## House File 2375 - Introduced

HOUSE FILE
BY T. TAYLOR


[^0]PAG LIN

233 the wages for insured work paid to the individual during the
234 individual's base period. Benefits paid to an eligible
235 individual shall be charged against the base period wage
$3 \quad 1$ credits in the individual's account which have not been
1 credits in the individual's account which have not been
3 wages on which the wage credits are based were paid. However
4 if the state "off indicator"is in effect and if the
5 individual is laid off due to the individual's employer going
6 out of business at the factory, establishment, or other
7 premises at which the individual was last employed or was
8 employed during the base period, the maximum benefits payable
9 shall be extended to thirty=nine times the individual's weekly
10 benefit amount, but not to exceed the total of the wage
11 credits accrued to the individual's account.
12 b. TRAINING EXTENSION BENEFITS. An individual who has
4 involuntarily separated from employment as a result of a
15 permanent reduction of operations at the last place of
16 employment or at a base=period employer and who is in training
17 with the approval of the director shall be eligible for a
18 training extension benefit amount. A declining occupation is
19 one in which there is a lack of sufficient current demand in
20 the individual's labor market area for the occupational skills
for which the individual is fitted by training and experience
or current physical or mental capacity and the lack of
23 employment opportunities is expected to continue for an
24 extended period of time, or the individual's occupation is one
25 for which there is a seasonal variation in demand in the labor
26 market and the individual has no other skill for which there
27 is current demand. The training extension benefit amount
28 shall be twenty=six times the individual's weekly benefit
29 amount and the weekly benefit amount shall be equal to the
individual's weekly benefit amount for the claim in which
31 benefits were exhausted while in training. An individual who
32 is receiving training extension benefits shall not be denied
33 benefits due to application of section 96.4 , subsection 3 , or
34 section 96.5 , subsection 3. However, an employer's account
35 shall not be charged with benefits so paid. Relief of charges
1 under this paragraph "b" applies to both contributory and
reimbursable employers, notwithstanding section 96.8,
subsection 5. In order for the individual to be eligible for
4 training extension benefits all of the following criteria must
5 be met:
(1) The training is for a high=demand or high technology
7 occupation, including fields of life sciences, advanced
8 manufacturing, biotechnology, alternative fuels, insurance,
9 and environmental technology. "High=demand occupation" means
10 an occupation in a labor market area in which the department
11 determines work opportunities are available and there is a
12 lack of qualified applicants.
413
414
claim for any benefits to which the indive indual becomes
415 entitled under state or federal law, and must draw any
416 unemployment insurance benefits on that claim until the claim
417 has expired or has been exhausted, in order to maintain the
418 individual's eligibility under this paragraph "b". Any state
419 benefits paid shall be deducted from the total of the training
420 extension benefit amount. Training extension benefits end
upon completion of the training even though a portion of the
(3) extension benefit amount may remain.
423 (3) To the extent permitted by federal law, benefits
424
24
424 payable under any federal unemployment compensation law sha
426 (4) The individual must enroll and participate in the
427 training and make satisfactory progress to complete the
428 training.
429 (5) The individual is considered to be in training during
430 a regularly scheduled vacation or recess period of three weeks

employment assignment under a contract of hire, the individual
shall be deemed a voluntary quit unavailable for work until
710 the employer is notified unless the individual was not advised

713 had good cause for not contacting the temporary employment
714 firm within three working days and notified the firm at the 15 first reasonable opportunity thereafter.

