

Senate Study Bill 1172 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON LABOR AND BUSINESS
RELATIONS BILL BY
CHAIRPERSON WHITING)

A BILL FOR

1 An Act relating to unemployment insurance and including
2 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 96.1A, subsection 18, unnumbered paragraph
12 1, Code 2021, is amended to read as follows:

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

28 Sec. 3. Section 96.3, subsection 4, Code 2021, is amended
29 to read as follows:

30 4. *Determination of benefits.*

31 ~~a. With respect to benefit years beginning on or after July~~
32 ~~1, 1983, an~~ An eligible individual's weekly benefit amount for
33 a week of total unemployment shall be an amount equal to the
34 following fractions of the individual's total wages in insured
35 work paid during that quarter of the individual's base period

1 in which such total wages were highest. The director shall
2 determine annually a maximum weekly benefit amount equal to
3 the following percentages, to vary with the number of based on
4 whether the individual has dependents, of the statewide average
5 weekly wage paid to employees in insured work which shall be
6 effective the first day of the first full week in ~~July~~: July.

7 If the	The weekly	Subject to
8 number of	benefit amount	the following
9 dependents	shall equal	maximum
10 is:	the following	percentage of
11	fraction of high	the statewide
12	quarter wages:	average
13		weekly wage:
14 0	1/23	53%
15 1 <u>or more</u>	1/22	55% <u>57%</u>
16 2	1/21	57%
17 3	1/20	60%
18 4 or more	1/19	65%

19 b. The maximum weekly benefit amount, if not a multiple
20 of one dollar, shall be rounded to the lower multiple of one
21 dollar. ~~However, until such time as sixty-five percent of~~
22 ~~the statewide average weekly wage exceeds one hundred ninety~~
23 ~~dollars, the~~ The maximum weekly benefit amounts shall be
24 determined using the statewide average weekly wage computed on
25 the basis of wages reported for the current calendar year ~~1981~~.
26 ~~As used in this section, "dependent" means dependent as defined~~
27 ~~in section 422.12, subsection 1, paragraph "a", as if the~~
28 ~~individual claimant was a taxpayer, except that an individual~~
29 ~~claimant's nonworking spouse shall be deemed to be a dependent~~
30 ~~under this section. "Nonworking spouse" means a spouse who does~~
31 ~~not earn more than one hundred twenty dollars in gross wages~~
32 ~~in one week.~~

33 Sec. 4. Section 96.3, subsection 5, paragraph a, Code 2021,
34 is amended to read as follows:

35 a. *Duration of benefits.* The maximum total amount of

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

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

31 NEW SUBSECTION. 8. The individual has satisfied a single
32 one-week waiting period during the individual's benefit year.
33 To satisfy the one-week waiting period, the individual, with
34 respect to the week in question, must be eligible for benefits
35 from this state, but must not have received benefits from this

1 state, and must not be eligible for benefits from another
2 state.

3 Sec. 6. Section 96.5, subsection 3, paragraph a,
4 subparagraph (1), subparagraph divisions (a), (b), and (c),
5 Code 2021, are amended to read as follows:

6 (a) ~~One hundred~~ Eighty percent, if the work is offered
7 during the first ~~five~~ four weeks of unemployment.

8 (b) ~~Seventy-five~~ Seventy percent, if the work is offered
9 during the ~~sixth~~ fifth through the ~~twelfth~~ eighth week of
10 unemployment.

11 (c) Seventy Sixty percent, if the work is offered ~~during~~
12 ~~the thirteenth through the eighteenth~~ after the ninth week of
13 unemployment.

14 Sec. 7. Section 96.5, subsection 3, paragraph a,
15 subparagraph (1), subparagraph division (d), Code 2021, is
16 amended by striking the subparagraph division.

17 Sec. 8. Section 96.6, subsection 2, Code 2021, is amended
18 to read as follows:

19 2. *Initial determination.*

20 a. A representative designated by the director shall
21 promptly notify all interested parties to the claim of its
22 filing, and the parties have ten days from the date of issuing
23 the notice of the filing of the claim to protest payment
24 of benefits to the claimant. All interested parties shall
25 select a format as specified by the department to receive such
26 notifications. The representative shall promptly examine
27 the claim and any protest, take the initiative to ascertain
28 relevant information concerning the claim, and, on the basis of
29 the facts found by the representative, shall determine whether
30 or not the claim is valid, the week with respect to which
31 benefits shall commence, the weekly benefit amount payable and
32 its maximum duration, and whether any disqualification shall
33 be imposed.

