

**Senate File 617 - Introduced**

SENATE FILE 617

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1273)

**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:

1 Section 1. Section 96.1A, Code 2021, is amended by adding  
2 the following new subsections:

3 NEW SUBSECTION. 01. "*Able to work*" means the individual is  
4 physically and mentally able to perform work.

5 NEW SUBSECTION. 1A. "*Available for work*" means the  
6 individual is ready and willing to accept suitable work.

7 NEW SUBSECTION. 32A. "*Severance pay*" means any payment  
8 in connection with separation from employment that is not  
9 conditioned on the individual giving up any legal right or the  
10 release of any rights.

11 Sec. 2. Section 96.3, subsection 5, paragraph a, Code 2021,  
12 is amended to read as follows:

13 *a. Duration of benefits.* The maximum total amount of  
14 benefits payable to an eligible individual during a benefit  
15 year shall not exceed the total of the wage credits accrued  
16 to the individual's account during the individual's base  
17 period, or twenty-six times the individual's weekly benefit  
18 amount, whichever is the lesser. The director shall maintain  
19 a separate account for each individual who earns wages in  
20 insured work. The director shall compute wage credits for  
21 each individual by crediting the individual's account with  
22 one-third of the wages for insured work paid to the individual  
23 during the individual's base period. ~~However, the director~~  
24 ~~shall recompute wage credits for an individual who is laid~~  
25 ~~off due to the individual's employer going out of business at~~  
26 ~~the factory, establishment, or other premises at which the~~  
27 ~~individual was last employed, by crediting the individual's~~  
28 ~~account with one-half, instead of one-third, of the wages for~~  
29 ~~insured work paid to the individual during the individual's~~  
30 ~~base period.~~ Benefits paid to an eligible individual shall  
31 be charged against the base period wage credits in the  
32 individual's account which have not been previously charged,  
33 in the inverse chronological order as the wages on which the  
34 wage credits are based were paid. ~~However if the state "off"~~  
35 ~~indicator is in effect and if the individual is laid off due to~~

~~1 the individual's employer going out of business at the factory,  
2 establishment, or other premises at which the individual was  
3 last employed, the maximum benefits payable shall be extended  
4 to thirty-nine times the individual's weekly benefit amount,  
5 but not to exceed the total of the wage credits accrued to the  
6 individual's account.~~

7 Sec. 3. Section 96.4, subsection 3, Code 2021, is amended  
8 to read as follows:

9 3. a. The individual is able to work, is available for  
10 work, and is earnestly and actively seeking work. This  
11 subsection is waived if the individual is deemed partially  
12 unemployed, while employed at the individual's regular job,  
13 as defined in [section 96.1A, subsection 37](#), paragraph "b",  
14 subparagraph (1), or temporarily unemployed as defined in  
15 [section 96.1A, subsection 37, paragraph "c"](#). The work search  
16 requirements of [this subsection](#) and the disqualification  
17 requirement for failure to apply for, or to accept suitable  
18 work of [section 96.5, subsection 3](#), are waived if the  
19 individual is not disqualified for benefits under [section 96.5,](#)  
20 [subsection 1, paragraph "h"](#).

21 b. Notwithstanding any provision of this chapter to the  
22 contrary, the department may establish by rule a process to  
23 wave or alter the work search requirements of this subsection  
24 for a claim for benefits if an individual has a reasonable  
25 expectation that the individual will be returning to employment  
26 and is attached to a regular job or industry or a member in  
27 good standing of a union therein eligible for referral for  
28 employment. To be considered attached to a regular job or  
29 industry, an individual must be on a short-term temporary  
30 layoff. If work is not available at the conclusion of the  
31 layoff period due to short-term circumstances beyond the  
32 employer's control, the employer may request an extension  
33 of the waiver or alteration for up to two weeks from the  
34 department. For purposes of this paragraph, "short-term  
35 temporary layoff" means a layoff period of sixteen weeks or

1 less due to seasonal weather conditions that impact the ability  
2 to perform work related to highway construction, repair, or  
3 maintenance with a specific return-to-work date verified by the  
4 employer.

