

House Study Bill 183

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
ECONOMIC GROWTH BILL
BY CHAIRPERSON THOMAS)

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

A BILL FOR

1 An Act relating to unemployment insurance benefits and compliance
2 with federal law regarding and in order to qualify for
3 funding, and including effective and applicability dates.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1434HC 83
6 ak/rj/14

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1 1 Section 1. Section 96.3, subsection 5, Code 2009, is
1 2 amended to read as follows:
1 3 5. a. DURATION OF BENEFITS. The maximum total amount of
1 4 benefits payable to an eligible individual during a benefit
1 5 year shall not exceed the total of the wage credits accrued to
1 6 the individual's account during the individual's base period,
1 7 or twenty-six times the individual's weekly benefit amount,
1 8 whichever is the lesser. The director shall maintain a
1 9 separate account for each individual who earns wages in
1 10 insured work. The director shall compute wage credits for
1 11 each individual by crediting the individual's account with
1 12 one-third of the wages for insured work paid to the individual
1 13 during the individual's base period. However, the director
1 14 shall recompute wage credits for an individual who is laid off
1 15 due to the individual's employer going out of business at the
1 16 factory, establishment, or other premises at which the
1 17 individual was last employed, by crediting the individual's
1 18 account with one-half, instead of one-third, of the wages for
1 19 insured work paid to the individual during the individual's
1 20 base period. Benefits paid to an eligible individual shall be
1 21 charged against the base period wage credits in the
1 22 individual's account which have not been previously charged,
1 23 in the inverse chronological order as the wages on which the
1 24 wage credits are based were paid. However if the state "off
1 25 indicator" is in effect and if the individual is laid off due
1 26 to the individual's employer going out of business at the
1 27 factory, establishment, or other premises at which the
1 28 individual was last employed, the maximum benefits payable
1 29 shall be extended to thirty-nine times the individual's weekly
1 30 benefit amount, but not to exceed the total of the wage
1 31 credits accrued to the individual's account.

1 32 b. TRAINING EXTENSION BENEFITS. An individual who is in
1 33 training with the approval of the director at the time regular
1 34 benefits are exhausted may be eligible for training extension
1 35 benefits. The training extension benefit amount shall be
2 1 twenty-six times the individual's weekly benefit amount, and
2 2 the weekly benefit amount shall be equal to the individual's
2 3 weekly benefit amount for the claim in which benefits were
2 4 exhausted while in training. An individual who is receiving
2 5 training extension benefits shall not be denied benefits due
2 6 to application of section 96.4, subsection 3, or section 96.5,
2 7 subsection 3. However, an employer's account shall not be
2 8 charged with benefits so paid. Relief of charges under this
2 9 paragraph applies to both contributory and reimbursable
2 10 employers, notwithstanding section 96.8, subsection 5. In
2 11 order for the individual to be eligible for training extension
2 12 benefits all of the following criteria must be met:
2 13 (1) Training extension benefits end upon completion of the
2 14 training even though a portion of the training extension
2 15 benefit amount may remain, and the benefits shall not extend
2 16 beyond the end of the benefit year.
2 17 (2) The individual must be enrolled, participating in the

2 18 training, and making satisfactory progress to complete the
2 19 training.

2 20 (3) The individual is considered to be in training during
2 21 regularly scheduled vacation or recess periods of three weeks
2 22 or less but not during a summer vacation period or school
2 23 break which is longer than three weeks. If the individual
2 24 immediately returns to training after the summer vacation or
2 25 break period of longer than three weeks, the individual may
2 26 reopen the training extension claim. Otherwise, the
2 27 individual must be continuously in training in order to be
2 28 eligible for training extension benefits.

2 29 Sec. 2. Section 96.4, subsection 4, Code 2009, is amended
2 30 to read as follows:

2 31 4. a. The individual has been paid wages for insured work
2 32 during the individual's base period in an amount at least one
2 33 and one-quarter times the wages paid to the individual during
2 34 that quarter of the individual's base period in which the
2 35 individual's wages were highest; provided that the individual
3 1 has been paid wages for insured work totaling at least three
3 2 and five-tenths percent of the statewide average annual wage
3 3 for insured work, computed for the preceding calendar year if
3 4 the individual's benefit year begins on or after the first
3 5 full week in July and computed for the second preceding
3 6 calendar year if the individual's benefit year begins before
3 7 the first full week in July, in that calendar quarter in the
3 8 individual's base period in which the individual's wages were
3 9 highest, and the individual has been paid wages for insured
3 10 work totaling at least one-half of the amount of wages
3 11 required under this subsection paragraph in the calendar
3 12 quarter of the base period in which the individual's wages
3 13 were highest, in a calendar quarter in the individual's base
3 14 period other than the calendar quarter in which the
3 15 individual's wages were highest. The calendar quarter wage
3 16 requirements shall be rounded to the nearest multiple of ten
3 17 dollars.

