

**House Study Bill 601 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
WORKFORCE DEVELOPMENT BILL)

**A BILL FOR**

1 An Act relating to unemployment insurance benefit eligibility  
2 requirements and periods for calculating employer  
3 contribution rates and including effective date and  
4 applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 96.4, subsection 4, paragraph c, Code  
2 2011, is amended to read as follows:

3 c. If the individual has drawn benefits in any benefit year,  
4 the individual must during or subsequent to that year, work  
5 in and be paid wages for insured work totaling at least ~~two~~  
6 ~~hundred fifty~~ one thousand five hundred dollars, as a condition  
7 to receive benefits in the next benefit year.

8 Sec. 2. Section 96.4, Code 2011, is amended by adding the  
9 following new subsection:

10 NEW SUBSECTION. 8. The individual has satisfied one  
11 one-week waiting period during the individual's benefit year.  
12 To satisfy the one-week waiting period, the individual, with  
13 respect to the week in question, must meet all of the following  
14 conditions:

15 a. Must be unemployed.

16 b. Must have filed a claim for benefits in accordance with  
17 section 96.6, subsection 1.

18 c. Must be eligible for benefits from this state and would  
19 receive benefits after deductions from this state but for the  
20 waiting period; must not receive benefits from this or any  
21 other state; and must not be eligible for benefits from any  
22 other state.

23 Sec. 3. Section 96.7, subsection 2, paragraph c,  
24 subparagraphs (1) through (3), Code 2011, are amended to read  
25 as follows:

26 (1) A nonconstruction contributory employer newly subject  
27 to this chapter shall pay contributions at the rate specified  
28 in the twelfth benefit ratio rank but not less than one percent  
29 until the end of the calendar year in which the employer's  
30 account has been chargeable with benefits for ~~twelve~~ four  
31 consecutive calendar quarters immediately preceding the  
32 computation date.

33 (2) A construction contributory employer, as defined under  
34 rules adopted by the department, which is newly subject to this  
35 chapter shall pay contributions at the rate specified in the

1 twenty-first benefit ratio rank until the end of the calendar  
2 year in which the employer's account has been chargeable  
3 with benefits for ~~twelve~~ four consecutive calendar quarters  
4 immediately preceding the computation date.

5 (3) Thereafter, the employer's contribution rate shall be  
6 determined in accordance with paragraph "d", except that the  
7 employer's average annual taxable payroll and benefit ratio  
8 may be computed, as determined by the department, for less  
9 than ~~five~~ three periods of four consecutive calendar quarters  
10 immediately preceding the computation date.

11 Sec. 4. Section 96.7, subsection 2, paragraph d,  
12 subparagraph (2), unnumbered paragraph 3, Code 2011, is amended  
13 to read as follows:

14 "*Benefit ratio*" means a number computed to six decimal places  
15 on July 1 of each year obtained by dividing the average of all  
16 benefits charged to an employer during the ~~five~~ three periods  
17 of four consecutive calendar quarters immediately preceding  
18 the computation date by the employer's average annual taxable  
19 payroll.

20 Sec. 5. Section 96.19, subsection 2, Code 2011, is amended  
21 to read as follows:

22 2. "*Average annual taxable payroll*" means the average of the  
23 total amount of taxable wages paid by an employer for insured  
24 work during the ~~five~~ three periods of four consecutive calendar  
25 quarters immediately preceding the computation date.

26 Sec. 6. EFFECTIVE DATE. This Act takes effect July 1, 2012.

27 Sec. 7. APPLICABILITY. This Act applies to unemployment  
28 insurance benefit claims with an effective date on or after  
29 July 1, 2012.

30 EXPLANATION

31 This bill requires an individual who has drawn unemployment  
32 insurance benefits to earn wages for insured work totaling  
33 at least \$1,500 before the individual can be eligible for  
34 unemployment insurance benefits in a subsequent benefit year.  
35 Under current law, such an individual must earn \$250.

1 The bill requires an individual to satisfy a one-week  
2 waiting period during the individual's benefit year in order  
3 to receive unemployment insurance benefits. The bill requires  
4 that, regarding the week in question, the individual must be  
5 unemployed, must have filed a claim for benefits in accordance  
6 with Code section 96.6(1), must be eligible for benefits after  
7 deductions in the state of Iowa but for the waiting period,  
8 must not receive benefits from the state of Iowa or any other  
9 state, and must not be eligible for benefits from any other  
10 state.

11 The bill reduces the time period during which construction  
12 and nonconstruction employers are subject to the contribution  
13 rate for new employers for unemployment insurance from three  
14 years to one year. The bill reduces the years of experience  
15 used to calculate the benefit ratio for an employer's  
16 contribution rate from five to three.

17 The bill takes effect July 1, 2012, and applies to  
18 unemployment insurance benefit claims with an effective date on  
19 or after July 1, 2012.