

JAN 18 2000

LABOR & INDUSTRIAL RELATIONS

HOUSE FILE

2053

BY ALONS

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

**A BILL FOR**

1 An Act concerning the maximum unemployment compensation  
 2 contribution rate percentage applied to certain smaller  
 3 employers.

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

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

*HF 2053*

1 Section 1. Section 96.7, subsection 2, paragraph d,  
2 unnumbered paragraph 4, Code Supplement 1999, is amended to  
3 read as follows:

4 Each employer qualified for an experience rating shall be  
5 assigned a contribution rate for each rate year that  
6 corresponds to the employer's benefit ratio rank in the  
7 contribution rate table effective for the rate year from the  
8 following contribution rate tables. Each employer's benefit  
9 ratio rank shall be computed by listing all the employers by  
10 increasing benefit ratios, from the lowest benefit ratio to  
11 the highest benefit ratio and grouping the employers so listed  
12 into twenty-one separate ranks containing as nearly as  
13 possible four and seventy-six hundredths percent of the total  
14 taxable wages, excluding reimbursable employment wages, paid  
15 in covered employment during the four completed calendar  
16 quarters immediately preceding the computation date. If an  
17 employer's taxable wages qualify the employer for two separate  
18 benefit ratio ranks the employer shall be afforded the benefit  
19 ratio rank assigned the lower contribution rate. Employers  
20 with identical benefit ratios shall be assigned to the same  
21 benefit ratio rank. However, employers with five or fewer  
22 employees shall not be assigned a contribution rate that  
23 exceeds two percent.

24 EXPLANATION

25 This bill provides that the contribution rate assigned to  
26 an employer of five or fewer employees for purposes of  
27 payments to the unemployment compensation trust fund shall not  
28 exceed 2 percent. The current contribution rate tables  
29 provide for a contribution rate of up to 9 percent for an  
30 employer regardless of the number of employees, depending on  
31 the unemployment benefit experience of the employer and the  
32 financial status of the unemployment compensation trust fund.

33  
34  
35