

MAR 8 1999

LABOR & INDUSTRIAL RELATIONS

HOUSE FILE
BY GARMAN

523

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act providing for the distribution and accounting of earnings
2 from private employers of inmates of institutions under the
3 control of the department of corrections.

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 523

1 Section 1. Section 904.809, subsection 5, Code 1999, is
2 amended to read as follows:

3 5. a. An inmate of a correctional institution employed
4 pursuant to this section shall surrender to the department of
5 corrections the inmate's total earnings less deductions for
6 federal, state, and local taxes, and any other payroll
7 deductions required by law. ~~The department of corrections~~
8 ~~shall deduct twenty percent of the balance to be credited to~~
9 ~~the inmate's general account. The department shall then~~
10 ~~deduct from the earnings remaining as follows:~~

11 ~~a. The department shall first deduct the following amounts~~
12 ~~in the following order of priority:~~

13 The inmate's employer shall provide each employed inmate
14 with the withholding statement required under section 422.16,
15 and any other employment information necessary for the receipt
16 of the remainder of an inmate's payroll earnings.

17 b. From the inmate's gross payroll earnings, the following
18 amounts shall be deducted:

19 (1) ~~An amount the inmate may be legally obligated to pay~~
20 ~~for the support of the inmate's dependents, the amount of~~
21 ~~which shall be paid to the dependents through the department~~
22 ~~of human services collection services center. Twenty percent,~~
23 to be deposited in the inmate's general account.

24 (2) ~~Restitution as ordered by the court pursuant to~~
25 ~~chapter 910. All required tax deductions, to be collected by~~
26 the inmate's employer.

27 (3) ~~Five percent, of the balance to be deducted for the~~
28 ~~victim compensation fund created in section 915.94.~~

29 c. From the balance remaining after deduction of the
30 amounts under paragraph "b", the following amounts shall be
31 deducted in the following order of priority:

32 (1) An amount which the inmate may be legally obligated to
33 pay for the support of the inmate's dependents, which shall be
34 paid through the department of human services collection
35 services center, and which shall include an amount for

1 delinquent child support not to exceed fifty percent of gross
2 earnings.

3 (2) Restitution as ordered by the court under chapter 910.

4 ~~(4)~~ (3) An amount the inmate is ~~legally~~ obligated to pay
5 for any other financial obligation.

6 (4) Any balance remaining after the deductions made under
7 subparagraphs (1) through (3) shall represent the costs of the
8 inmate's incarceration and shall be deposited in the general
9 fund of the state.

10 ~~(5)--An amount determined to be the cost to the department~~
11 ~~of corrections for providing for the incarceration of the~~
12 ~~inmate.~~

13 ~~b.--Of the balance remaining after deductions and payments~~
14 ~~required pursuant to paragraph "a", the department shall~~
15 ~~deposit in the Iowa state industries revolving fund created in~~
16 ~~section 904.813, an amount equal to the costs incurred by the~~
17 ~~fund related to the inmate's employment pursuant to this~~
18 ~~section.~~

19 ~~Any balance remaining after the deductions and payments~~
20 ~~required by this subsection shall be credited to the inmate's~~
21 ~~general account.~~

22 Sec. 2. Section 904.814, Code 1999, is amended to read as
23 follows:

24 904.814 INMATE ALLOWANCE SUPPLEMENT REVOLVING FUND.

25 There is established in the treasury of the state a
26 permanent adult correctional institutions inmate allowance
27 supplement revolving fund, consisting solely of money paid as
28 board and maintenance by inmates working in Iowa state
29 industries, ~~or working pursuant to section 904.809.~~ The fund
30 established by this section may be used to supplement the
31 allowances of inmates who perform other institutional work
32 within and about the adult correctional institutions including
33 those who are working in Iowa state industries. Payments made
34 from the fund shall supplement and not replace all or any part
35 of the allowances otherwise received by, and shall be equably

1 distributed among such inmates. The work of inmates in other
2 institutional or industry work shall, to the greatest extent
3 feasible, be in accord with the intent stated in section
4 904.801. The fund may also be used to supplement other
5 rehabilitation activities within the adult correctional
6 institutions. Determination of the use of the funds is the
7 responsibility of the state director who shall first seek the
8 advice of the prison industries advisory board.

9

EXPLANATION

10 This bill amends the procedure for deducting amounts earned
11 by inmates from private employers.

12 Code section 904.809 is amended to provide that an inmate
13 employed by a private sector employer shall surrender the
14 inmate's earnings, less all tax deductions, to the department
15 of corrections. The employer is also to provide the employed
16 inmate with withholdings statements and any other information
17 necessary for the filing of the inmate's tax returns. The
18 deductions which are then to be made by the department of
19 corrections from the balance of an inmate's earnings are
20 modified. From the inmate's gross payroll earnings, 20
21 percent shall go to the inmate's general account, tax
22 obligations shall be paid, and 5 percent shall go to the
23 victim compensation fund. From the balance remaining after
24 these deductions are made, amounts shall be deducted for the
25 support of the inmate's dependents, for payment of court-
26 ordered restitution, for other obligations owed by the inmate,
27 and any remaining balance shall be deposited in the general
28 fund of the state representing the cost of the inmate's
29 incarceration.

30 Code section 904.814 is amended to eliminate the
31 requirement that moneys collected as board and maintenance
32 from inmates working pursuant to section 904.809 are deposited
33 in a special inmate allowance supplement revolving fund and
34 not the general fund of the state.

35