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By COMMITTEE ON LABOR AND INDUSTRIAL RELATIONS

Passed Senate, Date 4-30-75 (p.1161) Passed House, Date \_\_\_\_\_  
Vote: Ayes 35 Nays 14 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved 6-30

## A BILL FOR

1 An Act relating to employment security.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section ninety-six point three (96.3), subsec-  
2 tion three (3), Code 1975, is amended by striking the  
3 subsection and inserting in lieu thereof the following:

4 3. PARTIAL UNEMPLOYMENT. Each individual who is partially  
5 unemployed in any week as defined in section ninety-six point  
6 nineteen (96.19), subsection ten (10), paragraph b, of the  
7 Code, and who meets the conditions of eligibility for benefits  
8 shall be paid with respect to such week an amount equal to  
9 that individual's weekly benefit amount less fifty percent  
10 of that part of wages payable to him with respect to such  
11 week in excess of fifteen dollars. Such benefits shall be  
12 rounded to the higher multiple of one dollar.

13 Sec. 2. Section ninety-six point three (96.3), subsection  
14 four (4), Code 1975, is amended to read as follows:

15 4. DETERMINATION OF BENEFITS. An With respect to benefit  
16 years beginning on or after July 1, 1975, an eligible  
17 individual's weekly benefit amount for a week of total  
18 unemployment shall be an amount equal to one-twentieth of  
19 his total wages in insured work paid during that quarter of  
20 his base period in which such total wages were highest, subject  
21 to the following limitation: The commission shall determine  
22 annually a maximum weekly benefit amount by computing fifty-  
23 five sixty-six and two-thirds percent of the statewide average  
24 weekly wage paid to employees in insured work which shall  
25 be effective the first day of the first full week in July.  
26 Such maximum weekly benefit amount, if not a multiple of one  
27 dollar shall be rounded to the nearest higher multiple of  
28 one dollar.

29 ~~Such-computation-shall-be-made-by-determining-gross-wages~~  
30 ~~as-paid-for-insured-work~~ For the purposes of this subsection  
31 statewide average weekly wage means the amount computed by  
32 the commission at least once a year on the basis of the  
33 aggregate amount of wages reported by employers in each  
34 preceding twelve-month period ending on December 31 and  
35 dividing-said-gross-wages divided by a the figure resulting

1 that results from fifty-two times the average of mid-month  
2 employment reported by employers for the same period. In  
3 determining the aggregate amount of wages paid statewide,  
4 the commission shall disregard any limitation on the amount  
5 of wages subject to contributions under state law.

6 Sec. 3. Section ninety-six point three (96.3), subsection  
7 five (5), Code 1975, is amended to read as follows:

8 5. DURATION OF BENEFITS. The maximum total amount of  
9 benefits payable to any eligible individual during any benefit  
10 year shall not exceed the total of the wage credits accrued  
11 to his account during his base period, or twenty-six times  
12 his weekly benefit amount, whichever is the lesser. The  
13 commission shall maintain a separate account for each  
14 individual who earns wages in insured work. The commission  
15 shall compute wage credits for each individual by crediting  
16 his account with ~~one-third~~ one-half of the wages for insured  
17 work paid him during his base period. Benefits paid to an  
18 eligible individual shall be charged against the base period  
19 wage credits in his account which have not been previously  
20 charged hereunder, in the ~~same~~ inverse chronological order  
21 as the wages on which such wage credits are based were paid.  
22 However if the state and national "off indicators" are in  
23 effect the maximum benefits payable shall be extended to  
24 thirty-nine times his weekly benefit amount, but not to exceed  
25 the total of the wage credits accrued to his account.

26 Sec. 4. Section ninety-six point four (96.4), subsections  
27 one (1), three (3), four (4), and seven (7), Code 1975, are  
28 amended to read as follows:

29 1. He has registered for work at and thereafter has  
30 continued to report at an employment office in accordance  
31 with such regulations as the commission may prescribe. The  
32 provisions of this subsection shall be waived if the individual  
33 is deemed temporarily unemployed as defined in section twenty-  
34 five (25) of this Act.

35 3. He is able to work, is available for work, and is

1 earnestly and actively seeking work. The provision of this  
2 subsection shall be waived if he is deemed temporarily  
3 unemployed as defined in section twenty-five (25) of this Act.

4 4. Prior to any week, in any benefit year, for which he  
5 claims benefits he ~~has been totally~~ is unemployed for a waiting  
6 period of one week ~~(and for the purposes of this subsection,~~  
7 ~~two weeks of partial unemployment shall be deemed to be~~  
8 ~~equivalent to one week of total unemployment).~~ ~~Such weeks~~  
9 ~~of total or partial unemployment or both need not be~~  
10 consecutive. The one-week waiting period shall be waived  
11 and become compensable after unemployment during which benefits  
12 are payable for five consecutive weeks. No week shall be  
13 counted as a week of ~~total~~ unemployment for the purposes of  
14 this subsection:

- 15 a. If benefits have been paid with respect thereto;
- 16 b. Unless the individual was eligible for benefits with  
17 respect thereto in all respects except for the requirements  
18 of subsections 2 and 5 of this section;
- 19 c. Unless it occurs after benefits first could become  
20 payable to any individual under this chapter.

21 7. Notwithstanding any other provisions in this subsection,  
22 no otherwise eligible individual shall be denied benefits  
23 for any week because he is in training with the approval of  
24 the commission, nor shall such individual be denied benefits  
25 with respect to any week in which he is in training with the  
26 approval of the commission by reason of the application of  
27 the provision in subsection 3 of this section relating to  
28 availability for work, and an active search for work or the  
29 provision of section 96.5, subsection 3, relating to failure  
30 to apply for or a refusal to accept suitable work. However  
31 no employer's account shall be charged with benefits so paid.

32 Sec. 5. Section ninety-six point five (96.5), subsection  
33 one (1), paragraph a, Code 1975, is amended to read as follows:

34 a. He left his employment in good faith for the sole pur-  
35 pose of accepting better other employment, which he did accept,

1 and that he remained continuously in said new employment  
2 for not less than six weeks. Wages earned with the employer  
3 that he has left shall, for the purpose of computing and  
4 charging benefits, be deemed wages earned from the employer  
5 with whom the individual accepted ~~better~~ other employment  
6 and benefits shall be charged to the employer with whom he  
7 accepted ~~better~~ other employment. The commission shall advise  
8 the chargeable employer of the name and address of the ~~other~~  
9 former employer, the period covered, and the extent of benefits  
10 which may be charged to the account of the chargeable employer.  
11 In those cases where the new employment is in another state,  
12 no employer's account shall be charged with benefits so paid  
13 except that employers who are required by law or by their  
14 election to reimburse the fund for benefits paid shall be  
15 charged with benefits under this paragraph. In those cases  
16 where he left his employment in good faith for the sole purpose  
17 of accepting better employment, which he did accept and such  
18 employment is terminated by the employer, or he is laid off  
19 after one week but prior to the expiration of six weeks, the  
20 claimant, provided he is otherwise eligible under this chapter,  
21 shall be eligible for benefits and such benefits shall not  
22 be charged to any employer's account.

23 Sec. 6. Section ninety-six point five (96.5), subsection  
24 one (1), paragraph d, Code 1975, is amended to read as follows:

25 d. He or she left his employment because of illness, ~~or~~  
26 injury or pregnancy upon the advice of a licensed and  
27 practicing physician, and upon knowledge of the necessity  
28 for such absence immediately notified his employer, or his  
29 employer consented to such absence, and after recovering from  
30 such illness, ~~or~~ injury or pregnancy when recovery is certified  
31 by a licensed and practicing physician, he returned to his  
32 employer and offered his service and his regular work or  
33 comparable suitable work was not available, if so found by  
34 the commission, provided he is otherwise eligible.

35 Sec. 7. Section ninety-six point five (96.5), subsection

1 one (1), paragraphs g and h, Code 1975, are amended to read  
2 as follows:

3 g. In the case where he left his work voluntarily without  
4 good cause attributable to his employer under circumstances  
5 which did or would disqualify him for benefits, except as  
6 provided in paragraph a of subsection one (1) of section  
7 ninety-six point five (96.5) of the Code under this subsection  
8 he, subsequent to such leaving, worked in and was paid wages  
9 for insured work in an amount not less than nine times the  
10 claimant's weekly benefit amount, provided he is otherwise  
11 eligible ~~but in~~.

12 h. In the event extended benefits are in effect as provided  
13 for by this chapter, then benefits shall not be withheld after  
14 twelve consecutive weeks of unemployment from the date he  
15 quits, during which time he shall be actively and earnestly  
16 seeking employment.

17 h i. "Principal support" shall mean exclusive of the  
18 earnings of any child of the wage earner.

19 Sec. 8. Section ninety-six point five (96.5), subsection  
20 two (2), Code 1975, is amended by striking the subsection  
21 and inserting in lieu thereof the following:

22 2. DISCHARGE FOR MISCONDUCT. If the commission finds  
23 that he has been discharged for misconduct in connection with  
24 his employment:

- 25 a. He shall forfeit one to nine weeks benefits.
- 26 b. Provided further, if gross misconduct is established,  
27 he shall forfeit from ten weeks benefits to the maximum amount  
28 payable in his current benefit period.
- 29 c. Gross misconduct is deemed to have occurred after a  
30 claimant loses employment as a result of an act constituting  
31 an indictable offense in connection with his employment, pro-  
32 vided the claimant is duly convicted thereof or has signed  
33 a statement admitting that he has committed such an act.  
34 Determinations regarding a benefit claim may be redetermined  
35 within five years from the effective date of the claim. Any

1 benefits paid to a claimant prior to a determination that  
2 the claimant has lost employment as a result of such act shall  
3 not be considered to have been accepted by the claimant in  
4 good faith.

5 Sec. 9. Section ninety-six point five (96.5), subsection  
6 five (5), unnumbered paragraph one (1), Code 1975, is amended  
7 to read as follows:

8 For any week with respect to which he is receiving, or  
9 has received, ~~or is entitled to receive~~ payment in the form  
10 of:

11 Sec. 10. Section ninety-six point five (96.5), subsection  
12 five (5), paragraph c, Code 1975, is amended to read as  
13 follows:

14 c. Old-age benefits under title II of the Social Security  
15 Act (42 USC, chapter 7), as amended, or similar retirement  
16 payments under any Act of Congress; ~~provided that the~~  
17 ~~commission shall withhold payments under this chapter if it~~  
18 ~~has reason to believe a claimant is entitled to benefits under~~  
19 ~~title II of the Social Security Act of the United States or~~  
20 ~~any similar payments under any other Act of Congress, until~~  
21 ~~such time as the claimant files with the commission~~  
22 ~~satisfactory evidence that he is not entitled to such benefits~~  
23 however only fifty percent of the old-age benefits under title  
24 II of the Social Security Act shall be deducted from his  
25 weekly benefits;

26 Sec. 11. Section ninety-six point five (96.5), Code 1975,  
27 is amended by adding the following new subsection:

28 NEW SUBSECTION. ADMINISTRATIVE PENALTY. If the commission  
29 finds that, with respect to any week of an insured worker's  
30 unemployment for which such person claims waiting week credit  
31 or benefits, such person has, within the thirty-six calendar  
32 months immediately preceding such week, with intent to defraud  
33 by obtaining any benefits not due under this chapter, willfully  
34 and knowingly made a false statement or misrepresentation,  
35 or willfully and knowingly failed to disclose a material fact;

1 such person shall be disqualified for the week in which the  
2 commission makes such determination, and forfeit all bene-  
3 fit rights under the unemployment compensation law for a  
4 period of not more than the remaining benefit period as  
5 determined by the commission according to the circumstances  
6 of each case. Any penalties imposed by this subsection shall  
7 be in addition to those otherwise prescribed in this chapter.

8 Sec. 12. Section ninety-six point six (96.6), subsection  
9 two (2), Code 1975, is amended to read as follows:

10 2. INITIAL DETERMINATION. A representative designated  
11 by the commission shall promptly notify all interested parties  
12 to the claim of the filing thereof, and said parties shall  
13 have seven days from the date of mailing the notice of the  
14 filing of said claim by ordinary mail to the last known address  
15 to protest payment of benefits to said claimant. The  
16 representative shall promptly examine the claim and any protest  
17 thereto and, on the basis of the facts found by him, shall  
18 either determine whether or not such claim is valid, the week  
19 with respect to which benefits shall commence, the weekly  
20 benefit amount payable and the maximum duration thereof, and  
21 whether any disqualification shall be imposed, or shall refer  
22 such claim or any question involved therein to an appeal  
23 tribunal or to the commission, which shall make its  
24 determination with respect thereto in accordance with the  
25 procedure described in subsection 3 of this section, ~~except~~  
26 ~~that in any case in which the payment or denial of benefits~~  
27 ~~will be determined by the provisions of section 96.57~~  
28 ~~subsection 4, the representative shall promptly transmit his~~  
29 ~~full findings of fact with respect to that subsection to the~~  
30 ~~commission, which, on the basis of the evidence submitted~~  
31 ~~and such additional evidence as it may require, shall affirm,~~  
32 ~~modify, or set aside such findings of fact and transmit to~~  
33 ~~the representative a decision upon the issues involved under~~  
34 ~~that subsection. The representative shall promptly notify~~  
35 ~~the claimant and any other interested party of the decision~~

1 ~~and-the-reasons-therefor-~~ Unless the claimant or other  
2 interested party, after notification or within ten calendar  
3 days after such notification was mailed to his last known  
4 address, files an appeal from such decision, such decision  
5 shall be final and benefits shall be paid or denied in accor-  
6 dance therewith. If an appeal tribunal affirms a decision  
7 of the representative, or the commission affirms a decision  
8 of an appeal tribunal, allowing benefits, such benefits shall  
9 be paid regardless of any appeal which may thereafter be  
10 taken, but if such decision is finally reversed, no employer's  
11 account shall be charged with benefits so paid.