3 18 b. For an individual who does not have sufficient wages in
3 19 the base period, as defined in section 96.19, to otherwise
3 20 qualify for benefits pursuant to this subsection, the
3 21 individual's base period shall be the last four completed
3 22 calendar quarters immediately preceding the first day of the
3 23 individual's benefit year if such period qualifies the
3 24 individual for benefits under this subsection.

3 25 (1) Wages that fall within the alternative base period
3 26 established under this paragraph "b" are not available for
3 27 qualifying benefits in any subsequent benefit year.

3 28 (2) Employers shall be charged in the manner provided in
3 29 this chapter for benefits paid based upon quarters used in the
3 30 alternative base period.

3 31 c. If the individual has drawn benefits in any benefit
3 32 year, the individual must during or subsequent to that year,
3 33 work in and be paid wages for insured work totaling at least
3 34 two hundred fifty dollars, as a condition to receive benefits
3 35 in the next benefit year.

4 1 Sec. 3. Section 96.7, subsection 2, paragraph a,
4 2 subparagraph (2), Code 2009, is amended by adding the
4 3 following new subparagraph division:

4 4 NEW SUBPARAGRAPH DIVISION. (e) The account of an employer
4 5 shall not be charged with benefits paid to an individual who
4 6 is laid off if the benefits are paid as the result of the
4 7 return to work of a permanent employee who is one of the
4 8 following:

4 9 (i) A member of the national guard or organized reserves
4 10 of the armed forces of the United States ordered to temporary
4 11 duty, as defined in section 29A.1, subsection 3, 11, or 12,
4 12 for any purpose, who has completed the duty as evidenced in
4 13 accordance with section 29A.43.

4 14 (ii) A member of the civil air patrol performing duty
4 15 pursuant to section 29A.3A, who has completed the duty as
4 16 evidenced in accordance with section 29A.43.

4 17 Sec. 4. Section 96.20, subsection 2, Code 2009, is amended
4 18 to read as follows:

4 19 2. The department may enter into arrangements with the
4 20 appropriate agencies of other states, or a contiguous country
4 21 with which the United States has an agreement with respect to
4 22 unemployment compensation or of the federal government (a)
4 23 whereby wages or services, upon the basis of which an
4 24 individual may become entitled to benefits under the
4 25 unemployment compensation law of another state or of the
4 26 federal government, shall be deemed to be wages for employment
4 27 by employers for the purposes of section 96.3 and section
4 28 96.4, subsection 5; provided such other state agency or agency

4 29 of the federal government has agreed to reimburse the fund for
4 30 such portion of benefits paid under this chapter upon the
4 31 basis of such wages or services as the department finds will
4 32 be fair and reasonable as to all affected interests, and (b)
4 33 whereby the department will reimburse other state or federal
4 34 agencies charged with the administration of unemployment
4 35 compensation laws with such reasonable portion of benefits,
5 1 paid under the law of any such other states or of the federal
5 2 government upon the basis of employment or wages for
5 3 employment by employers, as the department finds will be fair
5 4 and reasonable as to all affected interests. Reimbursements
5 5 so payable shall be deemed to be benefits for the purposes of
5 6 section 96.3, subsection 5, paragraph "a", and section 96.9,
5 7 but no reimbursement so payable shall be charged against any
5 8 employer's account for the purposes of section 96.7, unless
5 9 wages so transferred are sufficient to establish a valid claim
5 10 in Iowa, and that such charges shall not exceed the amount
5 11 that would have been charged on the basis of a valid claim.
5 12 The department is hereby authorized to make to other state or
5 13 federal agencies and receive from such other state or federal
5 14 agencies, reimbursements from or to the fund, in accordance
5 15 with arrangements pursuant to this section. The department
5 16 shall participate in any arrangements for the payment of
5 17 compensation on the basis of combining an individual's wages
5 18 and employment covered under this Act with the individual's
5 19 wages and employment covered under the unemployment
5 20 compensation laws of other states which are approved by the
5 21 United States secretary of labor in consultation with the
5 22 state unemployment compensation agencies as reasonably
5 23 calculated to assure the prompt and full payment of
5 24 compensation in such situations and which include provisions
5 25 for: Applying the base period of a single state law to a
5 26 claim involving the combining of an individual's wages and
5 27 employment covered under two or more state unemployment
5 28 compensation laws, and avoiding the duplication use of wages
5 29 and employment by reason of such combining.

