

**House Study Bill 42 - Introduced**

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

**A BILL FOR**

- 1 An Act concerning unemployment insurance and including
- 2 effective date and applicability provisions.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

UNEMPLOYMENT INSURANCE TAX AND BENEFITS — 2019

Section 1. Section 96.3, subsection 5, paragraph a, Code 2019, is amended to read as follows:

*a. Duration of benefits.* The maximum total amount of benefits payable to an eligible individual during a benefit year shall not exceed the total of the wage credits accrued to the individual's account during the individual's base period, or twenty-six times the individual's weekly benefit amount, whichever is the lesser. The director shall maintain a separate account for each individual who earns wages in insured work. The director shall compute wage credits for each individual by crediting the individual's account with one-third of the wages for insured work paid to the individual during the individual's base period. ~~However, the director shall recompute wage credits for an individual who is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, by crediting the individual's account with one-half, instead of one-third, of the wages for insured work paid to the individual during the individual's base period.~~ Benefits paid to an eligible individual shall be charged against the base period wage credits in the individual's account which have not been previously charged, in the inverse chronological order as the wages on which the wage credits are based were paid. ~~However if the state "off" indicator is in effect and if the individual is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, the maximum benefits payable shall be extended to thirty-nine times the individual's weekly benefit amount, but not to exceed the total of the wage credits accrued to the individual's account.~~

Sec. 2. Section 96.6, subsection 2, Code 2019, is amended to read as follows:

1     2. *Initial determination.* A representative designated by  
2 the director shall promptly notify all interested parties to  
3 the claim of its filing, and the parties have ten days from  
4 the date of ~~mailing~~ issuing the notice of the filing of the  
5 claim ~~by ordinary mail to the last known address~~ to protest  
6 payment of benefits to the claimant. All interested parties  
7 shall select a format as specified by the department to receive  
8 such notifications. The representative shall promptly examine  
9 the claim and any protest, take the initiative to ascertain  
10 relevant information concerning the claim, and, on the basis of  
11 the facts found by the representative, shall determine whether  
12 or not the claim is valid, the week with respect to which  
13 benefits shall commence, the weekly benefit amount payable  
14 and its maximum duration, and whether any disqualification  
15 shall be imposed. The claimant has the burden of proving  
16 that the claimant meets the basic eligibility conditions of  
17 section 96.4. The employer has the burden of proving that the  
18 claimant is disqualified for benefits pursuant to [section 96.5](#),  
19 except as provided by [this subsection](#). The claimant has the  
20 initial burden to produce evidence showing that the claimant  
21 is not disqualified for benefits in cases involving section  
22 96.5, subsections 10 and 11, and has the burden of proving  
23 that a voluntary quit pursuant to [section 96.5, subsection 1](#),  
24 was for good cause attributable to the employer and that the  
25 claimant is not disqualified for benefits in cases involving  
26 section 96.5, subsection 1, paragraphs "a" through "h". Unless  
27 the claimant or other interested party, after notification or  
28 within ten calendar days after notification was ~~mailed~~ issued  
29 to the claimant's last known address, files an appeal from the  
30 decision, the decision is final and benefits shall be paid or  
31 denied in accordance with the decision. If an administrative  
32 law judge affirms a decision of the representative, or the  
33 appeal board affirms a decision of the administrative law judge  
34 allowing benefits, the benefits shall be paid regardless of  
35 any appeal which is thereafter taken, but if the decision is

1 finally reversed, no employer's account shall be charged with  
2 benefits so paid and this relief from charges shall apply to  
3 both contributory and reimbursable employers, notwithstanding  
4 section 96.8, subsection 5.