12 Sec. 13. Section ninety-six point seven (96.7), subsection  
13 three (3), paragraph a, subparagraph two (2), Code 1975, is  
14 amended by adding the following new sentence:

15 NEW SENTENCE. No employer's account shall be charged with  
16 benefit payments made to any individual who quit such  
17 employment, but shall be charged to the account of the next  
18 succeeding employer with whom the individual requalified for  
19 benefits as determined under paragraph g of subsection one  
20 (1) of section ninety-six point five (96.5) of the Code.

21 Sec. 14. Section ninety-six point seven (96.7), subsection  
22 three (3), paragraph e, Code 1975, is amended to read as fol-  
23 lows:

24 e. No employer's rate for the period of ~~twelve~~ three  
25 months commencing ~~January~~ July 1 of any ~~calendar~~ year after  
26 ~~December-31-1937~~ June 30, 1975, shall be less than two and  
27 seven-tenths percent, unless the total assets of the fund,  
28 excluding contributions not yet paid at the beginning of such  
29 ~~calendar-year~~ three-month period, exceed the total benefits  
30 paid from the fund within the last preceding ~~calendar-year~~  
31 twelve-month period provided, that such assets exceed for  
32 the next three-month period, the total benefits paid from  
33 the fund within the last preceding twelve-month period; and  
34 no employer's rate shall be less than one and eight-tenths  
35 percent unless such assets at such time were at least twice

1 the total benefits paid from the fund within such last  
2 ~~preceding-year~~ twelve-month period, provided that such assets  
3 exceed, for the next three-month period, the total benefits  
4 paid from the fund within such last preceding twelve-month  
5 period.

6 Sec. 15. Section ninety-six point seven (96.7), subsection  
7 four (4), paragraphs a and b, Code 1975, are amended to read  
8 as follows:

9 a. As soon as practicable and in any event within two  
10 years after an employer has filed reports, as required by  
11 the commission pursuant to section 96.11, subsection 7, the  
12 commission shall examine such reports and determine the correct  
13 amount of contributions due, and the amount so determined  
14 by the commission shall be the contributions payable. If  
15 the contributions found due shall be greater than the amount  
16 theretofore paid, ~~the excess, together with interest as pro-~~  
17 ~~vided in this chapter, shall be paid by the employer within~~  
18 ~~thirty days after the commission shall have given notice~~  
19 ~~thereof to the employer by certified mail~~ the notice with  
20 respect to the additional contributions, together with any  
21 interest and penalty, shall be sent by certified mail. A  
22 lien shall attach as provided in section twenty-one (21)  
23 of this Act if the assessment is not paid or appealed within  
24 thirty days of the date of the notice of assessment.

25 b. If the commission discovers from the examination of  
26 the reports or otherwise that wages payable for employment,  
27 or any part thereof, have not been listed in the reports,  
28 or that no reports were filed when due, or that reports have  
29 been filed showing contributions due but no contributions  
30 in fact have been paid, it may at any time within five years  
31 after the time such reports were due, determine the correct  
32 amount of contributions payable, together with interest as  
33 provided in this chapter. ~~The amount so determined shall~~  
34 ~~be paid within thirty days after the commission shall have~~  
35 ~~given notice thereof to the employer by certified mail~~ The

1 amount so determined shall be assessed and a lien shall attach  
2 as provided in paragraph a of this subsection.

3 Sec. 16. Section ninety-six point seven (96.7), subsection  
4 ten (10), Code 1975, is amended to read as follows:

5 10. PROVISION OF BOND OR OTHER SECURITY. ~~In-the-discretion~~  
6 ~~of-the-commission, any~~ Any nonprofit organization that elects  
7 to become liable for payments in lieu of contributions shall  
8 be required within thirty days after the effective date of  
9 its election to execute and file with the commission a surety  
10 bond approved by the commission or it may elect instead to  
11 deposit with the commission money or securities. The amount  
12 of such bond or deposit shall be determined in accordance  
13 with the provisions of this subsection.

14 Sec. 17. Section ninety-six point eleven (96.11),  
15 subsection four (4), Code 1975, is amended to read as follows:

16 4. PERSONNEL. Subject to other provisions of this chapter,  
17 the commission is authorized to appoint, fix the compensation,  
18 and prescribe the duties and powers of such officers, account-  
19 ants, attorneys, experts, and other persons as may be neces-  
20 sary in the performance of its duties. The commission shall  
21 classify its positions and shall establish salary schedules  
22 and minimum personnel standards for the positions so  
23 classified. All positions shall be filled by persons selected  
24 and appointed on the basis of competency and fitness for the  
25 position to be filled. The commission shall not appoint or  
26 employ any person ~~who-is-an-officer-or-committee-member-of~~  
27 ~~any-political-party-organization-or~~ who holds or is a candidate  
28 for any elective public office. The commission shall establish  
29 and enforce fair and reasonable regulations for appointments,  
30 promotions and demotions based upon ratings of efficiency  
31 and fitness and for terminations for cause. The commission  
32 may delegate to any such person so appointed such power and  
33 authority as it deems reasonable and proper for the effective  
34 administration of this chapter, and may in its discretion  
35 bond any person handling moneys or signing checks hereunder.

1     Sec. 18. Section ninety-six point eleven (96.11), Code  
2 1975, is amended by adding the following new subsection:  
3     NEW SUBSECTION. PURGING UNCOLLECTIBLE OVERPAYMENTS.  
4 Notwithstanding any other provision of this chapter, the  
5 commission shall review all outstanding overpayments of benefit  
6 payments annually. The commission may determine as  
7 uncollectible and purge from its records any remaining unpaid  
8 balances of outstanding overpayments which are ten years or  
9 older from the date of the overpayment decision.

10    Sec. 19. Section ninety-six point fourteen (96.14),  
11 subsection two (2), Code 1975, is amended by striking the  
12 section and inserting in lieu thereof the following:

13    2. PENALTIES. Any employer who shall fail to file a  
14 report of wages paid to each of his employees for any period  
15 in the manner and within the time required by this chapter  
16 and the rules of the commission or any employer who the  
17 commission finds has filed an insufficient report and fails  
18 to file a sufficient report within thirty days after a written  
19 request from the commission to do so shall pay a penalty to  
20 the commission.

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

25    Penalty for failing to file a sufficient report shall be  
26 in addition to any penalty incurred for a delinquent report  
27 where the delinquent report is also insufficient.

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

31 Days Delinquent	
32 or Insufficient	Penalty Rate
33     1 - 60	0.1%
34     61 - 120	0.2%
35     121 - 180	0.3%

1 181 - 240 0.4%  
2 241 or over 0.5%

3 No penalty shall be less than ten dollars for each  
4 delinquent report or each insufficient report not made  
5 sufficient within thirty days as a request to do so. Interest,  
6 penalties, and costs shall be collected by the commission  
7 in the same manner as provided by this chapter for  
8 contributions.

9 If the commission finds that any employer has willfully  
10 failed to pay any contribution or part thereof when required  
11 by this chapter and the rules of the commission, with intent  
12 to defraud the commission, then such employer shall in addition  
13 to such contribution or part thereof, pay a contribution equal  
14 to fifty percent of the amount of such contribution or part  
15 thereof, as the case may be.

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

21 Sec. 20. Section ninety-six point fourteen (96.14),  
22 subsection three (3), unnumbered paragraph two (2), Code 1975,  
23 is amended to read as follows:

24 ~~The lien aforesaid shall attach at the time the~~  
25 ~~contributions become due and payable and shall continue until~~  
26 ~~the liability for such amount is satisfied~~ An assessment of  
27 the unpaid contributions, interest and penalty shall be applied  
28 as provided in section fifteen (15) of this Act and the lien  
29 shall attach as of the date the assessment is mailed or  
30 personally served upon the employer. However, the commission  
31 may release any lien, when after diligent investigation and  
32 effort it determines that the amount due is not collectible.

33 Sec. 21. Section ninety-six point fourteen (96.14), Code  
34 1975, is amended by adding the following new paragraph:

35 NEW PARAGRAPH. Any employer or employing unit refusing

1 or failing to make and file required reports or to pay any  
2 contributions, interest or penalty under the provisions of  
3 this chapter, after ten-day written notice sent by the  
4 commission to the employer's or employing unit's last known  
5 address by certified mail, may be enjoined from operating  
6 any business in the state while in violation of this chap-  
7 ter upon the complaint of the Iowa employment security  
8 commission in the district court of a county in which the  
9 employer or employing unit has or had a place of business  
10 within the state, and any temporary injunction enjoining the  
11 continuance of such business may be granted without notice  
12 and without a bond being required from the Iowa employment  
13 security commission. Such injunction may enjoin any employer  
14 or employing unit from operating his or its business unit  
15 until the delinquent contributions, interest or penalties  
16 shall have been made and filed or paid; or the employer shall  
17 have furnished a good and sufficient bond conditioned upon  
18 the payment of such delinquencies in such an amount and  
19 containing such terms as may be determined by the court; or  
20 the employer has entered into a plan for the liquidation of  
21 such delinquencies as the court may approve, provided that  
22 such injunction may be reinstated upon the employer's failure  
23 to comply with the terms of said plan.

24 Sec. 22. Section ninety-six point fourteen (96.14),  
25 subsection six (6), Code 1975, is amended to read as follows:

26 6. NONRESIDENT EMPLOYING UNITS. Any employing unit which  
27 is a nonresident of the state of Iowa and for which services  
28 are performed in insured work within the state of Iowa and  
29 any resident employer for which such services are performed  
30 and who thereafter removes himself from the state of Iowa  
31 by having such services performed within the state of Iowa  
32 shall be deemed:

33 Sec. 23. Section ninety-six point seventeen (96.17), Code  
34 1975, is amended by adding the following new subsection:

35 NEW SUBSECTION. INDEMNIFICATION. Any member of the

1 commission or any employee of the commission shall be  
2 indemnified for any damages and legal expenses incurred as  
3 a result of the good faith performance of their official  
4 duties, for any claim for civil damages not specifically  
5 covered by the Iowa Tort Claims Act. Any payment described  
6 herein shall be paid from the special employment security  
7 contingency fund in section ninety-six point thirteen (96.13),  
8 subsection three (3) of the Code.

9 Sec. 24. Section ninety-six point nineteen (96.19),  
10 subsection ten (10), Code 1975, is amended by striking  
11 paragraph b.

12 Sec. 25. Section ninety-six point nineteen (96.19),  
13 subsection ten (10), paragraph c, Code 1975, is amended to  
14 read as follows:

15 e b. An individual shall be deemed partially unemployed  
16 in any week in which he, having been separated from his regular  
17 job full-time employment, earns at odd jobs less than his  
18 weekly benefit amount plus ~~six~~ fifteen dollars.

19 Sec. 26. Section ninety-six point nineteen (96.19),  
20 subsection ten (10), Code 1975, is amended by adding the  
21 following new paragraph:

22 NEW PARAGRAPH. c. An individual shall be deemed  
23 temporarily unemployed if for a period, verified by the  
24 commission, not to exceed four consecutive weeks, he is  
25 unemployed due to a plant shutdown, vacation, inventory, lack  
26 of work or emergency from his regular job or trade in which  
27 he worked full-time and in which he will again work full-time,  
28 if his employment, although temporarily suspended, has not  
29 been terminated.

30 Sec. 27. Section ninety-six point nineteen (96.19),  
31 subsection thirteen (13), Code 1975, is amended by adding  
32 the following new paragraph:

33 NEW PARAGRAPH. The term wages shall not include:

34 a. The amount of any payment, including any amount paid  
35 by an employer for insurance or annuities or into a fund to

1 provide for such payment, made to or on behalf of an employee  
2 or any of his dependents under a plan or system established  
3 by an employer which makes provisions for his employees  
4 generally, or for his employees generally and their dependents,  
5 or for a class, or classes of his employees, or for a class  
6 or classes of his employees and their dependents, on account  
7 of retirement, sickness, accident disability, medical or  
8 hospitalization expense in connection with sickness or accident  
9 disability, or death.

10 b. Any payment paid to an employee, including any amount  
11 paid by any employer for insurance or annuities or into a  
12 fund to provide for any such payment, on account of retirement.

13 c. Any payment on account of sickness or accident  
14 disability, or medical or hospitalization expense in connection  
15 with sickness or accident disability made by an employer to,  
16 or on behalf of, an employee after the expiration of six-  
17 calendar months following the last calendar month in which  
18 the employee worked for such employer.

19 EXPLANATION

20 This bill increases the benefits to unemployed individuals  
21 and extends the duration of the benefits. It also redefines  
22 voluntary leaving and allows for the subsequent employer to  
23 be responsible for payment of benefits to individuals laid-  
24 off from other employment after voluntarily leaving their  
25 previous employer. An administrative penalty for fraud is  
26 added. A safety clause for the contribution rate schedules  
27 and protection of the trust fund are provided. The law is  
28 clarified regarding nonresident employing units. The Iowa  
29 Employment Security Law is brought into conformity with the  
30 Federal Unemployment Tax Act and other federal guidelines.

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S-3637

- 1 Amend Senate File 485 as follows:
- 2 1. Page 15, after line 18, add the following:
- 3 "Sec. \_\_\_\_\_. The provisions of this Act are retro-
- 4 active to January 1, 1975."

S-3637 FILED - *Last 4/30 (1160)* BY WILLIAM E. GLUBA  
APRIL 29, 1975

S-3638

- 1 Amend the Rabedeaux-Robinson amendment to Senate
- 2 File 485, page 3, by striking lines 15 through 18
- 3 and inserting in lieu thereof the following:
- 4 "paragraph six c (6c), Code 1975, is amended
- 5 to read as follows:
- 6 (c) In the employ of a nonpublic school which
- 7 is not an institution of higher education."

S-3638 FILED AND ADOPTED BY LUCAS J. DE KOSTER  
APRIL 30, 1975 (*p. 1156*)

S-3641

- 1 Amend the Rabedeaux and Robinson amendment S-3636
- 2 to page 10 of Senate File 485, on page 4, line 27, by
- 3 inserting after the word "in" the word "the".

S-3641 FILED AND ADOPTED BY W.R. RABEDEAUX  
APRIL 30, 1975 (*p. 1156*) CLOYD E. ROBINSON

S-3642

- 1 Amend Senate File 485, page 10, line 28, by inserting
- 2 after the word "elective" the word "partisan".