5 30 Sec. 5. Section 96.23, subsection 1, paragraph b, Code
5 31 2009, is amended to read as follows:

5 32 b. The individual did not receive wages from insured work
5 33 for two calendar quarters and did not receive wages from
5 34 insured work for another calendar quarter equal to or greater
5 35 than the amount required for a calendar quarter, other than
6 1 the calendar quarter in which the individual's wages were
6 2 highest, under section 96.4, subsection 4, paragraph "a".

6 3 Sec. 6. Section 96.40, subsection 8, Code 2009, is amended
6 4 to read as follows:

6 5 8. An individual shall not be entitled to receive shared
6 6 work benefits and regular unemployment compensation benefits
6 7 in an aggregate amount which exceeds the maximum total amount
6 8 of benefits payable to that individual in a benefit year as
6 9 provided under section 96.3, subsection 5, paragraph "a".
6 10 Notwithstanding any other provisions of this chapter, an
6 11 individual shall not be eligible to receive shared work
6 12 benefits for more than twenty-six calendar weeks during the
6 13 individual's benefit year.

6 14 Sec. 7. FUTURE APPROPRIATION OF FEDERAL FUNDS. Any funds
6 15 received by this state from the federal government pursuant to
6 16 section 903 of the federal Social Security Act as a result of
6 17 the enactment of this Act are appropriated by the general
6 18 assembly to the department of workforce development to be used
6 19 for the payment of unemployment insurance benefits or for the
6 20 administration of the Iowa employment security law, chapter
6 21 96, and public employment offices.

6 22 Sec. 8. APPLICABILITY AND EFFECTIVE DATES. The section of
6 23 this Act amending section 96.3 applies to any week of
6 24 unemployment benefits beginning on or after July 5, 2009. The
6 25 section of this Act amending section 96.4 applies to any new
6 26 claim of unemployment benefits with an effective date on or
6 27 after July 5, 2009.

6 28 EXPLANATION

6 29 This bill relates to unemployment insurance benefits and
6 30 brings Iowa into compliance with federal law in order to
6 31 receive additional federal funds.

6 32 The bill establishes a benefits extension for individuals
6 33 enrolled in a training program. Regular benefits must be
6 34 exhausted and the benefit amount shall be no more than 26
6 35 times the individual's weekly benefit amount. In order to
7 1 qualify for the training extension benefits, the following
7 2 criteria must be met: the benefits end when training is
7 3 completed and may not extend beyond the benefit year; the
7 4 individual must be enrolled, participating, and making

7 5 satisfactory progress in the training; and the individual
7 6 shall be considered in training during regular vacation or
7 7 recess breaks of three weeks or less but not during summer
7 8 vacation or breaks of three weeks or longer. An employer is
7 9 relieved of charges of unemployment benefits paid due to
7 10 claims for training extension benefits.

7 11 An alternate method of calculating the base period, to
7 12 determine the monetary attachment-to-the-workforce eligibility
7 13 of individuals for unemployment benefits, is included for
7 14 cases where the current method of calculation makes an
7 15 individual ineligible for unemployment benefits. The bill
7 16 moves the base period closer, by one quarter, to the benefit
7 17 claim filing date so that the base period would consist of the
7 18 first four calendar quarters immediately preceding the
7 19 calendar quarter in which the claim for unemployment benefits
7 20 is filed if doing so would qualify the individual for
7 21 benefits.

7 22 The bill waives employer charges for unemployment claims
7 23 stemming from temporary workers who have replaced active-duty
7 24 military employees. The bill prevents the account of an
7 25 employer from being charged if benefits are paid to an
7 26 individual who is laid off as the result of the return to work
7 27 of a permanent employee who is a member of the national guard
7 28 of the United States armed forces reserves ordered to
7 29 temporary duty, as defined in Code section 29A.1, subsection
7 30 3, 11, or 12, for any purpose and who has completed the duty,
7 31 or who is a member of the civil air patrol performing duty
7 32 pursuant to Code section 29A.3A and who has completed the
7 33 duty.

7 34 Any possible future funds received from the federal
7 35 government due to the bill's enactment are appropriated to the
8 1 department for the payment of unemployment insurance benefits
8 2 or for the administration of the Iowa employment security law
8 3 under Code chapter 96 and public employment offices.

8 4 The amendment in the bill to Code section 96.3 applies to
8 5 any week of unemployment benefits that begins on or after July
8 6 5, 2009. The amendment in the bill to Code section 96.4
8 7 applies to any new claim with an effective date on or after
8 8 July 5, 2009.

8 9 LSB 1434HC 83

8 10 ak/rj/14.1