

*Sen. Haber 5/2/83 Amend per 2912,
to Pass 5/11 (p. 1680)*

APR 27 1983

Place On Calendar

HOUSE FILE 637

BY COMMITTEE ON FINANCE

(Formerly Study Bill 340)

Passed House, Date 4-27-83 (p. 1657) Passed Senate, Date 5-12-83 (p. 1695)

Vote: Ayes 58 Nays 40 Vote: Ayes 29 Nays 20

Approved June 12 1983

*Engrossed House per Senate amendment 4225
5-14-83 (p. 2196)
61-34*

A BILL FOR

1 An Act relating to the computation of employer contribution
2 rates and employee benefits under Iowa's unemployment
3 law, and to changes in Iowa's unemployment law to conform
4 with federal law.

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

- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

HF 637

1 Section 1. Section 96.3, subsection 3, Code 1983, is
2 amended to read as follows:

3 3. PARTIAL UNEMPLOYMENT. An individual who is partially
4 unemployed in any week as defined in section 96.19, subsection
5 9, paragraph "b", and who meets the conditions of eligibility
6 for benefits shall be paid with respect to that week an amount
7 equal to the individual's weekly benefit amount less that
8 part of wages payable to the individual with respect to that
9 week in excess of one-fourth of the individual's weekly benefit
10 amount. ~~Such~~ The benefits shall be rounded to the ~~higher~~
11 lower multiple of one dollar.

12 Sec. 2. Section 96.3, subsection 4, unnumbered paragraph
13 1, Code 1983, is amended to read as follows:

14 With respect to benefit years beginning on or after July
15 1, ~~1979~~ 1983, an eligible individual's weekly benefit amount
16 for a week of total unemployment shall be an amount equal
17 to ~~the following fractions~~ one-twenty-second of the
18 individual's total wages in insured work paid during that
19 quarter of the individual's base period in which such total
20 wages were highest; the director shall determine annually
21 a maximum weekly benefit amount equal to ~~the following~~
22 ~~percentages, to vary with the number of dependents, sixty~~
23 percent of the statewide average weekly wage paid to employees
24 in insured work which shall be effective the first day of
25 the first full week in July.

26 ~~If the number of~~ ~~-----~~ ~~The weekly benefit~~ ~~-----~~ ~~Subject to the~~
27 ~~dependents is~~ ~~-----~~ ~~amount shall equal~~ ~~-----~~ ~~following maximum~~
28 ~~-----~~ ~~the following frae~~ ~~-----~~ ~~percentage of the~~
29 ~~-----~~ ~~tion of high guar~~ ~~-----~~ ~~statewide average~~
30 ~~-----~~ ~~ter wages~~ ~~-----~~ ~~weekly wage~~
31 ~~-----~~ ~~0~~ ~~-----~~ ~~1/23~~ ~~-----~~ ~~58%~~
32 ~~-----~~ ~~1~~ ~~-----~~ ~~1/22~~ ~~-----~~ ~~60%~~
33 ~~-----~~ ~~2~~ ~~-----~~ ~~1/21~~ ~~-----~~ ~~62%~~
34 ~~-----~~ ~~3~~ ~~-----~~ ~~1/20~~ ~~-----~~ ~~65%~~
35 ~~-----~~ ~~4 or more~~ ~~-----~~ ~~1/19~~ ~~-----~~ ~~70%~~

1 The maximum weekly benefit amount, if not a multiple of one
 2 dollar shall be rounded to the ~~higher~~ lower multiple of one
 3 dollar. ~~However, until such time as fifty-eight percent of~~
 4 ~~the statewide average weekly wage exceeds one hundred thirty-~~
 5 ~~three dollars, an individual with zero or one dependent who~~
 6 ~~would be entitled to the maximum weekly benefit amount if~~
 7 ~~the individual's weekly benefit amount were computed by using~~
 8 ~~one twenty-first of the individual's high quarter wages,~~
 9 ~~subject to a maximum percentage of sixty-two percent of the~~
 10 ~~statewide average weekly wage, the individual shall receive~~
 11 ~~the maximum weekly benefit amount of sixty-two percent of~~
 12 ~~the statewide average weekly wage. --As used in this section~~
 13 ~~"dependent" means dependent as defined in section 422-12,~~
 14 ~~subsection 17 paragraph "c", as if the individual claimant~~
 15 ~~was a taxpayer, except that an individual claimant's nonworking~~
 16 ~~spouse shall be deemed to be a dependent under this section.~~
 17 ~~"Nonworking spouse" means a spouse who does not earn more~~
 18 ~~than one hundred twenty dollars in gross wages in one week.~~

19 Sec. 3. TEMPORARY SECTION. MAXIMUM WEEKLY BENEFIT AMOUNTS.
 20 Notwithstanding the annual recomputation of the statewide
 21 average weekly wage required by section 96.3, subsection 4,
 22 the maximum weekly benefit amount for benefit claims
 23 effectively filed during the period beginning July 3, 1983,
 24 and ending July 6, 1985, shall be determined using the
 25 statewide average weekly wage computed on the basis of wages
 26 reported for calendar year 1981. The maximum weekly benefit
 27 amount for benefit claims effectively filed during the period
 28 beginning July 7, 1985, and ending July 5, 1986, shall be
 29 determined by multiplying by sixty percent the difference
 30 between the statewide average weekly wage computed on the
 31 basis of wages reported for calendar year 1984 and the
 32 statewide average weekly wage computed on the basis of wages
 33 reported for calendar year 1982, and adding that product to
 34 the maximum weekly benefit amount applicable for benefit
 35 claims effectively filed during the period beginning July

1 3, 1983, and ending July 6, 1985. The maximum weekly benefit
2 amount for benefit claims effectively filed during the annual
3 benefit claim filing periods beginning on or after July 6,
4 1986, shall be determined by multiplying by sixty percent
5 the difference between the statewide average weekly wage
6 computed on the basis of wages reported for the prior calendar
7 year and the statewide weekly wage computed on the basis of
8 wages reported for the calendar year preceding the prior
9 calendar year, and adding that product to the maximum weekly
10 benefit amount applicable for benefit claims effectively filed
11 during the preceding benefit claim filing period. However,
12 this section shall no longer apply to annual benefit claim
13 filing periods beginning on or after July 6, 1986 if the
14 unemployment trust fund had a positive balance at the end
15 of the preceding calendar year.

16 Sec. 4. Section 96.3, subsection 5, Code 1983, is amended
17 by adding the following new unnumbered paragraph:

18 NEW UNNUMBERED PARAGRAPH. The amount of benefits paid
19 to an individual, which is solely due to wage credits
20 considered to be in an individual's base period due to the
21 exclusion and substitution of calendar quarters from the
22 individual's base period under section 96.23, shall be charged
23 against the account of the employer responsible for paying
24 the weekly workers' compensation benefits for temporary total
25 disability or during a healing period under section 85.33,
26 section 85.34, subsection 1, or section 85A.17.

27 Sec. 5. Section 96.4, subsection 4, unnumbered paragraph
28 1, Code 1983, is amended to read as follows:

29 The individual has been paid wages for insured work during
30 the individual's base period in an amount at least one and
31 ~~one-quarter~~ one-third times the wages paid to the individual
32 during that quarter of the individual's base period in which
33 the individual's wages were highest; provided that the
34 individual has been paid wages for insured work ~~of not less~~
35 ~~than four hundred dollars~~ totaling at least three and five-

1 tenths percent of the statewide average annual wage for insured
 2 work, computed for the preceding calendar year if the
 3 individual's benefit year begins on or after the first full
 4 week in July and computed for the second preceding calendar
 5 year if the individual's benefit year begins before the first
 6 full week in July, in that calendar quarter in the individual's
 7 base period in which the individual's wages were highest,
 8 and the individual has been paid wages for insured work of
 9 net-less-than-two-hundred-dollars totaling at least one-half
 10 of the amount of wages required under this subsection in the
 11 calendar quarter of the base period in which the individual's
 12 wages were highest, in a calendar quarter in the individual's
 13 base period other than the calendar quarter in which the
 14 individual's wages were highest.

15 Sec. 6. TEMPORARY SECTION. 1983 CONTRIBUTION RATE TABLE
 16 AND SPECIAL CONTRIBUTION RATES.

17 1. Notwithstanding section 96.7, subsection 3, paragraph
 18 d, the following contribution rate table applies for calendar
 19 year 1983:

<u>Percentage of Excess Rank</u>	<u>Contribution Rate</u>
	<u>Table for 1983</u>
22	1 .5
23	2 .8
24	3 .9
25	4 1.0
26	5 1.1
27	6 1.4
28	7 1.7
29	8 1.9
30	9 2.1
31	10 2.5
32	11 2.8
33	12 3.4
34	13 3.8
35	14 4.3

1	15	4.7
2	16	5.1
3	17	5.9
4	18	6.5
5	19	7.0
6	20	7.0
7	21	7.0

8 2. An employer which meets the zero contribution rate
 9 requirements for calendar year 1983 of section 96.7, subsection
 10 3, paragraph d, unnumbered paragraph 6 relating to percentage
 11 of excess and a record of no benefit charges, shall be assigned
 12 the zero contribution rate for calendar year 1983 even though
 13 the rate table in this section is effective for calendar year
 14 1983, notwithstanding the requirement of unnumbered paragraph
 15 6 which limits the zero contribution rate to calendar years
 16 in which a rate table in rate tables three through nine is
 17 effective. If an employer assigned a zero contribution rate
 18 for calendar year 1983 is required to contribute for the next
 19 calendar year, the employer's rate for that next calendar
 20 year is limited to the maximum rate of one and eight-tenths
 21 percent.

22 3. If additional contributions are due for the first
 23 calendar quarter of 1983 under this section, an employer shall
 24 pay the additional contributions in three equal installments
 25 no later than the time regular contributions are due for the
 26 last three calendar quarters of 1983. However, an employer
 27 may pay the additional contributions in advance.

28 Sec. 7. Section 96.7, subsection 3, paragraph d, unnum-
 29 bered paragraph 4, contribution rate table 1, Code 1983, is
 30 amended to read as follows:

31	<u>Percentage of Excess Rank</u>	<u>Contribution Rate Table 1</u>
32	1	0 <u>.9</u>
33	2	1.0 <u>1.1</u>
34	3	1.2 <u>1.3</u>
35	4	1.4 <u>1.5</u>

1	5	1-6	<u>1.7</u>
2	6	1-8	<u>1.9</u>
3	7	2-0	<u>2.2</u>
4	8	2-3	<u>2.5</u>
5	9	2-6	<u>2.8</u>
6	10	2-9	<u>3.1</u>
7	11	3-2	<u>3.5</u>
8	12	3-5	<u>3.8</u>
9	13	3-8	<u>4.1</u>
10	14	4-2	<u>4.5</u>
11	15	4-6	<u>5.0</u>
12	16	5-0	<u>5.4</u>
13	17	5-5	<u>5.9</u>
14	18	6-0	<u>6.5</u>
15	19	6-0	<u>6.5</u>
16	20	6-0	<u>6.5</u>
17	21	6-0	<u>6.5</u>

18 Sec. 8. Section 96.7, subsection 3, paragraph d, in the
 19 proviso following the contribution rate tables in unnumbered
 20 paragraph 4, Code 1983, is amended to read as follows:

21 ~~Provided, however, that notwithstanding~~ Notwithstanding any
 22 other provision of this chapter relating to limiting contri-
 23 bution rates to those specified in the contribution rate
 24 table, any an employer which employs individuals for
 25 construction as defined by the department pursuant to rules,
 26 that has not qualified for an experience rating shall pay
 27 ~~four-point-zero-percent-in-the-calendar-year-1968-through~~
 28 ~~the-calendar-year-1977-and-be-assigned-to-the-rate-specified~~
 29 ~~in-the-twenty-first-percentage-of-excess-rank-for-the-rate~~
 30 ~~year-beginning-January-1, 1978-and-every-year-thereafter~~ the
 31 maximum contribution rate assigned to an employer under this
 32 chapter until such time as the employer has qualified for
 33 an experience rating. However, ~~such~~ the employer shall not
 34 qualify for an experience rating until there ~~shall~~ have been
 35 twelve consecutive calendar quarters immediately preceding

1 the rate computation date throughout which ~~his~~ the employer's
2 account has been chargeable with benefit payments.

3 Sec. 9. Section 96.7, subsection 3, paragraph d, unnum-
4 bered paragraph 6, Code 1983, is amended to read as follows:

5 ~~However, notwithstanding any other provision of this chap-~~
6 ~~ter relating to the applicable contribution rate table for~~
7 ~~a calendar year, the applicable contribution rate table for~~
8 ~~the calendar years 1982 and 1983 is table three unless the~~
9 ~~ratio of the current reserve fund ratio to the highest benefit~~
10 ~~cost rate on the rate computation date is 1.0 or higher.~~

11 During any rate year in which a rate table in rate tables
12 three through nine is effective an employer assigned a
13 contribution rate under this paragraph is not required to
14 contribute to the unemployment compensation trust fund if
15 the employer's percentage of excess is seven point five percent
16 or greater for the rate year and the employer has not been
17 charged with benefit payments for any time within the twenty-
18 four calendar quarters immediately preceding the rate
19 computation date for the rate year. If an employer is not
20 required to contribute for a rate year to the trust fund under
21 this unnumbered paragraph but would be required to contribute
22 for the next rate year under this lettered paragraph, the
23 employer's contribution rate for the next rate year is either
24 the employer's experience rate computed under this lettered
25 paragraph or one and eight-tenths percent, whichever is less.
26 For subsequent years, either the employer is not required
27 to contribute under this unnumbered paragraph or the employer's
28 contribution rate is the employer's experience rate computed
29 under this lettered paragraph.

30 During any rate year in which rate table one or two is
31 effective an employer assigned a contribution rate under this
32 paragraph shall be required to contribute to the unemployment
33 compensation trust fund at five-tenths of one percent, if
34 the employer's percentage of excess is seven point five percent
35 or greater for the rate year and the employer has not been

1 charged with benefit payments for any time within the twenty-
2 four calendar quarters immediately preceding the rate
3 computation date for the rate year. If an employer is
4 qualified for the five-tenths of one percent limitation on
5 the employer's contribution rate for a rate year under this
6 unnumbered paragraph but would be required to contribute for
7 the next rate year under this lettered paragraph, the
8 employer's contribution rate for the next rate year is either
9 the employer's experience rate computed under this lettered
10 paragraph or one and eight-tenths percent, whichever is less.
11 For subsequent years, either the employer is qualified for
12 the five-tenths of one percent limitation under this unnumbered
13 paragraph or the employer's contribution rate is the employer's
14 experience rate computed under this lettered paragraph.

15 Sec. 10. Section 96.7, subsection 3, paragraph d,
16 unnumbered paragraph 7, Code 1983, is amended to read as
17 follows:

18 Notwithstanding any other provision of this chapter re-
19 lating to limiting contribution rates to those specified in
20 the contribution rate table, if an employer qualified for
21 an experience rating has a negative balance in the employer's
22 account on the rate computation date and had a negative balance
23 on the previous rate computation date, the employer shall
24 contribute an additional ~~one-half~~ one percent of taxable wages
25 above the contribution rate assigned the employer by the
26 effective rate contribution table. For each subsequent and
27 consecutive rate computation date on which the employer still
28 has a negative balance in the employer's account, the employer
29 shall contribute an additional ~~one-half~~ one percent of taxable
30 wages. Beginning with the initial surcharge of ~~one-half~~ one
31 percent each subsequent and consecutive surcharge of ~~one-half~~
32 one percent of taxable wages shall be cumulative, except that
33 the cumulative surcharge shall not exceed ~~three~~ an amount
34 sufficient to make the employer's combined contribution rate
35 equal to nine percent of taxable wages.

1 Sec. 11. Section 96.7, subsection 15, unnumbered paragraph
2 1, Code 1983, is amended to read as follows:

3 If on the first day of the third month in any calendar
4 quarter ~~in 1983~~, the department has an outstanding balance
5 of interest accrued on advance moneys received from the federal
6 government for the payment of unemployment compensation
7 benefits, or is projected to have an outstanding balance of
8 accruing federal interest for that calendar quarter, the
9 director shall collect a temporary emergency tax for that
10 calendar quarter ~~in 1983~~, retroactive to the beginning of
11 that calendar quarter. The tax shall be set at the rate
12 necessary to pay the interest accrued on the moneys advanced
13 to the department by the federal government, and to pay any
14 additional federal interest which will accrue for the remainder
15 of that calendar quarter. However, for the calendar quarters
16 in 1983 the tax shall not be greater than ~~one-tenth~~ thirty-
17 five one hundredths of one percent of taxable wages ~~for that~~
18 ~~calendar-quarter~~. The tax shall apply to all employers except
19 government entities, nonprofit organizations, and employers
20 assigned a zero contribution rate ~~for calendar-year-1983~~.
21 The director shall prescribe the manner in which the tax will
22 be collected. Interest shall accrue on all unpaid tax under
23 this subsection at the same rate as on regular contributions
24 and shall be collectible in the same manner. The tax shall
25 not affect the computation of regular contributions under
26 this chapter.

27 Sec. 12. Section 96.19, subsection 6, paragraph g, subpara-
28 graph (6), unnumbered paragraph 2, Code 1983, is amended to
29 read as follows:

30 Service performed by an individual ~~under-the-age-of-twenty-~~
31 ~~two-years~~ who is enrolled at a nonprofit or public educational
32 institution which normally maintains a regular faculty and
33 curriculum and normally has a regularly organized body of
34 students in attendance at the place where its educational
35 activities are carried on, as a student in a full-time program,

1 taken for credit at such institution, which combines academic
2 instruction with work experience, if ~~such~~ the service is an
3 integral part of ~~such~~ the program and ~~such~~ the institution
4 has so certified to the employer, except that this subparagraph
5 ~~shall~~ does not apply to service performed in a program
6 established for or on behalf of an employer or group of
7 employers.

8 Sec. 13. Section 96.19, subsection 6, paragraph g, Code
9 1983, is amended by adding the following new subparagraph:

10 NEW SUBPARAGRAPH. (7) Services performed by an individual,
11 who is not treated as an employee, for a person who is not
12 treated as an employer, under either of the following condi-
13 tions:

14 (a) The services are performed by the individual as a
15 salesperson and as a licensed real estate agent; substantially
16 all of the remuneration for the services is directly related
17 to sales or other output rather than to the number of hours
18 worked; and the services are performed pursuant to a written
19 contract between the individual and the person for whom the
20 services are performed, which provides that the individual
21 will not be treated as an employee with respect to the ser-
22 vices for federal tax purposes.

23 (b) The services are performed by an individual engaged
24 in the trade or business of selling or soliciting the sale
25 of consumer products to any buyer on a buy-sell basis or a
26 deposit-commission basis, for resale by the buyer or another
27 person in the home or in a place other than a permanent retail
28 establishment, or engaged in the trade or business of selling
29 or soliciting the sale of consumer products in the home or
30 in a place other than a permanent retail establishment;
31 substantially all of the remuneration for the services is
32 directly related to sales or other output rather than to the
33 number of hours worked; and the services are performed pur-
34 suant to a written contract between the individual and the
35 person for whom the services are performed, which provides

1 that the individual will not be treated as an employee with
2 respect to the services for federal tax purposes.

3 Sec. 14. Section 96.19, subsection 20, Code 1983, is
4 amended by adding the following new unnumbered paragraph:

5 NEW UNNUMBERED PARAGRAPH. However, the amount of taxable
6 wages otherwise determined under this subsection shall be
7 increased by six hundred dollars for calendar year 1984, by
8 eleven hundred dollars for calendar year 1985, and by sixteen
9 hundred dollars for calendar year 1986 and subsequent calendar
10 years.

11 Sec. 15. Section 96.23, Code 1983, is amended by striking
12 the section and inserting in lieu thereof the following:

13 96.23 BASE PERIOD EXCLUSION. The department shall exclude
14 three or more calendar quarters from an individual's base
15 period, as defined in section 96.19, subsection 16, if the
16 individual received weekly workers' compensation benefits
17 for temporary total disability or during a healing period
18 under section 85.33, section 85.34, subsection 1, or section
19 85A.17 during those three or more calendar quarters, if one
20 of the following conditions applies to the individual's base
21 period:

22 1. The individual did not receive wages from insured work
23 for three calendar quarters.

24 2. The individual did not receive wages from insured work
25 for two calendar quarters and did not receive wages from
26 insured work for another calendar quarter equal to or greater
27 than the amount required for a calendar quarter, other than
28 the calendar quarter in which the individual's wages were
29 highest, under section 96.4, subsection 4.

30 The department shall substitute, in lieu of the three or
31 more calendar quarters excluded from the base period, those
32 three or more consecutive calendar quarters, immediately
33 preceding the base period, in which the individual did not
34 receive such weekly workers' compensation benefits.

35 Sec. 16. This Act, being deemed of immediate importance,

1 takes effect from and after its publication in The Sioux City
2 Journal, a newspaper published in Sioux City, Iowa, and in
3 the Waterloo Courier, a newspaper published in Waterloo, Iowa,
4 and is retroactive to January 1, 1983.

5 However, sections 12 and 13 of this Act take effect from
6 and after the Act's publication, sections 1, 2, 3, 4, 5, and
7 15 take effect only for unemployment compensation benefit
8 claims effectively filed on or after July 3, 1983, and sections
9 7 and 8, the portion of section 9 which relates to the five-
10 tenths of one percent limitation, and sections 10 and 14 of
11 this Act take effect July 1, 1983, and apply to calendar year
12 1984 and subsequent calendar years.

