

Sen. Lator Sp. Do Pass 5/25 (p. 917)
HOUSE FILE 2355

Labor and Industrial Relations
Hultman, Chair
Goodwin
Kinley

HOUSE FILE 2355

BY COMMITTEE ON LABOR AND INDUSTRIAL RELATIONS

FEB 7 1982

(Formerly Study Bill 670)

Place On Calendar

Passed House, Date 2-24-82 (p. 537) Passed Senate, Date 4-5-82 (p. 1042)

Vote: Ayes 17 Nays 21 Vote: Ayes 32 Nays 9

Approved May 10, 1982

*Repassed House as amended by Senate
4-13-82 (p. 1435)*

86-10

A BILL FOR

1 An Act to exempt from the workers' compensation law named
2 corporate officers after signing and filing an acceptance
3 of exemption and agricultural employers whose total
4 payroll to nonexempt employees is less than two thousand
5 five hundred dollars.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
HOUSE FILE 2355

S-5471

1 Amend House File 2355 as passed by the House as
2 follows:
3 1. Page 1, line 21, by inserting after the word
4 and figure "January 1." the words "An acceptance of
5 exemption filed under this section is not enforceable
6 if it is required as a condition of employment."

S-5471 FILED & ADOPTED
APRIL 6, 1982 (p. 1042)

BY BOB RUSH

S-5407

HOUSE FILE 2355

1 Amend House File 2355, as passed by the House,
2 as follows:
3 1. Page 1, line 14, by inserting after the word
4 "but" the words "not to exceed four officers per
5 corporation and".

S-5407 FILED
MARCH 30, 1982

BY TED ANDERSON

Adopted 4/5 (p. 1042)

23

24

25

1 Section 1. Section 85.1, subsection 3, paragraph a, Code
2 1981, is amended to read as follows:

3 a. This chapter ~~shall apply~~ applies to ~~such~~ persons not
4 specifically exempted by paragraph "b" of this subsection
5 if at the time of injury ~~such~~ the person is employed by an
6 employer whose total cash payroll to one or more persons other
7 than those exempted by paragraph "b" of this subsection
8 amounted to ~~one~~ two thousand five hundred dollars or more
9 during the preceding calendar year.

10 Sec. 2. Section 85.61, subsection 3, Code 1981, is amended
11 by adding the following new paragraph:

12 NEW PARAGRAPH. The president, vice president, secretary,
13 and treasurer of a corporation other than a family farm
5477 14 corporation, but only if such an officer signs an acceptance
15 of exemption which is witnessed by two disinterested
16 individuals who are not, formally or informally, affiliated
17 with the corporation and which is filed by the corporation
18 with the industrial commissioner on or before sixty days after
19 the first day of employment. For each calendar year thereafter
20 the acceptance of exemption shall be signed and filed on or
5471 21 before January 1. In order to ensure that the acceptance
22 of exemption is knowingly and voluntarily signed, the
23 acceptance of exemption shall be in substantially the following
24 form:

25 ACCEPTANCE OF EXEMPTION

26 I understand that by signing this statement I accept my
27 exemption from chapter 85 of the Code of Iowa relating to
28 workers' compensation. (Check either alternative (1) or (2):)

29 (1) The corporation has made available to me for review
30 and I have reviewed other insurance provided to pay certain
31 benefits to me for personal injuries sustained by me arising
32 out of and in the course of my employment and I accept this
33 insurance in lieu of workers' compensation coverage under
34 chapter 85 of the Code of Iowa.

35 (2) I am aware that the corporation does not provide other

1 insurance to pay compensation benefits to me for personal
2 injuries sustained by me and arising out of and in the course
3 of my employment, and knowing that other insurance is not
4 provided, I accept my exemption from chapter 85 of the Code
5 of Iowa.

6 I understand that my acceptance of my exemption from chapter
7 85 under either alternative (1) or (2) is not a waiver of
8 any rights or remedies available to me or to others on my
9 behalf in a civil action related to personal injuries sustained
10 by me arising out of and in the course of my employment with
11 the corporation.