S-3642 FILED AND ADOPTED BY JAMES M. REDMOND  
APRIL 30, 1975 (*1159*)

S-3643

- 1 Amend the Rabedeaux and Robinson amendment
- 2 S-3636 to Senate File 485, page 2, by striking lines
- 3 3, 4 and 5 and inserting in lieu thereof the following:
- 4 "subsection three (3), Code 1975, is amended by striking
- 5 the last unnumbered paragraph of that subsection."

S-3643 FILED AND ADOPTED BY JAMES M. REDMOND  
APRIL 30, 1975 (*p. 1156*)

S-3647

- 1 Amend the Gluba amendment S-3637, to page
- 2 15 of Senate File 485, line 4, by striking the
- 3 figures "1975" and inserting in lieu thereof the
- 4 figures "1974".

S-3647 FILED AND LOST (*1160*) BY GENE W. GLENN  
APRIL 30, 1975 WILLIAM E. GLUBA

S-3645

1 Amend Senate File 485, as follows:  
2 1. Page 1, line 24, by inserting after the word  
3 "work" the words "when the state "on indicator" is in  
4 effect, and at the rate of fifty-five percent when  
5 the state "off indicators" are in effect".  
6 2. Page 2, line 17, by inserting after the word  
7 "period" the words "when the state "on indicator" is  
8 in effect, and one-third when the state "off indicator"  
9 is in effect".

S-3645 FILED AND LOST(1157) BY RICHARD R. RAMSEY  
APRIL 30, 1975

S-3649

1 Amend Senate File 485 as follows:  
2 Page 15, after line 18 by inserting the following:  
3 "Sec. \_\_\_\_ . The Code editor is directed to deter-  
4 mine if terms in chapter ninety-six (96) of the Code  
5 and this Act and the amendments to the Act specify  
6 only one gender and where the provisions of the  
7 Act are applicable to both genders. The Code  
8 editor shall make editorial changes in the text  
9 of the Act and the amendments to the Act to reflect  
10 their applicability to both genders or one gender,  
11 as the case may be. The editing shall be done  
12 without changing the substantive meaning of the  
13 provisions of the Act."

S-3649 FILED AND ADOPTED BY MINNETTE F. DODERER  
APRIL 30, 1975 (1161) CHARLES P. MILLER

S-3650

1 Amend Senate File 485 as follows:  
2 1. Page 15, by inserting after line 18, the  
3 following new section:  
4 "Sec. \_\_\_\_ . NEW SECTION. VOLUNTEER SERVICE. The  
5 unemployment security commission shall develop a pro-  
6 gram of public works to provide service opportunities  
7 for persons who are applying for unemployment compensa-  
8 tion benefits under this Act. The unemployment  
9 security commission shall obtain manpower needs from  
10 state departments, state agencies, and political sub-  
11 divisions for the repair, maintenance or construction  
12 of public facilities or other services which will  
13 enure to the public benefit. Any person who applies  
14 for unemployment compensation benefits under this  
15 Act shall be provided the opportunity to volunteer  
16 his or her services in a public works program de-  
17 veloped pursuant to this section. The unemployment  
18 security commission shall promulgate rules pursuant  
19 to chapter seventeen A (17A) of the Code to implement  
20 the purposes of the section."

S-3650 FILED -  
APRIL 30, 1975  
RULED NOT GERMANE (1161)

BY RICHARD R. RAMSEY  
HILARIUS L. HEYING

S-3636

1 Amend Senate File 485 as follows:

2 1. Page 10, after line 2, by adding the following  
3 section:

4 "Sec. \_\_\_\_\_. Section ninety-six point seven (96.7),  
5 subsection eight (8), Code 1975, is amended to read  
6 as follows:

7 8. FINANCING BENEFITS PAID TO STATE EMPLOYEES  
8 AND TO EMPLOYEES OF THE STATE'S POLITICAL SUBDI-  
9 VISIONS.

10 a. Any state agency, board, commission, depart-  
11 ment, or instrumentality thereof, other than state-  
12 owned hospitals and institutions of higher education,  
13 which, pursuant to section 96.19, subsection 6,  
14 paragraph "h", is, or becomes, subject to this chapter  
15 on or after January 1, 1972, shall pay to the  
16 commission for the unemployment fund an amount equal  
17 to the amount of regular benefits and of one-half  
18 of the extended benefits paid, that is attributable  
19 to service in the employ of such state agency, board,  
20 commission, department, or instrumentality thereof.  
21 Such payments shall be made in accordance with the  
22 provisions of subsection 9, paragraph "b" hereof.

23 b. State agencies, boards, commissions, and  
24 departments, except board of regents institutions  
25 and the state fair board, shall, after approving the  
26 billing, provided for in subsection 9, paragraph "b",  
27 submit the billing to the state comptroller to be  
28 paid out of any moneys in the state treasury not  
29 otherwise appropriated. The state comptroller shall  
30 be reimbursed for payments made on behalf of agencies,  
31 boards, commissions, or departments which have  
32 revolving, special, trust or federal funds from which  
33 the payments can be made.

34 c. The amount of payment required from each  
35 political subdivision of the state shall be ascer-  
36 tained by the employment security commission and shall  
37 be paid from the general funds of such local  
38 governmental employers at such time and in such manner  
39 as may be prescribed by the commission and approved  
40 by the comptrollers and auditors of the respective  
41 local governmental employers, except that to the  
42 extent that benefits are paid on the basis of wages  
43 paid by local governmental employers from special  
44 administrative funds, the payment into the unemployment  
45 compensation fund shall be made from such special  
46 funds."

47 2. Page 10, after line 13, by adding the following  
48 sections:

49 "Sec. \_\_\_\_\_. Section ninety-six point eight (96.8),  
50 subsection three (3), paragraph c, Code 1975, is

1 amended by striking the paragraph.  
2 Sec. \_\_\_\_\_. Section ninety-six point eight (96.8),  
3 subsection three (3), paragraph c, unnumbered paragraph  
4 three (3), Code 1975, is amended by striking the  
5 paragraph."  
6 3. Page 14, after line 8, by adding the following  
7 sections:  
8 "Sec. \_\_\_\_\_. Section ninety-six point nineteen  
9 (96.19), subsection five (5), Code 1975, is amended  
10 to read as follows:  
11 5. "EMPLOYING UNIT" means any individual or type  
12 of organization, including this state and its politi-  
13 cal subdivisions, state agencies, boards, commissions,  
14 and instrumentalities thereof, any partnership, asso-  
15 ciation, trust, estate, joint stock company, insurance  
16 company or corporation, whether domestic or foreign,  
17 or the receiver, trustee in bankruptcy, trustee or  
18 successor thereof, or the legal representative of  
19 a deceased person, which has or subsequent to January  
20 1, 1936, had in its employ one or more individuals  
21 performing services for it within this state. All  
22 individuals performing services within this state  
23 for any employing unit which maintains two or more  
24 separate establishments within this state shall be  
25 deemed to be employed by a single employing unit for  
26 all the purposes of this chapter. Whenever any employ-  
27 ing unit contracts with or has under it any contractor  
28 or subcontractor for any work which is part of its  
29 usual trade, occupation, profession, or business,  
30 unless the employing unit as well as each such  
31 contractor or subcontractor is an employer by reason  
32 of subsection 6 or section 96.8, subsection 3, the  
33 employing unit shall for all the purposes of this  
34 chapter be deemed to employ each individual in the  
35 employ of each such contractor or subcontractor for  
36 each day during which such individual is engaged in  
37 performing such work; except that each such contractor  
38 or subcontractor who is an employer by reason of  
39 subsection 6 or section 96.8, subsection 3, shall  
40 alone be liable for the contributions measured by  
41 wages payable to individuals in his employ, and except  
42 that any employing unit who shall become liable for  
43 and pay contributions with respect to individuals  
44 in the employ of any such contractor or subcontractor  
45 who is not an employer by reason of subsection 6 or  
46 section 96.8, subsection 3, may recover the same from  
47 such contractor or subcontractor, except as any  
48 contractor or subcontractor who would in the absence  
49 of the foregoing provisions be liable to pay said  
50 contributions, accepts exclusive liability for said

1 contributions under an agreement with such employer  
2 made pursuant to general rules of the commission.  
3 Each individual employed to perform or to assist in  
4 performing the work of any agent or employee of an  
5 employing unit shall be deemed to be employed by such  
6 employing unit for all the purposes of this chapter,  
7 whether such individual was hired or paid directly  
8 by such employing unit or by such agent or employee,  
9 provided the employing unit had actual or constructive  
10 knowledge of such work, and provided, further, that  
11 such employment was for a total of not less than eight  
12 hours in any one calendar week.

13 Sec.     . Section ninety-six point nineteen  
14 (96.19), subsection seven (7), paragraph a, sub-  
15 paragraph six c (6c), Code 1975, is amended by striking  
16 the subparagraph as follows:

17 ~~(e) -- In the employ of a school which is not an~~  
18 ~~institution of higher education."~~

19 4. Page 14, by inserting before line 9 the follow-  
20 ing sections:

21 "Sec.     . Section ninety-six point nineteen  
22 (96.19), subsection seven (7), paragraph a, Code 1975,  
23 is amended by adding the following new subparagraphs:

24 (7) (a) Service performed in the employ of any  
25 political subdivision of the state or any  
26 instrumentality thereof, effective on the day  
27 immediately following termination of eligibility to  
28 file a claim for assistance under The Special  
29 Unemployment Assistance Act of 1974 (Public Law 93-  
30 567) and extensions thereof, if any; provided that,  
31 the effective date of coverage provided herein shall  
32 not be deemed to apply to service performed for a  
33 hospital or institution of higher education operated  
34 by a political subdivision which has elected coverage  
35 with such services pursuant to paragraph c of  
36 subsection three (3) of section ninety-six point eight  
37 (96.8) of the Code; provided further, that, there  
38 shall not be restrictions until the effective date  
39 of the coverage year herein provided upon the right  
40 of any political subdivision to elect coverage solely  
41 for its institutions of higher education and hospitals  
42 as provided in paragraph c of subsection three (3)  
43 of section ninety-six point eight (96.8) of the Code.

44 (b) For the purpose of subparagraph seven a (7a)  
45 of this paragraph the term "employment" does not apply  
46 to service performed by individuals granted temporary  
47 appointment of less than eighty working days, duration,  
48 casual or day workers, and workers who perform service  
49 for less than twenty hours per week.

50 (c) Upon the effective date of the coverage of

1 service as "employment" provided by this subparagraph  
2 seven (7), individuals who performed the covered  
3 services shall be credited with wage credits  
4 retroactively limited to the base period as defined  
5 in subsection seventeen (17) of section ninety-six  
6 point nineteen (96.19) of the Code, applicable to  
7 such effective date, in accordance with their wages  
8 as defined in subsection thirteen (13) of section  
9 ninety-six point nineteen (96.19) of the Code. Such  
10 wage credits shall be available for use solely with  
11 respect to claims for benefits under this chapter  
12 filed on and after the effective date of coverage  
13 herein provided.

14 (d) Benefits based on services in employment as  
15 provided in this subparagraph seven (7) shall be  
16 payable in the same amount, on the same terms, and  
17 subject to the same conditions as compensation payable  
18 on the basis of other service in this chapter, except  
19 that benefits based on service in an instructional,  
20 research or principal administrative capacity in a  
21 school operated by a political subdivision or an  
22 instrumentality thereof shall not be paid to an  
23 individual for any week of unemployment which begins  
24 during the period between two successive years or  
25 during similar periods between two regular terms  
26 whether or not successive, or during the period of  
27 paid sabbatical leave provided for in individual's  
28 contract, if the individual has a contract or contracts  
29 to perform services in this capacity for any school  
30 or schools for both such academic years or for both  
31 such terms. For the purpose of this provision "school"  
32 means an educational institution operated by a  
33 political subdivision or an instrumentality there-  
34 of which is not an institution of higher education  
35 as defined in subsection twenty-four (24) of section  
36 ninety-six point nineteen (96.19) of the Code.

37 Sec. \_\_. Section ninety-six point nineteen (96.19),  
38 subsection seven (7), paragraph g, subparagraph one  
39 (1), Code 1975, is amended to read as follows:

40 (1) Service performed in the employ of this state  
41 by an elected official ~~or service performed in the~~  
42 ~~employ of any political subdivision of this state~~  
43 ~~or any instrumentality of its political subdivisions.~~  
44 ~~Provided that this exemption shall not be deemed to~~  
45 ~~apply to services performed for a hospital or insti-~~  
46 ~~tution of higher education operated by a political~~  
47 ~~subdivision of this state which has elected cover-~~  
48 ~~age for such services pursuant to section 96-87, sub-~~  
49 ~~section 37, paragraph "c", and service performed in~~  
50 ~~the employ of any political subdivision of this state.~~

1 ~~or any instrumentality of any political subdivision,~~  
2 ~~which for the effective period of its election pursuant~~  
3 ~~to section 96.87 subsection 37 paragraph "a", has~~  
4 ~~voluntarily elected that all services performed for~~  
5 ~~it by individuals in its employ shall be deemed to~~  
6 ~~constitute employment for all purposes of this chapter.~~  
7 ~~Nothing in this or any other provision of this chap-~~  
8 ~~ter shall be construed to restrict the right of any~~  
9 ~~political subdivision to elect coverage solely for~~  
10 ~~institutions of higher education and hospitals as~~  
11 ~~provided in section 96.87 subsection 37 paragraph~~  
12 ~~"e".~~

13 5. By renumbering the sections, and cross  
14 references to conform with this amendment.