13 Contribution rate table 1, as amended by section 7 of this
14 Act, shall be used to compute the additional contributions
15 of one percent per year, applicable to negative-balance
16 employers for calendar year 1984 and subsequent calendar
17 years, required under section 10 of this Act. If a negative-
18 balance employer received a one-half of one percent surcharge
19 under section 96.7, subsection 3, paragraph d, unnumberd para-
20 graph 7, applicable to calendar years before calendar year
21 1984, the employer's contribution rate for calendar year 1984
22 and subsequent calendar years shall be computed using
23 contribution rate table 1, as amended by section 7 of this
24 Act, the cumulative one-half of one percent surcharges and
25 the one percent surcharges applicable to calender year 1984
26 and subsequent calendar years under section 10 of this Act.

27

EXPLANATION

28 This bill has the following effects on unemployment
29 compensation benefits:

30 1. Benefits are rounded to the lower, rather than higher,
31 dollar amount, to allow the state full-dollar federal
32 reimbursement for extended benefit payments.

33 2. Benefits are computed at one-twenty-second of an
34 individual's high quarter wages, subject to a maximum of sixty
35 percent of the statewide average weekly wage. Dependency

1 benefits are no longer provided.

2 3. The maximum weekly benefit amount for claims filed
3 during the period beginning July 3, 1983, and ending July
4 6, 1985, is frozen at the maximum amount in effect between
5 July 4, 1982, and July 2, 1983. For subsequent years for
6 which the unemployment trust fund has a negative balance the
7 maximum weekly benefit amount is computed by adding to the
8 previous maximum weekly benefit amount 60 percent of certain
9 increases in the statewide average weekly wage.

10 4. The attachment-to-the-work-force requirement is raised
11 to one and one-third times high quarter wages, with minimum
12 wages of three and five-tenths percent of the statewide average
13 annual wage in the high quarter and minimum wages of one-half
14 of that amount in another quarter.

15 The bill has the following effects on employer contribu-
16 tions:

17 1. Employers are required to make contributions under
18 a new table, instead of table three, for calendar year 1983.
19 The new table is retroactively effective to January 1, 1983
20 and applies to all taxable wages for 1983. The new table
21 provides for lower contribution rates for employers with
22 percentage of excess ranks 1 through 13 and higher contribution
23 rates for employers with percentage of excess ranks 15 through
24 21.

25 2. The special zero contribution rate is retained for
26 calendar year 1983 for employers with a percentage of excess
27 of at least 7.5 percent and no benefit charges for 24 calendar
28 quarters, even though the new rate table is effective for
29 the calendar year. For subsequent years the special zero
30 contribution rate is effective when tables three through nine
31 apply and a five-tenths of one percent special rate is
32 effective when table one or two applies. Such an employer
33 is limited to a maximum rate of 1.8 percent for the calendar
34 year for which the employer is no longer qualified for the
35 five-tenths of one percent contribution rate.

1 3. Table one is permanently modified for calendar year
2 1984 and subsequent calendar years to provide higher
3 contribution rates for employers in all percentage of excess
4 ranks.

5 4. The one-half of one percent annual surcharge for
6 negative-balance employers is increased to one percent an-
7 nually, not to exceed nine percent.

8 5. The 1983 temporary emergency tax to pay federal interest
9 is increased from a maximum of 0.1 percent to 0.35 percent,
10 retroactively effective to January 1, 1983. A permanent
11 emergency tax is provided to pay federal interest in subsequent
12 years.

13 6. A construction employer not qualified for an experience
14 rating is required to contribute at the maximum contribution
15 rate, which would be a nine percent rate on taxable wages
16 for 1984.

17 7. The taxable wage base is increased, over the formula
18 amount, by \$500 for calendar year 1984, by \$1100 for 1985,
19 and by \$1600 for 1986.

20 The bill has the following additional effects:

21 1. The bill removes the age limitation on the exclusion
22 of work-study students from the coverage of the unemployment
23 compensation law, and excludes qualified licensed real es-
24 tate agents and direct sellers from the coverage of the law,
25 both federal options, effective upon publication.

26 2. An individual's unemployment compensation base period
27 is to be moved backward in time if the individual has received
28 weekly workers' compensation benefits for three or more
29 calendar quarters and has received few or no wages during
30 those three calendar quarters. The benefits are to be charged
31 against the employer responsible for paying the weekly workers'
32 compensation.

33 The bill would become law upon publication and is retro-
34 active to January 1, 1983 in order to collect certain employer
35 contributions for 1983. Other provisions of the bill are

1 effective upon publication, after July 1, 1983, or for calendar
2 year 1984.

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35

HOUSE FILE 637
FISCAL NOTE

REQUESTED BY REPRESENTATIVE CONNOLLY

In compliance with a written request received April 27, 1983, there is hereby submitted a Fiscal Note for House File 637 pursuant to Joint Rule 17. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

House File 637 revises the computation of employee benefits and employer's contributions under Iowa's unemployment law. The bill makes four changes in the computation of employee benefits, and seven changes in the computation of employer contributions. These changes are projected to balance the benefits paid out with the income received starting in 1986, and will also start to pay off the money borrowed from the federal government during the past two years. The bill also makes several changes in Iowa law to conform with federal law.

The fiscal effect of this bill for the next five years is estimated to be as follows (all numbers in millions of dollars):

	Projected Benefits -No Law Change	Benefits -HF 637	Projected Contributions -No Law Change	Contri- butions -HF 637
1983	\$ 283.4	\$ (6.7)	\$ 145.6	\$ 31.5
1984	\$ 264.0	\$ (15.2)	\$ 201.6	\$ 25.4
1985	\$ 266.4	\$ (16.5)	\$ 215.0	\$ 28.2
1986	\$ 266.8	\$ (10.6)	\$ 229.0	\$ 32.4
1987	\$ 266.2	\$ (9.3)	\$ 244.0	\$ 30.9
		=====		-----
				\$ 148.4
<u>Total Impact on Benefits</u>		\$ (58.3)		
FUTA Payments - 1985, 1986, 1987 (estimated)				\$ 107.0
				=====
<u>Total Impact on Employers</u>				\$ 255.4

This estimate of total impact on employers does not include \$ 54.0 in increased contributions scheduled to go into effect in 1984 because of the change to Tax Table 3 under current law.

FISCAL NOTE, House File 637
 Page Two

The trust fund loan balance for the next five years is projected to be as follows:

Loan Balance end of 1982			\$(63.4) Million
Benefits 1983	\$ 276.7 M		
Contributions 1983	<u>177.1 M</u>		
Excess Benefits		\$(99.6) M	
FUTA Loan Payment		<u>0</u>	\$(99.6) Million
Loan Balance end of 1983			\$(163.0) Million
Benefits 1984	\$ 248.8 M		
Contributions 1984	<u>227.0 M</u>		
Excess Benefits		\$(21.8) M	
FUTA Loan Payment		<u>0</u>	\$(21.8) Million
Loan Balance end of 1984			\$(184.8) Million
Benefits 1985	\$ 249.9 M		
Contributions 1985	<u>243.2 M</u>		
Excess Benefits		\$(6.7) M	
FUTA Loan Payment		<u>17.7 M</u>	\$ 11.0 Million
Loan Balance end of 1985			\$(173.8) Million
Benefits 1986	\$ 256.2 M		
Contributions 1986	<u>261.4 M</u>		
Excess Contributions		\$ 5.2 M	
FUTA Loan Payment		<u>35.4 M</u>	\$ 40.6 Million
Loan Balance end of 1986			\$(133.2) Million
Benefits 1987	\$ 274.9 M		
Contributions 1987	<u>256.9 M</u>		
Excess Contributions		\$18.0 M	
FUTA Loan Payment		<u>54.0 M</u>	\$ 72.0 Million
Loan Balance end of 1987			\$(61.2) Million

The projection assumes a "moderate" recovery. However, loans outstanding as of April 27, 1983 are \$20 million higher than the moderate recovery projection assumed. The year end loan balances will thus be \$20 million less than indicated (approximately -\$81.2 Million at the end of 1987. There will be also be a substantial amount of interest owed the Federal government as a result of the FUTA loans.

Due to the cyclical nature of the economy, continued economic growth beyond 1987 cannot be assumed.

(A109H, 83-488, JMN)

Source: Iowa Department of Job Service

FILED APRIL 28, 1983

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE 2
MAY 13, 1983

HOUSE FILE 637
FISCAL NOTE--AMENDMENT S-3912

REQUESTED BY SENATOR ANDERSON

In compliance with a written request there is hereby submitted a Fiscal Note for Amendment S-3912 to House File 637 pursuant to Joint Rule 17.

Amendment S-3912 to House File 637 strikes everything after the enacting clause. The amended bill makes five changes in the computation of employee benefits and seven changes in the computation of employer contributions. These changes are projected to balance the benefits paid out with the income received starting in 1986, and will also start to pay off the money borrowed from the federal government during the past two years.

The fiscal effect of this bill for the next five years is estimated to be as follows (all numbers in millions of dollars):

	Projected Benefits -No Law Change	Change Benefits Sen.Amnd.	Projected Contributions -No Law Change	Change Contri- butions Sen.Amnd.
1983	\$ 283.4	\$ (.2)	\$ 145.6	\$ 31.5
1984	\$ 264.0	\$ (1.8)	\$ 201.6	\$ 25.4
1985	\$ 266.4	\$ (17.1)	\$ 215.0	\$ 28.2
1986	\$ 266.8	\$ (17.1)	\$ 229.0	\$ 32.4
1987	\$ 266.2	\$ (17.1)	\$ 244.0	\$ 30.9
		*****		-----
				\$ 148.4
<u>Total Impact on Benefits</u>				\$ (53.3)
FUTA Payments - 1985, 1986, 1987 (low end of range)				\$ 106.0

<u>Total Impact on Employers</u>				\$ 255.4

This estimate of total impact on employers does not include \$ 54.0 in increased contributions scheduled to go into effect in 1984 because of the change to Tax Table 3 under current law.

SENATE 3
MAY 13, 1983

HOUSE FILE 637 - FISCAL NOTE FOR AMENDMENT S-3912 - PAGE 2

The trust fund loan balance for the next five years is projected to be as follows:

Loan Balance end of 1982			\$	(63.4) M
Benefits 1983	\$ 283.6 M			
Contributions 1983	<u>177.1 M</u>			
Excess Benefits		\$ (106.5) M		
FUTA Loan Payment		<u>0</u>	\$	(106.5) M
Loan Balance end of 1983			\$	(169.9) M
Benefits 1984	\$ 262.2 M			
Contributions 1984	<u>227.0 M</u>			
Excess Benefits		\$ (35.2) M		
FUTA Loan Payment		<u>0</u>	\$	(35.2) M
Loan Balance end of 1984			\$	(205.1) M
Benefits 1985	\$ 249.3 M			
Contributions 1985	<u>243.2 M</u>			
Excess Benefits		\$ (6.1) M		
FUTA Loan Payment		<u>17.0 - 18.0 M</u>	\$	<u>10.9 - 11.9 M</u>
Loan Balance end of 1985			\$	(194.2-193.2) M
Benefits 1986	\$ 249.7 M			
Contributions 1986	<u>261.4 M</u>			
Excess Contributions		\$ 11.7 M		
FUTA Loan Payment		<u>35.0 - 38.0 M</u>	\$	<u>46.7 - 49.7 M</u>
Loan Balance end of 1986			\$	(147.5-143.5) M
Benefits 1987	\$ 249.1 M			
Contributions 1987	<u>274.9 M</u>			
Excess Contributions		\$ 25.8 M		
FUTA Loan Payment		<u>54.0 - 61.0 M</u>	\$	<u>79.8 - 86.8 M</u>
Loan Balance end of 1987			\$	(67.7- 56.7) M


The computer models on which the above estimates are based assume a "moderate" economic recovery. However, the actual level of benefit payments and loans are currently slightly higher than the "no recovery" scenario. All figures are estimates; actual experience may vary from the computer projections. There will be also be a substantial amount of interest owed the Federal government as a result of the FUTA loans.

Because of the cyclical nature of the economy, continued economic growth beyond 1987 cannot be assumed.

(1718.X01, 83-517, JMN)

Source: Iowa Department of Job Service

FILED:
MAY 12, 1983


Dennis Prouty
Fiscal Director
Legislative Fiscal Bureau

HOUSE FILE 637

H-3887

Amend House File 637 as follows:

1. Page 4, by inserting after line 14 the following:
 - 4 "Sec. ____ . Section 96.5, subsection 7, Code 1983,
 - 5 is amended by adding the following new paragraph:
 - 6 NEW PARAGRAPH. d. Notwithstanding paragraphs
 - 7 a, b and c of this subsection, if an individual is
 - 8 separated from employment and is scheduled to receive
 - 9 vacation payments during the period of unemployment
 - 10 attributable to the employer and if the individual
 - 11 is not scheduled to return to work within a period
 - 12 of four consecutive weeks then payments made by an
 - 13 employer to an individual or an obligation to make
 - 14 a payment by an employer to an individual for vacation
 - 15 pay, vacation pay allowance or pay in lieu of vacation
 - 16 for any period in excess of one week shall not be
 - 17 deemed wages as defined in section 96.19, subsection
 - 18 12, and such payments in excess of that amount received
 - 19 for one week or the value of such obligations for
 - 20 one week shall not be deducted from the unemployment
 - 21 benefits an employee is otherwise entitled to receive
 - 22 under this chapter. However, if the employer
 - 23 designates by notice in writing to the department
 - 24 more than one week as the vacation period, the vacation
 - 25 pay, vacation pay allowance, or pay in lieu of vacationare wages and shall be deducted from benefits."
2. By renumbering as necessary.

H-3887 FILED APRIL 28, 1983 BY RUNNING of Linn
WITHDRAWN (p. 1653)

HOUSE FILE 637

H-3890

- 1 Amend House File 637 as follows:
- 2 1. Page 9, by striking lines 15 through 18 and
- 3 inserting in lieu thereof the following: "of that
- 4 calendar quarter. ~~However, the tax shall not be~~
- 5 ~~greater than one-tenth of one percent of taxable~~
- 6 ~~wages for that calendar quarter.~~ The tax shall apply
- 7 to all employees and all employers except".

BY WELDEN of Hardin
LAGESCHULTE of Bremer
PAULIN of Plymouth
DAGGETT of Tayloe
KREWSON of Polk
BRANSTAD of Winnebago
PELLETT of Cass

H-3890 FILED APRIL 28, 1983
LOST (p. 1657)

HOUSE FILE 637

H-3880

- 1 Amend House File 637 as follows:
- 2 1. Page 3, line 7, by inserting after the word
- 3 "statewide" the word "average".

H-3880 FILED APRIL 28, 1983 BY STURGEON of Woodbury
ADOPTED (y 1650)

HOUSE FILE 637

H-3881

- 1 Amend House File 637 as follows:
- 2 1. Page 3, line 31, by striking the words "one-
- 3 quarter ~~one-third~~" and inserting in lieu thereof the
- 4 word "one-quarter".

BY SHERZAN of Polk
PEICK of Linn
RUNNING of Linn
BRAMMER of Linn
RENAUD of Polk
HAVERLAND of Polk
VAN CAMP of Scott
PONCY of Wapello
MILLER of Woodbury
BUHR of Polk

H-3881 FILED APRIL 28, 1983
LOST (y 1653)

HOUSE FILE 637

H-3886

- 1 Amend House File 637 as follows:
- 2 1. Page 9, by inserting after line 26 the
- 3 following:
- 4 "Sec. ____ Section 96.11, subsection 4, unnum-
- 5 bered paragraph 1, Code 1983, is amended to read as
- 6 follows:
- 7 The director shall provide for the employment of
- 8 such personnel as are necessary to carry out the func-
- 9 tions of the department. Personnel shall be employed
- 10 under the provisions of chapter 19A. The director,
- 11 a deputy director, a confidential secretary, the
- 12 members of the appeal board, an administrative officer
- 13 under the appeal board, and a secretary for each
- 14 member if deemed necessary, shall be exempt from the
- 15 merit system under the provisions of section 19A.3.
- 16 If necessary to carry out its duties under this
- 17 chapter, the appeal board shall employ an
- 18 administrative officer whose qualifications and job
- 19 responsibilities are determined by the appeal board."
- 20 2. By renumbering as necessary.

H-3886 FILED APRIL 28, 1983 BY RUNNING of Linn
WITHDRAWN (y 1655)

HOUSE FILE 637

H-3888

1 Amend House File 637 as follows:

2 1. Page 1, by striking lines 20 through 25 and
3 inserting in lieu thereof the words "wages were
4 highest; however, the director shall determine annually
5 a maximum weekly benefit amount equal to the following
6 percentages, to vary with the number of dependents,
7 of the statewide average weekly wage paid to employees
8 in insured work which shall be effective the first
9 day of the first full week in July: one hundred ninety
10 dollars."

11 2. Page 2, by striking lines 1 through 3 and
12 inserting in lieu thereof the words "The maximum
13 weekly benefit amount, if not a multiple of one dollar
14 shall be rounded to the higher multiple of one dollar.
15 However, until such time as fifty-eight percent of".

16 3. By striking page 2, line 19 through page 3,
17 line 15.

18 4. By renumbering as necessary.

BY HALVORSON of Clayton	and by HERMANN of Scott
HARBOR of Mills	SWEARINGEN of Keokuk
MAULSBY of Calhoun	WELDEN of Hardin
COREY of Louisa	DAGGETT of Taylor
BENNETT of Ida	HUMMEL of Benton
LAGESCHULTE of Bremer	MULLINS of Kossuth
DIEMER of Black Hawk	RENKEN of Grundy
GRANDIA of Marion	HANDORF of Marshall

3888 FILED APRIL 28, 1983

LOST Loss 4/28 (p. 1650)

HOUSE FILE 637

H-3896

1 Amend House File 637 as follows:

2 1. By inserting after page 3, line 26 the
3 following:

4 "Sec. ____ Section 96.4, subsection 3, Code 1983,
5 is amended to read as follows:

6 3. ~~He or she~~ The individual is able to work, is
7 available for work, and is earnestly and actively
8 seeking work. The provision of this subsection shall
9 be waived if ~~he or she~~ the individual is deemed
10 temporarily unemployed as defined in section 96.19,
11 subsection 9, paragraph "c", except that this
12 subsection shall not be waived as to the employer
13 where the individual was last employed."

14 2. By renumbering as necessary.

H-3896 FILED APRIL 28, 1983

BY STROMER of Hancock

LOST (p. 1652)

HOUSE FILE 637

H-3885

1 Amend House File 637 as follows:

2 1. Page 4, by inserting after line 14 the
3 following:

4 "Sec. ____ . Section 96.5, subsection 1, Code 1983,
5 is amended by adding the following new paragraph:

6 NEW PARAGRAPH. The individual left new employment
7 within the first two weeks of work at the employment
8 because of the individual's inability to perform the
9 work."

10 2. By renumbering as necessary.

H-3885 FILED APRIL 28, 1983 BY RUNNING of Linn
WITHDRAWN (p. 1653)

HOUSE FILE 637

H-3889

1 Amend House File 637 as follows:

2 1. Page 4, by inserting after line 14 the
3 following:

4 "Sec. ____ . Section 96.4, Code 1983, is amended
5 by adding the following new subsection:

6 NEW SUBSECTION. The individual has satisfied one
7 one-week waiting period during the individual's benefit
8 year. To satisfy the one-week waiting period, the
9 individual, with respect to the week in question,
10 must be unemployed, have filed a claim for benefits,
11 and be eligible for benefits from this state, but
12 must not have received benefits from this or another
13 state, and must not be eligible for benefits from
14 another state."

15 2. By renumbering as necessary.

BY HALVORSON of Clayton	and by GRANDIA of Marion
HARBOR of Mills	HERMANN of Scott
MAULSBY of Calhoun	VAN CAMP of Scott
COREY of Louisa	TORRENCE of Muscatine
STROMER of Hancock	PELLETT of Cass
BENNETT of Ida	SWEARINGEN of Keokuk
DIEMER of Black Hawk	MENKE of O'Brien
STUELAND of Clinton	VAN MAANEN of Mahaska
RENKEN of Grundy	DE GROOT of Lyon
HANDORF of Marshall	DAGGETT of Taylor
VAN GERPEN of Black Hawk	WELDEN of Hardin
LAGESCHULTE of Bremer	HUMMEL of Benton

H-3889 FILED APRIL 28, 1983
LOST (p. 1654)

H-3891

Amend House File 637 as follows:

1. By striking everything after the enacting clause and inserting in lieu thereof the following:

"Section 1. Section 96.3, subsection 3, Code 1983, is amended to read as follows:

3. PARTIAL UNEMPLOYMENT. An individual who is partially unemployed in any week as defined in section 96.19, subsection 9, paragraph "b", and who meets the conditions of eligibility for benefits shall be paid with respect to that week an amount equal to the individual's weekly benefit amount less that part of wages payable to the individual with respect to that week in excess of one-fourth of the individual's weekly benefit amount. Such ~~The~~ benefits shall be rounded to the ~~higher~~ lower multiple of one dollar.

