

JAN 19 2000

LABOR & INDUSTRIAL RELATIONS

HOUSE FILE
BY DAVIS

2056

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the unemployment compensation contribution
2 rate table applied to certain smaller employers.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2056

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, the contribution rate applicable
22 to an employer with five or fewer employees shall be
23 determined by applying the applicable benefit ratio rank for
24 that employer to contribution rate table eight.

25 EXPLANATION

26 This bill provides that the contribution rate assigned to
27 an employer of five or fewer employees for purposes of
28 payments to the unemployment compensation trust fund shall be
29 determined solely by using contribution rate table 8.
30 Contribution rate table 8 provides for the lowest contribution
31 rates to be assigned employers. Current law provides that the
32 contribution rate table applicable to all employers shall be
33 determined pursuant to a formula calculating the financial
34 status of the unemployment compensation trust fund and the
35 bill continues this process for all employers with six or more

1 employees.

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