Sec. 7. Section 96.5, subsection 1, Code Supplement 2007, is amended by adding the following new paragraphs:

NEW PARAGRAPH. k. The individual left employment due to domestic abuse, as defined in section 236.2, or stalking, as described in section 708.11 , perpetrated against the
individual, and the individual reasonably believed such act was necessary to protect the safety of the individual or the individual's family. Benefits related to wage credits earned with the employer that the individual has left shall be charged to the unemployment compensation fund. This paragraph applies to both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5 . All evidence of domestic abuse or stalking experienced by an individual,
including the individual's statement and any corroborating
evidence, shall not be disclosed by the department, except to
the parties in a contested benefit case proceeding and to the
employment appeal board or courts in an appeal or unless
consent for disclosure is granted in writing by the
individual. Evidence of domestic abuse or stalking may
include but is not limited to any of the following:
(1) A statement or report from a law enforcement agency or
professional, medical professional, mental health
professional, or domestic violence shelter or professional.
(2) Witness statements regarding an incident that causes
the individual to believe the individual's life or safety or
the life or safety of a member of the individual's family is
in danger.
NEW PARAGRAPH. l. The individual voluntarily quit
employment during the first thirty calendar days of
employment.
Sec. 8. Section 96.5, subsection 5, paragraph a,
subparagraph (1), Code Supplement 2007, is amended by striking
the subparagraph.
Sec. 9. Section 96.5, subsection 7, Code Supplement 2007,
is amended to read as follows:
7. $\forall A C A T I O N$ SEPARATION PAY.
a. For the purposes of this subsection, "separation pay"
means severance pay, wages in lieu of notice, separation
allowance, dismissal pay, vacation pay, vacation pay
allowance, or pay in lieu of vacation.
b. When an employer makes a payment or becomes obligated
to make a payment to an individual for vacation pay, or for
vacation pay allowance, or as pay in lieu of vacation
separation pay, such payment or amount shall be deemed "wages"
as defined in section 96.19, subsection 41, and shall be
applied as provided in paragraph "c" hereof "d".
$b-\frac{c}{}$. When, in connection with a separation or layoff of
an individual, the individual's employer makes a payment or
payments to the individual, or becomes obligated to make a
payment to the individual as, or in the nature of, vacation
pay, or vacation pay allowance, or as pay in lieu' of vacation
separation pay, and within ten calendar days after
notification of the filing of the individual's claim,
designates by notice in writing to the department the period
to which the payment shall be allocated; provided, that if
such designated period is extended by the employer, the
individual may again similarly designate an extended period,
by giving notice in writing to the department not later than
the beginning of the extension of the period, with the same
effect as if the period of extension were included in the
original designation. The amount of a payment or obligation
to make payment, is deemed "wages" as defined in section
96.19, subsectión 41, and shall be applied as provided in
paragraph "c" of this subsection 7 "d".
10 e. d. of the wages described in paragraph "a" "b",
11 (whether whether or not the employer has designated the period
12 therein described) described in paragraph "b", or of the wages
13 described in paragraph "b" "c", if the period therein
914 described in paragraph "c" has' been designated by the employer
15 as therein provided in paragraph "c", a sum equal to the wages
16 of such individual for a normal workday shall be attributed
17 to, or deemed to be payable to the individual with respect to,
the first and each subsequent workday in such period until
such amount so paid or owing is exhausted. Any individual
20 receiving or entitled to receive wages as provided herein
21 shall be ineligible for benefits for any week in which the
22 sums, so designated or attributed to such normal workdays,
23 equal or exceed the individual's weekly benefit amount. If
24 the amount so designated or attributed as wages is less than
25 the weekly benefit amount of such individual, the individual's
benefits shall be reduced by such amount.
d. Notwithstanding contrary provisions in paragraphs
"a" "b", "b" "c", and "c" "d", if an individual is separated
from employment and is scheduled to receive vacation payments
separation pay during the period of unemployment attributable
to the employer and if the employer does not designate the
*acation separation pay period pursuant to paragraph "b" "c"
or provides notice of the designation after the period allowed
in 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 licu of vacation separation pay shall not be deemed
wages as defined in section 96.19 , subsection 41, for any
period in excess of one week for separation pay and such
payments or the value of such obligations shall not be
deducted for any period in excess of one week for separation
pay 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
separation pay period pursuant to paragraph "b" "c", the
vacation pay, vacation pay allowance, or pay in lieu of
vacation separation pay shall be considered wages and shall be
deducted from benefits.
e- f. 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 separation pay, 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. 10. Section 96.6 , subsection 2, Code 2007, 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 its filing, and the parties have ten days from
the date of mailing the notice of the filing of the claim by
ordinary mail to the last known address to protest payment of
benefits to the claimant. The representative shall promptly
examine the claim and any protest, take the initiative to
ascertain relevant information concerning the claim, and, on
the basis of the facts found by the representative, shall
determine whether or not the claim is valid, the week with
respect to which benefits shall commence, the weekly benefit
amount payable and its maximum duration, 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 , except as provided by this
subsection. The claimant has the initial burden to produce
evidence showing that the claimant is not disqualified for
benefits in cases involving section 96.5 , subsection 10 , and
has the burden of proving that a voluntary quit pursuant to
section 96.5, subsection 1, was for good cause attributable to
the employer and that the claimant is not disqualified for
benefits in cases involving section 96.5 , subsection 1 ,
paragraphs "a" through "h" "l". Unless the claimant or other
interested party, after notification or within ten fifteen
calendar days af'ter notification was mailed to the claimant's
last known address, files an appeal from the decision, the
decision is final and benefits shall be paid or denied in
accordance with the decision. However, if a disqualification
for benefits results in an overpayment decision, the
disqualification decision is not final unless the claimant or
other interested party, after notification of the overpayment
decision or within fifteen calendar days after notification of
the overpayment decision was mailed to the claimant's last
known address, fails to file an appeal from the overpayment
decision. An appeal of the overpayment decision shall also be
considered an appeal of the denial decision causing the
benefit overpayment, unless an appeal for the denial of
128 benefits has already been heard, in which case the overpayment
appeal is unaffected. If an administrative law judge affirms a decision of the representative, or the appeal board affirms a decision of the administrative law judge allowing benefits, the benefits shall be paid regardless of any appeal which is thereafter taken, but if the decision is finally reversed, no employer's account shall be charged with benefits so paid and this relief from charges shall apply to both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5.