Sec. 2. Section 96.3, subsection 4, unnumbered paragraph 1, Code 1983, is amended to read as follows:

With respect to benefit years beginning on or after July 1, 1979, an eligible individual's weekly benefit amount for a week of total unemployment shall be an amount equal to the following fractions of the individual's total wages in insured work paid during that quarter of the individual's base period in which such total wages were highest; the director shall determine annually a maximum weekly benefit amount equal to the following percentages, to vary with the number of dependents, 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:

31 If the number of	The weekly benefit	Subject to the
32 dependents is:	amount shall equal	following maximum
33	the following frac-	percentage of the
34	tion of high quar-	statewide average
35	ter wages:	weekly wage:
36 0	1/23	58%
37 1	1/22	60%
38 2	1/21	62%
39 3	1/20	65%
40 4 or more	1/19	70%

The maximum weekly benefit amount, if not a multiple of one dollar shall be rounded to the higher lower multiple of one dollar. ~~However, until such time as fifty-eight percent of the statewide average weekly wage exceeds one hundred thirty-three dollars, an individual with zero or one dependent who would be entitled to the maximum weekly benefit amount if the individual's weekly benefit amount were computed by using one-twenty-first of the individual's high quarter wages, subject to a maximum percentage of sixty-two~~

H-3891

Page two

1 ~~percent of the statewide average weekly wage, the~~
2 ~~individual shall receive the maximum weekly benefit~~
3 ~~amount of sixty-two percent of the statewide average~~
4 ~~weekly wage.~~ As used in this section "dependent"
5 means dependent as defined in section 422.12,
6 subsection 1, paragraph "c", as if the individual
7 claimant was a taxpayer, except that an individual
8 claimant's nonworking spouse ~~shall be deemed to be~~
9 is a dependent under this section. "Nonworking spouse"
10 means a spouse who does not earn more than one hundred
11 twenty dollars in gross wages in one week.

12 Sec. 3. Notwithstanding the annual recomputation
13 of the statewide average weekly wage required by
14 section 96.3, subsection 4, the maximum weekly benefit
15 amounts for benefit claims effectively filed during
16 the period beginning July 3, 1983, and ending July
17 6, 1985, shall be determined using the statewide
18 average weekly wage computed on the basis of wages
19 reported during calendar year 1981.

20 Sec. 4. Section 96.3, subsection 5, Code 1983,
21 is amended to read as follows:

22 5. DURATION OF BENEFITS. The maximum total amount
23 of benefits payable to any eligible individual during
24 any benefit year shall not exceed the total of the
25 wage credits accrued to the individual's account
26 during the individual's base period, or twenty-six
27 times the individual's weekly benefit amount, whichever
28 is the lesser. However, the maximum total amount
29 of benefits payable during an individual's benefit
30 year shall be decreased by five times the individual's
31 weekly benefit amount if the individual is disqualified
32 for benefits due to a discharge for misconduct, or
33 due to voluntarily quitting work without good cause
34 attributable to the employer, and regualifies for
35 benefits pursuant to section 96.5, subsection 1,
36 paragraph g, or subsection 2, paragraph a, except
37 that the maximum total amount of benefits of an
38 individual disqualified due to a voluntary quit shall
39 not be decreased under this subsection below one times
40 the individual's weekly benefit amount. The director
41 shall maintain a separate account for each individual
42 who earns wages in insured work. The director shall
43 compute wage credits for each individual by crediting
44 the individual's account with one-third of the wages
45 for insured work paid to the individual during the
46 individual's base period. However, the director shall
47 recompute wage credits for an individual who is laid
48 off due to the individual's employer going out of
49 business at the factory, establishment, or other
50 premises at which the individual was last employed,

H-3891

Page Three

by crediting the individual's account with one-half, instead of one-third, of the wages for insured work paid to the individual during the individual's base period. Benefits paid to an eligible individual shall be charged against the base period wage credits in the individual's account which have not been previously charged hereunder, in the inverse chronological order as the wages on which such wage credits are based were paid. However if the state ~~and-national-~~~~off~~ ~~indicators-~~ "off" indicator is in effect and if the individual is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, the maximum benefits payable shall be extended to thirty-nine times the individual's weekly benefit amount, but not to exceed the total of the wage credits accrued to the individual's account.

19 Sec. 5. Section 96.4, subsection 4, unnumbered
20 paragraph 1, Code 1983, is amended to read as follows:

21 The individual has been paid wages for insured
22 work during the individual's base period in an amount
23 at least one and ~~one-quarter~~ one-half times the wages
24 paid to the individual during that quarter of the
25 individual's base period in which the individual's
26 wages were highest; provided that the individual has
27 been paid wages for insured work ~~of not less than~~
28 ~~four-hundred-dollars~~ totaling at least three and five-
29 tenths percent of the statewide average annual wage
30 for insured work, computed for the preceding calendar
31 year if the individual's benefit year begins on or
32 after the first full week in July and computed for
33 the second preceding calendar year if the individual's
34 benefit year begins before the first full week in
35 July, in that calendar quarter in the individual's
36 base period in which the individual's wages were
37 highest, and the individual has been paid wages for
38 insured work of not less than two-hundred-dollars
39 totaling at least one-half of the amount of wages
40 required under this subsection in the calendar quarter
41 of the base period in which the individual's wages
42 were highest, in a calendar quarter in the individual's
43 base period other than the calendar quarter in which
44 the individual's wages were highest.

45 Sec. 6. Section 96.4, subsection 5, paragraph
46 c, Code 1983, is amended to read as follows:

47 c. With respect to services in any other capacity
48 for an educational institution ~~(other than an~~
49 ~~institution of higher education)~~ after December 31,
1977, benefits shall not be paid to an individual

1 for any week of unemployment which begins during the
2 period between two successive academic years, or terms
3 if ~~such~~ the individual performs ~~such~~ the services
4 in the first of such academic years or terms and there
5 is a reasonable assurance that ~~such~~ the individual
6 will perform such services in the second of such
7 academic years or terms. If benefits are denied to
8 an individual for any week as a result of this
9 paragraph and the individual is not offered an
10 opportunity to perform such services for the
11 educational institution for the second of such academic
12 years or terms, the individual is entitled to a
13 retroactive payment of benefits for each week for
14 which the individual filed a timely claim for benefits
15 and for which benefits were denied solely by reason
16 of this paragraph.

17 Sec. 7. Section 96.4, Code 1983, is amended by
18 adding the following new subsection:

19 NEW SUBSECTION. The individual has satisfied one
20 one-week waiting period during the individual's benefit
21 year. To satisfy the one-week waiting period, the
22 individual, with respect to the week in question,
23 must be unemployed, have filed a claim for benefits,
24 and be eligible for benefits from this state, but
25 must not have received benefits from this or another
26 state, and must not be eligible for benefits from
27 another state.

28 Sec. 8. Section 96.7, subsection 3, paragraph
29 d, unnumbered paragraph 6, Code 1983, is amended to
30 read as follows:

31 ~~However, notwithstanding any other provision of~~
32 ~~this chapter relating to the applicable contribution~~
33 ~~rate table for a calendar year, the applicable~~
34 ~~contribution rate table for the calendar years 1982~~
35 ~~and 1983 is table three unless the ratio of the current~~
36 ~~reserve fund ratio to the highest benefit cost rate~~
37 ~~on the rate computation date is 1.0 or higher. During~~
38 any rate year in which a rate table in rate tables
39 three through nine is effective an employer assigned
40 a contribution rate under this paragraph is not
41 required to contribute to the unemployment compensation
42 trust fund if the employer's percentage of excess
43 is seven point five percent or greater for the rate
44 year and the employer has not been charged with benefit
45 payments for any time within the twenty-four calendar
46 quarters immediately preceding the rate computation
47 date for the rate year. If an employer is not required
48 to contribute for a rate year to the trust fund under
49 this unnumbered paragraph but would be required to
50 contribute for the next rate year under this lettered

H-3891

Page Five

paragraph, the employer's contribution rate for the next rate year is either the employer's experience rate computed under this lettered paragraph or one and eight-tenths percent, whichever is less. For subsequent years, either the employer is not required to contribute under this unnumbered paragraph or the employer's contribution rate is the employer's experience rate computed under this lettered paragraph.

Sec. 9. For calendar year 1983 the effective rate table shall be determined under section 96.7, subsection 3, paragraph d, unnumbered paragraphs 1 and 2, and subparagraphs (1) and (2). The effective rate table applies to all taxable wages for 1983. The Iowa department of job service shall issue new contribution rate notices for calendar year 1983 and shall collect the contributions due under this section as soon as possible after this Act takes effect.

Sec. 10. An employer which meets the zero contribution rate requirements for calendar year 1983 or 1984 of section 96.7, subsection 3, paragraph d, unnumbered paragraph 6 relating to percentage of excess and a record of no benefit charges, shall be assigned the zero contribution rate for that calendar year even though rate table one is effective for that calendar year, notwithstanding the requirement of the unnumbered paragraph which limits the zero contribution rate to calendar years in which a rate table in rate tables three through nine is effective. If an employer assigned a zero contribution rate for calendar year 1983 or 1984 is required to contribute for the next calendar year, the employer's rate for that next calendar year is limited to the maximum rate of one and eight-tenths percent.

Sec. 11. Section 96.7, subsection 15, unnumbered paragraph 1, Code 1983, is amended to read as follows:

If on the first day of the third month in any calendar quarter in 1983, the department has an outstanding balance of interest accrued on advance moneys received from the federal government for the payment of unemployment compensation benefits, or is projected to have an outstanding balance of accruing federal interest for that calendar quarter, the director shall collect a temporary emergency tax for that calendar quarter in 1983, retroactive to the beginning of that calendar quarter. The tax shall be set at the rate necessary to pay the interest accrued on the moneys advanced to the department by the federal government, and to pay any additional federal interest which will accrue for the remainder of that calendar quarter. However, the tax shall

H-3891

Page Six

1 not be greater than ~~one-tenth~~ twenty-seven one
2 hundredths of one percent of taxable wages for that
3 calendar quarter. The tax shall apply to all employers
4 except government entities, nonprofit organizations,
5 and employers assigned a zero contribution rate for
6 calendar year 1983. The director shall prescribe
7 the manner in which the tax will be collected.
8 Interest shall accrue on all unpaid tax under this
9 subsection at the same rate as on regular contributions
10 and shall be collectible in the same manner. The
11 tax shall not affect the computation of regular
12 contributions under this chapter.

13 Sec. 12. Section 96.19, subsection 6, paragraph
14 g, subparagraph (6), unnumbered paragraph 2, Code
15 1983, is amended to read as follows:

16 Service performed by an individual ~~under-the-age~~
17 ~~of-twenty-two-years~~ who is enrolled at a nonprofit
18 or public educational institution which normally
19 maintains a regular faculty and curriculum and normally
20 has a regularly organized body of students in
21 attendance at the place where its educational
22 activities are carried on, as a student in a full-
23 time program, taken for credit at such institution,
24 which combines academic instruction with work
25 experience, if ~~such~~ the service is an integral part
26 of ~~such~~ the program and ~~such~~ the institution has so
27 certified to the employer, except that this
28 subparagraph ~~shall~~ does not apply to service performed
29 in a program established for or on behalf of an
30 employer or group of employers.

31 Sec. 13. Section 96.19, subsection 6, paragraph
32 g, Code 1983, is amended by adding the following new
33 subparagraph:

34 NEW SUBPARAGRAPH. (7) Services performed by an
35 individual, who is not treated as an employee, for
36 a person who is not treated as an employer, under
37 either of the following conditions:

38 (a) The services are performed by the individual
39 as a salesperson and as a licensed real estate agent;
40 substantially all of the remuneration for the services
41 is directly related to sales or other output rather
42 than to the number of hours worked; and the services
43 are performed pursuant to a written contract between
44 the individual and the person for whom the services
45 are performed, which provides that the individual
46 will not be treated as an employee with respect to
47 the services for federal tax purposes.

48 (b) The services are performed by an individual
49 engaged in the trade or business of selling or
50 soliciting the sale of consumer products to any buyer

H-3891

Page Seven

on a buy-sell basis or a deposit-commission basis,
for resale by the buyer or another person in the home
3 or in a place other than a permanent retail
4 establishment, or engaged in the trade or business
5 of selling or soliciting the sale of consumer products
6 in the home or in a place other than a permanent
7 retail establishment; substantially all of the
8 remuneration for the services is directly related
9 to sales or other output rather than to the number
10 of hours worked; and the services are performed pur-
11 suant to a written contract between the individual
12 and the person for whom the services are performed,
13 which provides that the individual will not be treated
14 as an employee with respect to the services for federal
15 tax purposes.

16 Sec. 14. For calendar years 1983 and 1984 a
17 contributing employer, other than a governmental
18 entity, is entitled to a credit against the employer's
19 quarterly contribution of ten dollars per employee
20 for the total number of employees in the reporting
21 quarter in excess of the total number of employees
22 in the corresponding reporting quarter of the previous
23 year. Only employees with quarterly earnings of at
24 least five hundred dollars shall be included in the
25 calculation of the number of employees for that
26 quarter. The credit is not allowed if the excess
27 number of employees is due to a labor dispute or
28 employer merger or acquisition. An employer's credit
29 for a quarter cannot be carried over to another quarter
30 and is limited to the amount of the employer's
31 quarterly contribution. In order to receive the
32 credit, the employer shall attach to the quarterly
33 contribution report a copy of the quarterly
34 contribution report for the corresponding reporting
35 quarter of the previous year.

36 Sec. 15. This Act, being deemed of immediate
37 importance, takes effect from and after its publication
38 in The Sioux City Journal, a newspaper published in
39 Sioux City, Iowa, and in the Waterloo Courier, a
40 newspaper published in Waterloo, Iowa, and is
41 retroactive to January 1, 1983. However, sections
42 1 through 5 and section 7 of this Act are effective
43 only for unemployment compensation benefit claims
44 effectively filed on or after July 3, 1983, and
45 sections 6, 12, and 13 of this Act are effective from
46 and after the Act's publication."

47 2. Title page, by striking lines 1 through 4 and
48 inserting in lieu thereof the following: "An Act
49 relating to unemployment compensation."

3891 FILED APRIL 28, 1983

ST *File 4/28 (p. 1649)*BY HALVORSON of Clayton
COREY of Louisa
MENKE of O'Brien

HOUSE FILE 637

H-3892

Amend House File 637 as follows:

1. Page 4, by inserting after line 14 the following:

"Sec. ____ . Section 96.7, subsection 3, paragraph a, subparagraph (2), Code 1983, is amended to read as follows:

(2) The amount of regular benefits plus fifty percent of the amount of extended benefits, as determined under section 96.29, paid to an eligible individual shall be charged against the account of the employers in the base period in the inverse chronological order in which the employment of the individual occurred. Provided, that in any case in which the individual to whom the benefits are paid is in the employ of a base period employer at the time the individual is receiving the benefits, and the individual is receiving the same employment from the employer that the individual received during the individual's base period, then benefits paid to the individual shall not be charged against the account of the employer. This provision applies to both contributing and reimbursable employers notwithstanding section 96.8, subsection 5, and subparagraph (3) of this paragraph. An employer's account shall not be charged with benefit payments made to any individual who has left the work of the employer voluntarily without good cause attributable to the employer, but shall be charged to the account of the next succeeding employer with whom the individual requalified for benefits as determined under section 96.5, subsection 1, paragraph "g". ~~However, the succeeding employer's account shall first be charged with benefit payments to the individual due to wage credits earned by the individual while employed by the succeeding employer. After exhausting these wage credits, the succeeding employer's account shall not be charged with ten weeks of benefit payments to the individual due to wage credits earned by the individual from a previous employer, but rather the unemployment compensation trust fund shall be charged. After exhausting the ten weeks of noncharging, the succeeding employer's account shall again be charged with benefit payments.~~ Provided further, that an employer's account shall not be charged with benefit payments made to an individual who has been discharged for misconduct in connection with the individual's employment, and shall not be charged with benefit payments made to an individual after the individual has failed without good cause, either to apply for available, suitable work or to accept suitable work or to return to

H-3892
Page Two

1 customary self-employment, but shall be charged to
2 the account of the next succeeding employer with whom
3 the individual regualifies for benefits as determined
4 respectively under section 96.5, subsections 2 and
5 3.

6 However, ~~with respect to a succeeding employer~~
7 ~~who employs an individual who has been discharged~~
8 ~~for misconduct by a previous employer, the succeeding~~
9 ~~employer's account shall first be charged with benefit~~
10 ~~payments to the individual due to wage credits earned~~
11 ~~by the individual while employed by the succeeding~~
12 ~~employer. After exhausting those wage credits, the~~
13 ~~succeeding employer's account shall not be charged~~
14 ~~with ten weeks of benefit payments to the individual~~
15 ~~due to wage credits earned by the individual from~~
16 ~~a previous employer, but rather the unemployment~~
17 ~~compensation trust fund shall be charged. After~~
18 ~~exhausting the ten weeks of noncharging, the succeeding~~
19 ~~employer's account shall again be charged with benefit~~
20 ~~payments."~~

21 2. By renumbering as necessary.

H-3892 FILED APRIL 28, 1983 BY RUNNING of Linn
WITHDRAWN (p. 1655)

HOUSE FILE 637

H-3893

1 Amend House File 637 as follows:

2 1. Page 3, line 31, by striking the word "one-
3 third" and inserting in lieu thereof the word "one-
4 half".

5 2. Page 4, line 12, by striking the words "a
6 calendar quarter" and inserting in lieu thereof the
7 words "a two calendar quarter quarters".

H-3893 FILED APRIL 28, 1983 BY COREY of Louisa
LOST (p. 1653)

HOUSE FILE 637

H-3894

Amend House File 637 as follows:

1. Page 11, by striking lines 3 through 10.
2. Renumber as necessary.

H-3894 FILED APRIL 28, 1983 BY STROMER of Hancock
LOST (p. 1657)

H-3897

1 Amend House File 637 as follows:

2 1. Page 4, by inserting after line 14 the
3 following:

4 "Sec. ____ Section 96.6, subsection 2, Code 1983,
5 is amended to read as follows:

6 2. INITIAL DETERMINATION. A representative
7 designated by the director shall promptly notify all
8 interested parties to the claim of the filing thereof,
9 and said the parties shall have ten days from the
10 date of mailing the notice of the filing of said claim
11 by ordinary mail to the last known address to protest
12 payment of benefits to said claimant. The
13 representative shall promptly examine the claim and
14 any protest thereto and, on the basis of the facts
15 found by the representative, shall determine whether
16 or not such claim is valid, the week with respect
17 to which benefits shall commence, the weekly benefit
18 amount payable and the maximum duration thereof, and
19 whether any disqualification shall be imposed. The
20 claimant has the burden of proving that the claimant
21 meets the basic eligibility conditions of section
22 96.4. The employer has the burden of proving that
23 the claimant is disqualified for benefits pursuant
24 to section 96.5. Unless the claimant or other
25 interested party, after notification or within ten
26 calendar days after such notification was mailed to
27 the claimant's last known address, files an appeal
28 from such decision, such decision shall be final and
29 benefits shall be paid or denied in accordance
30 therewith. If a hearing officer affirms a decision
31 of the representative, or the appeal board affirms
32 a decision of the hearing officer, allowing benefits,
33 such benefits shall be paid regardless of any appeal
34 which may thereafter be taken, but if such decision
35 is finally reversed, no employer's account shall be
36 charged with benefits so paid."

37 2. By renumbering as necessary.

H-3897 FILED APRIL 28, 1983
WITHDRAWN (of 1655)

BY RUNNING of Linn
CHAPMAN of Linn

HOUSE FILE 637

H-3895

- 1 Amend House File 637 as follows:
2 1. Page 4, by inserting after line 14 the
3 following:
4 "Sec. ____ Section 96.6, subsection 3, Code 1983,
5 is amended to read as follows:
6 3. APPEALS. Unless such appeal is withdrawn,
7 a hearing officer, after affording the parties
8 reasonable opportunity for fair hearing, shall affirm
9 or modify the findings of fact and decision of the
10 representative. The hearing shall be conducted
11 pursuant to the provisions of chapter 17A relating
12 to hearings for contested cases. The hearing shall
13 be conducted by telephone only when an in-person
14 hearing is impractical because of the distance between
15 the parties to the hearing or when all parties request
16 a telephone hearing in writing. The parties shall
17 be duly notified of the hearing officer's decision,
18 together with the hearing officer's reasons therefor,
19 which shall be deemed to be the final decision of
20 the department, unless within fifteen days after the
21 date of notification or mailing of such decision,
22 further appeal is initiated pursuant to subsection
23 5 of this section."
24 2.. By renumbering as necessary.

BY RUNNING of Linn
CHAPMAN of Linn

H-3895 FILED APRIL 28, 1983
WITHDRAWN (p. 1655)

HOUSE FILE 637

H-3898

- 1 Amend House File 637 as follows:
2 1. Page 4, by inserting after line 14 the
3 following:
4 "Sec. ____ Section 96.4, subsection 3, Code 1983,
5 is amended to read as follows:
6 3. ~~He-er-she~~ The individual is able to work, is
7 available for work, and is earnestly and actively
8 seeking work. The provision of this subsection shall
9 be waived if ~~he-er-she~~ the individual is deemed
10 temporarily unemployed as defined in section 96.19,
11 subsection 9, paragraph "c" or if the individual is
12 not disqualified for benefits under section 96.5,
13 subsection 1, paragraph x.
14 Sec. ____ Section 96.5, subsection 1, Code 1983,
15 is amended by adding the following new paragraph:
16 NEW PARAGRAPH. x. The individual has left
17 employment in lieu of exercising a right to bump or
18 oust a fellow employee with less seniority or priority
19 from the fellow employee's job."
20 2. By renumbering as necessary.