5 Sec. 3. Section 96.14, subsection 16, Code 2019, is amended  
6 to read as follows:

7 16. *Injunction upon nonpayment.* Any employer or employing  
8 unit refusing or failing to make and file required reports,  
9 records, or to pay any contributions, interest, or penalty  
10 under the provisions of this chapter, after ten days' written  
11 notice sent by the department to the employer's or employing  
12 unit's last known address by certified mail, may be enjoined  
13 from operating any business in the state while in violation  
14 of this chapter upon the complaint of the department in the  
15 district court of a county in which the employer or employing  
16 unit has or had a place of business within the state, and  
17 any temporary injunction enjoining the continuance of such  
18 business may be granted without notice and without a bond being  
19 required from the department. Such injunction may enjoin any  
20 employer or employing unit from operating a business unit  
21 until the delinquent contributions, interest, or penalties  
22 shall have been made and filed or paid; or the employer shall  
23 have furnished a good and sufficient bond conditioned upon the  
24 payment of such delinquencies in such an amount and containing  
25 such terms as may be determined by the court; or the employer  
26 has entered into a plan for the liquidation of the business to  
27 pay for such delinquencies as the court may approve, provided  
28 that such injunction may be reinstated upon the employer's  
29 failure to comply with the terms of said plan.

30 Sec. 4. Section 96.40, subsection 2, paragraphs e and i,  
31 Code 2019, are amended to read as follows:

32 e. The reduction in hours and corresponding reduction in  
33 wages must be applied equally to all employees in the affected  
34 unit for each week reported.

35 i. The duration of the shared work plan will not exceed

1 fifty-two weeks. The employer shall only be authorized one  
2 plan during a twenty-four-month period.

3 Sec. 5. Section 96.40, subsection 2, Code 2019, is amended  
4 by adding the following new paragraph:

5 NEW PARAGRAPH. 1. The employer shall notify all affected  
6 employees and receive consent from each participating employee  
7 before the plan is authorized.

8 Sec. 6. Section 96.40, Code 2019, is amended by adding the  
9 following new subsection:

10 NEW SUBSECTION. 4A. An employer may file an appeal in  
11 writing of a denial or approval of a plan or revocation of an  
12 approved plan by the department within thirty days from the  
13 date of the decision.

14 Sec. 7. Section 96.40, subsection 9, paragraph b, Code 2019,  
15 is amended to read as follows:

16 b. An employer may provide as part of the plan a training  
17 program the employees may attend during the hours that have  
18 been reduced. Such a training program may include a training  
19 program funded under the Workforce ~~Investment~~ Innovation and  
20 Opportunity Act, of 1998, Pub. L. No. 105-220 113-128. If the  
21 employer is able to show that the training program will provide  
22 a substantive increase in the workplace and employability  
23 skills of the employee so as to reduce the potential for  
24 future periods of unemployment, the department shall relieve  
25 the employer of charges for benefits paid to the individual  
26 attending training under the plan. The employee may attend  
27 the training at the work site utilizing internal resources,  
28 provided the training is outside of the normal course of  
29 employment, or in conjunction with an educational institution.

30 Sec. 8. EFFECTIVE DATE. This division of this Act, being  
31 deemed of immediate importance, takes effect upon enactment.

32 Sec. 9. APPLICABILITY.

33 1. The following apply to any week of unemployment benefits  
34 beginning on or after the first Sunday after the effective date  
35 of this division of this Act:

1 a. The section of this Act amending section 96.3.

2 2. The following apply to all voluntary shared work plans  
3 approved by the department of workforce development on or after  
4 the effective date of this division of this Act:

5 a. The section of this division of this Act amending section  
6 96.40, subsection 2, paragraphs "e" and "i".

7 b. The section of this division of this Act enacting section  
8 96.40, subsection 2, paragraph "l".

9 c. The section of this division of this Act enacting section  
10 96.40, subsection 4A.

11 d. The section of this division of this Act amending section  
12 96.40, subsection 9, paragraph "b".

13 DIVISION II

14 UNEMPLOYMENT INSURANCE TAX AND BENEFITS — 2020

15 Sec. 10. Section 96.3, subsection 4, Code 2019, is amended  
16 to read as follows:

17 4. *Determination of benefits.* ~~With respect to benefit years~~  
18 ~~beginning on or after July 1, 1983, an~~ An eligible individual's  
19 weekly benefit amount for a week of total unemployment shall be  
20 an amount equal to the following fractions of the individual's  
21 total wages in insured work paid during that quarter of  
22 the individual's base period in which such total wages were  
23 highest; the director shall determine annually a maximum weekly  
24 benefit amount equal to the following percentages, to vary ~~with~~  
25 ~~the number of~~ based on whether the individual has dependents,  
26 of the statewide average weekly wage paid to employees in  
27 insured work which shall be effective the first day of the  
28 first full week in ~~July:~~ July.