Sec. 11. Section 96.7, subsection 2, paragraph a, subparagraph (2), Code 2007, is amended by adding the following new unnumbered paragraph after unnumbered paragraph 5:

NEW UNNUMBERED PARAGRAPH. The account of an employer shall not be charged with benefits paid to an individual who is laid off if the benefits are paid as the result of the return to work of a permanent employee who is one of the following:
(a) A member of the national guard or organized reserves of the armed forces of the United States ordered to temporary duty, as defined in section 29A.1, subsection 3, 11, or 12, for any purpose, who has completed the duty as evidenced in accordance with section 29A. 43.
(b) A member of the civil air patrol performing duty pursuant to section 29A. 3A, who has completed the duty as evidenced in accordance with section 29A. 43.

Sec. 12. Section 96.19, Code 2007, is amended by adding the foilowing new subsection:

NEW SUBSECTION. 0A. "Alternate base period" means the period beginning with the first day of the five completed calendar quarters immediately preceding the first day of an individual's benefit year and ending with the last day of the last completed calendar quarter immediately preceding the date on which the individual filed a valid claim.

Sec. 13. Section 96.19, subsection 38 , paragraphs $b$ and $c$, code 2007, are amended to read as follows:
b. (1) An individual shall be deemed partially unemployed in any week in which, while employed at the individual's then regular job, the individual works less than the regular full=time week and in which the individual carns less than the individual's weekly benefit amount plus fifteen dollars or the regular part=time week.
(2) An individual shall be deemed partially unemployed in any week in which the individual, having has been separated from the individual's regular job earns at odd jobs less than the individual's weekly benefit amount plus fifteen dollars.
c. An individual shall be deemed temporarily unemployed if for a period, verified by the department, not to exceed four eight consecutive weeks, the individual is unemployed due to a plant shutdown, vacation, inventory, lack of work or emergency from the individual's regular job or trade in which the individual worked full=time and will again work full=time, if the individual's employment, although temporarily suspended, has not been terminated.