BY RUNNING of Linn

H-3898 FILED APRIL 28, 1983
LOST (p. 1655)

SULLIVAN of Van Buren

SENATE 27
MAY 5, 1983

HOUSE FILE 637

S-3792

Amend House File 637 as amended and passed by the House, as follows:

1. Page 11, by inserting after line 34 the following:
"Sec. ____ . There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, sixty-five million (65,000,000) dollars, or so much thereof as is necessary, to be deposited in and used by the unemployment trust fund established in section 96.19. Of the funds appropriated by this section, thirty million (30,000,000) dollars shall be deposited in the unemployment trust fund in July, 1984, and thirty-five million (35,000,000) dollars shall be deposited in the unemployment trust fund in June, 1985, if the governor determines that such a schedule of deposits is practicable and consistent with the governor's cash flow objectives relating to the general fund of the state."
2. Title page, line 4, by inserting after the word "law" the words ", and appropriating funds to the unemployment trust fund".
3. By renumbering as necessary.

S-3792 FILED

BY MICK LURA

MAY 4, 1983

Out of order 5/12/83 (p. 1695)

HOUSE FILE 637

S-3801

- Amend the amendment, S-3792, to House File 637 as amended and passed by the House, as follows:
1. Page 1, line 10, by striking the figure "96.19" and inserting in lieu thereof the figure "96.9".

S-3801 FILED

BY MICK LURA

MAY 5, 1983

Out of order 5/12 (p. 1695)

HOUSE FILE 637

S-3839

1 Amend House File 637 as amended and passed by the
2 House, as follows:

3 1. Page 5, line 24, by striking the words "in
4 three equal installments".

5 2. Page 5, line 26, by striking the words "last
6 three calendar quarters" and inserting in lieu thereof
7 the words "fourth calendar quarter".

8 3. Page 5, line 26, by inserting after the figure
9 "1983." the following: "If additional contributions
10 are due for the second calendar quarter of 1983 under
11 this section, an employer shall pay the additional
12 contributions no later than the time regular
13 contributions are due for the third calendar quarter
14 of 1983. Additional contributions due for the third
15 and fourth calendar quarters of 1983 shall be paid
16 no later than the times regular contributions are
17 due for those calendar quarters."

S-3839 FILED

BY EDGAR H. HOLDEN

MAY 9, 1983

Out of order 5/12/83 (p. 1695)

S-3912

1 Amend House File 637 as amended and passed by the
2 House, as follows:

3 1. By striking everything after the enacting
4 clause and inserting in lieu thereof the following:
5 "Section 1. Section 96.3, subsection 3, Code 1983,
6 is amended to read as follows:

7 3. PARTIAL UNEMPLOYMENT. An individual who is
8 partially unemployed in any week as defined in section
9 96.19, subsection 9, paragraph "b", and who meets
10 the conditions of eligibility for benefits shall be
11 paid with respect to that week an amount equal to
12 the individual's weekly benefit amount less that part
13 of wages payable to the individual with respect to
14 that week in excess of one-fourth of the individual's
15 weekly benefit amount. ~~Such~~ The benefits shall be
16 rounded to the ~~higher~~ lower multiple of one dollar.

17 Sec. 2. Section 96.3, subsection 4, unnumbered
18 paragraph 1, Code 1983, is amended to read as follows:

19 With respect to benefit years beginning on or after
20 July 1, ~~1979~~ 1983, an eligible individual's weekly
21 benefit amount for a week of total unemployment shall
22 be an amount equal to the following fractions of the
23 individual's total wages in insured work paid during
24 that quarter of the individual's base period in which
25 such total wages were highest; the director shall
26 determine annually a maximum weekly benefit amount
27 equal to the following percentages, to vary with the
28 number of dependents, of the statewide average weekly
29 wage paid to employees in insured work which shall
30 be effective the first day of the first full week
31 in July+.

32 If the number of	The weekly benefit	Subject to the
33 dependents is:	amount shall equal	following maximum
34	the following frac-	percentage of the
35	tion of high quar-	statewide average
36	ter wages:	weekly wage:
37 0	1/23	58% <u>53%</u>
38 1	1/22	60% <u>55%</u>
39 2	1/21	62% <u>57%</u>
40 3	1/20	65% <u>60%</u>
41 4 or more	1/19	70% <u>65%</u>

42 The maximum weekly benefit amount, if not a multiple
43 of one dollar shall be rounded to the ~~higher~~ lower
44 multiple of one dollar. However, until such time
45 as ~~fifty-eight~~ sixty-five percent of the statewide
46 average weekly wage exceeds one hundred ~~thirty-three~~
47 ninety dollars, ~~an individual with zero or one~~
48 ~~dependent who would be entitled to~~ the maximum weekly
49 ~~benefit amount if the individual's weekly benefit~~
50 ~~amount were computed by using one-twenty-first of~~

1 ~~the individual's high-quarter wages, subject to a~~
2 ~~maximum percentage of sixty-two percent of the~~
3 ~~statewide average weekly wage, the individual shall~~
4 ~~receive the maximum weekly benefit amount of sixty-~~
5 ~~two percent of the statewide average weekly wage~~
6 amounts shall be determined using the statewide average
7 weekly wage computed on the basis of wages reported
8 for calendar year 1981. As used in this section
9 "dependent" means dependent as defined in section
10 422.12, subsection 1, paragraph "c", as if the
11 individual claimant was a taxpayer, except that an
12 individual claimant's nonworking spouse shall be
13 deemed to be a dependent under this section.
14 "Nonworking spouse" means a spouse who does not earn
15 more than one hundred twenty dollars in gross wages
16 in one week.

17 Sec. 3. Section 96.3, subsection 5, Code 1983,
18 is amended by adding the following new unnumbered
19 paragraph:

20 NEW UNNUMBERED PARAGRAPH. The amount of benefits
21 paid to an individual, which is solely due to wage
22 credits considered to be in an individual's base
23 period due to the exclusion and substitution of
24 calendar quarters from the individual's base period
25 under section 96.23, shall be charged against the
26 account of the employer responsible for paying the
27 weekly workers' compensation benefits for temporary
28 total disability or during a healing period under
29 section 85.33, section 85.34, subsection 1, or section
30 85A.17, or responsible for paying weekly indemnity
31 insurance benefits.

32 Sec. 4. Section 96.3, subsection 7, unnumbered
33 paragraph 2, Code 1983, is amended to read as follows:

34 ~~If the department cannot recover~~ determines that
35 ~~an overpayment after two years from the last date~~
36 ~~of the overpayment has been made,~~ the charge for the
37 overpayment against the employer's account shall be
38 removed and the account shall be credited with an
39 amount equal to the overpayment from the unemployment
40 compensation trust fund.

41 Sec. 5. Section 96.4, subsection 3, Code 1983,
42 is amended to read as follows:

43 ~~3. He or she~~ The individual is able to work, is
44 available for work, and is earnestly and actively
45 seeking work. The provision of this subsection shall
46 be waived if ~~he or she~~ the individual is deemed
47 temporarily unemployed as defined in section 96.19,
48 subsection 9, paragraph "c" or if the individual is
49 not disqualified for benefits under section 96.5,
50 subsection 1, paragraph x.

S-3912
PAGE 3

1 Sec. 6. Section 96.4, subsection 4, Code 1983,
2 is amended to read as follows:

3 4. The individual has been paid wages for insured
4 work during the individual's base period in an amount
5 at least one and one-quarter times the wages paid
6 to the individual during that quarter of the
7 individual's base period in which the individual's
8 wages were highest; provided that the individual has
9 been paid wages for insured work ~~of not less than~~
10 four hundred dollars totaling at least three and five-
11 tenths percent of the statewide average annual wage
12 for insured work, computed for the preceding calendar
13 year if the individual's benefit year begins on or
14 after the first full week in July and computed for
15 the second preceding calendar year if the individual's
16 benefit year begins before the first full week in
17 July, in that calendar quarter in the individual's
18 base period in which the individual's wages were
19 highest, and the individual has been paid wages for
20 insured work of not less than two hundred dollars
21 totaling at least one-half of the amount of wages
22 required under this subsection in the calendar quarter
23 of the base period in which the individual's wages
24 were highest, in a calendar quarter in the individual's
25 base period other than the calendar quarter in which
26 the individual's wages were highest. The calendar
27 quarter wage requirements shall be rounded to the
28 nearest multiple of ten dollars.

29 If the individual has drawn benefits in any benefit
30 year, the individual must during or subsequent to
31 that year, work in and be paid wages for insured work
32 totaling at least ~~ten times the weekly benefit amount~~
33 two hundred fifty dollars, as a condition to receive
34 benefits in the next benefit year.

35 Sec. 7. Section 96.4, subsection 5, paragraph
36 c, Code 1983, is amended to read as follows:

37 c. With respect to services in any other capacity
38 for an educational institution ~~(other than an~~
39 ~~institution of higher education)~~ ~~after December 31,~~
40 ~~1977,~~ benefits shall not be paid to an individual
41 for any week of unemployment which begins during the
42 period between two successive academic years, or terms
43 if ~~such~~ the individual performs ~~such~~ the services
44 in the first of such academic years or terms and there
45 is a reasonable assurance that ~~such~~ the individual
46 will perform such services in the second of such
47 academic years or terms. If benefits are denied to
48 an individual for any week as a result of this
49 paragraph and the individual is not offered an
50 opportunity to perform such services for the

1 educational institution for the second of such academic
2 years or terms, the individual is entitled to a
3 retroactive payment of benefits for each week for
4 which the individual filed a timely claim for benefits
5 and for which benefits were denied solely by reason
6 of this paragraph.

7 Sec. 8. Section 96.4, Code 1983, is amended by
8 adding the following new subsection:

9 NEW SUBSECTION. The individual has satisfied one
10 one-week waiting period during the individual's benefit
11 year. To satisfy the one-week waiting period, the
12 individual, with respect to the week in question,
13 must be unemployed, have filed a claim for benefits,
14 and be eligible for benefits from this state, but
15 must not have received benefits from this or another
16 state, and must not be eligible for benefits from
17 another state.

18 Sec. 9. Section 96.5, subsection 1, Code 1983,
19 is amended by adding the following new lettered
20 paragraph:

21 NEW LETTERED PARAGRAPH. x. The individual has
22 left employment in lieu of exercising a right to bump
23 or oust a fellow employee with less seniority or
24 priority from the fellow employee's job.

25 Sec. 10. Section 96.5, subsection 7, Code 1983,
26 is amended by adding the following new lettered
27 paragraphs:

28 NEW LETTERED PARAGRAPH. d. Notwithstanding
29 contrary provisions in paragraphs a, b and c, if an
30 individual is separated from employment and is
31 scheduled to receive vacation payments during the
32 period of unemployment attributable to the employer
33 and if the employer does not designate the vacation
34 period pursuant to paragraph b, then payments made
35 by the employer to the individual or an obligation
36 to make a payment by the employer to the individual
37 for vacation pay, vacation pay allowance or pay in
38 lieu of vacation shall not be deemed wages as defined
39 in section 96.19, subsection 12, for any period in
40 excess of one week and such payments or the value
41 of such obligations shall not be deducted for any
42 period in excess of one week from the unemployment
43 benefits the individual is otherwise entitled to
44 receive under this chapter. However, if the employer
45 designates more than one week as the vacation period
46 pursuant to paragraph b, the vacation pay, vacation
47 pay allowance, or pay in lieu of vacation shall be
48 considered wages and shall be deducted from benefits.

49 NEW LETTERED PARAGRAPH. e. If an employer pays
50 or is obligated to pay a bonus to an individual at

1 the same time the employer pays or is obligated to
2 pay vacation pay, a vacation pay allowance, or pay
3 in lieu of vacation, the bonus shall not be deemed
4 wages for purposes of determining benefit eligibility
5 and amount, and the bonus shall not be deducted from
6 unemployment benefits the individual is otherwise
7 entitled to receive under this chapter.

8 Sec. 11. Section 96.6, subsection 2, Code 1983,
9 is amended to read as follows:

10 2. INITIAL DETERMINATION. A representative
11 designated by the director shall promptly notify all
12 interested parties to the claim of the filing thereof,
13 and said the parties shall have ten days from the
14 date of mailing the notice of the filing of said claim
15 by ordinary mail to the last known address to protest
16 payment of benefits to said claimant. The
17 representative shall promptly examine the claim and
18 any protest thereto and, on the basis of the facts
19 found by the representative, shall determine whether
20 or not such claim is valid, the week with respect
21 to which benefits shall commence, the weekly benefit
22 amount payable and the maximum duration thereof, and
23 whether any disqualification shall be imposed. The
24 claimant has the burden of proving that the claimant
25 meets the basic eligibility conditions of section
26 96.4. The employer has the burden of proving that
27 the claimant is disqualified for benefits pursuant
28 to section 96.5. Unless the claimant or other
29 interested party, after notification or within ten
30 calendar days after such notification was mailed to
31 the claimant's last known address, files an appeal
32 from such decision, such decision shall be final and
33 benefits shall be paid or denied in accordance
34 therewith. If a hearing officer affirms a decision
35 of the representative, or the appeal board affirms
36 a decision of the hearing officer, allowing benefits,
37 such benefits shall be paid regardless of any appeal
38 which may thereafter be taken, but if such decision
39 is finally reversed, no employer's account shall be
40 charged with benefits so paid.

41 Sec. 12. Section 96.6, subsection 3, Code 1983,
42 is amended to read as follows:

43 3. APPEALS. Unless such appeal is withdrawn,
44 a hearing officer, after affording the parties
45 reasonable opportunity for fair hearing, shall affirm
46 or modify the findings of fact and decision of the
47 representative. The hearing shall be conducted
48 pursuant to the provisions of chapter 17A relating
49 to hearings for contested cases. Before the hearing
50 is scheduled, the parties shall be afforded the

1 opportunity to choose either a telephone hearing or
2 an in-person hearing. A request for an in-person
3 hearing shall be approved unless the in-person hearing
4 would be impractical because of the distance between
5 the parties to the hearing. A telephone or in-person
6 hearing shall not be scheduled before the seventh
7 calendar day after the parties receive notice of the
8 hearing. Reasonable requests for the postponement
9 of a hearing shall be granted. The parties shall
10 be duly notified of the hearing officer's decision,
11 together with the hearing officer's reasons therefor,
12 which shall be deemed to be the final decision of
13 the department, unless within fifteen days after the
14 date of notification or mailing of such decision,
15 further appeal is initiated pursuant to subsection
16 5 of this section.

17 Sec. 13. Section 96.7, subsection 3, paragraph
18 d, unnumbered paragraph 4, contribution rate table
19 1, Code 1983, is amended to read as follows:

20	<u>Percentage of Excess Rank</u>	<u>Contribution Rate Table 1</u>	
21	1	+.8	.5
22	2	1+.0	.9
23	3	1+.2	1.0
24	4	1+.4	1.1
25	5	1+.6	1.2
26	6	1+.8	1.5
27	7	2+.0	1.9
28	8	2+.3	2.1
29	9	2+.6	2.3
30	10	2+.9	2.7
31	11	3+.2	3.3
32	12	3+.5	3.8
33	13	3+.8	4.3
34	14	4+.2	4.9
35	15	4+.6	5.3
36	16	5+.0	5.8
37	17	5+.5	6.6
38	18	6+.0	7.0
39	19	6+.0	7.0
40	20	6+.0	7.0
41	21	6+.0	7.0

42 Sec. 14. Section 96.7, subsection 3, paragraph
43 d, unnumbered paragraph 4, contribution rate table
44 2, Code 1983, is amended to read as follows:

45	<u>Percentage of Excess Rank</u>	<u>Contribution Rate Table 2</u>	
46	1	+.6	.2
47	2	+.7	.6
48	3	+.8	.7
49	4	1+.0	.8
50	5	1+.2	.9

1	6	1-4	1.2
2	7	1-6	1.5
3	8	1-8	1.7
4	9	2-0	2.1
5	10	2-3	2.4
6	11	2-6	2.9
7	12	2-9	3.4
8	13	3-3	4.0
9	14	3-7	4.6
10	15	4-1	5.0
11	16	4-5	5.5
12	17	5-0	6.3
13	18	5-5	6.7
14	19	6-0	6.8
15	20	6-0	7.0
16	21	6-0	7.0

17 Sec. 15. TEMPORARY SECTION. SPECIAL CONTRIBUTION
18 RATES.

19 1. An employer which meets the zero contribution
20 rate requirements for calendar year 1983 of section
21 96.7, subsection 3, paragraph d, unnumbered paragraph
22 6 relating to percentage of excess and a record of
23 no benefit charges, shall be assigned the zero
24 contribution rate for calendar year 1983 even though
25 contribution rate table 2, as amended by section 14
26 of this Act, is effective for calendar year 1983,
27 notwithstanding the requirement of unnumbered paragraph
28 6 which limits the zero contribution rate to calendar
29 years in which a rate table in rate tables three
30 through nine is effective. If an employer assigned
31 a zero contribution rate for calendar year 1983 is
32 required to contribute for the next calendar year,
33 the employer's rate for that next calendar year is
34 either the employer's experience rate or one and
35 eight-tenths percent, whichever is less.

36 2. If additional contributions are due for the
37 first calendar quarter of 1983 under section 14 of
38 this Act, an employer shall pay the additional
39 contributions in three equal installments no later
40 than the time regular contributions are due for the
41 last three calendar quarters of 1983. However, an
42 employer may pay the additional contributions in
43 advance.

44 Sec. 16. Section 96.7, subsection 3, paragraph
45 d, in the proviso following the contribution rate
46 tables in unnumbered paragraph 4, Code 1983, is amended
47 to read as follows: ~~Provided, however, that~~
48 ~~notwithstanding~~ Notwithstanding any other provision
49 of this chapter relating to limiting contribution
50 rates to those specified in the contribution rate

S-3912
PAGE 8

1 table, any an employer which employs individuals for
2 construction as defined by the department pursuant
3 to rules, that has not qualified for an experience
4 rating shall pay four-point-zero-percent-in-the
5 calendar-year-1968-through-the-calendar-year-1977
6 and-be-assigned-to-the-rate-specified-in-the-twenty-
7 first-percentage-of-excess-rank-for-the-rate-year
8 beginning-January-1,-1978-and-every-year-thereafter
9 the maximum contribution rate assigned to any employer
10 under this chapter, including the additional
11 contributions required under this lettered paragraph
12 of an employer with a negative balance in the
13 employer's account, until such time as the employer
14 has qualified for an experience rating. However,
15 such the employer shall not qualify for an experience
16 rating until there shall have been twelve consecutive
17 calendar quarters immediately preceding the rate
18 computation date throughout which his the employer's
19 account has been chargeable with benefit payments.

20 Sec. 17. Section 96.7, subsection 3, paragraph
21 d, unnumbered paragraph 6, Code 1983, is amended to
22 read as follows:

23 ~~However, notwithstanding any other provision of~~
24 ~~this chapter relating to the applicable contribution~~
25 ~~rate table for a calendar year, the applicable~~
26 ~~contribution rate table for the calendar years 1982~~
27 ~~and 1983 is table three unless the ratio of the current~~
28 ~~reserve fund ratio to the highest benefit cost rate~~
29 ~~on the rate computation date is 1.0 or higher. During~~
30 any rate year in which a rate table in rate tables
31 three through nine is effective an employer assigned
32 a contribution rate under this lettered paragraph
33 is not required to contribute to the unemployment
34 compensation trust fund if the employer's percentage
35 of excess is seven point five percent or greater for
36 the rate year and the employer has not been charged
37 with benefit payments for any time within the twenty-
38 four calendar quarters immediately preceding the rate
39 computation date for the rate year. If an employer
40 is not required to contribute for a rate year to the
41 trust fund under this unnumbered paragraph but would
42 be required to contribute for the next rate year under
43 this lettered paragraph, the employer's contribution
44 rate for the next rate year is either the employer's
45 experience rate computed under this lettered paragraph
46 or one and eight-tenths percent, whichever is less.
47 For subsequent years, either the employer is not
48 required to contribute under this unnumbered paragraph
49 or the employer's contribution rate is the employer's
50 experience rate computed under this lettered paragraph.

S-3912
PAGE 9

1 During any rate year in which rate table one or
2 two is effective an employer assigned a contribution
3 rate under this lettered paragraph shall be required
4 to contribute to the unemployment compensation trust
5 fund at five-tenths of one percent, if the employer's
6 percentage of excess is seven point five percent or
7 greater for the rate year and the employer has not
8 been charged with benefit payments for any time within
9 the twenty-four calendar quarters immediately preceding
10 the rate computation date for the rate year. If an
11 employer is qualified for the five-tenths of one
12 percent limitation on the employer's contribution
13 rate for a rate year under this unnumbered paragraph
14 but would be required to contribute for the next rate
15 year under this lettered paragraph, the employer's
16 contribution rate for the next rate year is either
17 the employer's experience rate computed under this
18 lettered paragraph or one and eight-tenths percent,
19 whichever is less. For subsequent years, either the
20 employer is qualified for the five-tenths of one
21 percent limitation under this unnumbered paragraph
22 or the employer's contribution rate is the employer's
23 experience rate computed under this lettered paragraph.

