

JAN 30 1996  
LABOR & INDUSTRIAL RELATIONS

HOUSE FILE 2120  
BY LARSON

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the unemployment compensation employer  
2 contribution rates.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
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HF 2120

1 Section 1. Section 96.7, subsection 2, paragraph d,  
 2 unnumbered paragraph 2, Code Supplement 1995, is amended to  
 3 read as follows:

4 If the current reserve fund ratio, divided by the highest  
 5 benefit cost ratio:

6	Equals or	But is	The contribution rate
7	<u>exceeds</u>	<u>less than</u>	<u>table in effect shall be</u>
8	--	0.3	1
9	0.3	0.5	2
10	0.5	0.7	3
11	0.7	0.85	4
12	0.85	1.0	5
13	1.0	1.15	6
14	1.15	1.30	7
15	1.30	-- <u>1.40</u>	8
16	<u>1.40</u>	--	<u>9</u>

17 Sec. 2. Section 96.7, subsection 2, paragraph d, the table  
 18 following unnumbered paragraph 4, Code Supplement 1995, is  
 19 amended to read as follows:

20	Approximate	Contribution Rate Tables									
21	Benefit Cumulative										
22	Ratio Taxable Pay-										
23	Rank	roll Limit	1	2	3	4	5	6	7	8	<u>9</u>
24	-----										
25	1	4.8%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<u>0.0</u>
26	2	9.5%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<u>0.0</u>
27	3	14.3%	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	<u>0.0</u>
28	4	19.0%	0.4	0.3	0.3	0.2	0.1	0.1	0.1	0.1	<u>0.0</u>
29	5	23.8%	0.6	0.5	0.4	0.3	0.3	0.2	0.1	0.1	<u>0.1</u>
30	6	28.6%	0.9	0.8	0.6	0.5	0.4	0.3	0.2	0.1	<u>0.1</u>
31	7	33.3%	1.2	1.0	0.8	0.6	0.5	0.4	0.3	0.2	<u>0.1</u>
32	8	38.1%	1.5	1.3	1.0	0.8	0.6	0.5	0.3	0.2	<u>0.1</u>
33	9	42.8%	1.9	1.5	1.2	0.9	0.7	0.6	0.4	0.3	<u>0.1</u>
34	10	47.6%	2.1	1.8	1.4	1.1	0.8	0.6	0.5	0.3	<u>0.2</u>
35	11	52.4%	2.5	2.0	1.6	1.3	1.0	0.7	0.5	0.3	<u>0.2</u>

1	12	57.1%	3.0	2.4	1.9	1.5	1.1	0.9	0.6	0.4	<u>0.2</u>
2	13	61.9%	3.6	2.9	2.4	1.8	1.4	1.1	0.8	0.5	<u>0.3</u>
3	14	66.6%	4.4	3.6	2.9	2.2	1.7	1.3	1.0	0.6	<u>0.4</u>
4	15	71.4%	5.3	4.3	3.5	2.7	2.0	1.6	1.1	0.7	<u>0.4</u>
5	16	76.2%	6.3	5.2	4.1	3.2	2.4	1.9	1.4	0.9	<u>0.5</u>
6	17	80.9%	7.0	6.4	5.2	4.0	3.0	2.3	1.7	1.1	<u>0.6</u>
7	18	85.7%	7.5	7.5	7.0	5.4	4.1	3.1	2.3	1.5	<u>0.8</u>
8	19	90.4%	8.0	8.0	8.0	7.3	5.6	4.2	3.1	2.0	<u>1.1</u>
9	20	95.2%	8.5	8.5	8.5	8.0	7.6	5.8	4.3	2.8	<u>1.6</u>
10	21	100.0%	9.0	9.0	9.0	9.0	8.5	8.0	7.5	7.0	<u>5.4</u>

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EXPLANATION

The bill adds an additional employer contribution rate table to the current eight tables that are used to calculate an employer's liability for unemployment compensation contributions. The bill modifies the table used to calculate which rate table is to be used by the department of employment services in calculating an employer's liability by providing for a ninth table. The bill then establishes the contribution rates for the ninth contribution rate table. The ninth table provides for a lower employer contribution rate and would be triggered when the current reserve funds for paying benefits are greatest.