S-3636 FILED - *Adopted* BY W.R. RABEDEAUX  
APRIL 29, 1975 *amended by* CLOYD E. ROBINSON  
*3638, 3641, 3643 4/30 (1156)*

S-3615

1 Amend Senate File 485 as follows:  
 2 1. By inserting the following before line 1, page 1:  
 3 "Section 1. Section ninety-six point two (96.2),  
 4 Code 1975, is amended to read as follows:  
 5 96.2 GUIDE FOR INTERPRETATION. As a guide to  
 6 the interpretation and application of this chapter,  
 7 the public policy of this state is declared to be as  
 8 follows: Economic insecurity due to unemployment is a  
 9 serious menance to the health, morals, and welfare  
 10 of the people of this state. Involuntary unemployment  
 11 is therefore a subject of general interest and concern  
 12 which requires appropriate action by the legislature  
 13 to prevent its spread and to lighten its burden which  
 14 now so often falls with crushing force upon the unem-  
 15 ployed worker and his family. The achievement of  
 16 social security requires protection against this  
 17 greatest hazard of our economic life. This can be  
 18 provided by encouraging employers to provide more  
 19 stable employment and by systematic accumulation of  
 20 funds during periods of employment to provide benefits  
 21 for periods of unemployment, thus maintaining purchasing  
 22 power and limiting the serious social consequences of  
 23 the poor relief assistance. The legislature, therefore,  
 24 declares that in its considered judgment the public good,  
 25 and the general welfare of the citizens of this state require  
 26 the enactment of this measure, under the police powers of  
 27 the state, for the compulsory setting aside of unemployment  
 28 reserves to be used for the benefit of persons unemployed  
 29 through no fault of their own. Further, to actively seek  
 30 means of employment in working corps that would materially  
 31 benefit the state as a whole.

32 Sec. 2. Section ninety-six point three (96.3), sub-  
 33 section two (2), Code 1975, is amended to read as follows:

34 2. TOTAL UNEMPLOYMENT. Each eligible individual  
 35 who is totally unemployed in any week shall be paid with  
 36 respect to such week benefits in an amount which shall be  
 37 equal to his weekly benefit amount, but only if the state  
 38 was unable to provide a job opportunity in a service of  
 39 general welfare to the state.

40 Sec. 3. Section ninety-six point three (96.3), Code  
 41 1975, is amended by adding the following new subsection:

42 NEW SUBSECTION. Wherever the state sees a need to  
 43 maintain, repair, or construct facilities that would  
 44 serve the general public welfare, the unemployed who have  
 45 the physical capability must serve in that capacity. Wages  
 46 shall be paid for such services from funds provided in  
 47 section ninety-six point thirteen (96.13) of the Code,  
 48 shall be the equivalent of the wage scale as set forth by  
 49 the department of labor for like services. Should the  
 50 state fail to provide a job opportunity, then only will

Page 2

1 the employment benefits apply."

2 2. By renumbering the remaining sections in  
 3 accordance with this amendment.

SENATE FILE 485  
FISCAL NOTE

Date Prepared: April 28, 1975  
Requested by: Senator Griffin  
Prepared in regard to Senate File 485, An Act relating to employment security. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16.

1. Establishing a yearly maximum weekly benefit amount by using  $66 \frac{2}{3}$  percent of the state average weekly wage in insured work.

\$5,300,000 Fiscal Year 1974 Estimate.

2. Increasing duration of benefits to a maximum of 39 weeks - Fiscal Year 1974 Estimate.

\$1,300,000 if extended Benefits are not in effect.

\$ 650,000 if Extended Benefits are in effect, since the Federal government picks up one-half of the total cost.

3. Crediting the claimant with one-half ( $1/2$ ) of his base period wages rather than one-third ( $1/3$ ) - Calendar Year 1974 Estimates.

\$ 2,500,000 to \$ 3,000,000

4. Covering Workers of Political Sub-Divisions

Cities	\$ 288,642
Counties	229,158
School Districts	491,244
Total	<u>\$1,009,044</u>

These are Fiscal Year 1972 estimates taken from the study, "Impact of Extending Unemployment Insurance to Local Government Workers."

5. Deduction of 50% of Social Security from Unemployment Benefits - No cost estimates available.

6. Payment of waiting period week after five (5) weeks of compensable unemployment, rather than payment of waiting period week after five consecutive compensable weeks. No cost estimates available.

For the twelve month period ending March 31, 1975, a total of \$3,017,993 was paid in compensating claimants for the waiting period week. While the proposed change would result in a higher payment, it is believed that such increase would not be significant.

SOURCE: Iowa Employment Security Commission  
FILED GERRY D. RANKIN  
APRIL 29, 1975 LEGISLATIVE FISCAL DIRECTOR

(AS AMENDED AND PASSED BY THE SENATE APRIL 30, 1975)

Passed Senate, Date \_\_\_\_\_ Passed House, Date 6-4-75 (2124)  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes 61 Nays 26  
Approved 6-30

*Motion to reconsider filed and lost 6/4 (2125)*

# A BILL FOR

1 An Act relating to employment security.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
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New language by \_\_\_\_\_  
the Senate = \_\_\_\_\_

1 Section 1. Section ninety-six point three (96.3), subsec-  
2 tion three (3), Code 1975, is amended by striking the  
3 subsection and inserting in lieu thereof the following:

4 3. PARTIAL UNEMPLOYMENT. Each individual who is partially  
5 unemployed in any week as defined in section ninety-six point  
6 nineteen (96.19), subsection ten (10), paragraph b, of the  
7 Code, and who meets the conditions of eligibility for benefits  
8 shall be paid with respect to such week an amount equal to  
9 that individual's weekly benefit amount less fifty percent  
10 of that part of wages payable to him with respect to such  
11 week in excess of fifteen dollars. Such benefits shall be  
12 rounded to the higher multiple of one dollar.

13 Sec. 2. Section ninety-six point three (96.3), subsection  
14 four (4), Code 1975, is amended to read as follows:

15 4. DETERMINATION OF BENEFITS. ~~An~~ With respect to benefit  
16 years beginning on or after July 1, 1975, an eligible  
17 individual's weekly benefit amount for a week of total  
18 unemployment shall be an amount equal to one-twentieth of  
19 his total wages in insured work paid during that quarter of  
20 his base period in which such total wages were highest, subject  
21 to the following limitation: The commission shall determine  
22 annually a maximum weekly benefit amount by computing fifty-  
23 five sixty-six and two-thirds percent of the statewide average  
24 weekly wage paid to employees in insured work which shall  
25 be effective the first day of the first full week in July.  
26 Such maximum weekly benefit amount, if not a multiple of one  
27 dollar shall be rounded to the nearest higher multiple of  
28 one dollar.

29 ~~Such-computation-shall-be-made-by-determining-gross-wages~~  
30 ~~as-paid-for-insured-work~~ For the purposes of this subsection  
31 statewide average weekly wage means the amount computed by  
32 the commission at least once a year on the basis of the  
33 aggregate amount of wages reported by employers in each  
34 preceding twelve-month period ending on December 31 and  
35 dividing-said-gross-wages divided by a the figure resulting

1 that results from fifty-two times the average of mid-month  
2 employment reported by employers for the same period. In  
3 determining the aggregate amount of wages paid statewide,  
4 the commission shall disregard any limitation on the amount  
5 of wages subject to contributions under state law.

6 Sec. 3. Section ninety-six point three (96.3), subsection  
7 five (5), Code 1975, is amended to read as follows:

8 5. DURATION OF BENEFITS. The maximum total amount of  
9 benefits payable to any eligible individual during any benefit  
10 year shall not exceed the total of the wage credits accrued  
11 to his account during his base period, or twenty-six times  
12 his weekly benefit amount, whichever is the lesser. The  
13 commission shall maintain a separate account for each  
14 individual who earns wages in insured work. The commission  
15 shall compute wage credits for each individual by crediting  
16 his account with ~~one-third~~ one-half of the wages for insured  
17 work paid him during his base period. Benefits paid to an  
18 eligible individual shall be charged against the base period  
19 wage credits in his account which have not been previously  
20 charged hereunder, in the ~~same~~ inverse chronological order  
21 as the wages on which such wage credits are based were paid.  
22 However if the state and national "off indicators" are in  
23 effect the maximum benefits payable shall be extended to  
24 thirty-nine times his weekly benefit amount, but not to exceed  
25 the total of the wage credits accrued to his account.

26 Sec. 4. Section ninety-six point four (96.4), subsections  
27 one (1), three (3), four (4), and seven (7), Code 1975, are  
28 amended to read as follows:

29 1. He has registered for work at and thereafter has  
30 continued to report at an employment office in accordance  
31 with such regulations as the commission may prescribe. The  
32 provisions of this subsection shall be waived if the individual  
33 is deemed temporarily unemployed as defined in section thirty-  
34 two (32) of this Act.

35 3. He is able to work, is available for work, and is

*Wahl*  
*33?*  
*Schwarz*

1 earnestly and actively seeking work. The provision of this  
2 subsection shall be waived if he is deemed temporarily  
3 unemployed as defined in section thirty-two (32) of this  
4 Act.

5 4. Prior to any week, in any benefit year, for which he  
6 claims benefits he ~~has-been-totally~~ is unemployed for a waiting  
7 period of one week ~~(and-for-the-purposes-of-this-subsection,~~  
8 ~~two-weeks-of-partial-unemployment-shall-be-deemed-to-be~~  
9 ~~equivalent-to-one-week-of-total-unemployment).--Such-weeks~~  
10 ~~of-total-or-partial-unemployment-or-both-need-not-be~~  
11 ~~consecutive.~~ The one-week waiting period shall be waived  
12 and become compensable after unemployment during which benefits  
13 are payable for five ~~consecutive~~ weeks. No week shall be  
14 counted as a week of ~~total~~ unemployment for the purposes of  
15 this subsection:

- 16 a. If benefits have been paid with respect thereto;  
17 b. Unless the individual was eligible for benefits with  
18 respect thereto in all respects except for the requirements  
19 of subsections 2 and 5 of this section;  
20 c. Unless it occurs after benefits first could become  
21 payable to any individual under this chapter.

22 7. Notwithstanding any other provisions in this subsection,  
23 no otherwise eligible individual shall be denied benefits  
24 for any week because he is in training with the approval of  
25 the commission, nor shall such individual be denied benefits  
26 with respect to any week in which he is in training with the  
27 approval of the commission by reason of the application of  
28 the provision in subsection 3 of this section relating to  
29 availability for work, and an active search for work or the  
30 provision of section 96.5, subsection 3, relating to failure  
31 to apply for or a refusal to accept suitable work. However  
32 no employer's account shall be charged with benefits so paid.

33 Sec. 5. Section ninety-six point five (96.5), subsection  
34 one (1), paragraph a, Code 1975, is amended to read as follows:

- 35 a. He left his employment in good faith for the sole pur-

1 pose of accepting ~~better~~ other employment, which he did accept,  
2 and that he remained continuously in said new employment for  
3 not less than six weeks. Wages earned with the employer that  
4 he has left shall, for the purpose of computing and charging  
5 benefits, be deemed wages earned from the employer with whom  
6 the individual accepted ~~better~~ other employment and benefits  
7 shall be charged to the employer with whom he accepted ~~better~~ ,  
8 other employment. The commission shall advise the chargeable  
9 employer of the name and address of the ~~other~~ former employer,  
10 the period covered, and the extent of benefits which may be  
11 charged to the account of the chargeable employer. In those  
12 cases where the new employment is in another state, no  
13 employer's account shall be charged with benefits so paid  
14 except that employers who are required by law or by their  
15 election to reimburse the fund for benefits paid shall be  
16 charged with benefits under this paragraph. In those cases  
17 where he left his employment in good faith for the sole purpose  
18 of accepting better employment, which he did accept and such  
19 employment is terminated by the employer, or he is laid off  
20 after one week but prior to the expiration of six weeks, the  
21 claimant, provided he is otherwise eligible under this chapter,  
22 shall be eligible for benefits and such benefits shall not  
23 be charged to any employer's account.

24 Sec. 6. Section ninety-six point five (96.5), subsection  
25 one (1), paragraph d, Code 1975, is amended to read as follows:

26 d. He or she left his employment because of illness, ~~or~~  
27 injury or pregnancy upon the advice of a licensed and  
28 practicing physician, and upon knowledge of the necessity  
29 for such absence immediately notified his employer, or his  
30 employer consented to such absence, and after recovering from  
31 such illness, ~~or~~ injury or pregnancy when recovery is certified  
32 by a licensed and practicing physician, he returned to his  
33 employer and offered his service and his regular work or  
34 comparable suitable work was not available, if so found by  
35 the commission, provided he is otherwise eligible.

1 Sec. 7. Section ninety-six point five (96.5), subsection  
2 one (1), paragraphs g and h, Code 1975, are amended to read  
3 as follows:

4 g. In the case where he left his work voluntarily without  
5 good cause attributable to his employer under circumstances  
6 which did or would disqualify him for benefits, except as  
7 provided in paragraph a of subsection one (1) of section  
8 ninety-six point five (96.5) of the Code under this subsection  
9 he, subsequent to such leaving, worked in and was paid wages  
10 for insured work in an amount not less than nine times the  
11 claimant's weekly benefit amount, provided he is otherwise  
12 eligible, ~~but in.~~

13 h. In the event extended benefits are in effect as provided  
14 for by this chapter, then benefits shall not be withheld after  
15 twelve consecutive weeks of unemployment from the date he  
16 quits, during which time he shall be actively and earnestly  
17 seeking employment.

18 h i. "Principal support" shall mean exclusive of the  
19 earnings of any child of the wage earner.

20 Sec. 8. Section ninety-six point five (96.5), subsection  
21 two (2), Code 1975, is amended by striking the subsection  
22 and inserting in lieu thereof the following:

23 2. DISCHARGE FOR MISCONDUCT. If the commission finds  
24 that he has been discharged for misconduct in connection with  
25 his employment:

26 a. He shall forfeit one to nine weeks benefits.

27 b. Provided further, if gross misconduct is established,  
28 he shall forfeit from ten weeks benefits to the maximum amount  
29 payable in his current benefit period.

30 c. Gross misconduct is deemed to have occurred after a  
31 claimant loses employment as a result of an act constituting  
32 an indictable offense in connection with his employment, pro-  
33 vided the claimant is duly convicted thereof or has signed  
34 a statement admitting that he has committed such an act.

35 Determinations regarding a benefit claim may be redetermined

1 within five years from the effective date of the claim. Any  
2 benefits paid to a claimant prior to a determination that  
3 the claimant has lost employment as a result of such act shall  
4 not be considered to have been accepted by the claimant in  
5 good faith.