24 Sec. 18. Section 96.7, subsection 3, paragraph
25 d, unnumbered paragraph 7, Code 1983, is amended to
26 read as follows:

27 Notwithstanding any other provision of this chapter
28 relating to limiting contribution rates to those
29 specified in the contribution rate table, if an
30 employer qualified for an experience rating has a
31 negative balance in the employer's account on the
32 rate computation date and had a negative balance on
33 the previous rate computation date, the employer shall
34 contribute an additional ~~one-half~~ one percent of
35 taxable wages above the contribution rate assigned
36 the employer by the effective rate contribution table.
37 For each subsequent and consecutive rate computation
38 date on which the employer still has a negative balance
39 in the employer's account, the employer shall
40 contribute an additional ~~one-half~~ one percent of
41 taxable wages. Beginning with the initial surcharge
42 of ~~one-half~~ one percent each subsequent and consecutive
43 surcharge of ~~one-half~~ one percent of taxable wages
44 shall be cumulative, except that the cumulative
45 surcharge shall not exceed ~~three~~ an amount sufficient
46 to make the employer's combined contribution rate
47 equal to nine percent of taxable wages.

48 Sec. 19. Section 96.7, subsection 3, paragraph
49 e, Code 1983, is amended by adding the following new
50 unnumbered paragraph:

1 NEW UNNUMBERED PARAGRAPH. If an employer's account
2 is charged with benefits in a calendar quarter prior
3 to the rate computation date as the result of a
4 decision allowing benefits and the decision is reversed
5 after the rate computation date, the employer may
6 appeal, within thirty days from the date of the
7 contribution rate notice, for a recomputation of the
8 rate. The department shall remove the benefit charges
9 from the rate computation, recompute the contribution
10 rate, and notify the employer of the recomputed
11 contribution rate.

12 Sec. 20. Section 96.7, subsection 15, unnumbered
13 paragraph 1, Code 1983, is amended to read as follows:

14 If on the first day of the third month in any
15 calendar quarter ~~in-1983~~, the department has an
16 outstanding balance of interest accrued on advance
17 moneys received from the federal government for the
18 payment of unemployment compensation benefits, or
19 is projected to have an outstanding balance of accruing
20 federal interest for that calendar quarter, the
21 director shall collect a uniform temporary emergency
22 tax surcharge for that calendar quarter ~~in-1983~~,
23 retroactive to the beginning of that calendar quarter.
24 The tax surcharge shall be a percentage of employer
25 contribution rates and shall be set at the rate a
26 uniform percentage, for all employers subject to the
27 surcharge, necessary to pay the interest accrued on
28 the moneys advanced to the department by the federal
29 government, and to pay any additional federal interest
30 which will accrue for the remainder of that calendar
31 quarter. However,--the-tax-shall-not-be-greater-than
32 one-tenth-of-one-percent-of-taxable-wages-for-that
33 calendar-quarter. The tax surcharge shall apply to
34 all employers except government entities, nonprofit
35 organizations, and employers assigned a zero
36 contribution rate ~~for-calendar-year-1983~~. The director
37 shall prescribe the manner in which the tax surcharge
38 will be collected. Interest shall accrue on all
39 unpaid tax surcharges under this subsection at the
40 same rate as on regular contributions and shall be
41 collectible in the same manner. The tax surcharge
42 shall not affect the computation of regular
43 contributions under this chapter.

44 Sec. 21. Section 96.11, subsection 4, unnumbered
45 paragraph 1, Code 1983, is amended to read as follows:

46 The director shall provide for the employment of
47 such personnel as are necessary to carry out the func-
48 tions of the department. Personnel shall be employed
49 under the provisions of chapter 19A. The director,
50 a deputy director, a confidential secretary, the

1 members of the appeal board, an administrative officer
2 under the appeal board, and a secretary for each
3 member if deemed necessary, shall be exempt from the
4 merit system under the provisions of section 19A.3.
5 If necessary to carry out its duties under this
6 chapter, the appeal board shall employ an
7 administrative officer whose qualifications and job
8 responsibilities are determined by the appeal board.

9 Sec. 22. Section 96.19, subsection 6, paragraph
10 g, subparagraph (6), unnumbered paragraph 2, Code
11 1983, is amended to read as follows:

12 Service performed by an individual ~~under-the-age~~
13 ~~of-twenty-two-years~~ who is enrolled at a nonprofit
14 or public educational institution which normally
15 maintains a regular faculty and curriculum and normally
16 has a regularly organized body of students in
17 attendance at the place where its educational
18 activities are carried on, as a student in a full-
19 time program, taken for credit at such institution,
20 which combines academic instruction with work
21 experience, if ~~such~~ the service is an integral part
22 of ~~such~~ the program and ~~such~~ the institution has so
23 certified to the employer, ~~except~~ that this
24 subparagraph ~~shall~~ does not apply to service performed
25 in a program established for or on behalf of an
26 employer or group of employers.

27 Sec. 23. Section 96.19, subsection 6, paragraph
28 g, Code 1983, is amended by adding the following new
29 subparagraph:

30 NEW SUBPARAGRAPH. (7) Services performed by an
31 individual, who is not treated as an employee, for
32 a person who is not treated as an employer, under
33 either of the following conditions:

34 (a) The services are performed by the individual
35 as a salesperson and as a licensed real estate agent;
36 substantially all of the remuneration for the services
37 is directly related to sales or other output rather
38 than to the number of hours worked; and the services
39 are performed pursuant to a written contract between
40 the individual and the person for whom the services
41 are performed, which provides that the individual
42 will not be treated as an employee with respect to
43 the services for federal tax purposes.

44 (b) The services are performed by an individual
45 engaged in the trade or business of selling or
46 soliciting the sale of consumer products to any buyer
47 on a buy-sell basis or a deposit-commission basis,
48 for resale by the buyer or another person in the home
49 or in a place other than a permanent retail
50 establishment, or engaged in the trade or business

S-3912
PAGE 12

1 of selling or soliciting the sale of consumer products
2 in the home or in a place other than a permanent
3 retail establishment; substantially all of the
4 remuneration for the services is directly related
5 to sales or other output rather than to the number
6 of hours worked; and the services are performed pur-
7 suant to a written contract between the individual
8 and the person for whom the services are performed,
9 which provides that the individual will not be treated
10 as an employee with respect to the services for federal
11 tax purposes.

12 Sec. 24. Section 96.19, subsection 20, Code 1983,
13 is amended by adding the following new unnumbered
14 paragraph:

15 NEW UNNUMBERED PARAGRAPH. However, the amount
16 of taxable wages otherwise determined under this
17 subsection shall be increased by six hundred dollars
18 for calendar year 1984, by eleven hundred dollars
19 for calendar year 1985, and by sixteen hundred dollars
20 for calendar year 1986 and subsequent calendar years.

21 Sec. 25. Section 96.23, Code 1983, is amended
22 by striking the section and inserting in lieu thereof
23 the following:

24 96.23 BASE PERIOD EXCLUSION. The department shall
25 exclude three or more calendar quarters from an
26 individual's base period, as defined in section 96.19,
27 subsection 16, if the individual received weekly
28 workers' compensation benefits for temporary total
29 disability or during a healing period under section
30 85.33, section 85.34, subsection 1, or section 85A.17
31 or weekly indemnity insurance benefits during those
32 three or more calendar quarters, if one of the
33 following conditions applies to the individual's base
34 period:

35 1. The individual did not receive wages from
36 insured work for three calendar quarters.

37 2. The individual did not receive wages from
38 insured work for two calendar quarters and did not
39 receive wages from insured work for another calendar
40 quarter equal to or greater than the amount required
41 for a calendar quarter, other than the calendar quarter
42 in which the individual's wages were highest, under
43 section 96.4, subsection 4.

44 The department shall substitute, in lieu of the
45 three or more calendar quarters excluded from the
46 base period, those three or more consecutive calendar
47 quarters, immediately preceding the base period, in
48 which the individual did not receive such weekly
49 workers' compensation benefits or weekly indemnity
50 insurance benefits.

1 Sec. 26. PROSPECTIVE REPEAL. Sections 8 and 24
2 of this Act are prospectively repealed on January
3 1 of the first calendar year after December 31, 1985
4 for which a contribution rate table other than
5 contribution rate table one is effective. Section
6 8 is repealed for benefit claims effectively filed
7 for and after the first full week in that first
8 calendar year. Section 24 is repealed for taxable
9 wages for that first calendar year and subsequent
10 calendar years.

11 Sec. 27. This Act, being deemed of immediate
12 importance, takes effect from and after its publication
13 in The Sioux City Journal, a newspaper published in
14 Sioux City, Iowa, and in the Waterloo Courier, a
15 newspaper published in Waterloo, Iowa, and is retro-
16 active to January 1, 1983. However, the sections
17 of the Act take effect as follows:

18 1. Sections 14, 15, the portion of section 17
19 which relates to the applicable contribution rate
20 table for calendar year 1983, and section 20 of this
21 Act take effect January 1, 1983.

22 2. Sections 4, 11, 12, and 19 of this Act take
23 effect from and after the Act's publication, and apply
24 to all new or pending benefit claims.

25 3. Sections 7, 21, and 22 of this Act take effect
26 July 1, 1983.

27 4. Sections 1, 2, 3, 5, 6, 9, 10, and 25 of this
28 Act take effect only for unemployment compensation
29 benefit claims effectively filed on or after July
30 3, 1983.

31 5. Sections 13, 16, the portion of section 17
32 which relates to the five-tenths of one percent
33 limitation, and sections 18 and 24 of this Act take
34 effect July 1, 1983, and apply to calendar year 1984
35 and subsequent calendar years. Contribution rate
36 table 1, as amended by section 13 of this Act, shall
37 be used to compute the additional contributions of
38 one percent per year, applicable to negative-balance
39 employers for calendar year 1984 and subsequent
40 calendar years, required under section 18 of this
41 Act. If a negative-balance employer received a one-
42 half of one percent surcharge under section 96.7,
43 subsection 3, paragraph d, unnumberd paragraph 7,
44 applicable to calendar years before calendar year
45 1984, the employer's contribution rate for calendar
46 year 1984 and subsequent calendar years shall be
47 computed using contribution rate table 1, as amended
48 by section 13 of this Act, the cumulative one-half
49 of one percent surcharges and the one percent
50 surcharges applicable to calendar year 1984 and sub-

S-3912
PAGE 14

1 sequent calendar years under section 18 of this Act.
2 6. Section 23 of this Act takes effect January
3 1, 1984.

4 7. Section 8 of this Act takes effect only for
5 initial unemployment compensation benefit claims
6 effectively filed on or after January 6, 1985."

7 2. Title page, page 3, by inserting after the
8 word "law," the words "to certain employer account
9 charges, to certain benefit disqualification and
10 reduction procedures, to certain administrative
11 procedures,".

S-3912 FILED BY COMMITTEE ON LABOR & INDUSTRIAL RELATIONS
MAY 11, 1983 TED ANDERSON, CHAIR

*Adopted as amended by 3915 & 3916
5/12/83 (p. 1694)*

SENATE 5
MAY 13, 1983

HOUSE FILE 637

S-3916

1 Amend the amendment, S-3912, to House File 637,
2 as amended and passed by the House, as follows:
3 1. Page 14, line 7, by striking the word and
4 figure "page 3" and inserting in lieu thereof the
5 word and figure "line 3".

S-3916 FILED & ADOPTED
MAY 12, 1983 (p. 1694)

BY TED ANDERSON

SEVENTIETH GENERAL ASSEMBLY
1983 REGULAR SESSION

DAILY
SENATE CLIP SHEET

FRIDAY, MAY 13, 1983

HOUSE FILE 637

S-3913

1 Amend the amendment S-3912 to House File 637 as
2 amended and passed by the House, as follows:

3 1. Page 7, line 39, by striking the words "in
4 three equal installments".

5 2. Page 7, line 41, by striking the words "last
6 three calendar quarters" and inserting in lieu thereof
7 the words "fourth calendar quarter".

8 3. Page 7, line 41, by inserting after the figure
9 "1983." the following: "If additional contributions
10 are due for the second calendar quarter of 1983 under
11 this section, an employer shall pay the additional
12 contributions no later than the time regular
13 contributions are due for the third calendar quarter
14 of 1983. Additional contributions due for the third
15 and fourth calendar quarters of 1983 shall be paid
16 no later than the times regular contributions are
17 due for those calendar quarters."

S-3913 FILED

BY EDGAR H. HOLDEN

MAY 12, 1983

WITHDRAWN (f. 1694)

HOUSE FILE 637

S-3915

1 Amend the amendment S-3912 to House File 637 as
2 amended and passed by the House, as follows:

3 1. Page 7, line 39, by striking the words "in
4 three equal installments".

5 2. Page 7, line 41, by striking the words "last
6 three calendar quarters" and inserting in lieu thereof
7 the words "fourth calendar quarter".

8 3. Page 7, line 41, by inserting after the figure
9 "1983." the following: "If additional contributions
10 are due for the second calendar quarter of 1983 under
11 section 14 of this Act, an employer shall pay the
12 additional contributions no later than the time regular
13 contributions are due for the third calendar quarter
14 of 1983. Additional contributions due for the third
15 and fourth calendar quarters of 1983 shall be paid
16 no later than the times regular contributions are
17 due for those calendar quarters."

S-3915 FILED

BY EDGAR H. HOLDEN

MAY 12, 1983

ADOPTED (f. 1694)

HOUSE FILE 637

S-3917

1 Amend the amendment S-3912 to House File 637 as
2 amended and passed by the House, as follows:

3 1. Page 4, by inserting after line 24 the
4 following:

5 "Sec. 9B. Section 96.5, subsection 3, paragraph
6 a, subparagraphs (1) through (4), Code 1983, are
7 amended to read as follows:

8 (1) ~~One-hundred~~ Eighty-five percent, if the work
9 is offered during the first five weeks of unemployment.

10 (2) Seventy-five percent, if the work is offered
11 during the sixth through the twelfth week of
12 unemployment.

13 (3) Seventy Sixty-five percent, if the work is
14 offered during after the ~~thirteenth-through-the~~
15 ~~eighteenth twelfth~~ week of unemployment.

16 ~~(4)--Sixty-five-percent, if the work is offered~~
17 ~~after the eighteenth week of unemployment.~~

18 However, the provisions of this paragraph shall not
19 require an individual to accept employment below the
20 federal minimum wage."

21 2. Page 13, line 27, by inserting after the figure
22 "9," the figure "9B,".

23 3. By renumbering as necessary.

S-3917 FILED & LOST
MAY 12, 1983 (p. 1694)

BY ARNE WALDSTEIN
CALVIN O. HULTMAN
FORREST V. SCHWENGELS

HOUSE FILE 637

S-3914

1 Amend the amendment, S-3912, to House File 637,
2 as amended and passed by the House, as follows:

3 1. Page 1, by striking lines 37 through 41 and
4 inserting in lieu thereof the following:

F	5	"0	1/23	58%	54%
	6	1	1/22	60%	56%
	7	2	1/21	62%	58%
	8	3	1/20	65%	61%
	9	4 or more	1/19	70%	66%

10 2. Page 6, by striking lines 21 through 41 and
11 inserting in lieu thereof the following:

B	12	"1		.8	.4
	13	2		1.0	.7
	14	3		1.2	.8
	15	4		1.4	.9
	16	5		1.6	1.0
	17	6		1.8	1.2
	18	7		2.0	1.5
	19	8		2.3	1.7
	20	9		2.6	1.8
	21	10		2.9	2.2
	22	11		3.2	2.6
23	12		3.5	3.0	
24	13		3.8	3.4	
25	14		4.2	4.0	
26	15		4.6	4.2	
27	16		5.0	4.6	
28	17		5.5	5.3	
29	18		6.0	5.6	
30	19		6.0	5.6	
31	20		6.0	5.6	
32	21		6.0	5.6"	

C 33 3. Page 9, line 47, by striking the word "nine"
34 and inserting in lieu thereof the word "eight".

D 35 4. Page 14, line 6, by striking the word and
36 figures "January 6, 1985" and inserting in lieu thereof
37 the word and figures "January 1, 1984".

S-3914 FILED
MAY 12, 1983

DIVISIONS A, B, C, D LOST (pp 167-23) BY CALVIN O. HULTMAN
MERLIN HULSE
JOHN JENSEN
RICHARD VANDE HOEF

SENATE AMENDMENT TO HOUSE FILE 637

H-4223

1 Amend House File 637 as amended and passed by the
2 House, as follows:

3 1. By striking everything after the enacting
4 clause and inserting in lieu thereof the following:
5 "Section 1. Section 96.3, subsection 3, Code 1983,
6 is amended to read as follows:

7 3. PARTIAL UNEMPLOYMENT. An individual who is
8 partially unemployed in any week as defined in section
9 96.19, subsection 9, paragraph "b", and who meets
10 the conditions of eligibility for benefits shall be
11 paid with respect to that week an amount equal to
12 the individual's weekly benefit amount less that part
13 of wages payable to the individual with respect to
14 that week in excess of one-fourth of the individual's
15 weekly benefit amount. ~~Such~~ The benefits shall be
16 rounded to the ~~higher~~ lower multiple of one dollar.

17 Sec. 2. Section 96.3, subsection 4, unnumbered
18 paragraph 1, Code 1983, is amended to read as follows:

19 With respect to benefit years beginning on or after
20 July 1, ~~1979~~ 1983, an eligible individual's weekly
21 benefit amount for a week of total unemployment shall
22 be an amount equal to the following fractions of the
23 individual's total wages in insured work paid during
24 that quarter of the individual's base period in which
25 such total wages were highest; the director shall
26 determine annually a maximum weekly benefit amount
27 equal to the following percentages, to vary with the
28 number of dependents, of the statewide average weekly
29 wage paid to employees in insured work which shall
30 be effective the first day of the first full week
31 in July.

32 If the number of	The weekly benefit	Subject to the
33 dependents is:	amount shall equal	following maximum
34	the following frac-	percentage of the
35	tion of high quar-	statewide average
36	ter wages:	weekly wage:
37 0	1/23	58% <u>53%</u>
38 1	1/22	60% <u>55%</u>
39 2	1/21	62% <u>57%</u>
40 3	1/20	65% <u>60%</u>
41 4 or more	1/19	70% <u>65%</u>

42 The maximum weekly benefit amount, if not a multiple
43 of one dollar shall be rounded to the ~~higher~~ lower
44 multiple of one dollar. However, until such time
45 as ~~fifty-eight~~ sixty-five percent of the statewide
46 average weekly wage exceeds one hundred ~~thirty-three~~
47 ninety dollars, ~~an individual with zero or one~~
48 ~~dependent who would be entitled to~~ the maximum weekly
49 ~~benefit amount if the individual's weekly benefit~~
50 ~~amount were computed by using one-twenty-first of~~

H-4223
Page Two

1 ~~the individual's high-quarter wages, subject to a~~
2 ~~maximum percentage of sixty-two percent of the~~
3 ~~statewide average weekly wage, the individual shall~~
4 ~~receive the maximum weekly benefit amount of sixty-~~
5 ~~two percent of the statewide average weekly wage~~
6 amounts shall be determined using the statewide average
7 weekly wage computed on the basis of wages reported
8 for calendar year 1981. As used in this section
9 "dependent" means dependent as defined in section
10 422.12, subsection 1, paragraph "c", as if the
11 individual claimant was a taxpayer, except that an
12 individual claimant's nonworking spouse shall be
13 deemed to be a dependent under this section.
14 "Nonworking spouse" means a spouse who does not earn
15 more than one hundred twenty dollars in gross wages
16 in one week.

17 Sec. 3. Section 96.3, subsection 5, Code 1983,
18 is amended by adding the following new unnumbered
19 paragraph:

20 NEW UNNUMBERED PARAGRAPH. The amount of benefits
21 paid to an individual, which is solely due to wage
22 credits considered to be in an individual's base
23 period due to the exclusion and substitution of
24 calendar quarters from the individual's base period
25 under section 96.23, shall be charged against the
26 account of the employer responsible for paying the
27 weekly workers' compensation benefits for temporary
28 total disability or during a healing period under
29 section 85.33, section 85.34, subsection 1, or section
30 85A.17, or responsible for paying weekly indemnity
31 insurance benefits.

32 Sec. 4. Section 96.3, subsection 7, unnumbered
33 paragraph 2, Code 1983, is amended to read as follows:

34 If the department ~~cannot recover~~ determines that
35 an overpayment after two years from the last date
36 of the overpayment has been made, the charge for the
37 overpayment against the employer's account shall be
38 removed and the account shall be credited with an
39 amount equal to the overpayment from the unemployment
40 compensation trust fund.

41 Sec. 5. Section 96.4, subsection 3, Code 1983,
42 is amended to read as follows:

43 3. ~~He or she~~ The individual is able to work, is
44 available for work, and is earnestly and actively
45 seeking work. The provision of this subsection shall
46 be waived if ~~he or she~~ the individual is deemed
47 temporarily unemployed as defined in section 96.19,
48 subsection 9, paragraph "c" or if the individual is
49 not disqualified for benefits under section 96.5,
50 subsection 1, paragraph x.

H-4223
Page Three

1 Sec. 6. Section 96.4, subsection 4, Code 1983,
2 is amended to read as follows:

3 4. The individual has been paid wages for insured
4 work during the individual's base period in an amount
5 at least one and one-quarter times the wages paid
6 to the individual during that quarter of the
7 individual's base period in which the individual's
8 wages were highest; provided that the individual has
9 been paid wages for insured work ~~of not less than~~
10 four hundred dollars totaling at least three and five-
11 tenths percent of the statewide average annual wage
12 for insured work, computed for the preceding calendar
13 year if the individual's benefit year begins on or
14 after the first full week in July and computed for
15 the second preceding calendar year if the individual's
16 benefit year begins before the first full week in
17 July, in that calendar quarter in the individual's
18 base period in which the individual's wages were
19 highest, and the individual has been paid wages for
20 insured work of not less than two hundred dollars
21 totaling at least one-half of the amount of wages
22 required under this subsection in the calendar quarter
23 of the base period in which the individual's wages
24 were highest, in a calendar quarter in the individual's
25 base period other than the calendar quarter in which
26 the individual's wages were highest. The calendar
27 quarter wage requirements shall be rounded to the
28 nearest multiple of ten dollars.