34 b. The claimant has the burden of proving that the claimant
35 meets the basic eligibility conditions of [section 96.4](#). The

1 employer has the burden of proving that the claimant is
2 disqualified for benefits pursuant to [section 96.5](#), except as
3 provided by [this subsection](#). The claimant has the initial
4 burden to produce evidence showing that the claimant is not
5 disqualified for benefits in cases involving section 96.5,
6 subsections 10 and 11, and has the burden of proving that a
7 voluntary quit pursuant to [section 96.5, subsection 1](#), was
8 for good cause attributable to the employer and that the
9 claimant is not disqualified for benefits in cases involving
10 section 96.5, subsection 1, paragraphs "a" through "h". ~~Unless~~
11 ~~the claimant or other interested party, after notification~~
12 ~~or within ten calendar days after notification was issued,~~
13 ~~files an appeal from the decision, the decision is final~~
14 ~~and benefits shall be paid or denied in accordance with the~~
15 ~~decision. If an administrative law judge affirms a decision of~~
16 ~~the representative, or the appeal board affirms a decision of~~
17 ~~the administrative law judge allowing benefits, the benefits~~
18 ~~shall be paid regardless of any appeal which is thereafter~~
19 ~~taken, but if the decision is finally reversed, no employer's~~
20 ~~account shall be charged with benefits so paid and this relief~~
21 ~~from charges shall apply to both contributory and reimbursable~~
22 ~~employers, notwithstanding [section 96.8, subsection 5](#).~~

23 Sec. 9. Section 96.6, subsection 4, Code 2021, is amended
24 by striking the subsection and inserting in lieu thereof the
25 following:

26 4. *Effect of decision — payment of benefits.* Unless the
27 claimant or other interested party, after notification or
28 within ten calendar days after notification was issued, files
29 an appeal from the decision of the representative of the
30 department, 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. 10. APPLICABILITY.

6 1. Except as otherwise provided in this section, this Act
7 applies to any week of unemployment benefits beginning on or
8 after July 4, 2021.

9 2. The sections of this Act enacting section 96.4,
10 subsection 8, and amending section 96.6, subsection 4, apply to
11 any new claim of unemployment benefits beginning on or after
12 July 4, 2021.

13

EXPLANATION

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

16 This bill relates to unemployment insurance under Code
17 chapter 96.

18 The bill defines "able to work", for purposes of
19 unemployment benefits, to mean the individual is physically and
20 mentally able to perform work. The bill defines "available
21 for work", for purposes of unemployment benefits, to mean the
22 individual is ready and willing to accept suitable work.

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

27 The bill strikes language providing that an eligible
28 individual's maximum weekly benefit amount varies with the
29 number of dependents the individual has. The bill instead
30 provides that an individual with dependents is subject to a
31 maximum of 57 percent of the statewide average weekly wage.
32 The division strikes language defining "dependent". The bill
33 strikes additional obsolete language.

34 The bill strikes language requiring the director of the
35 department of workforce development to recompute wage credits

1 for purposes of calculating an individual's maximum total
2 amount of unemployment benefits payable during a benefit year.
3 The stricken language applied to an individual who is laid
4 off due to the individual's employer going out of business at
5 the factory, establishment, or other premises at which the
6 individual was last employed by crediting the individual's
7 account with one-half, instead of one-third, of the wages for
8 insured work paid to the individual during the individual's
9 base period. The bill also strikes language providing an
10 additional 13 weeks of benefits to such individuals if the
11 state "off" indicator, which relates to the rate of insured
12 unemployment in the state, is in effect.

13 The bill provides that in order to be eligible for
14 unemployment benefits, an individual must satisfy a single
15 one-week waiting period during the individual's benefit year.
16 To satisfy the one-week waiting period, the individual, with
17 respect to the week in question, must be eligible for benefits
18 from this state, but must not have received benefits from this
19 state, and must not be eligible for benefits from another
20 state.

21 The bill modifies the percentages of the individual's
22 average weekly wage for insured work paid to the individual
23 during the quarter of the individual's base period in which
24 the individual's wages were highest, which the gross weekly
25 wages for new work by the individual must equal or exceed for
26 the new work to be considered suitable. Under current law, if
27 an individual fails without good cause to apply for or accept
28 suitable work, the individual is disqualified from eligibility
29 for unemployment benefits. Under current law, the percentages
30 are 100 percent, if the work is offered during the first five
31 weeks of unemployment; 75 percent, if the work is offered
32 during the sixth through the twelfth week of unemployment; 70
33 percent, if the work is offered during the thirteenth through
34 the eighteenth week of unemployment; and 65 percent, if the
35 work is offered after the eighteenth week of unemployment.

1 Under the bill, the percentages are 80 percent, if the work
2 is offered during the first four weeks of unemployment; 70
3 percent, if the work is offered during the fifth through eighth
4 week of unemployment; and 60 percent, if the work is offered
5 after the ninth week of unemployment.

6 The bill strikes language providing that a finding of
7 fact or law, judgment, conclusion, or final order regarding
8 a determination of eligibility for unemployment benefits is
9 binding only upon the parties to proceedings and is not binding
10 upon any other proceedings or action involving the same facts
11 brought by the same or related parties before the division of
12 labor services, division of workers' compensation, other state
13 agency, arbitrator, court, or judge of this state or the United
14 States.

15 The provisions of the bill providing for a one-week waiting
16 period in order to be eligible for unemployment benefits and
17 striking language providing that a finding of fact or law,
18 judgment, conclusion, or final order regarding a determination
19 of eligibility for unemployment benefits is binding only
20 upon the parties to proceedings apply to any new claim of
21 unemployment benefits beginning on or after July 4, 2021. The
22 remainder of the bill applies to any week of unemployment
23 benefits beginning on or after July 4, 2021.