6 Sec. 9. Section ninety-six point five (96.5), subsection  
7 five (5), unnumbered paragraph one (1), Code 1975, is amended  
8 to read as follows:

9 For any week with respect to which he is receiving or  
10 has received ~~or is entitled to receive~~ payment in the form  
11 of:

12 Sec. 10. Section ninety-six point five (96.5), subsection  
13 five (5), paragraph c, Code 1975, is amended to read as  
14 follows:

15 c. Old-age benefits under title II of the Social Security  
16 Act (42 USC, chapter 7), as amended, or similar retirement  
17 payments under any Act of Congress; ~~provided that the~~  
18 ~~commission shall withhold payments under this chapter if it~~  
19 ~~has reason to believe a claimant is entitled to benefits under~~  
20 ~~title II of the Social Security Act of the United States or~~  
21 ~~any similar payments under any other Act of Congress, until~~  
22 ~~such time as the claimant files with the commission~~  
23 ~~satisfactory evidence that he is not entitled to such benefits~~  
24 however only fifty percent of the old-age benefits under title  
25 II of the Social Security Act shall be deducted from his  
26 weekly benefits;

27 Sec. 11. Section ninety-six point five (96.5), Code 1975,  
28 is amended by adding the following new subsection:

29 NEW SUBSECTION. ADMINISTRATIVE PENALTY. If the commission  
30 finds that, with respect to any week of an insured worker's  
31 unemployment for which such person claims waiting week credit  
32 or benefits, such person has, within the thirty-six calendar  
33 months immediately preceding such week, with intent to defraud  
34 by obtaining any benefits not due under this chapter, willfully  
35 and knowingly made a false statement or misrepresentation,

1 or willfully and knowingly failed to disclose a material fact;  
2 such person shall be disqualified for the week in which the  
3 commission makes such determination, and forfeit all bene-  
4 fit rights under the unemployment compensation law for a  
5 period of not more than the remaining benefit period as  
6 determined by the commission according to the circumstances  
7 of each case. Any penalties imposed by this subsection shall  
8 be in addition to those otherwise prescribed in this chapter.

9 Sec. 12. Section ninety-six point six (96.6), subsection  
10 two (2), Code 1975, is amended to read as follows:

11 2. INITIAL DETERMINATION. A representative designated  
12 by the commission shall promptly notify all interested parties  
13 to the claim of the filing thereof, and said parties shall  
14 have seven days from the date of mailing the notice of the  
15 filing of said claim by ordinary mail to the last known address  
16 to protest payment of benefits to said claimant. The-  
17 representative shall promptly examine the claim and any protest  
18 thereto and, on the basis of the facts found by him, shall  
19 either determine whether or not such claim is valid, the week  
20 with respect to which benefits shall commence, the weekly  
21 benefit amount payable and the maximum duration thereof, and  
22 whether any disqualification shall be imposed, or shall refer  
23 such claim or any question involved therein to an appeal  
24 tribunal or to the commission, which shall make its  
25 determination with respect thereto in accordance with the  
26 procedure described in subsection 3 of this section, ~~except~~  
27 ~~that in any case in which the payment or denial of benefits~~  
28 ~~will be determined by the provisions of section 96.5,~~  
29 ~~subsection 4, the representative shall promptly transmit his~~  
30 ~~full findings of fact with respect to that subsection to the~~  
31 ~~commission, which, on the basis of the evidence submitted~~  
32 ~~and such additional evidence as it may require, shall affirm,~~  
33 ~~modify, or set aside such findings of fact and transmit to~~  
34 ~~the representative a decision upon the issues involved under~~  
35 ~~that subsection. The representative shall promptly notify~~

1 ~~the claimant and any other interested party of the decision~~  
2 ~~and the reasons therefor.~~ Unless the claimant or other  
3 interested party, after notification or within ten calendar  
4 days after such notification was mailed to his last known  
5 address, files an appeal from such decision, such decision  
6 shall be final and benefits shall be paid or denied in accor-  
7 dance therewith. If an appeal tribunal affirms a decision  
8 of the representative, or the commission affirms a decision  
9 of an appeal tribunal, allowing benefits, such benefits shall  
10 be paid regardless of any appeal which may thereafter be  
11 taken, but if such decision is finally reversed, no employer's  
12 account shall be charged with benefits so paid.

13 Sec. 13. Section ninety-six point seven (96.7), subsection  
14 three (3), paragraph a, subparagraph two (2), Code 1975, is  
15 amended by adding the following new sentence:

16 NEW SENTENCE. No employer's account shall be charged with  
17 benefit payments made to any individual who quit such  
18 employment, but shall be charged to the account of the next  
19 succeeding employer with whom the individual requalified for  
20 benefits as determined under paragraph g of subsection one  
21 (1) of section ninety-six point five (96.5) of the Code.

22 Sec. 14. Section ninety-six point seven (96.7), subsection  
23 three (3), paragraph e, Code 1975, is amended to read as fol-  
24 lows:

25 e. No employer's rate for the period of ~~twelve~~ three  
26 months commencing ~~January~~ July 1 of any ~~calendar~~ year after  
27 ~~December-31, 1937~~ June 30, 1975, shall be less than two and  
28 seven-tenths percent, unless the total assets of the fund,  
29 excluding contributions not yet paid at the beginning of such  
30 ~~calendar-year~~ three-month period, exceed the total benefits  
31 paid from the fund within the last preceding ~~calendar-year~~  
32 twelve-month period provided, that such assets exceed for  
33 the next three-month period, the total benefits paid from  
34 the fund within the last preceding twelve-month period; and  
35 no employer's rate shall be less than one and eight-tenths

1 percent unless such assets at such time were at least twice  
2 the total benefits paid from the fund within such last  
3 ~~preceding-year~~ twelve-month period, provided that such assets  
4 exceed, for the next three-month period, the total benefits  
5 paid from the fund within such last preceding twelve-month  
6 period.

7 Sec. 15. Section ninety-six point seven (96.7), subsection  
8 four (4), paragraphs a and b, Code 1975, are amended to read  
9 as follows:

10 a. As soon as practicable and in any event within two  
11 years after an employer has filed reports, as required by  
12 the commission pursuant to section 96.11, subsection 7, the  
13 commission shall examine such reports and determine the correct  
14 amount of contributions due, and the amount so determined  
15 by the commission shall be the contributions payable. If  
16 the contributions found due shall be greater than the amount  
17 ~~theretofore paid, the excess, together with interest as pro-~~  
18 ~~vided in this chapter, shall be paid by the employer within~~  
19 ~~thirty days after the commission shall have given notice~~  
20 ~~thereof to the employer by certified mail~~ the notice with  
21 respect to the additional contributions, together with any  
22 interest and penalty, shall be sent by certified mail. A  
23 lien shall attach as provided in section ~~twenty-four (24)~~ of  
24 this Act if the assessment is not paid or appealed within  
25 thirty days of the date of the notice of assessment.

26 b. If the commission discovers from the examination of  
27 the reports or otherwise that wages payable for employment,  
28 or any part thereof, have not been listed in the reports,  
29 or that no reports were filed when due, or that reports have  
30 been filed showing contributions due but no contributions  
31 in fact have been paid, it may at any time within five years  
32 after the time such reports were due, determine the correct  
33 amount of contributions payable, together with interest as  
34 provided in this chapter. ~~The amount so determined shall~~  
35 ~~be paid within thirty days after the commission shall have~~

1 ~~given notice thereof to the employer by certified mail~~ The  
2 amount so determined shall be assessed and a lien shall attach  
3 as provided in paragraph a of this subsection.

4 Sec. 16. Section ninety-six point seven (96.7), subsection  
5 eight (8), Code 1975, is amended to read as follows:

6 8. FINANCING BENEFITS PAID TO STATE EMPLOYEES AND TO  
7 EMPLOYEES OF THE STATE'S POLITICAL SUBDIVISIONS.

8 a. Any state agency, board, commission, department, or  
9 instrumentality thereof, other than state-owned hospitals and  
10 institutions of higher education, which, pursuant to section  
11 96.19, subsection 6, paragraph "h", is, or becomes, subject  
12 to this chapter on or after January 1, 1972, shall pay to  
13 the commission for the unemployment fund an amount equal to  
14 the amount of regular benefits and of one-half of the extended  
15 benefits paid, that is attributable to service in the employ  
16 of such state agency, board, commission, department, or  
17 instrumentality thereof. Such payments shall be made in  
18 accordance with the provisions of subsection 9, paragraph  
19 "b" hereof.

20 b. State agencies, boards, commissions, and departments,  
21 except board of regents institutions and the state fair board,  
22 shall, after approving the billing provided for in subsection  
23 9, paragraph "b", submit the billing to the state comptroller  
24 to be paid out of any moneys in the state treasury not  
25 otherwise appropriated. The state comptroller shall be  
26 reimbursed for payments made on behalf of agencies, boards,  
27 commissions, or departments which have revolving, special,  
28 trust or federal funds from which the payments can be made.

29 c. The amount of payment required from each political  
30 subdivision of the state shall be ascertained by the  
31 employment security commission and shall be paid from the  
32 general funds of such local governmental employers at such  
33 time and in such manner as may be prescribed by the commission  
34 and approved by the comptrollers and auditors of the respective  
35 local governmental employers, except that to the extent that

1 benefits are paid on the basis of wages paid by local  
2 governmental employers from special administrative funds,  
3 the payment into the unemployment compensation fund shall  
4 be made from such special funds.

5 Sec. 17. Section ninety-six point seven (96.7), subsection  
6 ten (10), Code 1975, is amended to read as follows:

7 10. PROVISION OF BOND OR OTHER SECURITY. ~~In-the-discretion~~  
8 ~~of-the-commission, any~~ Any nonprofit organization that elects  
9 to become liable for payments in lieu of contributions shall  
10 be required within thirty days after the effective date of  
11 its election to execute and file with the commission a surety  
12 bond approved by the commission or it may elect instead to  
13 deposit with the commission money or securities. The amount  
14 of such bond or deposit shall be determined in accordance  
15 with the provisions of this subsection.

16 Sec. 18. Section ninety-six point eight (96.8), subsection  
17 three (3), paragraph c, Code 1975, is amended by striking  
18 the paragraph.

19 Sec. 19. Section ninety-six point eight (96.8), subsection  
20 three (3), Code 1975, is amended by striking the last  
21 unnumbered paragraph of that subsection.

22 Sec. 20. Section ninety-six point eleven (96.11),  
23 subsection four (4), Code 1975, is amended to read as follows:

24 4. PERSONNEL. Subject to other provisions of this chapter,  
25 the commission is authorized to appoint, fix the compensation,  
26 and prescribe the duties and powers of such officers, account-  
27 ants, attorneys, experts, and other persons as may be neces-  
28 sary in the performance of its duties. The commission shall  
29 classify its positions and shall establish salary schedules  
30 and minimum personnel standards for the positions so  
31 classified. All positions shall be filled by persons selected  
32 and appointed on the basis of competency and fitness for the  
33 position to be filled. The commission shall not appoint or  
34 employ any person ~~who is an officer or committee member of~~  
35 ~~any political party organization or~~ who holds or is a candidate

1 for any elective partisan public office. The commission shall  
2 establish and enforce fair and reasonable regulations for  
3 appointments, promotions and demotions based upon ratings  
4 of efficiency and fitness and for terminations for cause.  
5 The commission may delegate to any such person so appointed  
6 such power and authority as it deems reasonable and proper  
7 for the effective administration of this chapter, and may  
8 in its discretion bond any person handling moneys or signing  
9 checks hereunder.

10 Sec. 21. Section ninety-six point eleven (96.11), Code  
11 1975, is amended by adding the following new subsection:

12 NEW SUBSECTION. PURGING UNCOLLECTIBLE OVERPAYMENTS.  
13 Notwithstanding any other provision of this chapter, the  
14 commission shall review all outstanding overpayments of benefit  
15 payments annually. The commission may determine as  
16 uncollectible and purge from its records any remaining unpaid  
17 balances of outstanding overpayments which are ten years or  
18 older from the date of the overpayment decision.

19 Sec. 22. Section ninety-six point fourteen (96.14),  
20 subsection two (2), Code 1975, is amended by striking the  
21 section and inserting in lieu thereof the following:

22 2. PENALTIES. Any employer who shall fail to file a  
23 report of wages paid to each of his employees for any period  
24 in the manner and within the time required by this chapter  
25 and the rules of the commission or any employer who the  
26 commission finds has filed an insufficient report and fails  
27 to file a sufficient report within thirty days after a written  
28 request from the commission to do so shall pay a penalty to  
29 the commission.

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

34 Penalty for failing to file a sufficient report shall be  
35 in addition to any penalty incurred for a delinquent report

1 where the delinquent report is also insufficient.

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

5 Days Delinquent

6 or Insufficient

Penalty Rate

7 1 - 60 0.1%

8 61 - 120 0.2%

9 121 - 180 0.3%

10 181 - 240 0.4%

11 241 or over 0.5%

12 No penalty shall be less than ten dollars for each  
13 delinquent report or each insufficient report not made  
14 sufficient within thirty days as a request to do so. Interest,  
15 penalties, and costs shall be collected by the commission  
16 in the same manner as provided by this chapter for  
17 contributions.

18 If the commission finds that any employer has willfully  
19 failed to pay any contribution or part thereof when required  
20 by this chapter and the rules of the commission, with intent  
21 to defraud the commission, then such employer shall in addition  
22 to such contribution or part thereof, pay a contribution equal  
23 to fifty percent of the amount of such contribution or part  
24 thereof, as the case may be.

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

30 Sec. 23. Section ninety-six point fourteen (96.14),  
31 subsection three (3), unnumbered paragraph two (2), Code 1975,  
32 is amended to read as follows:

33 ~~The lien aforesaid shall attach at the time the~~  
34 ~~contributions become due and payable and shall continue until~~  
35 ~~the liability for such amount is satisfied~~ An assessment of

1 the unpaid contributions, interest and penalty shall be applied  
2 as provided in section fifteen (15) of this Act and the lien  
3 shall attach as of the date the assessment is mailed or  
4 personally served upon the employer. However, the commission  
5 may release any lien, when after diligent investigation and  
6 effort it determines that the amount due is not collectible.