29 If the individual has drawn benefits in any benefit
30 year, the individual must during or subsequent to
31 that year, work in and be paid wages for insured work
32 totaling at least ~~ten times the weekly benefit amount~~
33 two hundred fifty dollars, as a condition to receive
34 benefits in the next benefit year.

35 Sec. 7. Section 96.4, subsection 5, paragraph
36 c, Code 1983, is amended to read as follows:

37 c. With respect to services in any other capacity
38 for an educational institution ~~(other than an~~
39 ~~institution of higher education)~~ ~~after December 31,~~
40 ~~1977~~, benefits shall not be paid to an individual
41 for any week of unemployment which begins during the
42 period between two successive academic years, or terms
43 if ~~such~~ the individual performs such the services
44 in the first of such academic years or terms and there
45 is a reasonable assurance that such the individual
46 will perform such services in the second of such
47 academic years or terms. If benefits are denied to
48 an individual for any week as a result of this
49 paragraph and the individual is not offered an
50 opportunity to perform such services for the

H-4223
Page Four

1 educational institution for the second of such academic
2 years or terms, the individual is entitled to a
3 retroactive payment of benefits for each week for
4 which the individual filed a timely claim for benefits
5 and for which benefits were denied solely by reason
6 of this paragraph.

7 Sec. 8. Section 96.4, Code 1983, is amended by
8 adding the following new subsection:

9 NEW SUBSECTION. The individual has satisfied one
10 one-week waiting period during the individual's benefit
11 year. To satisfy the one-week waiting period, the
12 individual, with respect to the week in question,
13 must be unemployed, have filed a claim for benefits,
14 and be eligible for benefits from this state, but
15 must not have received benefits from this or another
16 state, and must not be eligible for benefits from
17 another state.

18 Sec. 9. Section 96.5, subsection 1, Code 1983,
19 is amended by adding the following new lettered
20 paragraph:

21 NEW LETTERED PARAGRAPH. x. The individual has
22 left employment in lieu of exercising a right to bump
23 or oust a fellow employee with less seniority or
24 priority from the fellow employee's job.

25 Sec. 10. Section 96.5, subsection 7, Code 1983,
26 is amended by adding the following new lettered
27 paragraphs:

28 NEW LETTERED PARAGRAPH. d. Notwithstanding
29 contrary provisions in paragraphs a, b and c, if an
30 individual is separated from employment and is
31 scheduled to receive vacation payments during the
32 period of unemployment attributable to the employer
33 and if the employer does not designate the vacation
34 period pursuant to paragraph b, then payments made
35 by the employer to the individual or an obligation
36 to make a payment by the employer to the individual
37 for vacation pay, vacation pay allowance or pay in
38 lieu of vacation shall not be deemed wages as defined
39 in section 96.19, subsection 12, for any period in
40 excess of one week and such payments or the value
41 of such obligations shall not be deducted for any
42 period in excess of one week from the unemployment
43 benefits the individual is otherwise entitled to
44 receive under this chapter. However, if the employer
45 designates more than one week as the vacation period
46 pursuant to paragraph b, the vacation pay, vacation
47 pay allowance, or pay in lieu of vacation shall be
48 considered wages and shall be deducted from benefits.

49 NEW LETTERED PARAGRAPH. e. If an employer pays
50 or is obligated to pay a bonus to an individual at

H-4223

Page Five

1 the same time the employer pays or is obligated to
2 pay vacation pay, a vacation pay allowance, or pay
3 in lieu of vacation, the bonus shall not be deemed
4 wages for purposes of determining benefit eligibility
5 and amount, and the bonus shall not be deducted from
6 unemployment benefits the individual is otherwise
7 entitled to receive under this chapter.

8 Sec. 11. Section 96.6, subsection 2, Code 1983,
9 is amended to read as follows:

10 2. INITIAL DETERMINATION. A representative
11 designated by the director shall promptly notify all
12 interested parties to the claim of the filing thereof,
13 and ~~said~~ the parties shall have ten days from the
14 date of mailing the notice of the filing of said claim
15 by ordinary mail to the last known address to protest
16 payment of benefits to said claimant. The
17 representative shall promptly examine the claim and
18 any protest thereto and, on the basis of the facts
19 found by the representative, shall determine whether
20 or not such claim is valid, the week with respect
21 to which benefits shall commence, the weekly benefit
22 amount payable and the maximum duration thereof, and
23 whether any disqualification shall be imposed. The
24 claimant has the burden of proving that the claimant
25 meets the basic eligibility conditions of section
26 96.4. The employer has the burden of proving that
27 the claimant is disqualified for benefits pursuant
28 to section 96.5. Unless the claimant or other
29 interested party, after notification or within ten
30 calendar days after such notification was mailed to
31 the claimant's last known address, files an appeal
32 from such decision, such decision shall be final and
33 benefits shall be paid or denied in accordance
34 therewith. If a hearing officer affirms a decision
35 of the representative, or the appeal board affirms
36 a decision of the hearing officer, allowing benefits,
37 such benefits shall be paid regardless of any appeal
38 which may thereafter be taken, but if such decision
39 is finally reversed, no employer's account shall be
40 charged with benefits so paid.

41 Sec. 12. Section 96.6, subsection 3, Code 1983,
42 is amended to read as follows:

43 3. APPEALS. Unless such appeal is withdrawn,
44 a hearing officer, after affording the parties
45 reasonable opportunity for fair hearing, shall affirm
46 or modify the findings of fact and decision of the
47 representative. The hearing shall be conducted
48 pursuant to the provisions of chapter 17A relating
49 to hearings for contested cases. Before the hearing
50 is scheduled, the parties shall be afforded the

H-4223
Page Six

1 opportunity to choose either a telephone hearing or
2 an in-person hearing. A request for an in-person
3 hearing shall be approved unless the in-person hearing
4 would be impractical because of the distance between
5 the parties to the hearing. A telephone or in-person
6 hearing shall not be scheduled before the seventh
7 calendar day after the parties receive notice of the
8 hearing. Reasonable requests for the postponement
9 of a hearing shall be granted. The parties shall
10 be duly notified of the hearing officer's decision,
11 together with the hearing officer's reasons therefor,
12 which shall be deemed to be the final decision of
13 the department, unless within fifteen days after the
14 date of notification or mailing of such decision,
15 further appeal is initiated pursuant to subsection
16 5 of this section.

17 Sec. 13. Section 96.7, subsection 3, paragraph
18 d, unnumbered paragraph 4, contribution rate table
19 1, Code 1983, is amended to read as follows:

20	<u>Percentage of Excess Rank</u>		<u>Contribution Rate Table 1</u>
21	1		.8 .5
22	2		1.0 .9
23	3		1.2 1.0
24	4		1.4 1.1
25	5		1.6 1.2
26	6		1.8 1.5
27	7		2.0 1.9
28	8		2.3 2.1
29	9		2.6 2.3
30	10		2.9 2.7
31	11		3.2 3.3
32	12		3.5 3.8
33	13		3.8 4.3
34	14		4.2 4.9
35	15		4.6 5.3
36	16		5.0 5.8
37	17		5.5 6.6
38	18		6.0 7.0
39	19		6.0 7.0
40	20		6.0 7.0
41	21		6.0 7.0

42 Sec. 14. Section 96.7, subsection 3, paragraph
43 d, unnumbered paragraph 4, contribution rate table
44 2, Code 1983, is amended to read as follows:

45	<u>Percentage of Excess Rank</u>		<u>Contribution Rate Table 2</u>
46	1		.6 .2
47	2		.7 .6
48	3		.8 .7
49	4		1.0 .8
50	5		1.2 .9

H-4223
Page Seven

1	6	1.4	1.2
2	7	1.6	1.5
3	8	1.8	1.7
4	9	2.0	2.1
5	10	2.3	2.4
6	11	2.6	2.9
7	12	2.9	3.4
8	13	3.3	4.0
9	14	3.7	4.6
10	15	4.1	5.0
11	16	4.5	5.5
12	17	5.0	6.3
13	18	5.5	6.7
14	19	6.0	6.8
15	20	6.0	7.0
16	21	6.0	7.0

17 Sec. 15. TEMPORARY SECTION. SPECIAL CONTRIBUTION
18 RATES.

19 1. An employer which meets the zero contribution
20 rate requirements for calendar year 1983 of section
21 96.7, subsection 3, paragraph d, unnumbered paragraph
22 6 relating to percentage of excess and a record of
23 no benefit charges, shall be assigned the zero
24 contribution rate for calendar year 1983 even though
25 contribution rate table 2, as amended by section 14
26 of this Act, is effective for calendar year 1983,
27 notwithstanding the requirement of unnumbered paragraph
28 6 which limits the zero contribution rate to calendar
29 years in which a rate table in rate tables three
30 through nine is effective. If an employer assigned
31 a zero contribution rate for calendar year 1983 is
32 required to contribute for the next calendar year,
33 the employer's rate for that next calendar year is
34 either the employer's experience rate or one and
35 eight-tenths percent, whichever is less.

36 2. If additional contributions are due for the
37 first calendar quarter of 1983 under section 14 of
38 this Act, an employer shall pay the additional
39 contributions no later than the time regular
40 contributions are due for the fourth calendar quarter
41 of 1983. If additional contributions are due for
42 the second calendar quarter of 1983 under section
43 14 of this Act, an employer shall pay the additional
44 contributions no later than the time regular
45 contributions are due for the third calendar quarter
46 of 1983. Additional contributions due for the third
47 and fourth calendar quarters of 1983 shall be paid
48 no later than the times regular contributions are
49 due for those calendar quarters. However, an employer
50 may pay the additional contributions in advance.

H-4223
Page Eight

1 Sec. 16. Section 96.7, subsection 3, paragraph
2 d, in the proviso following the contribution rate
3 tables in unnumbered paragraph 4, Code 1983, is amended
4 to read as follows: ~~Provided, however, that~~
5 ~~notwithstanding~~ Notwithstanding any other provision
6 of this chapter relating to limiting contribution
7 rates to those specified in the contribution rate
8 table, any an employer which employs individuals for
9 construction as defined by the department pursuant
10 to rules, that has not qualified for an experience
11 rating shall pay four-point-zero-percent-in-the
12 calendar-year-1968-through-the-calendar-year-1977
13 and-be-assigned-to-the-rate-specified-in-the-twenty-
14 first-percentage-of-excess-rank-for-the-rate-year
15 beginning-January-1, 1978-and-every-year-thereafter
16 the maximum contribution rate assigned to any employer
17 under this chapter, including the additional
18 contributions required under this lettered paragraph
19 of an employer with a negative balance in the
20 employer's account, until such time as the employer
21 has qualified for an experience rating. However,
22 ~~such~~ the employer shall not qualify for an experience
23 rating until there shall have been twelve consecutive
24 calendar quarters immediately preceding the rate
25 computation date throughout which his the employer's
26 account has been chargeable with benefit payments.

27 Sec. 17. Section 96.7, subsection 3, paragraph
28 d, unnumbered paragraph 6, Code 1983, is amended to
29 read as follows:

30 ~~However, notwithstanding any other provision of~~
31 ~~this chapter relating to the applicable contribution~~
32 ~~rate table for a calendar year, the applicable~~
33 ~~contribution rate table for the calendar years 1982~~
34 ~~and 1983 is table three unless the ratio of the current~~
35 ~~reserve fund ratio to the highest benefit cost rate~~
36 ~~on the rate computation date is 1.0 or higher.~~ During
37 any rate year in which a rate table in rate tables
38 three through nine is effective an employer assigned
39 a contribution rate under this lettered paragraph
40 is not required to contribute to the unemployment
41 compensation trust fund if the employer's percentage
42 of excess is seven point five percent or greater for
43 the rate year and the employer has not been charged
44 with benefit payments for any time within the twenty-
45 four calendar quarters immediately preceding the rate
46 computation date for the rate year. If an employer
47 is not required to contribute for a rate year to the
48 trust fund under this unnumbered paragraph but would
49 be required to contribute for the next rate year under
50 this lettered paragraph, the employer's contribution

H-4223
Page Nine

1 rate for the next rate year is either the employer's
2 experience rate computed under this lettered paragraph
3 or one and eight-tenths percent, whichever is less.
4 For subsequent years, either the employer is not
5 required to contribute under this unnumbered paragraph
6 or the employer's contribution rate is the employer's
7 experience rate computed under this lettered paragraph.

8 During any rate year in which rate table one or
9 two is effective an employer assigned a contribution
10 rate under this lettered paragraph shall be required
11 to contribute to the unemployment compensation trust
12 fund at five-tenths of one percent, if the employer's
13 percentage of excess is seven point five percent or
14 greater for the rate year and the employer has not
15 been charged with benefit payments for any time within
16 the twenty-four calendar quarters immediately preceding
17 the rate computation date for the rate year. If an
18 employer is qualified for the five-tenths of one
19 percent limitation on the employer's contribution
20 rate for a rate year under this unnumbered paragraph
21 but would be required to contribute for the next rate
22 year under this lettered paragraph, the employer's
23 contribution rate for the next rate year is either
24 the employer's experience rate computed under this
25 lettered paragraph or one and eight-tenths percent,
26 whichever is less. For subsequent years, either the
27 employer is qualified for the five-tenths of one
28 percent limitation under this unnumbered paragraph
29 or the employer's contribution rate is the employer's
30 experience rate computed under this lettered paragraph.

31 Sec. 18. Section 96.7, subsection 3, paragraph
32 d, unnumbered paragraph 7, Code 1983, is amended to
33 read as follows:

34 Notwithstanding any other provision of this chapter
35 relating to limiting contribution rates to those
36 specified in the contribution rate table, if an
37 employer qualified for an experience rating has a
38 negative balance in the employer's account on the
39 rate computation date and had a negative balance on
40 the previous rate computation date, the employer shall
41 contribute an additional ~~one-half~~ one percent of
42 taxable wages above the contribution rate assigned
43 the employer by the effective rate contribution table.
44 For each subsequent and consecutive rate computation
45 date on which the employer still has a negative balance
46 in the employer's account, the employer shall
47 contribute an additional ~~one-half~~ one percent of
48 taxable wages. Beginning with the initial surcharge
49 of ~~one-half~~ one percent each subsequent and consecutive
50 surcharge of ~~one-half~~ one percent of taxable wages

H-4223
Page Ten

1 shall be cumulative, except that the cumulative
2 surcharge shall not exceed ~~three~~ an amount sufficient
3 to make the employer's combined contribution rate
4 equal to nine percent of taxable wages.

5 Sec. 19. Section 96.7, subsection 3, paragraph
6 e, Code 1983, is amended by adding the following new
7 unnumbered paragraph:

8 NEW UNNUMBERED PARAGRAPH. If an employer's account
9 is charged with benefits in a calendar quarter prior
10 to the rate computation date as the result of a
11 decision allowing benefits and the decision is reversed
12 after the rate computation date, the employer may
13 appeal, within thirty days from the date of the
14 contribution rate notice, for a recomputation of the
15 rate. The department shall remove the benefit charges
16 from the rate computation, recompute the contribution
17 rate, and notify the employer of the recomputed
18 contribution rate.

19 Sec. 20. Section 96.7, subsection 15, unnumbered
20 paragraph 1, Code 1983, is amended to read as follows:

21 If on the first day of the third month in any
22 calendar quarter ~~in-1983~~, the department has an
23 outstanding balance of interest accrued on advance
24 moneys received from the federal government for the
25 payment of unemployment compensation benefits, or
26 is projected to have an outstanding balance of accruing
27 federal interest for that calendar quarter, the
28 director shall collect a uniform temporary emergency
29 tax surcharge for that calendar quarter ~~in-1983~~,
30 retroactive to the beginning of that calendar quarter.
31 The tax surcharge shall be a percentage of employer
32 contribution rates and shall be set at ~~the rate a~~
33 uniform percentage, for all employers subject to the
34 surcharge, necessary to pay the interest accrued on
35 the moneys advanced to the department by the federal
36 government, and to pay any additional federal interest
37 which will accrue for the remainder of that calendar
38 quarter. However, ~~the tax shall not be greater than~~
39 ~~one-tenth-of-one-percent-of-taxable-wages-for-that~~
40 ~~calendar-quarter.~~ The tax surcharge shall apply to
41 all employers except government entities, nonprofit
42 organizations, and employers assigned a zero
43 contribution rate ~~for-calendar-year-1983~~. The director
44 shall prescribe the manner in which the tax surcharge
45 will be collected. Interest shall accrue on all
46 unpaid tax surcharges under this subsection at the
47 same rate as on regular contributions and shall be
48 collectible in the same manner. The tax surcharge
49 shall not affect the computation of regular
50 contributions under this chapter.

H-4223
Page Eleven

1 Sec. 21. Section 96.11, subsection 4, unnumbered
2 paragraph 1, Code 1983, is amended to read as follows:

3 The director shall provide for the employment of
4 such personnel as are necessary to carry out the func-
5 tions of the department. Personnel shall be employed
6 under the provisions of chapter 19A. The director,
7 a deputy director, a confidential secretary, the
8 members of the appeal board, an administrative officer
9 under the appeal board, and a secretary for each
10 member if deemed necessary, shall be exempt from the
11 merit system under the provisions of section 19A.3.
12 If necessary to carry out its duties under this
13 chapter, the appeal board shall employ an
14 administrative officer whose qualifications and job
15 responsibilities are determined by the appeal board.

16 Sec. 22. Section 96.19, subsection 6, paragraph
17 g, subparagraph (6), unnumbered paragraph 2, Code
18 1983, is amended to read as follows:

19 Service performed by an individual ~~under-the-age~~
20 ~~of-twenty-two-years~~ who is enrolled at a nonprofit
21 or public educational institution which normally
22 maintains a regular faculty and curriculum and normally
23 has a regularly organized body of students in
24 attendance at the place where its educational
25 activities are carried on, as a student in a full-
26 time program, taken for credit at such institution,
27 which combines academic instruction with work
28 experience, if ~~such~~ the service is an integral part
29 of ~~such~~ the program and ~~such~~ the institution has so
30 certified to the employer, except that this
31 subparagraph ~~shall~~ does not apply to service performed
32 in a program established for or on behalf of an
33 employer or group of employers.

34 Sec. 23. Section 96.19, subsection 6, paragraph
35 g, Code 1983, is amended by adding the following new
36 subparagraph:

37 NEW SUBPARAGRAPH. (7) Services performed by an
38 individual, who is not treated as an employee, for
39 a person who is not treated as an employer, under
40 either of the following conditions:

41 (a) The services are performed by the individual
42 as a salesperson and as a licensed real estate agent;
43 substantially all of the remuneration for the services
44 is directly related to sales or other output rather
45 than to the number of hours worked; and the services
46 are performed pursuant to a written contract between
47 the individual and the person for whom the services
48 are performed, which provides that the individual
49 will not be treated as an employee with respect to
50 the services for federal tax purposes.

H-4223
Page Twelve

1 (b) The services are performed by an individual
2 engaged in the trade or business of selling or
3 soliciting the sale of consumer products to any buyer
4 on a buy-sell basis or a deposit-commission basis,
5 for resale by the buyer or another person in the home
6 or in a place other than a permanent retail
7 establishment, or engaged in the trade or business
8 of selling or soliciting the sale of consumer products
9 in the home or in a place other than a permanent
10 retail establishment; substantially all of the
11 remuneration for the services is directly related
12 to sales or other output rather than to the number
13 of hours worked; and the services are performed pur-
14 suant to a written contract between the individual
15 and the person for whom the services are performed,
16 which provides that the individual will not be treated
17 as an employee with respect to the services for federal
18 tax purposes.

19 Sec. 24. Section 96.19, subsection 20, Code 1983,
20 is amended by adding the following new unnumbered
21 paragraph:

22 NEW UNNUMBERED PARAGRAPH. However, the amount
23 of taxable wages otherwise determined under this
24 subsection shall be increased by six hundred dollars
25 for calendar year 1984, by eleven hundred dollars
26 for calendar year 1985, and by sixteen hundred dollars
27 for calendar year 1986 and subsequent calendar years.

28 Sec. 25. Section 96.23, Code 1983, is amended
29 by striking the section and inserting in lieu thereof
30 the following:

31 96.23 BASE PERIOD EXCLUSION. The department shall
32 exclude three or more calendar quarters from an
33 individual's base period, as defined in section 96.19,
34 subsection 16, if the individual received weekly
35 workers' compensation benefits for temporary total
36 disability or during a healing period under section
37 85.33, section 85.34, subsection 1, or section 85A.17
38 or weekly indemnity insurance benefits during those
39 three or more calendar quarters, if one of the
40 following conditions applies to the individual's base
41 period:

42 1. The individual did not receive wages from
43 insured work for three calendar quarters.

44 2. The individual did not receive wages from
45 insured work for two calendar quarters and did not
46 receive wages from insured work for another calendar
47 quarter equal to or greater than the amount required
48 for a calendar quarter, other than the calendar quarter
49 in which the individual's wages were highest, under
50 section 96.4, subsection 4.

H-4223
Page Thirteen

1 The department shall substitute, in lieu of the
2 three or more calendar quarters excluded from the
3 base period, those three or more consecutive calendar
4 quarters, immediately preceding the base period, in
5 which the individual did not receive such weekly
6 workers' compensation benefits or weekly indemnity
7 insurance benefits.

