Industrial Relations, *Pass as amended 3-24*

House " " " " 5-1
Pass as amended 5-7

By ELLSWORTH, HANSEN of
Black Hawk and SCHWARTZ

Passed House, Date *4-28-69* Passed Senate, Date *5-16-69*

Vote: Ayes *107* Nays *1* Vote: Ayes *50* Nays *0*
House 101-0 5/19/69

Approved

A BILL FOR

1 An Act defining "workman" or "employee" in the workmen's
2 compensation law. .

3 *Be It Enacted by the General Assembly of the State of Iowa:*

4 Section 1. Section eighty-five point sixty-one (85.61),
5 Code 1966, is hereby amended by striking subsection two (2)
6 as amended by chapter one hundred fifteen (115), section one
7 (1), Acts of the Sixty-second General Assembly, and inserting
8 in lieu thereof the following:

9 "2. 'Workman' or 'employee' means persons who have entered
10 into the employment of, or work under contract of service,
11 express or implied, or apprenticeship, for an employer; every
12 executive officer elected or appointed and empowered under
13 and in accordance with the charter and bylaws of a corpora-
14 tion who has executive responsibilities beyond that of a
15 member of the board of directors, except corporations exist-
16 ing under chapters five hundred four (504) and five hundred
17 four A (504A) of the Code. Workmen include officials elected
18 or appointed by the state, counties, school districts, county
19 boards of education, municipal corporations, or cities under
20 any form of government, including members of the Iowa highway
21 safety patrol and conservation officers."

EXPLANATION OF HOUSE FILE 528

The last General Assembly amended the definition of "employee" in section 85.61, subsection 2, to include executive officers. It appears quite clear that this definition was not meant to include officers of nonprofit corporations and associations. Unfortunately, since the present definition can be interpreted to include nonprofit organizations, it has been necessary for many philanthropic organizations to obtain workmen's compensation

coverage for their officers and, in some cases, even members of their boards of directors. Some individuals were covered under as many as a dozen different insurance policies.

Additionally, every additional dollar spent for coverage is one dollar less than can be spent for philanthropic pursuits. Furthermore, the amount of risk exposure for nearly all philanthropic officers and directors is, at most, minimal.

This proposed redefinition of the words "workman" and "employee" corrects the present confusion and difficulty. It clearly shows that members of boards of directors and officers of nonprofit corporations are not covered by workmen's compensation.

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- 1 Amend House File 528, page 1, by striking all of
 - 2 line seventeen (17) after the period and all of lines
 - 3 eighteen (18), nineteen (19) and twenty (20) and
 - 4 inserting in lieu thereof the following:
 - 5 "Workmen include officials, elected or appointed,
 - 6 of the state, counties, school districts, county boards
 - 7 of education, municipal corporations, or cities under
 - 8 any form of government, and including members of the
 - 9 Iowa highway".

Filed - *withdrawn 4-28*

March 17, 1969

ELLSWORTH of Dubuque

SENATE AMENDMENT TO HOUSE FILE 528

- 1 Amend House File 528 by striking all after the
- 2 enacting clause and inserting in lieu thereof the following:
- 3 Section 1. Section eighty-five point sixty-one
- 4 (85.61), Code 1966, as amended by chapter one hundred fifteen
- 5 (115), Acts of the Sixty-second General Assembly, is further
- 6 amended by adding to subsection three (3) the following new
- 7 subparagraph:
- 8 "Partners; directors of any corporation who are not at
- 9 the same time employees of such corporation; or directors,
- 10 trustees, officers or other managing officials of any nonprofit
- 11 corporation or association who are not at the same time full-
- 12 time employees of such nonprofit corporation or association."

Received

May 16, 1969

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- 1 Amend House File 528, page 1, by striking all of
 - 2 line seventeen (17) after the period and all of lines
 - 3 eighteen (18), nineteen (19) and twenty (20) and
 - 4 inserting in lieu thereof the following:
 - 5 "Workmen include officials, elected or appointed,
 - 6 of the state, counties, school districts, county boards
 - 7 of education, municipal corporations, or cities under
 - 8 any form of government, including members of the
 - 9 Iowa highway".

Filed - *Adopted 4-28*

March 24, 1969

COMMITTEE ON HUMAN AND
INDUSTRIAL RELATIONS
FLOYD MILLEN, Chairman

1 Amend House File 528 by striking all after the enacting clause and
2 substituting in lieu thereof the following:
3 Section 1. Section eighty-five point sixty-one (85.61), Code *House*
4 1966, as amended by chapter one hundred fifteen (115), Acts of *Concurred*
5 the Sixty-second General Assembly, is further amended by adding *5/19*
6 to subsection three (3) the following new subparagraph:
7 "Partners; directors of any corporation who are not at the *adopted*
8 same time employees of such corporation; or directors, trustees, *5-16*
9 officers or other managing officials of any nonprofit corporation
10 or association who are not at the same time full-time employees
11 of such nonprofit corporation or association."

Filed
May 7, 1969

Senate
By COMMITTEE ON HUMAN
AND INDUSTRIAL RELATIONS