7 Sec. 24. Section ninety-six point fourteen (96.14), Code  
8 1975, is amended by adding the following new paragraph:

9 NEW PARAGRAPH. Any employer or employing unit refusing  
10 or failing to make and file required reports or to pay any  
11 contributions, interest or penalty under the provisions of  
12 this chapter, after ten-day written notice sent by the  
13 commission to the employer's or employing unit's last known  
14 address by certified mail, may be enjoined from operating  
15 any business in the state while in violation of this chap-  
16 ter upon the complaint of the Iowa employment security  
17 commission in the district court of a county in which the  
18 employer or employing unit has or had a place of business  
19 within the state, and any temporary injunction enjoining the  
20 continuance of such business may be granted without notice  
21 and without a bond being required from the Iowa employment  
22 security commission. Such injunction may enjoin any employer  
23 or employing unit from operating his or its business unit  
24 until the delinquent contributions, interest or penalties  
25 shall have been made and filed or paid; or the employer shall  
26 have furnished a good and sufficient bond conditioned upon  
27 the payment of such delinquencies in such an amount and  
28 containing such terms as may be determined by the court; or  
29 the employer has entered into a plan for the liquidation of  
30 such delinquencies as the court may approve, provided that  
31 such injunction may be reinstated upon the employer's failure  
32 to comply with the terms of said plan.

33 Sec. 25. Section ninety-six point fourteen (96.14),  
34 subsection six (6), Code 1975, is amended to read as follows:

35 6. NONRESIDENT EMPLOYING UNITS. Any employing unit which

1 is a nonresident of the state of Iowa and for which services  
2 are performed in insured work within the state of Iowa and  
3 any resident employer for which such services are performed  
4 and who thereafter removes himself from the state of Iowa  
5 by having such services performed within the state of Iowa  
6 shall be deemed:

7 Sec. 26. Section ninety-six point seventeen (96.17), Code  
8 1975, is amended by adding the following new subsection:

9 NEW SUBSECTION. INDEMNIFICATION. Any member of the  
10 commission or any employee of the commission shall be  
11 indemnified for any damages and legal expenses incurred as  
12 a result of the good faith performance of their official  
13 duties, for any claim for civil damages not specifically  
14 covered by the Iowa Tort Claims Act. Any payment described  
15 herein shall be paid from the special employment security  
16 contingency fund in section ninety-six point thirteen (96.13),  
17 subsection three (3) of the Code.

18 Sec. 27. Section ninety-six point nineteen (96.19),  
19 subsection five (5), Code 1975, is amended to read as follows:

20 5. "EMPLOYING UNIT" means any individual or type of  
21 organization, including this state and its political  
22 subdivisions, state agencies, boards, commissions, and  
23 instrumentalities thereof, any partnership, association,  
24 trust, estate, joint stock company, insurance company or  
25 corporation, whether domestic or foreign, or the receiver,  
26 trustee in bankruptcy, trustee or successor thereof, or the  
27 legal representative of a deceased person, which has or  
28 subsequent to January 1, 1936, had in its employ one or more  
29 individuals performing services for it within this state.  
30 All individuals performing services within this state for  
31 any employing unit which maintains two or more separate  
32 establishments within this state shall be deemed to be employed  
33 by a single employing unit for all the purposes of this  
34 chapter. Whenever any employing unit contracts with or has  
35 under it any contractor or subcontractor for any work which

1 is part of its usual trade, occupation, profession, or  
2 business, unless the employing unit as well as each such  
3 contractor or subcontractor is an employer by reason of  
4 subsection 6 or section 96.8, subsection 3, the employing  
5 unit shall for all the purposes of this chapter be deemed  
6 to employ each individual in the employ of each such contractor  
7 or subcontractor for each day during which such individual  
8 is engaged in performing such work; except that each such  
9 contractor or subcontractor who is an employer by reason of  
10 subsection 6 or section 96.8, subsection 3, shall alone be  
11 liable for the contributions measured by wages payable to  
12 individuals in his employ, and except that any employing unit  
13 who shall become liable for and pay contributions with respect  
14 to individuals in the employ of any such contractor or  
15 subcontractor who is not an employer by reason of subsection  
16 6 or section 96.8, subsection 3, may recover the same from  
17 such contractor or subcontractor, except as any contractor  
18 or subcontractor who would in the absence of the foregoing  
19 provisions be liable to pay said contributions, accepts  
20 exclusive liability for said contributions under an agreement  
21 with such employer made pursuant to general rules of the  
22 commission. Each individual employed to perform or to assist  
23 in performing the work of any agent or employee of an employing  
24 unit shall be deemed to be employed by such employing unit  
25 for all the purposes of this chapter, whether such individual  
26 was hired or paid directly by such employing unit or by such  
27 agent or employee, provided the employing unit had actual  
28 or constructive knowledge of such work, and provided, further,  
29 that such employment was for a total of not less than eight  
30 hours in any one calendar week.

31 Sec. 28. Section ninety-six point nineteen (96.19),  
32 subsection seven (7), paragraph a, subparagraph six c (6c),  
33 Code 1975, is amended to read as follows:

34 (c) In the employ of a nonpublic school which is not  
35 an institution of higher education.

1       Sec. 29. Section ninety-six point nineteen (96.19),  
2 subsection seven (7), paragraph a, Code 1975, is amended by  
3 adding the following new subparagraphs:

4       (7) (a) Service performed in the employ of any political  
5 subdivision of the state or any instrumentality thereof,  
6 effective on the day immediately following termination of  
7 eligibility to file a claim for assistance under The Special  
8 Unemployment Assistance Act of 1974 (Public Law 93567) and  
9 extensions thereof, if any; provided that, the effective date  
10 of coverage provided herein shall not be deemed to apply to  
11 service performed for a hospital or institution of higher  
12 education operated by a political subdivision which has elected  
13 coverage with such services pursuant to paragraph c of  
14 subsection three (3) of section ninety-six point eight (96.8)  
15 of the Code; provided further, that, there shall not be  
16 restrictions until the effective date of the coverage year  
17 herein provided upon the right of any political subdivision  
18 to elect coverage solely for its institutions of higher  
19 education and hospitals as provided in paragraph c of  
20 subsection three (3) of section ninety-six point eight (96.8)  
21 of the Code.

22       (b) For the purpose of subparagraph seven a (7a) of this  
23 paragraph the term "employment" does not apply to service  
24 performed by individuals granted temporary appointment of  
25 less than eighty working days, duration, casual or day workers,  
26 and workers who perform service for less than twenty hours  
27 per week.

28       (c) Upon the effective date of the coverage of service  
29 as "employment" provided by this subparagraph seven (7),  
30 individuals who performed the covered services shall be  
31 credited with wage credits retroactively limited to the base  
32 period as defined in subsection seventeen (17) of section  
33 ninety-six point nineteen (96.19) of the Code, applicable  
34 to such effective date, in accordance with their wages as  
35 defined in subsection thirteen (13) of section ninety-six

1 point nineteen (96.19) of the Code. Such wage credits shall  
2 be available for use solely with respect to claims for benefits  
3 under this chapter filed on and after the effective date of  
4 coverage herein provided.

5 (d) Benefits based on services in employment as provided  
6 in this subparagraph seven (7) shall be payable in the same  
7 amount, on the same terms, and subject to the same conditions  
8 as compensation payable on the basis of other service in this  
9 chapter, except that benefits based on service in an  
10 instructional, research or principal administrative capacity  
11 in a school operated by a political subdivision or an  
12 instrumentality thereof shall not be paid to an individual  
13 for any week of unemployment which begins during the period  
14 between two successive years or during similar periods between  
15 two regular terms whether or not successive, or during the  
16 period of paid sabbatical leave provided for in the  
17 individual's contract, if the individual has a contract or  
18 contracts to perform services in this capacity for any school  
19 or schools for both such academic years or for both such  
20 terms. For the purpose of this provision "school" means an  
21 educational institution operated by a political subdivision  
22 or an instrumentality thereof which is not an institution  
23 of higher education as defined in subsection twenty-four (24)  
24 of section ninety-six point nineteen (96.19) of the Code.

25 Sec. 30. Section ninety-six point nineteen (96.19),  
26 subsection seven (7), paragraph g, subparagraph one (1), Code  
27 1975, is amended to read as follows:

28 (1) Service performed in the employ of this state by an  
29 electd official ~~or-service-performed-in-the-employ-of-any~~  
30 ~~political-subdivision-of-this-state-or-any-instrumentality~~  
31 ~~of-its-political-subdivisions. Provided-that-this-exemption~~  
32 ~~shall-not-be-deemed-to-apply-to-services-performed-for-a~~  
33 ~~hospital-or-institution-of-higher-education-operated-by~~  
34 ~~a-political-subdivision-of-this-state-which-has-elected-cover-~~  
35 ~~age-for-such-services-pursuant-to-section-96.87-subsection~~

1 ~~37-paragraph "e", and service performed in the employ of any~~  
2 ~~political subdivision of this state, or any instrumentality~~  
3 ~~of any political subdivision, which for the effective period~~  
4 ~~of its election pursuant to section 96.87, subsection 3,~~  
5 ~~paragraph "a", has voluntarily elected that all services~~  
6 ~~performed for it by individuals in its employ shall be deemed~~  
7 ~~to constitute employment for all purposes of this chapter.~~  
8 ~~Nothing in this or any other provision of this chapter shall~~  
9 ~~be construed to restrict the right of any political subdivision~~  
10 ~~to elect coverage solely for institutions of higher education~~  
11 ~~and hospitals as provided in section 96.87, subsection 3,~~  
12 ~~paragraph "e".~~

13 Sec. 31. Section ninety-six point nineteen (96.19),  
14 subsection ten (10), Code 1975, is amended by striking  
15 paragraph b.

16 Sec. 32. Section ninety-six point nineteen (96.19),  
17 subsection ten (10), paragraph c, Code 1975, is amended to  
18 read as follows:

19 e b. An individual shall be deemed partially unemployed  
20 in any week in which he, having been separated from his regular  
21 job full-time employment, earns at odd jobs less than his  
22 weekly benefit amount plus ~~six~~ fifteen dollars.

23 Sec. 33. Section ninety-six point nineteen (96.19),  
24 subsection ten (10), Code 1975, is amended by adding the  
25 following new paragraph:

26 NEW PARAGRAPH. c. An individual shall be deemed  
27 temporarily unemployed if for a period, verified by the  
28 commission, not to exceed four consecutive weeks, he is  
29 unemployed due to a plant shutdown, vacation, inventory, lack  
30 of work or emergency from his regular job or trade in which  
31 he worked full-time and in which he will again work full-time,  
32 if his employment, although temporarily suspended, has not  
33 been terminated.

34 Sec. 34. Section ninety-six point nineteen (96.19),  
35 subsection thirteen (13), Code 1975, is amended by adding

1 the following new paragraph:

2 NEW PARAGRAPH. The term wages shall not include:

3 a. The amount of any payment, including any amount paid  
4 by an employer for insurance or annuities or into a fund to  
5 provide for such payment, made to or on behalf of an employee  
6 or any of his dependents under a plan or system established  
7 by an employer which makes provisions for his employees  
8 generally, or for his employees generally and their dependents,  
9 or for a class, or classes of his employees, or for a class  
10 or classes of his employees and their dependents, on account  
11 of retirement, sickness, accident disability, medical or  
12 hospitalization expense in connection with sickness or accident  
13 disability, or death.

14 b. Any payment paid to an employee, including any amount  
15 paid by any employer for insurance or annuities or into a  
16 fund to provide for any such payment, on account of retirement.

17 c. Any payment on account of sickness or accident  
18 disability, or medical or hospitalization expense in connection  
19 with sickness or accident disability made by an employer to,  
20 or on behalf of, an employee after the expiration of six-  
21 calendar months following the last calendar month in which  
22 the employee worked for such employer.

23 Sec. 35. The Code editor is directed to determine if terms  
24 in chapter ninety-six (96) of the Code and this Act and the  
25 amendments to the Act specify only one gender and where the  
26 provisions of the Act are applicable to both genders. The  
27 Code editor shall make editorial changes in the text of the  
28 Act and the amendments to the Act to reflect their  
29 applicability to both genders or one gender, as the case may  
30 be. The editing shall be done without changing the substantive  
31 meaning of the provisions of the Act.

32 EXPLANATION

33 This bill increases the benefits to unemployed individuals  
34 and extends the duration of the benefits. It also redefines  
35 voluntary leaving and allows for the subsequent employer to

1 be responsible for payment of benefits to individuals laid-  
2 off from other employment after voluntarily leaving their  
3 previous employer. An administrative penalty for fraud is  
4 added. A safety clause for the contribution rate schedules  
5 and protection of the trust fund are provided. The law is  
6 clarified regarding nonresident employing units. The Iowa  
7 Employment Security Law is brought into conformity with the  
8 Federal Unemployment Tax Act and other federal guidelines.

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H-3722

- 1 Amend Senate File 485 as follows:
- 2 1. Page 15, after line 18, add the following:
- 3 Sec. \_\_\_\_\_. The provisions of this Act are
- 4 retroactive to January 1, 1975.

H-3722 FILED - *Withdrawn 6/4 (2124)*  
MAY 1, 1975

BY BYERLY of Polk  
NIELSEN of Polk  
WOODS of Polk

95

H-4034

- 1 Amend Senate File 485 as amended, passed and re-
- 2 printed by the Senate as follows:
- 3 1. Page 2, by striking from lines 33 and 34 the
- 4 word and figure "thirty-two (32)" and inserting in
- 5 lieu thereof the word and figure "thirty-three (33)".
- 6 2. Page 3, line 3, by striking the word and
- 7 figure "thirty-two (32)" and inserting in lieu
- 8 thereof the word and figure "thirty-three (33)".

H-4034 FILED - *Withdrawn 6/4 (2123)*  
JUNE 3, 1975

BY SCHROEDER of Pottawattamie  
VARLEY of Adair  
NIELSEN of Polk  
HARPER of Davis  
CRAWFORD of Story  
JESSE of Polk

Senate File 485

H-4036

- 1 Amend Senate File 485, page 9, line 23 by
- 2 striking "four (24)" and inserting "three (23)".