8 Sec. 26. PROSPECTIVE REPEAL. Sections 8 and 24
9 of this Act are prospectively repealed on January
10 1 of the first calendar year after December 31, 1985
11 for which a contribution rate table other than
12 contribution rate table one is effective. Section
13 8 is repealed for benefit claims effectively filed
14 for and after the first full week in that first
15 calendar year. Section 24 is repealed for taxable
16 wages for that first calendar year and subsequent
17 calendar years.

18 Sec. 27. This Act, being deemed of immediate
19 importance, takes effect from and after its publication
20 in The Sioux City Journal, a newspaper published in
21 Sioux City, Iowa, and in the Waterloo Courier, a
22 newspaper published in Waterloo, Iowa, and is retro-
23 active to January 1, 1983. However, the sections
24 of the Act take effect as follows:

25 1. Sections 14, 15, the portion of section 17
26 which relates to the applicable contribution rate
27 table for calendar year 1983, and section 20 of this
28 Act take effect January 1, 1983.

29 2. Sections 4, 11, 12, and 19 of this Act take
30 effect from and after the Act's publication, and apply
31 to all new or pending benefit claims.

32 3. Sections 7, 21, and 22 of this Act take effect
33 July 1, 1983.

34 4. Sections 1, 2, 3, 5, 6, 9, 10, and 25 of this
35 Act take effect only for unemployment compensation
36 benefit claims effectively filed on or after July
37 3, 1983.

38 5. Sections 13, 16, the portion of section 17
39 which relates to the five-tenths of one percent
40 limitation, and sections 18 and 24 of this Act take
41 effect July 1, 1983, and apply to calendar year 1984
42 and subsequent calendar years. Contribution rate
43 table 1, as amended by section 13 of this Act, shall
44 be used to compute the additional contributions of
45 one percent per year, applicable to negative-balance
46 employers for calendar year 1984 and subsequent
47 calendar years, required under section 18 of this
48 Act. If a negative-balance employer received a one-
49 half of one percent surcharge under section 96.7,
50 subsection 3, paragraph d, unnumbered paragraph 7,

H-4223
Page Fourteen

1 applicable to calendar years before calendar year
2 1984, the employer's contribution rate for calendar
3 year 1984 and subsequent calendar years shall be
4 computed using contribution rate table 1, as amended
5 by section 13 of this Act, the cumulative one-half
6 of one percent surcharges and the one percent
7 surcharges applicable to calendar year 1984 and sub-
8 sequent calendar years under section 18 of this Act.

9 6. Section 23 of this Act takes effect January
10 1, 1984.

11 7. Section 8 of this Act takes effect only for
12 initial unemployment compensation benefit claims
13 effectively filed on or after January 6, 1985."

14 2. Title page, line 3, by inserting after the
15 word "law," the words "to certain employer account
16 charges, to certain benefit disqualification and
17 reduction procedures, to certain administrative
18 procedures,".

H-4223 FILED MAY 12, 1983

RECEIVED FROM THE SENATE

Lawrence concerned 5/14/83 (p 2195)

HOUSE FILE 637

H-4245

- 1 Amend the Senate amendment, H-4223, to House File
2 637, as amended and passed by the House, as follows:
3 1. Page 12, by striking lines 19 through 27.
4 2. Page 13, lines 8 and 9, by striking the words
5 and figures "Sections 8 and 24 of this Act are" and
6 inserting in lieu thereof the words and figure "Section
7 8 of this Act is".
8 3. Page 13, by striking lines 15 through 17 and
9 inserting in lieu thereof the words "calendar year."
10 4. Page 13, line 40, by striking the words and
11 figures "sections 18 and 24" and inserting in lieu
12 thereof the word and figure "section 18".

BY HALVORSON of Clayton
COREY of Louisa

H-4245 FILED MAY 14, 1983
LOST (p. 2191)

HOUSE FILE 637

H-4246

- 1 Amend the Senate amendment, H-4223, to House File
2 637 as amended and passed by the House, as follows:
3 1. Page 3, line 1, by inserting after the figure
4 "4," the words and figure "unnumbered paragraph 1,".
5 2. Page 3, line 3, by striking the figure "4."
6 3. Page 3, by striking lines 29 through 34.

BY HALVORSON of Clayton
COREY of Louisa

H-4246 FILED MAY 14, 1983
LOST (p. 2185)

HOUSE FILE 637

H-4247

- 1 Amend Senate amendment H-4223 to House File 637,
2 as amended and passed by the House, as follows:
3 1. Page 3, line 5, by striking the word "one-
4 quarter" and inserting in lieu thereof the words "one-
5 quarter one-third".

BY HALVORSON of Clayton
COREY of Louisa

H-4247 FILED MAY 14, 1983
LOST (p. 2189)

HOUSE FILE 637

H-4248

1 Amend the Senate amendment, H-4223, to House File
2 637 as amended and passed by the House, as follows:
3 1. Page 14, line 13, by striking the word and
4 figures "January 6, 1985" and inserting in lieu thereof
5 the word and figures "July 1, 1984".

H-4248 FILED MAY 14, 1983 BY STROMER of Hancock
LOST (p. 2193)

HOUSE FILE 637

H-4249

1 Amend the Senate amendment, H-4223, to House File
2 637 as amended and passed by the House, as follows:
3 1. Page 13, lines 8 and 9, by striking the words
4 and figures "Sections 8 and 24 of this Act are" and
5 inserting in lieu thereof the words and figure "Section
6 24 of this Act is".
7 2. Page 13, by striking lines 12 through 15 and
8 inserting in lieu thereof the words and figure
9 "contribution rate table one is effective. Section
10 24 is repealed for taxable".
11 3. Page 14, line 13, by striking the word and
12 figures "January 6, 1985" and inserting in lieu thereof
13 the words and figures "July 3, 1983".

H-4249 FILED MAY 14, 1983 BY HALVORSON of Clayton
LOST (p. 2191) COREY of Louisa

HOUSE FILE 637

H-4250

1 Amend the Senate amendment, H-4223, to House File
2 637, as amended and passed by the House, as follows:
3 1. Page 3, line 1, by inserting after the figure
4 "4," the words and figure "unnumbered paragraph 1,".
5 2. Page 3, line 3, by striking the figure "4."
6 3. Page 3, by striking lines 29 through 34.
7 4. Page 4, by striking lines 7 through 17.
8 5. Page 13, lines 8 and 9, by striking the words
9 and figures "Sections 8 and 24 of this Act are" and
10 inserting in lieu thereof the words and figure "Section
11 24 of this Act is".
12 6. Page 13, by striking lines 12 through 15 and
13 inserting in lieu thereof the words and figure
14 "contribution rate table one is effective. Section
15 24 is repealed for taxable".
16 7. Page 14, by striking lines 11 through 13.

H-4250 FILED MAY 14, 1983 BY KREWSON of Polk
LOST (p. 2195)

MEMORANDUM

TO: Lieutenant Governor Robert Anderson
 Senator Lowell Junkins, Senate Majority Leader
 Senator Calvin Hultman, Senate Minority Leader
 Senator Ted Anderson, Chairperson, Senate Labor
 and Industrial Relations Committee
 Speaker of the House Donald Avenson
 Representative Lowell Norland, House Majority Leader
 Representative Delwin Stromer, House Minority Leader
 Representative Al Sturgeon, Chairperson, House Labor
 and Industrial Relations Committee

FROM: Richard Johnson, Legal Counsel, Legislative Service
 Bureau

RE: Maximum Weekly Benefit Amount Computation under
 House File 637

DATE: May 23, 1983

House File 637, as passed by the 1983 General Assembly, amended section 96.3, subsection 4, unnumbered paragraph 1, Code 1983, to read as follows:

"With respect to benefit years beginning on or after July 1, 1979 1983, an eligible individual's weekly benefit amount for a week of total unemployment shall be an amount equal to the following fractions of the individual's total wages in insured work paid during that quarter of the individual's base period in which such total wages were highest; the director shall determine annually a maximum weekly benefit amount equal to the following percentages, to vary with the number of dependents, 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+.

If the number of dependents is:	The weekly benefit amount shall equal the following fraction of high quarter wages:	Subject to the following maximum percentage of the statewide average weekly wage:
0	1/23	58% <u>53%</u>
1	1/22	60% <u>55%</u>
2	1/21	62% <u>57%</u>
3	1/20	65% <u>60%</u>
4 or more	1/19	70% <u>65%</u>

The maximum weekly benefit amount, if not a multiple of one dollar shall be rounded to the ~~higher~~ lower multiple of one dollar. However, until such time as ~~fifty-eight~~ sixty-five percent of the statewide average weekly wage exceeds one hundred ~~thirty-three~~ ninety dollars, ~~an individual with zero or one dependent who would be entitled to the maximum weekly benefit amount---if---the individual's---weekly---benefit---amount---were---computed---by---using---one---twenty---first---of---the---individual's---high---quarter---wages,---subject---to---a---maximum---percentage---of---sixty-two---percent---of---the---statewide---average---weekly---wage,---the---individual---shall---receive---the---maximum---weekly~~

benefit-amount-of-sixty-two-percent-of-the-statewide-average-weekly wage amounts shall be determined using the statewide average weekly wage computed on the basis of wages reported for calendar year 1981. As used in this section "dependent" means dependent as defined in section 422.12, subsection 1, paragraph "c", as if the individual claimant was a taxpayer, except that an individual claimant's nonworking spouse shall be deemed to be a dependent under this section. "Nonworking spouse" means a spouse who does not earn more than one hundred twenty dollars in gross wages in one week."

A question regarding the proper construction of this section of House File 637 has recently been raised. The question concerns whether the currently codified percentage maximums (58%, 60%, 62%, 65%, 70%) or the amended percentage maximums (53%, 55%, 57%, 60%, 65%) should be used in determining the maximum weekly benefit amounts for benefit years beginning on or after July 1, 1983 and before July 1, 1984. The question arises because the section requires the use of the statewide average weekly wage based on calendar year 1981 wages but does not stipulate whether the maximum weekly benefit amounts for 1983-1984 are to be computed by using the currently codified percentage maximums, which were used in 1982, along with the 1981 wages, to determine the maximum amounts for 1982-1983, or by using the amended percentage maximums.

The remainder of this memorandum will discuss this question in detail with the conclusion that the proper construction of the section requires the currently codified percentage maximums to be used in determining the maximum weekly benefit amounts for 1983-1984.

Although an initial reading of the section might lead one to adopt the use of the amended percentage maximums, the section abolishes the use of 1981 wages, in favor of wages for the most recently completed calendar year, when 65% of the most recently computed statewide average weekly wage exceeds \$190. The highest maximum weekly benefit amount for 1982-1983 is precisely \$190 and, therefore, the use of the \$190 trigger would not seem to be arbitrary but, on the contrary, to be purposeful in its relationship to the amended highest percentage maximum set at 65%. The \$190 trigger's purpose is not difficult to discern when one computes the highest maximum weekly benefit amount for 1983-1984 under the two possible interpretations of the section.

If one were to immediately apply the amended percentage maximums to the statewide average weekly wage, based on 1981 wages, the 1983-1984 highest maximum would be approximately \$176 (65% of \$271) while the \$190 trigger would still apply 1983 wages in determining the \$197 (65% of \$304) highest maximum for 1984-1985. The \$190 trigger would not be particularly purposeful under this interpretation.

If one were to apply the currently codified percentage maximums, however, the 1983-1984 highest maximum would be approximately \$190. This interpretation would maintain the same highest maximum for

1982-1983 and for 1983-1984, and the \$190 trigger would be purposeful in providing for a smooth transition to the projected highest maximum of \$197 for 1984-1985.

With the latter interpretation providing for a more reasoned and smooth transition, but with the earlier interpretation (using the amended percentage maximums) also plausible, the section is ambiguous.

Section 4.6 of the Iowa Code authorizes the court in determining the intention of the legislature to consider a variety of sources other than the language of the statute if the statute is ambiguous. Section 4.6 specifically allows the consideration of the object sought to be attained, the circumstances under which the statute was enacted, the legislative history, former statutory provisions, including laws upon the same or similar subjects, and the consequences of a particular construction.

Placed in the context of the current insolvency of the unemployment trust fund, the statutory section was clearly amended to ease the drain on the trust fund by reducing benefits to some extent. The mechanism used in the section was a permanent five percent lowering of the percentage maximums and a sentence of temporary applicability which would maintain the use of 1981 wages in calculating the maximum weekly benefit amounts until a certain percentage of the most recently calculated statewide average weekly wage exceeded a dollar amount equal to the current highest maximum. Under the so-called earlier interpretation the new percentage maximums would be applied to the 1981 wages and would result in a lowering of maximum benefits for 1983-1984. Under the latter interpretation, the "old" percentage maximums would be applied to the 1981 wages, as had been done in 1982 to calculate maximum benefits for 1982-1983, resulting in the application of the 1982-1983 maximums to 1983-1984.

Legislative history clearly supports the latter interpretation. First, the directions jotted down by the drafter from the Legislative Service Bureau for the drafting of the Labor Committee's amendment to House File 637 indicate that the five percent drop was to be permanent, while the temporary provision was to "freeze" maximum benefit amounts until the \$190 trigger was reached (see appendix 1).

Secondly, the fiscal note prepared by the Legislative Fiscal Bureau to S-3912, dated May 13, 1983, listed its source as the Iowa Department of Job Service (see appendix 2). The document furnished to the Legislative Fiscal Bureau was an inter-office communication, dated May 10, 1983, to James A. Hunsaker III, Administrative Officer, from Ralph Hoksbergen, Actuary, Actuarial Research Section, Audit & Analysis, Iowa Department of Job Service (see appendix 3). That document contains identical fiscal estimates to the fiscal estimates in the fiscal note, and describes the section in question as a change to the maximum benefit formula without dropping below current benefit amounts. A footnote of the document further explains that the section "would drop the percent of

average weekly wage used to compute benefit maximums by 5 percentage points" but that "current maximums are guaranteed until new formula maximums reach current levels (probably 7/84)." The official fiscal note and the Job Service document clearly provide evidence that the intent of the section was to maintain or "freeze" current maximum benefit amounts until the \$190 trigger for a complete switch to the new formula was reached.

Thirdly, Job Service documents dated May 12, 1983, and May 13, 1983 (see appendices 4 and 5), after the passage of House File 637 by the Senate, retain the explanation that the section guarantees current maximums until new formula maximums reach current benefit amount levels.

Fourthly, the section was amended using portions of statutory language adopted in 1979 in Senate File 373 which maintained certain individuals' benefit maximums until the new formula maximums reached current benefit amount levels. The explanation to Senate File 373 described the 1979 amendment as providing "that the maximum weekly unemployment compensation benefit be frozen at its current maximum level (\$133) until such time as 58% of the statewide average weekly wage exceeds \$133 . . ."

As noted earlier, the directions taken by the drafter from the Legislative Service Bureau indicate that maximum benefit amounts were to be "frozen". In addition, the fiscal documents from both the Iowa Department of Job Service and the Legislative Fiscal Bureau agree that the so-called freeze was interpreted to guarantee current maximum benefit amounts.

Those interpretations of legislative intent in the drafting of House File 637 coincide with a very similar intent in the 1979 legislation where the benefit formula was changed permanently with a temporary provision added to maintain current maximum benefit amounts.

As noted earlier, the consequences of the so-called earlier construction results in a fluctuation in the highest maximum weekly benefit amount from \$190 in 1982-1983, to \$176 in 1983-1984, to \$197 in 1984-1985, making the \$190 trigger somewhat irrational. The so-called latter construction, however, results in a smooth transition in the highest maximum weekly benefit amount from \$190 in 1982-1983 and in 1983-1984 to \$197 in 1984-1985.

For all these reasons, the ambiguous section of the statute should be interpreted in light of the similar 1979 legislation, in light of the legislative history which clearly indicates that fiscal estimates assumed the maintenance of current maximum benefit amounts rather than a reduction in those amounts, and in light of avoiding a particular construction of the section which would avoid a wide fluctuation in maximum benefit amounts.

5/23/83
Memorandum/14



OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319
515 281 5211

TERRY E. BRANSTAD
GOVERNOR

June 12, 1983

STATEMENT BY GOVERNOR BRANSTAD ACCOMPANYING HOUSE FILE 637

Today, I am reluctantly signing into law House File 637, the unemployment compensation fund bill. This bill cannot and will not have my support. It has my signature only because of my desire to spare Iowans from the cost and rancor of a special legislative session and the federal sanctions for the inaction that would likely result. While I find this bill objectionable, I find even more unacceptable the specter of a complete cut-off of benefits for unemployed Iowans and a \$140-150 million federal unemployment tax increase for employers this year and double that amount in 1984.

Iowa does need an unemployment bill. Today, the unemployment trust fund is \$157 million in debt. That is double the amount of red ink in the fund at the time of my inaugural, just five months ago. At that time, I asked legislators to quickly address the unemployment trust fund issue, and I presented a trust fund plan which required sacrifices from both employers and claimants to gradually restore the fund to fiscal solvency.

Iowans deserve a balanced unemployment bill. However, House File 637 contains very stiff increases in taxes on employers and very little adjustment in benefits, particularly in the next two years. In fact, it includes provisions which will actually liberalize benefits. Other states with similar unemployment trust fund problems have required both employers and claimants to share the burden of restoring solvency. As a result, I am deeply concerned that this unbalanced bill could significantly impede future economic development and job creation in Iowa.

Specifically, House File 637 will result in a \$457 million increase in employer taxes from 1983-87. During the same time, benefit savings would amount to only \$63.7 million. This plan is thus skewed toward tax increases by a ratio of 7 to 1.

The key benefit change - a one week waiting period for claimants - does not even go into effect until 1985 and even then it is not made permanent. In addition, House File 637 takes several other steps backward:

- makes it five times as easy to requalify for benefits, at a cost of over \$7 million to the fund.

- institutes what Job Service calls a "profound" change in benefit laws by placing the burden of proving disqualification for benefits entirely on the employer.
- places the state out of conformity with federal law by allowing those who refuse to exercise bumping rights to qualify for benefits without even searching for another job.
- puts a burden on small businesses by requiring in-person hearings unless both parties agree to a telephone hearing and penalizes employers for failing to designate vacation pay.
- increases Iowa's taxable wage base far above the national average and severely penalizes construction firms.

While I support some features of the bill - including the revised tax tables which benefit employers with good employment records - on balance, I find this bill to be a hindrance to Iowa's future economic development.

However, rejection of this bill would force a special session to address this problem. And, Democratic leaders have advised me that they would not expect a more balanced bill to emerge from such a session. In addition, failure to enact a bill would eliminate the mechanism to pay the \$12 to \$13 million interest bill on the debt that is payable September 30 of this year. Job Service officials have advised me that failure to pay the interest would, under federal law, result in a cut-off of all federal loans used to pay unemployment benefits, an increase in the PUTA tax to 3 5 percent at a cost to Iowa employers of \$140-\$150 million this year, and the elimination of funding for Job Service.

I cannot, in good conscience, force the state to face such a devastating threat simply because of the unwillingness of Democratic legislators to compromise on this issue during a special session. Therefore, I am reluctantly signing this bill into law.

Nevertheless, I will urge legislators to review this bill when they return in January and to take action to correct the objectionable portions of this bill. Iowa's economic future demands that the effort to achieve a more balanced unemployment trust fund plan continue. And, I plan to do just that.

HOUSE FILE 637

AN ACT

RELATING TO THE COMPUTATION OF EMPLOYER CONTRIBUTION RATES AND EMPLOYEE BENEFITS UNDER IOWA'S UNEMPLOYMENT LAW, TO CERTAIN EMPLOYER ACCOUNT CHARGES, TO CERTAIN BENEFIT DISQUALIFICATION AND REDUCTION PROCEDURES, TO CERTAIN ADMINISTRATIVE PROCEDURES, AND TO CHANGES IN IOWA'S UNEMPLOYMENT LAW TO CONFORM WITH FEDERAL LAW.

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

Section 1. Section 96.3, subsection 3, Code 1983, is amended to read as follows:

3. PARTIAL UNEMPLOYMENT. An individual who is partially unemployed in any week as defined in section 96.19, subsection 9, paragraph "b", and who meets the conditions of eligibility for benefits shall be paid with respect to that week an amount equal to the individual's weekly benefit amount less that part of wages payable to the individual with respect to that week in excess of one-fourth of the individual's weekly benefit amount. ~~Such~~ The benefits shall be rounded to the ~~higher~~ lower multiple of one dollar.

Sec. 2. Section 96.3, subsection 4, unnumbered paragraph 1, Code 1983, is amended to read as follows:

With respect to benefit years beginning on or after July 1, ~~1979~~ 1983, an eligible individual's weekly benefit amount for a week of total unemployment shall be an amount equal to the following fractions of the individual's total wages

in insured work paid during that quarter of the individual's base period in which such total wages were highest; the director shall determine annually a maximum weekly benefit amount equal to the following percentages, to vary with the number of dependents, 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.