29 If the                    The weekly                    Subject to  
30 number of                benefit amount                the following  
31 dependents               shall equal                    maximum  
32 is:                        the following                 percentage of  
33                                fraction of high                the statewide  
34                                quarter wages:                 average  
35                                weekly wage:

1	0	1/23	53%
2	1 <u>or more</u>	1/22	55% <u>57%</u>
3	2	<del>1/21</del>	57%
4	3	1/20	60%
5	<del>4 or more</del>	1/19	65%

6 The maximum weekly benefit amount, if not a multiple of one  
7 dollar, shall be rounded to the lower multiple of one dollar.  
8 ~~However, until such time as sixty five percent of the statewide~~  
9 ~~average weekly wage exceeds one hundred ninety dollars, the~~  
10 The maximum weekly benefit amounts shall be determined using  
11 the statewide average weekly wage computed on the basis of  
12 wages reported for the current calendar year 1981. ~~As used in~~  
13 ~~this section~~ "dependent" means dependent as defined in section  
14 422.12, subsection 1, paragraph "a", as if the individual  
15 claimant was a taxpayer, except that an individual claimant's  
16 nonworking spouse shall be deemed to be a dependent under this  
17 section. ~~"Nonworking spouse" means a spouse who does not earn~~  
18 ~~more than one hundred twenty dollars in gross wages in one~~  
19 ~~week.~~

20 Sec. 11. Section 96.4, Code 2019, is amended by adding the  
21 following new subsection:

22 NEW SUBSECTION. 8. The individual has satisfied a single  
23 one-week waiting period during the individual's benefit year.  
24 To satisfy the one-week waiting period, the individual, with  
25 respect to the week in question, must be eligible for benefits  
26 from this state, but must not have received benefits from this  
27 state, and must not be eligible for benefits from another  
28 state.

29 Sec. 12. Section 96.7, subsection 2, paragraph c,  
30 subparagraph (2), Code 2019, is amended to read as follows:

31 (2) A construction or landscaping contributory employer,  
32 as defined under rules adopted by the department pursuant to  
33 chapter 17A, which is newly subject to this chapter shall pay  
34 contributions at the rate specified in the twenty-first benefit  
35 ratio rank until the end of the calendar year in which the

1 employer's account has been chargeable with benefits for twelve  
2 consecutive calendar quarters.

3 Sec. 13. Section 96.19, subsection 20, unnumbered paragraph  
4 1, Code 2019, is amended to read as follows:

5 "Exhaustee" means an individual who, with respect to any  
6 week of unemployment in the individual's eligibility period  
7 has received, prior to such week, all of the regular benefits  
8 that were available to the individual under **this chapter** or any  
9 other state law, including ~~dependents' allowances and~~ benefits  
10 payable to federal civilian employees and former armed forces  
11 personnel under 5 U.S.C. ch. 85, in the individual's current  
12 benefit year that includes such weeks. Provided that for the  
13 purposes of **this subsection** an individual shall be deemed to  
14 have received all of the regular benefits that were available  
15 to the individual, although as a result of a pending appeal  
16 with respect to wages that were not considered in the original  
17 monetary determination in the individual's benefit year the  
18 individual may subsequently be determined to be entitled to add  
19 regular benefits, or:

20 Sec. 14. EFFECTIVE DATE. This division of this Act takes  
21 effect July 1, 2020.

22 Sec. 15. APPLICABILITY.

23 1. The following apply to any week of unemployment benefits  
24 beginning on or after July 5, 2020:

25 a. The section of this division of this Act amending section  
26 96.3, subsection 4.

27 b. The section of this division of this Act amending section  
28 96.19, subsection 20.