H-4036 FILED - *Withdrawn 6/4 (2123)*  
JUNE 3, 1975

BY SCHROEDER of Pottawattamie

Senate File 485

H-4052

- 1 Amend Senate File 485, as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 2, after line 5, by adding the words "Any
- 4 individual receiving unemployment benefits on July
- 5 1, 1975, shall have his benefit amount recomputed
- 6 in accordance with the provisions of this subsection."
- 7 2. Page 2, line 27, by striking the word "four
- 8 (4),".
- 9 3. Page 3, by striking lines 5 through 21.
- 10 4. Page 3, by inserting after line 32 the
- 11 following:
- 12 "Sec. \_\_\_\_\_. Section ninety-six point four (96.4),
- 13 Code 1975, is amended by striking subsection four
- 14 (4)."
- 15 5. By renumbering sections and correcting internal
- 16 references as necessary to conform to this amendment.

H-4052 FILED, LOST (2124)  
JUNE 4, 1975

BY BYERLY of Polk

1 Amend Senate File 485 as amended, passed, and re-  
2 printed by the Senate, as follows:

3 1. Page 1, by inserting before line 1, the follow-  
4 ing:

5 "Section 1. Section ninety-six point three (96.3),  
6 subsection two (2), Code 1975, is amended to read as  
7 follows:

8 2. TOTAL UNEMPLOYMENT. Each eligible individual  
9 who is totally unemployed in any week shall be paid  
10 with respect to such week benefits in an amount which  
11 shall be equal to his weekly benefit amount, but only  
12 if the county in which the individual has applied  
13 for benefits, was unable to provide work as provided  
14 in subsection one (1) of section ninety-six point  
15 four (96.4) of the Code".

16 2. Page 2, line 31, by adding before the period  
17 the words "and in addition that he has reported to  
18 the office of the county board of supervisors of the  
19 county of his residence at eight a.m. Monday through  
20 Thursday of each week during the period of his un-  
21 employment to seek employment with the county on pub-  
22 lic projects, including but not limited to the main-  
23 tenance, repair or construction of public projects  
24 that would serve the general public welfare. Every  
25 unemployed person who seeks benefits under the employ-  
26 ment security act and who has the physical capability  
27 to perform the above duties must apply for work in  
28 the above capacity. Compensation for such services  
29 shall be at the rate established for like services  
30 within the county of application for unemployment  
31 benefits, and credit for such work shall be given  
32 until the full amount of weekly benefits has been  
33 accumulated. Should the county fail to provide a  
34 job opportunity only then will the employment  
35 benefits apply".

36 3. By renumbering the remaining sections in  
37 accordance with this amendment.

H-4047 FILED, RULED NOT GERMANE, BY BRANSTAD of Winnebago  
MOVED TO SUSPEND RULES, LOST (2/23)  
JUNE 4, 1975

1 Amend Senate File 485 as amended, passed  
2 and reprinted by the Senate as follows:

3 1. Page 1, line 23, by striking the  
4 word "statewide" and inserting in lieu thereof  
5 the word "countywide".

6 2. Page 1, line 31, by striking the  
7 word "statewide" and inserting in lieu thereof  
8 the word "countywide".

9 3. Page 2, line 3, by striking the  
10 word "statewide" and inserting in lieu thereof  
11 the word "countywide".

H-4046 FILED, LOST (2/22)  
JUNE 4, 1975

BY BAKER of Buena Vista  
KOOGLER of Mahaska  
DAGGETT of Adams

SENATE FILE 485

## AN ACT

## RELATING TO EMPLOYMENT SECURITY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section ninety-six point three (96.3), subsection three (3), Code 1975, is amended by striking the subsection and inserting in lieu thereof the following:

3. PARTIAL UNEMPLOYMENT. Each individual who is partially unemployed in any week as defined in section ninety-six point nineteen (96.19), subsection ten (10), paragraph b, of the Code, and who meets the conditions of eligibility for benefits shall be paid with respect to such week an amount equal to that individual's weekly benefit amount less fifty percent of that part of wages payable to him with respect to such week in excess of fifteen dollars. Such benefits shall be rounded to the higher multiple of one dollar.

Sec. 2. Section ninety-six point three (96.3), subsection four (4), Code 1975, is amended to read as follows:

4. DETERMINATION OF BENEFITS. ~~An~~ With respect to benefit years beginning on or after July 1, 1975, an eligible individual's weekly benefit amount for a week of total unemployment shall be an amount equal to one-twentieth of his total wages in insured work paid during that quarter of his base period in which such total wages were highest, subject to the following limitation: The commission shall determine annually a maximum weekly benefit amount by computing ~~fifty-five~~ sixty-six and two-thirds percent 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. Such maximum weekly benefit amount, if not a multiple of one dollar shall be rounded to the nearest higher multiple of one dollar.

~~Such computation shall be made by determining gross wages as paid for insured work~~ For the purposes of this subsection statewide average weekly wage means the amount computed by the commission at least once a year on the basis of the aggregate amount of wages reported by employers in each preceding twelve-month period ending on December 31 and ~~dividing said gross wages divided by a~~ the figure resulting that results from fifty-two times the average of mid-month employment reported by employers for the same period. In determining the aggregate amount of wages paid statewide, the commission shall disregard any limitation on the amount of wages subject to contributions under state law.

Sec. 3. Section ninety-six point three (96.3), subsection five (5), Code 1975, is amended to read as follows:

5. DURATION OF BENEFITS. The maximum total amount of benefits payable to any eligible individual during any benefit year shall not exceed the total of the wage credits accrued to his account during his base period, or twenty-six times his weekly benefit amount, whichever is the lesser. The commission shall maintain a separate account for each individual who earns wages in insured work. The commission shall compute wage credits for each individual by crediting his account with ~~one-third~~ one-half of the wages for insured work paid him during his base period. Benefits paid to an eligible individual shall be charged against the base period wage credits in his account which have not been previously charged hereunder, in the same inverse chronological order as the wages on which such wage credits are based were paid. However if the state and national "off indicators" are in effect the maximum benefits payable shall be extended to thirty-nine times his weekly benefit amount, but not to exceed the total of the wage credits accrued to his account.

Sec. 4. Section ninety-six point four (96.4), subsections one (1), three (3), four (4), and seven (7), Code 1975, are amended to read as follows:

1. He has registered for work at and thereafter has continued to report at an employment office in accordance with such regulations as the commission may prescribe. The provisions of this subsection shall be waived if the individual is deemed temporarily unemployed as defined in section thirty-two (32) of this Act.

3. He is able to work, is available for work, and is earnestly and actively seeking work. The provision of this subsection shall be waived if he is deemed temporarily unemployed as defined in section thirty-two (32) of this Act.

4. Prior to any week, in any benefit year, for which he claims benefits he ~~has been totally~~ is unemployed for a waiting period of one week ~~(and for the purposes of this subsection, two weeks of partial unemployment shall be deemed to be equivalent to one week of total unemployment)~~. ~~Such weeks of total or partial unemployment or both need not be consecutive.~~ The one-week waiting period shall be waived and become compensable after unemployment during which benefits are payable for five ~~consecutive~~ weeks. No week shall be counted as a week of ~~total~~ unemployment for the purposes of this subsection:

- a. If benefits have been paid with respect thereto;
- b. Unless the individual was eligible for benefits with respect thereto in all respects except for the requirements of subsections 2 and 5 of this section;
- c. Unless it occurs after benefits first could become payable to any individual under this chapter.

7. Notwithstanding any other provisions in this subsection, no otherwise eligible individual shall be denied benefits for any week because he is in training with the approval of the commission, nor shall such individual be denied benefits with respect to any week in which he is in training with the approval of the commission 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 no employer's account shall be charged with benefits so paid.

Sec. 5. Section ninety-six point five (96.5), subsection one (1), paragraph a, Code 1975, is amended to read as follows:

a. He left his employment in good faith for the sole purpose of accepting ~~better~~ other employment, which he did accept, and that he remained continuously in said new employment for not less than six weeks. Wages earned with the employer that he has left shall, for the purpose of computing and charging benefits, be deemed wages earned from the employer with whom the individual accepted ~~better~~ other employment and benefits shall be charged to the employer with whom he accepted ~~better~~ other employment. The commission shall advise the chargeable employer of the name and address of the ~~other~~ former employer, the period covered, and the extent of benefits which may be charged to the account of the chargeable employer. In those cases where the new employment is in another state, no employer's account shall be charged with benefits so paid except that employers who are required by law or by their election to reimburse the fund for benefits paid shall be charged with benefits under this paragraph. In those cases where he left his employment in good faith for the sole purpose of accepting better employment, which he did accept and such employment is terminated by the employer, or he is laid off after one week but prior to the expiration of six weeks, the claimant, provided he is otherwise eligible under this chapter, shall be eligible for benefits and such benefits shall not be charged to any employer's account.

Sec. 6. Section ninety-six point five (96.5), subsection one (1), paragraph d, Code 1975, is amended to read as follows:

d. He or she left his employment because of illness, ~~or~~ injury or pregnancy upon the advice of a licensed and practicing physician, and upon knowledge of the necessity

for such absence immediately notified his employer, or his employer consented to such absence, and after recovering from such illness, ~~or~~ injury or pregnancy when recovery is certified by a licensed and practicing physician, he returned to his employer and offered his service and his regular work or comparable suitable work was not available, if so found by the commission, provided he is otherwise eligible.

Sec. 7. Section ninety-six point five (96.5), subsection one (1), paragraphs g and h, Code 1975, are amended to read as follows:

g. In the case where he left his work voluntarily without good cause attributable to his employer under circumstances which did or would disqualify him for benefits, except as provided in paragraph a of subsection one (1) of section ninety-six point five (96.5) of the Code under this subsection he, subsequent to such leaving, worked in and was paid wages for insured work in an amount not less than nine times the claimant's weekly benefit amount, provided he is otherwise eligible; ~~but in.~~

h. In the event extended benefits are in effect as provided for by this chapter, then benefits shall not be withheld after twelve consecutive weeks of unemployment from the date he quits, during which time he shall be actively and earnestly seeking employment.

h i. "Principal support" shall mean exclusive of the earnings of any child of the wage earner.

Sec. 8. Section ninety-six point five (96.5), subsection two (2), Code 1975, is amended by striking the subsection and inserting in lieu thereof the following:

2. DISCHARGE FOR MISCONDUCT. If the commission finds that he has been discharged for misconduct in connection with his employment:

a. He shall forfeit one to nine weeks benefits.

b. Provided further, if gross misconduct is established, he shall forfeit from ten weeks benefits to the maximum amount

payable in his current benefit period.

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 his employment, provided the claimant is duly convicted thereof or has signed a statement admitting that he has committed 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.

Sec. 9. Section ninety-six point five (96.5), subsection five (5), unnumbered paragraph one (1), Code 1975, is amended to read as follows:

For any week with respect to which he is receiving, or has received, ~~or is entitled to receive~~ payment in the form of:

Sec. 10. Section ninety-six point five (96.5), subsection five (5), paragraph c, Code 1975, is amended to read as follows:

c. Old-age benefits under title II of the Social Security Act (42 USC, chapter 7), as amended, or similar retirement payments under any Act of Congress; ~~provided that the commission shall withhold payments under this chapter if it has reason to believe a claimant is entitled to benefits under title II of the Social Security Act of the United States or any similar payments under any other Act of Congress, until such time as the claimant files with the commission satisfactory evidence that he is not entitled to such benefits~~ however only fifty percent of the old-age benefits under title II of the Social Security Act shall be deducted from his weekly benefits;

Sec. 11. Section ninety-six point five (96.5), Code 1975, is amended by adding the following new subsection:

NEW SUBSECTION. ADMINISTRATIVE PENALTY. If the commission finds that, with respect to any week of an insured worker's unemployment for which such person claims waiting week 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 commission 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 commission according to the circumstances of each case. Any penalties imposed by this subsection shall be in addition to those otherwise prescribed in this chapter.

Sec. 12. Section ninety-six point six (96.6), subsection two (2), Code 1975, is amended to read as follows:

2. INITIAL DETERMINATION. A representative designated by the commission shall promptly notify all interested parties to the claim of the filing thereof, and said parties shall have seven days from the date of mailing the notice of the filing of said claim by ordinary mail to the last known address to protest payment of benefits to said claimant. The representative shall promptly examine the claim and any protest thereto and, on the basis of the facts found by him, shall either determine whether or not such claim is valid, the week with respect to which benefits shall commence, the weekly benefit amount payable and the maximum duration thereof, and whether any disqualification shall be imposed, or shall refer such claim or any question involved therein to an appeal tribunal or to the commission, which shall make its determination with respect thereto in accordance with the procedure described in subsection 3 of this section, ~~except that in any case in which the payment or denial of benefits will be determined by the provisions of section 96.5,~~

~~subsection 4, the representative shall promptly transmit his full findings of fact with respect to that subsection to the commission, which, on the basis of the evidence submitted and such additional evidence as it may require, shall affirm, modify, or set aside such findings of fact and transmit to the representative a decision upon the issues involved under that subsection. The representative shall promptly notify the claimant and any other interested party of the decision and the reasons therefor.~~ Unless the claimant or other interested party, after notification or within ten calendar days after such notification was mailed to his last known address, files an appeal from such decision, such decision shall be final and benefits shall be paid or denied in accordance therewith. If an appeal tribunal affirms a decision of the representative, or the commission affirms a decision of an appeal tribunal, allowing benefits, such benefits shall be paid regardless of any appeal which may thereafter be taken, but if such decision is finally reversed, no employer's account shall be charged with benefits so paid.

Sec. 13. Section ninety-six point seven (96.7), subsection three (3), paragraph a, subparagraph two (2), Code 1975, is amended by adding the following new sentence:

NEW SENTENCE. No employer's account shall be charged with benefit payments made to any individual who quit such employment, but shall be charged to the account of the next succeeding employer with whom the individual requalified for benefits as determined under paragraph g of subsection one (1) of section ninety-six point five (96.5) of the Code.