5 Sec. 4. Section 96.4, Code 2021, is amended by adding the  
6 following new subsection:

7 NEW SUBSECTION. 8. The individual has satisfied a single  
8 one-week waiting period during the individual's benefit year.  
9 To satisfy the one-week waiting period, the individual, with  
10 respect to the week in question, must be eligible for benefits  
11 from this state, but must not have received benefits from this  
12 state, and must not be eligible for benefits from another  
13 state.

14 Sec. 5. EFFECTIVE DATE.

15 1. Except as otherwise provided in this section, this Act  
16 takes effect July 1, 2022.

17 2. The section of this Act amending section 96.4, subsection  
18 3, being deemed of immediate importance, takes effect upon  
19 enactment.

20 Sec. 6. APPLICABILITY.

21 1. Except as otherwise provided in this section, this Act  
22 applies to any week of unemployment benefits beginning on or  
23 after July 3, 2022.

24 2. The section of this Act amending section 96.4, subsection  
25 3, applies to any new claim of unemployment benefits beginning  
26 on or after the first Sunday after the effective date of that  
27 section.

28 3. The section of this Act enacting section 96.4, subsection  
29 8, applies to any new claim of unemployment benefits beginning  
30 on or after July 3, 2022.

31

EXPLANATION

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

34 This bill concerns unemployment insurance under Code chapter  
35 96.

1 The bill defines "able to work", for purposes of  
2 unemployment benefits, to mean the individual is physically and  
3 mentally able to perform work. The bill defines "available  
4 for work", for purposes of unemployment benefits, to mean the  
5 individual is ready and willing to accept suitable work.

6 The bill defines "severance pay", for purposes of Code  
7 chapter 96, as any payment in connection with separation from  
8 employment that is not conditioned on the individual giving up  
9 any legal right or the release of any rights.

10 The bill strikes language requiring the director of the  
11 department of workforce development to recompute wage credits  
12 for purposes of calculating an individual's maximum total  
13 amount of unemployment benefits payable during a benefit year.  
14 The stricken language applied to an individual who is laid  
15 off due to the individual's employer going out of business at  
16 the factory, establishment, or other premises at which the  
17 individual was last employed by crediting the individual's  
18 account with one-half, instead of one-third, of the wages for  
19 insured work paid to the individual during the individual's  
20 base period. The bill also strikes language providing an  
21 additional 13 weeks of benefits to such individuals if the  
22 state "off" indicator, which relates to the rate of insured  
23 unemployment in the state, is in effect.

24 The bill authorizes the department of workforce development  
25 to establish by rule a process to waive or alter the work  
26 search requirements for a claim for unemployment benefits if  
27 an individual has a reasonable expectation that the individual  
28 will be returning to employment and is attached to a regular  
29 job or industry or a member in good standing of a union therein  
30 eligible for referral for employment. To be considered  
31 attached to a regular job or industry, an individual must be  
32 on a short-term temporary layoff, as defined in the bill. The  
33 bill authorizes an employer to request an extension of the  
34 waiver or alteration as specified in the bill.

35 The bill provides that in order to be eligible for

1 unemployment benefits, an individual must satisfy a single  
2 one-week waiting period during the individual's benefit year.  
3 To satisfy the one-week waiting period, the individual, with  
4 respect to the week in question, must be eligible for benefits  
5 from this state, but must not have received benefits from this  
6 state, and must not be eligible for benefits from another  
7 state.

8     The provision of the bill providing for a process to waive or  
9 alter the work search requirements for a claim for unemployment  
10 benefits takes effect upon enactment. The remainder of the  
11 bill takes effect July 1, 2022.

12     The provision of the bill providing for a process to waive or  
13 alter the work search requirements for a claim for unemployment  
14 benefits applies to any new claim of unemployment benefits  
15 beginning on or after the first Sunday after the effective  
16 date of that provision. The provision of the bill providing  
17 for a one-week waiting period in order to be eligible for  
18 unemployment benefits applies to any new claim of unemployment  
19 benefits beginning on or after July 3, 2022. The remainder of  
20 the bill applies to any week of unemployment benefits beginning  
21 on or after July 3, 2022.