If the number of dependents is:	The weekly benefit amount shall equal the following fraction of high quarter wages:	Subject to the following maximum percentage of the statewide average weekly wage:
0	1/23	50% <u>53%</u>
1	1/22	60% <u>55%</u>
2	1/21	62% <u>57%</u>
3	1/20	65% <u>60%</u>
4 or more	1/19	70% <u>65%</u>

The maximum weekly benefit amount, if not a multiple of one dollar shall be rounded to the ~~higher~~ lower multiple of one dollar. However, until such time as ~~fifty-eight~~ sixty-five percent of the statewide average weekly wage exceeds one hundred ~~thirty-three~~ ninety dollars, ~~an individual with zero or one dependent who would be entitled to the maximum weekly benefit amount if the individual's weekly benefit amount were computed by using one-twenty-first of the individual's high quarter wages, subject to a maximum percentage of sixty-two percent of the statewide average weekly wage, the individual shall receive the maximum weekly benefit amount of sixty-two percent of the statewide average weekly wage~~ amounts shall be determined using the statewide average weekly wage computed on the basis of wages reported for calendar year 1981. As used in this section "dependent" means dependent as defined in section 422.12, subsection 1, paragraph "c", as if the individual claimant was a taxpayer, except that an individual claimant's nonworking spouse shall be deemed to be a dependent

under this section. "Nonworking spouse" means a spouse who does not earn more than one hundred twenty dollars in gross wages in one week.

Sec. 3. Section 95.3, subsection 5, Code 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The amount of benefits paid to an individual, which is solely due to wage credits considered to be in an individual's base period due to the exclusion and substitution of calendar quarters from the individual's base period under section 96.23, shall be charged against the account of the employer responsible for paying the weekly workers' compensation benefits for temporary total disability or during a healing period under section 85.33 section 85.34, subsection 1, or section 85A.17, or responsible for paying weekly indemnity insurance benefits.

Sec. 4. Section 96.3, subsection 7, unnumbered paragraph 2, Code 1983, is amended to read as follows:

If the department ~~cannot recover~~ determines that an overpayment after two years from the last date of the overpayment has been made, the charge for the overpayment against the employer's account shall be removed and the account shall be credited with an amount equal to the overpayment from the unemployment compensation trust fund.

Sec. 5. Section 95.4, subsection 3, Code 1983, is amended to read as follows:

3. ~~He or she~~ The individual 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 or she~~ the individual is deemed temporarily unemployed as defined in section 95.19, subsection 9, paragraph "c" or if the individual is not disqualified for benefits under section 96.5, subsection 1, paragraph x.

Sec. 5. Section 96.4, subsection 4, Code 1983, is amended to read as follows:

4. The individual has been paid wages for insured work during the individual's base period in an amount at least one and one-quarter times the wages paid to the individual during that quarter of the individual's base period in which the individual's wages were highest; provided that the individual has been paid wages for insured work ~~of not less than four hundred dollars~~ totaling at least three and five-tenths percent of the statewide average annual wage for insured work, computed for the preceding calendar year if the individual's benefit year begins on or after the first full week in July and computed for the second preceding calendar year if the individual's benefit year begins before the first full week in July, in that calendar quarter in the individual's base period in which the individual's wages were highest, and the individual has been paid wages for insured work of ~~not less than two hundred dollars~~ totaling at least one-half of the amount of wages required under this subsection in the calendar quarter of the base period in which the individual's wages were highest, in a calendar quarter in the individual's base period other than the calendar quarter in which the individual's wages were highest. The calendar quarter wage requirements shall be rounded to the nearest multiple of ten dollars.

If the individual has drawn benefits in any benefit year, the individual must during or subsequent to that year, work in and be paid wages for insured work totaling at least ~~ten times the weekly benefit amount~~ two hundred fifty dollars, as a condition to receive benefits in the next benefit year.

Sec. 7. Section 96.4, subsection 5, paragraph c, Code 1983, is amended to read as follows:

c. With respect to services in any other capacity for an educational institution ~~(other than an institution of higher education)~~ after December 31, 1979, benefits shall not be paid to an individual for any week of unemployment which begins during the period between two successive academic

years, or terms if such the individual performs such the services in the first of such academic years or terms and there is a reasonable assurance that such the individual will perform such services in the second of such academic years or terms. If benefits are denied to an individual for any week as a result of this paragraph and the individual is not offered an opportunity to perform such services for the educational institution for the second of such academic years or terms, the individual is entitled to a retroactive payment of benefits for each week for which the individual filed a timely claim for benefits and for which benefits were denied solely by reason of this paragraph.

Sec. 8. Section 96.4, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. The individual has satisfied one one-week waiting period during the individual's benefit year. To satisfy the one-week waiting period, the individual, with respect to the week in question, must be unemployed, have filed a claim for benefits, and be eligible for benefits from this state, but must not have received benefits from this or another state, and must not be eligible for benefits from another state.

Sec. 9. Section 96.5, subsection 1, Code 1983, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. x. The individual has left employment in lieu of exercising a right to bump or oust a fellow employee with less seniority or priority from the fellow employee's job.

Sec. 10. Section 96.5, subsection 7, Code 1983, is amended by adding the following new lettered paragraphs:

NEW LETTERED PARAGRAPH. d. Notwithstanding contrary provisions in paragraphs a, b and c, if an individual is separated from employment and is scheduled to receive vacation payments during the period of unemployment attributable to the employer and if the employer does not designate the

vacation period pursuant to paragraph b, then payments made by the employer to the individual or an obligation to make a payment by the employer to the individual for vacation pay, vacation pay allowance or pay in lieu of vacation shall not be deemed wages as defined in section 96.19, subsection 12, for any period in excess of one week and such payments or the value of such obligations shall not be deducted for any period in excess of one week from the unemployment benefits the individual is otherwise entitled to receive under this chapter. However, if the employer designates more than one week as the vacation period pursuant to paragraph b, the vacation pay, vacation pay allowance, or pay in lieu of vacation shall be considered wages and shall be deducted from benefits.

NEW LETTERED PARAGRAPH. e. If an employer pays or is obligated to pay a bonus to an individual at the same time the employer pays or is obligated to pay vacation pay, a vacation pay allowance, or pay in lieu of vacation, the bonus shall not be deemed wages for purposes of determining benefit eligibility and amount, and the bonus shall not be deducted from unemployment benefits the individual is otherwise entitled to receive under this chapter.

Sec. 11. Section 96.6, subsection 2, Code 1983, is amended to read as follows:

2. INITIAL DETERMINATION. A representative designated by the director shall promptly notify all interested parties to the claim of the filing thereof, and ~~said the~~ parties shall have ten 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 the representative, shall 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. The claimant has the burden of proving that the claimant meets the basic eligibility conditions of section 96.4. The employer has the burden of proving that the claimant is disqualified for benefits pursuant to section 96.5. Unless the claimant or other interested party, after notification or within ten calendar days after such notification was mailed to the claimant's 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 a hearing officer affirms a decision of the representative, or the appeal board affirms a decision of the hearing officer, 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. 12. Section 96.6, subsection 3, Code 1983, is amended to read as follows:

3. APPEALS. Unless such appeal is withdrawn, a hearing officer, after affording the parties reasonable opportunity for fair hearing, shall affirm or modify the findings of fact and decision of the representative. The hearing shall be conducted pursuant to the provisions of chapter 17A relating to hearings for contested cases. Before the hearing is scheduled, the parties shall be afforded the opportunity to choose either a telephone hearing or an in-person hearing. A request for an in-person hearing shall be approved unless the in-person hearing would be impractical because of the distance between the parties to the hearing. A telephone or in-person hearing shall not be scheduled before the seventh calendar day after the parties receive notice of the hearing. Reasonable requests for the postponement of a hearing shall be granted. The parties shall be duly notified of the hearing officer's decision, together with the hearing officer's reasons therefor, which shall be deemed to be the final decision of

the department, unless within fifteen days after the date of notification or mailing of such decision, further appeal is initiated pursuant to subsection 5 of this section.

Sec. 13. Section 96.7, subsection 3, paragraph d, unnumbered paragraph 4, contribution rate table 1, Code 1983, is amended to read as follows:

Percentage of Excess Rank	Contribution Rate Table 1
1	+0 .5
2	+0 .9
3	+2 1.0
4	+4 1.1
5	+6 1.2
6	+8 1.5
7	+0 1.9
8	+3 2.1
9	+6 2.3
10	+9 2.7
11	+2 3.3
12	+5 3.8
13	+8 4.3
14	+2 4.9
15	+6 5.3
16	+9 5.8
17	+5 5.5
18	+8 7.0
19	+0 7.0
20	+9 7.0
21	+0 7.0

Sec. 14. Section 96.7, subsection 3, paragraph d, unnumbered paragraph 4, contribution rate table 2, Code 1983, is amended to read as follows:

Percentage of Excess Rank	Contribution Rate Table 2
1	+6 .2
2	+7 .6
3	+8 .7

4	1+0	.8
5	1+2	.9
6	1+4	1.2
7	1+6	1.5
8	1+8	1.7
9	2+0	2.1
10	2+2	2.4
11	2+6	2.9
12	2+9	3.4
13	3+3	4.0
14	3+7	4.6
15	4+1	5.0
16	4+5	5.5
17	5+0	6.3
18	5+5	6.7
19	6+0	6.8
20	6+0	7.0
21	6+0	7.0

Sec. 15. TEMPORARY SECTION. SPECIAL CONTRIBUTION RATES.

1. An employer which meets the zero contribution rate requirements for calendar year 1983 of section 96.7, subsection 3, paragraph d, unnumbered paragraph 6 relating to percentage of excess and a record of no benefit charges, shall be assigned the zero contribution rate for calendar year 1983 even though contribution rate table 2, as amended by section 14 of this Act, is effective for calendar year 1983, notwithstanding the requirement of unnumbered paragraph 5 which limits the zero contribution rate to calendar years in which a rate table in rate tables three through nine is effective. If an employer assigned a zero contribution rate for calendar year 1983 is required to contribute for the next calendar year, the employer's rate for that next calendar year is either the employer's experience rate or one and eight-tenths percent, whichever is less.

2. If additional contributions are due for the first calendar quarter of 1983 under section 14 of this Act, an employer shall pay the additional contributions no later than the time regular contributions are due for the fourth calendar quarter of 1983. If additional contributions are due for the second calendar quarter of 1983 under section 14 of this Act, an employer shall pay the additional contributions no later than the time regular contributions are due for the third calendar quarter of 1983. Additional contributions due for the third and fourth calendar quarters of 1983 shall be paid no later than the times regular contributions are due for those calendar quarters. However, an employer may pay the additional contributions in advance.

Sec. 16. Section 96.7, subsection 3, paragraph d, in the proviso following the contribution rate tables in unnumbered paragraph 4, Code 1983, is amended to read as follows: ~~Provided, however, that notwithstanding~~ Notwithstanding any other provision of this chapter relating to limiting contribution rates to those specified in the contribution rate table, any an employer which employs individuals for construction as defined by the department pursuant to rules, that has not qualified for an experience rating shall pay ~~four-point-nere-percent-in-the-calendar-year-1968-through-the-calendar-year-1977-and-be-assigned-to-the-rate-specified-in-the-twenty-first-percent-of-excess-rank-for-the-rate-year-beginning-January-17-1978-and-every-year-thereafter~~ the maximum contribution rate assigned to any employer under this chapter, including the additional contributions required under this lettered paragraph of an employer with a negative balance in the employer's account, until such time as the employer has qualified for an experience rating. However, such the employer shall not qualify for an experience rating until there shall have been twelve consecutive calendar quarters immediately preceding the rate computation date throughout which his the employer's account has been chargeable with benefit payments.

Sec. 17. Section 96.7, subsection 3, paragraph d, unnumbered paragraph 6, Code 1983, is amended to read as follows:

~~However, notwithstanding any other provision of this chapter relating to the applicable contribution rate table for a calendar year, the applicable contribution rate table for the calendar years 1982 and 1983 is table three unless the rate or the current reserve fund rate to the highest benefit cost rate on the rate computation date is 1.0 or higher.~~ During any rate year in which a rate table in rate tables three through nine is effective an employer assigned a contribution rate under this lettered paragraph is not required to contribute to the unemployment compensation trust fund if the employer's percentage of excess is seven point five percent or greater for the rate year and the employer has not been charged with benefit payments for any time within the twenty-four calendar quarters immediately preceding the rate computation date for the rate year. If an employer is not required to contribute for a rate year to the trust fund under this unnumbered paragraph but would be required to contribute for the next rate year under this lettered paragraph, the employer's contribution rate for the next rate year is either the employer's experience rate computed under this lettered paragraph or one and eight-tenths percent, whichever is less. For subsequent years, either the employer is not required to contribute under this unnumbered paragraph or the employer's contribution rate is the employer's experience rate computed under this lettered paragraph.

During any rate year in which rate table one or two is effective an employer assigned a contribution rate under this lettered paragraph shall be required to contribute to the unemployment compensation trust fund at five-tenths of one percent, if the employer's percentage of excess is seven point five percent or greater for the rate year and the employer has not been charged with benefit payments for any time within

the twenty-four calendar quarters immediately preceding the rate computation date for the rate year. If an employer is qualified for the five-tenths of one percent limitation on the employer's contribution rate for a rate year under this unnumbered paragraph but would be required to contribute for the next rate year under this lettered paragraph, the employer's contribution rate for the next rate year is either the employer's experience rate computed under this lettered paragraph or one and eight-tenths percent, whichever is less. For subsequent years, either the employer is qualified for the five-tenths of one percent limitation under this unnumbered paragraph or the employer's contribution rate is the employer's experience rate computed under this lettered paragraph.

Sec. 18. Section 96.7, subsection 3, paragraph d, unnumbered paragraph 7, Code 1983, is amended to read as follows:

Notwithstanding any other provision of this chapter relating to limiting contribution rates to those specified in the contribution rate table, if an employer qualified for an experience rating has a negative balance in the employer's account on the rate computation date and had a negative balance on the previous rate computation date, the employer shall contribute an additional ~~one-half~~ one percent of taxable wages above the contribution rate assigned the employer by the effective rate contribution table. For each subsequent and consecutive rate computation date on which the employer still has a negative balance in the employer's account, the employer shall contribute an additional ~~one-half~~ one percent of taxable wages. Beginning with the initial surcharge of ~~one-half~~ one percent each subsequent and consecutive surcharge of ~~one-half~~ one percent of taxable wages shall be cumulative, except that the cumulative surcharge shall not exceed ~~three~~ an amount sufficient to make the employer's combined contribution rate equal to nine percent of taxable wages.

Sec. 19. Section 96.7, subsection 3, paragraph e, Code 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If an employer's account is charged with benefits in a calendar quarter prior to the rate computation date as the result of a decision allowing benefits and the decision is reversed after the rate computation date, the employer may appeal, within thirty days from the date of the contribution rate notice, for a recomputation of the rate. The department shall remove the benefit charges from the rate computation, recompute the contribution rate, and notify the employer of the recomputed contribution rate.

Sec. 20. Section 96.7, subsection 15, unnumbered paragraph 1, Code 1983, is amended to read as follows:

If on the first day of the third month in any calendar quarter ~~in 1983~~, the department has an outstanding balance of interest accrued on advance moneys received from the federal government for the payment of unemployment compensation benefits, or is projected to have an outstanding balance of accruing federal interest for that calendar quarter, the director shall collect a uniform temporary emergency tax surcharge for that calendar quarter ~~in 1983~~, retroactive to the beginning of that calendar quarter. The tax surcharge shall be a percentage of employer contribution rates and shall be set at ~~the rate~~ a uniform percentage, for all employers subject to the surcharge, necessary to pay the interest accrued on the moneys advanced to the department by the federal government, and to pay any additional federal interest which will accrue for the remainder of that calendar quarter. ~~However, the tax shall not be greater than one-tenth of one percent of taxable wages for that calendar quarter.~~ The tax surcharge shall apply to all employers except government entities, nonprofit organizations, and employers assigned a zero contribution rate ~~for calendar year 1985~~. The director shall prescribe the manner in which the tax surcharge will

be collected. Interest shall accrue on all unpaid ~~tax~~ surcharges under this subsection at the same rate as on regular contributions and shall be collectible in the same manner. The ~~tax surcharge~~ shall not affect the computation of regular contributions under this chapter.

Sec. 21. Section 96.11, subsection 4, unnumbered paragraph 1, Code 1983, is amended to read as follows:

The director shall provide for the employment of such personnel as are necessary to carry out the functions of the department. Personnel shall be employed under the provisions of chapter 19A. The director, a deputy director, a confidential secretary, the members of the appeal board, an administrative officer under the appeal board, and a secretary for each member if deemed necessary, shall be exempt from the merit system under the provisions of section 19A.3. If necessary to carry out its duties under this chapter, the appeal board shall employ an administrative officer whose qualifications and job responsibilities are determined by the appeal board.

Sec. 22. Section 96.19, subsection 6, paragraph 9, subparagraph (6), unnumbered paragraph 2, Code 1983, is amended to read as follows:

Service performed by an individual ~~under the age of twenty-two years~~ who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on, as a student in a full-time program taken for credit at such institution, which combines academic instruction with work experience, if ~~such~~ the service is an integral part of ~~such~~ the program and ~~such~~ the institution has so certified to the employer, except that this subparagraph ~~shall~~ does not apply to service performed in a program established for or on behalf of an employer or group of employers.

Sec. 23. Section 96.19, subsection 6, paragraph g, Code 1983, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (7) Services performed by an individual who is not treated as an employee, for a person who is not treated as an employer, under either of the following conditions:

(a) The services are performed by the individual as a salesperson and as a licensed real estate agent; substantially all of the remuneration for the services is directly related to sales or other output rather than to the number of hours worked; and the services are performed pursuant to a written contract between the individual and the person for whom the services are performed, which provides that the individual will not be treated as an employee with respect to the services for federal tax purposes.

(b) The services are performed by an individual engaged in the trade or business of selling or soliciting the sale of consumer products to any buyer on a buy-sell basis or a deposit-commission basis, for resale by the buyer or another person in the home or in a place other than a permanent retail establishment, or engaged in the trade or business of selling or soliciting the sale of consumer products in the home or in a place other than a permanent retail establishment; substantially all of the remuneration for the services is directly related to sales or other output rather than to the number of hours worked; and the services are performed pursuant to a written contract between the individual and the person for whom the services are performed, which provides that the individual will not be treated as an employee with respect to the services for federal tax purposes.

Sec. 24. Section 96.19, subsection 20, Code 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. However, the amount of taxable wages otherwise determined under this subsection shall be increased by six hundred dollars for calendar year 1984, by

eleven hundred dollars for calendar year 1985, and by sixteen hundred dollars for calendar year 1986 and subsequent calendar years.

Sec. 25. Section 96.23, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

96.23 BASE PERIOD EXCLUSION. The department shall exclude three or more calendar quarters from an individual's base period, as defined in section 96.19, subsection 16, if the individual received weekly workers' compensation benefits for temporary total disability or during a healing period under section 85.33, section 85.34, subsection 1, or section 85A.17 or weekly indemnity insurance benefits during those three or more calendar quarters, if one of the following conditions applies to the individual's base period:

1. The individual did not receive wages from insured work for three calendar quarters.

2. The individual did not receive wages from insured work for two calendar quarters and did not receive wages from insured work for another calendar quarter equal to or greater than the amount required for a calendar quarter, other than the calendar quarter in which the individual's wages were highest, under section 96.4, subsection 4.

The department shall substitute, in lieu of the three or more calendar quarters excluded from the base period, those three or more consecutive calendar quarters, immediately preceding the base period, in which the individual did not receive such weekly workers' compensation benefits or weekly indemnity insurance benefits.

Sec. 26. PROSPECTIVE REPEAL. Sections 8 and 24 of this Act are prospectively repealed on January 1 of the first calendar year after December 31, 1985 for which a contribution rate table other than contribution rate table one is effective. Section 8 is repealed for benefit claims effectively filed for and after the first full week in that first calendar year. Section 24 is repealed for taxable wages for that first calendar year and subsequent calendar years.

Sec. 27. This Act, being deemed of immediate importance, takes effect from and after its publication in The Sioux City Journal, a newspaper published in Sioux City, Iowa, and in the Waterloo Courier, a newspaper published in Waterloo, Iowa, and is retroactive to January 1, 1983. However, the sections of the Act take effect as follows:

1. Sections 14, 15, the portion of section 17 which relates to the applicable contribution rate table for calendar year 1983, and section 20 of this Act take effect January 1, 1983.
2. Sections 4, 11, 12, and 19 of this Act take effect from and after the Act's publication, and apply to all new or pending benefit claims.
3. Sections 7, 21, and 22 of this Act take effect July 1, 1983.
4. Sections 1, 2, 3, 5, 6, 9, 10, and 25 of this Act take effect only for unemployment compensation benefit claims effectively filed on or after July 3, 1983.
5. Sections 15, 16, the portion of section 17 which relates to the five-tenths of one percent limitation, and sections 18 and 24 of this Act take effect July 1, 1983, and apply to calendar year 1984 and subsequent calendar years. Contribution rate table 1, as amended by section 13 of this Act, shall be used to compute the additional contributions of one percent per year, applicable to negative-balance employers for calendar year 1984 and subsequent calendar years, required under section 18 of this Act. If a negative-balance employer received a one-half of one percent surcharge under section 96.7, subsection 3, paragraph d, unnumbered paragraph 7, applicable to calendar years before calendar year 1984, the employer's contribution rate for calendar year 1984 and subsequent calendar years shall be computed using contribution rate table 1, as amended by section 13 of this Act, the cumulative one-half of one percent surcharges and the one percent surcharges applicable to calendar year 1984 and subsequent calendar years under section 18 of this Act.
6. Section 23 of this Act takes effect January 1, 1984.

7. Section 8 of this Act takes effect only for initial unemployment compensation benefit claims effectively filed on or after January 6, 1985.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 637, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved June 12, 1983

TERRY E. BRANSTAD
Governor