Sec. 14. Section ninety-six point seven (96.7), subsection three (3), paragraph e, Code 1975, is amended to read as follows:

e. No employer's rate for the period of ~~twelve~~ three months commencing ~~January~~ July 1 of any calendar year after ~~December 31, 1977~~ June 30, 1975, shall be less than two and seven-tenths percent, unless the total assets of the fund,

excluding contributions not yet paid at the beginning of such ~~calendar-year~~ three-month period, exceed the total benefits paid from the fund within the last preceding ~~calendar-year~~ twelve-month period provided, that such assets exceed for the next three-month period, the total benefits paid from the fund within the last preceding twelve-month period; and no employer's rate shall be less than one and eight-tenths percent unless such assets at such time were at least twice the total benefits paid from the fund within such last ~~preceding-year~~ twelve-month period, provided that such assets exceed, for the next three-month period, the total benefits paid from the fund within such last preceding twelve-month period.

Sec. 15. Section ninety-six point seven (96.7), subsection four (4), paragraphs a and b, Code 1975, are amended to read as follows:

a. As soon as practicable and in any event within two years after an employer has filed reports, as required by the commission pursuant to section 96.11, subsection 7, the commission shall examine such reports and determine the correct amount of contributions due, and the amount so determined by the commission shall be the contributions payable. If the contributions found due shall be greater than the amount theretofore paid ~~7-the-excess7-together-with-interest-as-pro-~~ vided-in-this-chapter7-shall-be-paid-by-the-employer-within thirty-days-after-the-commission-shall-have-given-notice thereof-to-the-employer-by-certified-mail the notice with respect to the additional contributions, together with any interest and penalty, shall be sent by certified mail. A lien shall attach as provided in section twenty-four (24) of this Act if the assessment is not paid or appealed within thirty days of the date of the notice of assessment.

b. If the commission discovers from the examination of the reports or otherwise that wages payable for employment, or any part thereof, have not been listed in the reports,

or that no reports were filed when due, or that reports have been filed showing contributions due but no contributions in fact have been paid, it may at any time within five years after the time such reports were due, determine the correct amount of contributions payable, together with interest as provided in this chapter. ~~The amount so determined shall be paid within thirty days after the commission shall have given notice thereof to the employer by certified mail~~ The amount so determined shall be assessed and a lien shall attach as provided in paragraph a of this subsection.

Sec. 16. Section ninety-six point seven (96.7), subsection eight (8), Code 1975, is amended to read as follows:

8. FINANCING BENEFITS PAID TO STATE EMPLOYEES AND TO EMPLOYEES OF THE STATE'S POLITICAL SUBDIVISIONS.

a. Any state agency, board, commission, department, or instrumentality thereof, other than state-owned hospitals and institutions of higher education, which, pursuant to section 96.19, subsection 6, paragraph "h", is, or becomes, subject to this chapter on or after January 1, 1972, shall pay to the commission for the unemployment fund an amount equal to the amount of regular benefits and of one-half of the extended benefits paid, that is attributable to service in the employ of such state agency, board, commission, department, or instrumentality thereof. Such payments shall be made in accordance with the provisions of subsection 9, paragraph "b" hereof.

b. State agencies, boards, commissions, and departments, except board of regents institutions and the state fair board, shall, after approving the billing provided for in subsection 9, paragraph "b", submit the billing to the state comptroller to be paid out of any moneys in the state treasury not otherwise appropriated. The state comptroller shall be reimbursed for payments made on behalf of agencies, boards, commissions, or departments which have revolving, special, trust or federal funds from which the payments can be made.

c. The amount of payment required from each political subdivision of the state shall be ascertained by the employment security commission and shall be paid from the general funds of such local governmental employers at such time and in such manner as may be prescribed by the commission and approved by the comptrollers and auditors of the respective local governmental employers, except that to the extent that benefits are paid on the basis of wages paid by local governmental employers from special administrative funds, the payment into the unemployment compensation fund shall be made from such special funds.

Sec. 17. Section ninety-six point seven (96.7), subsection ten (10), Code 1975, is amended to read as follows:

10. PROVISION OF BOND OR OTHER SECURITY. ~~In the discretion of the commission, any~~ Any nonprofit organization that elects to become liable for payments in lieu of contributions shall be required within thirty days after the effective date of its election to execute and file with the commission a surety bond approved by the commission or it may elect instead to deposit with the commission money or securities. The amount of such bond or deposit shall be determined in accordance with the provisions of this subsection.

Sec. 18. Section ninety-six point eight (96.8), subsection three (3), paragraph c, Code 1975, is amended by striking the paragraph.

Sec. 19. Section ninety-six point eight (96.8), subsection three (3), Code 1975, is amended by striking the last unnumbered paragraph of that subsection.

Sec. 20. Section ninety-six point eleven (96.11), subsection four (4), Code 1975, is amended to read as follows:

4. PERSONNEL. Subject to other provisions of this chapter, the commission is authorized to appoint, fix the compensation, and prescribe the duties and powers of such officers, accountants, attorneys, experts, and other persons as may be necessary in the performance of its duties. The commission shall

classify its positions and shall establish salary schedules and minimum personnel standards for the positions so classified. All positions shall be filled by persons selected and appointed on the basis of competency and fitness for the position to be filled. The commission shall not appoint or employ any person ~~who is an officer or committee member of any political party organization or~~ who holds or is a candidate for any elective partisan public office. The commission shall establish and enforce fair and reasonable regulations for appointments, promotions and demotions based upon ratings of efficiency and fitness and for terminations for cause. The commission may delegate to any such person so appointed such power and authority as it deems reasonable and proper for the effective administration of this chapter, and may in its discretion bond any person handling moneys or signing checks hereunder.

Sec. 21. Section ninety-six point eleven (96.11), Code 1975, is amended by adding the following new subsection:  
NEW SUBSECTION. PURGING UNCOLLECTIBLE OVERPAYMENTS. Notwithstanding any other provision of this chapter, the commission shall review all outstanding overpayments of benefit payments annually. The commission 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.

Sec. 22. Section ninety-six point fourteen (96.14), subsection two (2), Code 1975, is amended by striking the section and inserting in lieu thereof the following:

2. PENALTIES. Any employer who shall fail to file a report of wages paid to each of his employees for any period in the manner and within the time required by this chapter and the rules of the commission or any employer who the commission finds has filed an insufficient report and fails to file a sufficient report within thirty days after a written request from the commission to do so shall pay a penalty to

the commission.

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.

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.

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%

No penalty shall be less than ten dollars for each delinquent report or each insufficient report not made sufficient within thirty days as a request to do so. Interest, penalties, and costs shall be collected by the commission in the same manner as provided by this chapter for contributions.

If the commission finds that any employer has willfully failed to pay any contribution or part thereof when required by this chapter and the rules of the commission, with intent to defraud the commission, 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.

The commission may cancel any interest or penalties if it is shown to the satisfaction of the commission 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 commission.

Sec. 23. Section ninety-six point fourteen (96.14), subsection three (3), unnumbered paragraph two (2), Code 1975, is amended to read as follows:

~~The lien aforesaid shall attach at the time the contributions become due and payable and shall continue until the liability for such amount is satisfied~~ An assessment of the unpaid contributions, interest and penalty shall be applied as provided in section fifteen (15) of this Act and the lien shall attach as of the date the assessment is mailed or personally served upon the employer. However, the commission may release any lien, when after diligent investigation and effort it determines that the amount due is not collectible.

Sec. 24. Section ninety-six point fourteen (96.14), Code 1975, is amended by adding the following new paragraph:

NEW PARAGRAPH. Any employer or employing unit refusing or failing to make and file required reports or to pay any contributions, interest or penalty under the provisions of this chapter, after ten-day written notice sent by the commission 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 Iowa employment security commission 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 Iowa employment security commission. Such injunction may enjoin any employer or employing unit from operating his or its 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 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.

Sec. 25. Section ninety-six point fourteen (96.14), subsection six (6), Code 1975, is amended to read as follows:

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 removes himself from the state of Iowa by having such services performed within the state of Iowa shall be deemed:

Sec. 26. Section ninety-six point seventeen (96.17), Code 1975, is amended by adding the following new subsection:

NEW SUBSECTION. INDEMNIFICATION. Any member of the commission or any employee of the commission 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. Any payment described herein shall be paid from the special employment security contingency fund in section ninety-six point thirteen (96.13), subsection three (3) of the Code.

Sec. 27. Section ninety-six point nineteen (96.19), subsection five (5), Code 1975, is amended to read as follows:

5. "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 6 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 6 or section 96.8, subsection 3, shall alone be liable for the contributions measured by wages payable to individuals in his 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 6 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 the foregoing provisions 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 commission. 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.

Sec. 28. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph a, subparagraph six c (6c), Code 1975, is amended to read as follows:

(c) In the employ of a nonpublic school which is not an institution of higher education.

Sec. 29. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph a, Code 1975, is amended by adding the following new subparagraphs:

(7) (a) Service performed in the employ of any political subdivision of the state or any instrumentality thereof, effective on the day immediately following termination of eligibility to file a claim for assistance under The Special Unemployment Assistance Act of 1974 (Public Law 93567) and extensions thereof, if any; provided that, the effective date of coverage provided herein shall not be deemed to apply to service performed for a hospital or institution of higher education operated by a political subdivision which has elected coverage with such services pursuant to paragraph c of subsection three (3) of section ninety-six point eight (96.8) of the Code; provided further, that, there shall not be restrictions until the effective date of the coverage year herein provided upon the right of any political subdivision to elect coverage solely for its institutions of higher education and hospitals as provided in paragraph c of subsection three (3) of section ninety-six point eight (96.8) of the Code.

(b) For the purpose of subparagraph seven a (7a) of this paragraph the term "employment" does not apply to service performed by individuals granted temporary appointment of less than eighty working days, duration, casual or day workers, and workers who perform service for less than twenty hours per week.

(c) Upon the effective date of the coverage of service

as "employment" provided by this subparagraph seven (7), individuals who performed the covered services shall be credited with wage credits retroactively limited to the base period as defined in subsection seventeen (17) of section ninety-six point nineteen (96.19) of the Code, applicable to such effective date, in accordance with their wages as defined in subsection thirteen (13) of section ninety-six point nineteen (96.19) of the Code. Such wage credits shall be available for use solely with respect to claims for benefits under this chapter filed on and after the effective date of coverage herein provided.

(d) Benefits based on services in employment as provided in this subparagraph seven (7) shall be payable in the same amount, on the same terms, and subject to the same conditions as compensation payable on the basis of other service in this chapter, except that benefits based on service in an instructional, research or principal administrative capacity in a school operated by a political subdivision or an instrumentality thereof shall not be paid to an individual for any week of unemployment which begins during the period between two successive years or during similar periods between two regular terms whether or not successive, or during the period of paid sabbatical leave provided for in the individual's contract, if the individual has a contract or contracts to perform services in this capacity for any school or schools for both such academic years or for both such terms. For the purpose of this provision "school" means an educational institution operated by a political subdivision or an instrumentality thereof which is not an institution of higher education as defined in subsection twenty-four (24) of section ninety-six point nineteen (96.19) of the Code.

Sec. 30. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph g, subparagraph one (1), Code 1975, is amended to read as follows:

(1) Service performed in the employ of this state by an

~~electd official or service performed in the employ of any political subdivision of this state or any instrumentality of its political subdivisions. Provided that this exemption shall not be deemed to apply to services performed for a hospital or institution of higher education operated by a political subdivision of this state which has elected coverage for such services pursuant to section 96.87 subsection 37 paragraph "c", and service performed in the employ of any political subdivision of this state, or any instrumentality of any political subdivision, which for the effective period of its election pursuant to section 96.87 subsection 37 paragraph "a" has voluntarily elected that all services performed for it by individuals in its employ shall be deemed to constitute employment for all purposes of this chapter. Nothing in this or any other provision of this chapter shall be construed to restrict the right of any political subdivision to elect coverage solely for institutions of higher education and hospitals as provided in section 96.87 subsection 37 paragraph "c".~~

Sec. 31. Section ninety-six point nineteen (96.19), subsection ten (10), Code 1975, is amended by striking paragraph b.

Sec. 32. Section ninety-six point nineteen (96.19), subsection ten (10), paragraph c, Code 1975, is amended to read as follows:

~~e~~ b. An individual shall be deemed partially unemployed in any week in which he, having been separated from his regular ~~job~~ full-time employment, earns at odd jobs less than his weekly benefit amount plus ~~six~~ fifteen dollars.

Sec. 33. Section ninety-six point nineteen (96.19), subsection ten (10), Code 1975, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. An individual shall be deemed temporarily unemployed if for a period, verified by the commission, not to exceed four consecutive weeks, he is

unemployed due to a plant shutdown, vacation, inventory, lack of work or emergency from his regular job or trade in which he worked full-time and in which he will again work full-time, if his employment, although temporarily suspended, has not been terminated.

Sec. 34. Section ninety-six point nineteen (96.19), subsection thirteen (13), Code 1975, is amended by adding the following new paragraph:

NEW PARAGRAPH. The term wages shall not include:

a. 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 his dependents under a plan or system established by an employer which makes provisions for his employees generally, or for his employees generally and their dependents, or for a class, or classes of his employees, or for a class or classes of his employees and their dependents, on account of retirement, sickness, accident disability, medical or hospitalization expense in connection with sickness or accident disability, or death.

b. 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.

c. 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.

Sec. 35. The Code editor is directed to determine if terms in chapter ninety-six (96) of the Code and this Act and the amendments to the Act specify only one gender and where the provisions of the Act are applicable to both genders. The Code editor shall make editorial changes in the text of the Act and the amendments to the Act to reflect their

applicability to both genders or one gender, as the case may be. The editing shall be done without changing the substantive meaning of the provisions of the Act.

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ARTHUR A. NEU  
President of the Senate

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DALE M. COCHRAN  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 485, Sixty-sixth General Assembly.

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CLARK R. RASMUSSEN  
Secretary of the Senate

Approved June 30, 1975

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ROBERT D. RAY  
Governor