29 2. The following apply to any new claim of unemployment  
30 benefits with an effective date on or after July 5, 2020:

31 a. The section of this division of this Act enacting section  
32 96.4, subsection 8.

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#### EXPLANATION

34 The inclusion of this explanation does not constitute agreement with  
35 the explanation's substance by the members of the general assembly.



1 This bill relates to unemployment insurance under Code  
2 chapter 96.

3 DIVISION I. This division strikes language requiring  
4 the director of the department of workforce development  
5 to recompute wage credits for purposes of calculating an  
6 individual's maximum total amount of unemployment benefits  
7 payable during a benefit year. The stricken language applied  
8 to an individual who is laid off due to the individual's  
9 employer going out of business at the factory, establishment,  
10 or other premises at which the individual was last employed by  
11 crediting the individual's account with one-half, instead of  
12 one-third, of the wages for insured work paid to the individual  
13 during the individual's base period. The division also strikes  
14 language providing an additional 13 weeks of benefits to such  
15 individuals if the state "off" indicator, which relates to  
16 the rate of insured unemployment in the state, is in effect.  
17 This provision applies to any week of unemployment benefits  
18 beginning on or after the first Sunday after the effective date  
19 of the division.

20 The division strikes language providing that notifications  
21 of interested parties that a claim for unemployment benefits  
22 has been made be sent by ordinary mail. The division instead  
23 provides that such notifications shall be in a format as  
24 specified by the department selected by the parties.

25 The division provides that an employer or employing unit  
26 refusing or failing to make and file required records is  
27 subject to a possible injunction by the department for the  
28 violation.

29 The division modifies a reference to plans for liquidation  
30 of deficiencies under Code chapter 96 by an employer or  
31 employing unit to specify that such a plan is for the  
32 liquidation of a business to pay for such deficiencies.

33 The division modifies conditions for approval of a voluntary  
34 shared work program by the department. The division provides  
35 that a reduction in hours and corresponding reduction in wages

1 that must be applied equally to all employees in the affected  
2 unit must be applied equally for each week reported. The  
3 division provides that an employer shall only be authorized  
4 one plan during a 24-month period. The division requires  
5 an employer to notify all affected employees and receive  
6 consent from each participating employee before the plan is  
7 authorized. The division also permits an employer to file  
8 an appeal in writing of a denial or approval of a plan or  
9 revocation of an approved plan by the department within 30 days  
10 from the date of the decision and replaces a reference to the  
11 federal Workforce Investment Act of 1998 with a reference to  
12 the federal Workforce Innovation and Opportunity Act. These  
13 provisions apply to all voluntary shared work plans approved  
14 by the department of workforce development on or after the  
15 effective date of the division.

16 The division takes effect upon enactment.

17 DIVISION II. This division strikes language providing that  
18 an eligible individual's maximum weekly benefit amount varies  
19 with the number of dependents the individual has. The division  
20 instead provides that an individual with dependents is subject  
21 to a maximum of 57 percent of the statewide average weekly  
22 wage. The division strikes language defining "dependent".  
23 The division strikes additional obsolete language. These  
24 provisions apply to any week of unemployment benefits beginning  
25 on or after July 5, 2020.

26 The division provides that in order to be eligible for  
27 unemployment benefits, an individual must satisfy a single  
28 one-week waiting period during the individual's benefit year.  
29 To satisfy the one-week waiting period, the individual, with  
30 respect to the week in question, must be eligible for benefits  
31 from this state, but must not have received benefits from this  
32 state, and must not be eligible for benefits from another  
33 state. This provision applies to any new claim of unemployment  
34 benefits with an effective date on or after July 5, 2020.

35 The division provides that a landscaping contributory

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1 employer, as defined by the department by rule, which is newly  
2 subject to Code chapter 96 shall pay contributions at the rate  
3 specified in the twenty-first benefit ratio rank until the end  
4 of the calendar year in which the employer's account has been  
5 chargeable with benefits for 12 consecutive calendar quarters.  
6 The division takes effect July 1, 2020.