Sec. 14. Section 96.20, subsection 2, Code 2007, is amended to read as follows:
2. The department may enter into arrangements with the appropriate agencies of other states, or a contiguous country with which the United States has an agreement with respect to unemployment compensation or of the federal government (a) whereby wages or services, upon the basis of which an individual may become entitled to benefits under the unemployment compensation law of another state or of the federal government, shall be deemed to be wages for employment by employers for the purposes of section 96.3 and section 96.4 subsection 5 ; provided such other state agency or agency of the federal government has agreed to reimburse the fund for such portion of benefits paid under this chapter upon the basis of such wages or services as the department finds will be fair and reasonable as to all affected interests, and (b) whereby the department will reimburse other state or federal agencies charged with the administration of unemployment compensation laws with such reasonable portion of benefits, paid under the law of any such other states or of the federal government upon the basis of employment or wages for employment by employers, as the department finds will be fair and reasonable as to all affected interests. Reimbursements so payable shall be deemed to be benefits for the purposes of section 96.3, subsection 5, paragraph "a", and section 96.9, but no reimbursement so payable shall be charged against any employer's account for the purposes of section 96.7 , unless wages so transferred are sufficient to establish a valid claim

5
in Iowa, and that such charges shall not exceed the amount
7 The department is hereby authorized to make to other state or
8 federal agencies and receive from such other state or federal
9 agencies, reimbursements from or to the fund, in accordance
10 with arrangements pursuant to this section. The department
11 shall participate in any arrangements for the payment of
compensation on the basis of combining an individual's wages
and employment covered under this Act with the individual's
wages and employment covered under the unemployment
compensation laws of other states which are approved by the
United States secretary of labor in consultation with the
state unemployment compensation agencies as reasonably
calculated to assure the prompt and full payment of
compensation in such situations and which include provisions
for: Applying the base period of a single state law to a
claim involving the combining of an individual's wages and
employment covered under two or more state unemployment
compensation laws, and avoiding the duplication use of wages
and employment by reason of such combining.
Sec. 15. Section 96.23, subsection 2, Code 2007, is
amended to read as follows:
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, paragraph "a".
Sec. 16. Section 96.40, subsection 8, Code 2007, is
amended to read as follows:
8. An individual shall not be entitled to receive shared
work benefits and regular unemployment compensation benefits
in an aggregate amount which exceeds the maximum total amount
of benefits payable to that individual in a benefit year as
provided under section 96.3 , subsection 5 , paragraph "a".
Notwithstanding any other provisions of this chapter, an
individual shall not be eligible to receive shared work
benefits for more than twenty=six calendar weeks during the
individual's benefit year.
Sec. 17. FUTURE APPROPRIATION OF FEDERAL FUNDS. Any funds
received by this state from the federal government pursuant to
section 903 of the federal Social Security Act as a result of
the enactment of this Act shall be appropriated by the general
assembly to the department of workforce development to be used
for the payment of unemployment insurance benefits or for the
administration of the Iowa employment security law, chapter
96, and public employment offices.
Sec. 18. EFFECTIVE AND APPLICABILITY DATES. The section
of this Act amending section 96.3 applies to any week of
unemployment benefits beginning on or after July 1, 2008. The
sections of this Act amending sections 96.4 and 96.5 take
effect June 29, 2008, and apply to any claim with an effective
date on or after June 29, 2008.
EXPLANATION

This bill relates to the eligibility requirements for receiving unemployment compensation benefits.

In Code section 96.3(3), for an individual who is partially unemployed in any week and is otherwise eligible for unemployment benefits, the code is changed so that the weekly benefit amount the individual receives is reduced to one=third, from the previous reduction to one=fourth, of the weekly benefit amount.

In Code section 96.3(4), the bill provides that the amount of an individual's weekly benefit amount shall equal one=twenty=first of the individual's total wages paid in the highest quarter of an individual's base period. The maximum weekly benefit amount is set by the bill at 65 percent of the statewide average weekly wage paid to employees in insured work. The bill eliminates the calculations of the maximum weekly benefit amount according to the number of dependents of an individual.