12 Signed
13 Corporate Office
14 Date
15 City, County, State
16 of Residence
17 Witness
18 Witness

19 Notwithstanding the signing and filing of a valid acceptance
20 of exemption under this paragraph, a corporation may
21 voluntarily assume by the purchase of workers' compensation
22 insurance specifically covering a corporate officer a liability
23 for workers' compensation imposed upon the corporation by
24 this chapter. If such voluntary coverage is in effect,
25 workers' compensation benefits are the exclusive remedy
26 available to the corporate officer as provided in section
27 85.20.

28 Sec. 3. Section 87.21, unnumbered paragraph 1, Code 1981,
29 is amended to read as follows:

30 Any employer, except an employer exempt as provided in
31 section 85.1 or a corporation exempt with respect to a
32 corporate officer as provided in section 2 of this Act, who
33 has failed to insure the employer's liability in one of the
34 ways provided in this chapter, unless relieved from carrying
35 such insurance as provided in section 87.11, ~~shall be~~ is

1 liable to an employee for a personal injury in the course
2 of and arising out of ~~such~~ the employment, and the employee
3 may enforce ~~such~~ the liability by an action at law for damages,
4 or may collect compensation as provided in chapters 85 and
5 86. In actions by the employee for damages under ~~the-terms~~
6 of this section, the following rules shall apply:

7 Sec. 4. This Act takes effect January 1 following
8 enactment. A corporate officer employed on or before the
9 effective date of this Act who chooses to sign an acceptance
10 of exemption under section 2 of this Act shall sign, and the
11 corporation shall file, the acceptance of exemption on or
12 before sixty days after the effective date of this Act.

13

EXPLANATION

14 This bill exempts an agricultural employer from the workers'
15 compensation law if the employer's total cash payroll to
16 nonexempt employees amounted to less than \$2500 during the
17 preceding calendar year. The current law's exemption is set
18 at \$1000. Family members of farm operators and farm
19 corporation officers and their family members are generally
20 considered exempt employees and their wages are not counted
21 in computing the \$2500 limit.

22 This bill also provides that a named corporate officer
23 may elect not to be covered by Iowa's workers' compensation
24 law. Before the election is effective, the corporate officer
25 must sign and the corporation must file with the industrial
26 commissioner a witnessed acceptance of exemption. The signing
27 of an acceptance of exemption is not a waiver of any civil
28 rights or remedies. However, if the acceptance is properly
29 signed and filed the presumption of negligence in section
30 87.21 applicable to employers which fail to insure does not
31 apply to the corporation and its officers. A corporation
32 may voluntarily cover an officer by the purchase of workers'
33 compensation insurance specifically covering the officer.

34 The bill takes effect January 1 following its enactment.

35

SENATE AMENDMENT TO HOUSE FILE 2355

H-5739

- 1 Amend House File 2355 as passed by the House as
- 2 follows:
- 3 1. Page 1, line 14, by inserting after the word
- 4 "but" the words "not to exceed four officers per
- 5 corporation and".
- 6 2. Page 1, line 21, by inserting after the word
- 7 and figure "January 1." the words "An acceptance of
- 8 exemption filed under this section is not enforceable
- 9 if it is required as a condition of employment."

H-5739 FILED APRIL 7, 1982 RECEIVED FROM THE SENATE
House concurred 4/13 (p. 1435)

HOUSE FILE 2355

H-5821

- 1 Amend amendment H-5739, the Senate amendment to
- 2 House File 2355, as follows:
- 3 1. Page 1, by striking lines 3 through 5.

H-5821 FILED APRIL 13, 1982 BY SCHROEDER of Pottawattamie
H/D 4/13 (p. 1435)

HOUSE FILE 2355

AN ACT

TO EXEMPT FROM THE WORKERS' COMPENSATION LAW NAMED CORPORATE OFFICERS AFTER SIGNING AND FILING AN ACCEPTANCE OF EXEMPTION AND AGRICULTURAL EMPLOYERS WHOSE TOTAL PAYROLL TO NONEXEMPT EMPLOYEES IS LESS THAN TWO THOUSAND FIVE HUNDRED DOLLARS.