In Code section 96.3(5), newly designated paragraph "a" requires that the wage credits used to determine the total amount of benefits payable during a benefit year are to be calculated at one=half, rather than at one=third, of the wages for insured work. The bill requires the maximum total amount of benefits in a benefit year, if not a multiple of one dollar, to be rounded to the lower multiple of one dollar. Extended benefits are provided in relation to certain
base=period employers.
In Code section 96.3(5), new paragraph "b" establishes a
benefits extension for individuals enrolled in a training
program. The individual must be separated from a declining
occupation or have been involuntarily separated as a result of
a permanent reduction of operations at the last place of
employment or base=period employer. The individual must be
training in a high=technology occupation which is targeted for
growth and approved by the department of workforce
development. The training extension provides a maximum of 26
weeks of benefits during a three=year period from which are deducted any federal extended benefits or succeeding=year state regular benefits.

In Code section 96.3(6)(b), the bill specifies that part=time workers are not required to seek or accept full=time employment as a condition to be eligible to receive benefits. In Code section 96.4(4), the bill eliminates the requirement that to qualify for unemployment benefits an individual must have been paid wages during the individual's base period in an amount at least one and one=quarter times the wages paid to the individual during the highest wage quarter of the individual's base period. To qualify for benefits an individual must have been paid wages totaling at least 3.5 percent of the statewide average annual wage for insured work in a calendar quarter in the base period and have been paid wages for insured work totaling at least one=half of that required amount in the other quarters in the base period. If an individual does not qualify for benefits using the base period, an alternate base period of five calendar quarters, as defined in Code section $96.19(3)$, may be used to qualify the individual for benefits.

In Code section 96.5(1), new paragraph "b" provides that an individual shall not be disqualified from benefits if an individual left employment when the individual's spouse was forced to relocate by the spouse's employer to another area or when the spouse was forced to relocate to another area to accept employment or better employment, and the individual's employer has no work available in the new area.

In Code section $96.5(1)(c)$, the bill amends the paragraph by broadening the provision of benefits to an individual who leaves a job as a result of the illness, injury, or disability of a member of the individual's immediate family.

In Code section 96.5(1)(j), the bill provides that temporary employees who fail to notify the temporary employment firm of the completion of each employment assignment shall be considered unavailable for work to qualify for benefits until the employer is contacted.

In Code section 96.5(1), new paragraph "k" provides that an individual shall not be disqualified from benefits if an individual left employment for reasons related to domestic abuse or stalking.

In Code section 96.5(1), new paragraph "l" provides that an individual shall not be disqualified from benefits if the individual voluntarily quit employment during the first 30 calendar days of employment.

The bill strikes Code section 96.5(5)(a)(1) in order to incorporate the terminology into Code section 96.5(7).

In Code section $96.5(7)$, the bill defines "separation pay". The subsection provides for the treatment of the receipt of separation pay as wages. The bill provides that if notification of separation pay by the employer is made after 10 days of notification of claim filing or if the employer fails to designate a period for separation pay to be allocated, then the separation pay amount is limited to an amount of one week of wages and one week of deduction from benefits.

In Code section 96.6(2), the bill provides that an individual may file an appeal of a denial of benefits within 15 calendar days after receiving notification of the denial decision. Under current law the individual must file an appeal within 10 calendar days. The bill provides that a denial of benefits which causes a benefit overpayment does not become final unless an appeal is not filed within 15 calendar days of the notification of the overpayment decision. The bill provides that an appeal of the overpayments decision shall also be considered an appeal of the decision denying benefits which caused the overpayment, unless an appeal for the denial of benefits has already been held, in which case, the overpayment appeal is unaffected.

In Code section 96.7(2)(a)(2), the bill waives employer charges for unemployment claims stemming from temporary workers who have replaced active duty military employees. The bill prevents the account of an employer from being charged if



[^0]:    1 An Act relating to qualifications for and payment of unemployment compensation benefits, and including effective and applicability date provisions.
    BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
    TLSB 5306YH 82
    ak/rj/5