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

Section 1. Section 85.1, subsection 3, paragraph a, Code 1981, is amended to read as follows:

a. This chapter ~~shall apply~~ applies to ~~such~~ persons not specifically exempted by paragraph "b" of this subsection if at the time of injury ~~such the~~ person is employed by an employer whose total cash payroll to one or more persons other than those exempted by paragraph "b" of this subsection amounted to ~~one~~ two thousand five hundred dollars or more during the preceding calendar year.

Sec. 2. Section 85.61, subsection 3, Code 1981, is amended by adding the following new paragraph:

NEW PARAGRAPH. The president, vice president, secretary, and treasurer of a corporation other than a family farm corporation, but not to exceed four officers per corporation

and only if such an officer signs an acceptance of exemption which is witnessed by two disinterested individuals who are not, formally or informally, affiliated with the corporation and which is filed by the corporation with the industrial commissioner on or before sixty days after the first day of employment. For each calendar year thereafter the acceptance of exemption shall be signed and filed on or before January 1. An acceptance of exemption filed under this section is not enforceable if it is required as a condition of employment. In order to ensure that the acceptance of exemption is knowingly and voluntarily signed, the acceptance of exemption shall be in substantially the following form:

ACCEPTANCE OF EXEMPTION

I understand that by signing this statement I accept my exemption from chapter 85 of the Code of Iowa relating to workers' compensation. (Check either alternative (1) or (2):)

(1) The corporation has made available to me for review and I have reviewed other insurance provided to pay certain benefits to me for personal injuries sustained by me arising out of and in the course of my employment and I accept this insurance in lieu of workers' compensation coverage under chapter 85 of the Code of Iowa.

(2) I am aware that the corporation does not provide other insurance to pay compensation benefits to me for personal injuries sustained by me and arising out of and in the course of my employment, and knowing that other insurance is not provided, I accept my exemption from chapter 85 of the Code of Iowa.

I understand that my acceptance of my exemption from chapter 85 under either alternative (1) or (2) is not a waiver of any rights or remedies available to me or to others on my behalf in a civil action related to personal injuries sustained by me arising out of and in the course of my employment with the corporation.

Signed
Corporate Office
Date
City, County, State
of Residence
Witness
Witness

Notwithstanding the signing and filing of a valid acceptance of exemption under this paragraph, a corporation may voluntarily assume by the purchase of workers' compensation insurance specifically covering a corporate officer a liability for workers' compensation imposed upon the corporation by this chapter. If such voluntary coverage is in effect, workers' compensation benefits are the exclusive remedy available to the corporate officer as provided in section 85.20.

Sec. 3. Section 87.21, unnumbered paragraph 1, Code 1981, is amended to read as follows:

Any employer, except an employer exempt as provided in section 85.1 or a corporation exempt with respect to a corporate officer as provided in section 2 of this Act, who has failed to insure the employer's liability in one of the ways provided in this chapter, unless relieved from carrying such insurance as provided in section 87.11, ~~shall be~~ is liable to an employee for a personal injury in the course of and arising out of ~~such the~~ employment, and the employee may enforce ~~such the~~ liability by an action at law for damages, or may collect compensation as provided in chapters 85 and 86. In actions by the employee for damages under ~~the terms of~~ this section, the following rules ~~shall~~ apply:

Sec. 4. This Act takes effect January 1 following enactment. A corporate officer employed on or before the effective date of this Act who chooses to sign an acceptance of exemption under section 2 of this Act shall sign, and the

corporation shall file, the acceptance of exemption on or before sixty days after the effective date of this Act.

 DELWYN STROMER
 Speaker of the House

 TERRY E. BRANSTAD
 President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2355, Sixty-ninth General Assembly.

 ELIZABETH A. ISAACSON
 Chief Clerk of the House

Approved May 10, 1982

 ROBERT D. RAY
 Governor