

Senate File 109 - Introduced

SENATE FILE 109

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A BILL FOR

1 An Act relating to a family leave and medical leave insurance
2 program that provides for paid, job-protected leave for
3 certain family leave and medical leave reasons for eligible
4 employees of specified employers.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 7E.5, subsection 1, paragraph h, Code
2 2025, is amended to read as follows:

3 h. The department of workforce development, created in
4 section 84A.1, which has primary responsibility for administering
5 the laws relating to unemployment compensation insurance, job
6 placement and training, the family leave and medical insurance
7 program, and related matters.

8 Sec. 2. Section 84A.1, subsection 1, Code 2025, is amended to
9 read as follows:

10 1. The department of workforce development is created to
11 administer the laws of this state relating to unemployment
12 compensation insurance, job placement and training, employment
13 safety, labor standards, and ~~workers' compensation~~ the family
14 leave and medical leave insurance program.

15 Sec. 3. NEW SECTION. **96A.1 Short title.**

16 This chapter may be cited as the "*Iowa Family and Medical*
17 *Leave Act*".

18 Sec. 4. NEW SECTION. **96A.2 Definitions.**

19 As used in this chapter, unless the context otherwise
20 requires:

21 1. "*Child*" means a biological, adopted, or foster child, a
22 stepchild, a legal ward, or a child of a person standing in loco
23 parentis, regardless of the child's age or dependency status.

24 2. "*Covered employer*" means a private sector employer who has
25 ten or more employees for each working day during each of twenty
26 or more calendar workweeks in the current or previous calendar
27 year, and a public employer without regard to the number of
28 employees employed.

29 3. "*Department*" means the department of workforce
30 development.

31 4. "*Director*" means the director of the department of
32 workforce development.

33 5. "*Employee*" means a natural person who is employed in this
34 state for wages by an employer. "*Employee*" also includes a
35 commission salesperson who takes orders or performs services

1 on behalf of a principal and who is paid on the basis of
2 commissions but does not include persons who purchase for
3 their own account for resale. "Employee" shall not include an
4 independent contractor, a self-employed person, or a patient or
5 inmate employed by a state or local institution to which the
6 patient or inmate has been sentenced or committed, or any of the
7 following persons engaged in agriculture:

8 a. The spouse of the employer and a relative of either the
9 employer or the employer's spouse who resides on the premises of
10 the employer.

11 b. A person engaged in agriculture as an owner-operator
12 or tenant-operator, and the spouse or a relative of either
13 an owner-operator or a tenant-operator who resides on the
14 premises while exchanging labor with the owner-operator or the
15 tenant-operator for mutual benefit.

16 c. A neighboring person engaged in agriculture who is
17 exchanging labor or other services.

18 6. "Employer" means the same as defined in 91A.2. "Employer"
19 includes a temporary staffing agency or employment agency.

20 7. "Employment benefits" means all benefits provided or made
21 available to an employee by an employer, including group life
22 insurance, health insurance, disability insurance, sick leave,
23 annual leave, educational benefits, and pensions except benefits
24 that are provided by a practice or written policy of an employer
25 or through an employee benefit plan as defined in 29 U.S.C.
26 §1002(3).

27 8. "Family leave" means a leave taken from work by an
28 employee for any of the following reasons:

29 a. To participate in providing care, including physical or
30 psychological care, for a family member of the employee made
31 necessary by a serious health condition of the family member.

32 b. To bond with the employee's child after the child's birth,
33 or with a child under the age of eighteen placed with the
34 employee for adoption or foster care.

35 c. Because of a qualifying exigency for a family member as

1 permitted under the federal Family and Medical Leave Act of 1993,
2 as amended, and federal regulations as provided in 29 C.F.R.
3 §825.126.

4 9. "*Family member*" means a child, parent, or spouse of an
5 employee.

6 10. "*Gross earnings*" means the same as defined in section
7 85.61.

8 11. "*Health care provider*" means a physician or other health
9 care practitioner licensed, accredited, registered, or certified
10 to perform specified health care services consistent with state
11 law.

12 12. "*In loco parentis*" means an individual who has day-to-day
13 responsibilities to care for or financially support a child.

14 13. "*Inpatient care*" means an overnight stay in a hospital,
15 hospice, or residential medical care facility, including any
16 period of incapacity, or any subsequent treatment in connection
17 with such inpatient care.

18 14. "*Medical leave*" means a leave from work taken by an
19 employee made necessary by the employee's own serious health
20 condition.

21 15. "*Parent*" means a biological, adoptive, step, or foster
22 father or mother, or any other individual who stands in loco
23 parentis to an employee or who stood in loco parentis when the
24 employee was a child. "*Parent*" does not include a parent-in-law.

25 16. "*Period of incapacity*" means an inability to work,
26 attend school, or perform other regular daily activities due
27 to a serious health condition, treatment of a serious health
28 condition, or recovery from a serious health condition.

29 17. "*Premium*" or "*premiums*" means the payments required by
30 section 96A.12 and paid to the department for deposit in the
31 family and medical leave insurance account pursuant to section
32 96A.22.

33 18. "*Public employer*" means the state of Iowa, its
34 boards, commissions, agencies, departments, and its political
35 subdivisions including school districts and other special purpose

1 districts.

2 19. "Serious health condition" means an illness, injury,
3 impairment, physical condition, or mental condition that involves
4 inpatient care in a hospital, hospice, medical care facility, or
5 continued treatment or continuing supervision by a health care
6 provider.

7 20. "Spendable weekly earnings" means the amount remaining
8 after payroll taxes are deducted from an employee's gross weekly
9 earnings.

10 21. "Spouse" means the person with whom an individual has
11 entered into marriage as defined or recognized under state law
12 for purposes of marriage in the state in which the marriage
13 was entered into or, in the case of a marriage entered into
14 outside of any state, if the marriage is valid in the place
15 where the marriage was entered into and the marriage could have
16 been entered into in at least one state, including a common law
17 marriage.

18 22. "Wages" means the same as defined in section 91A.2.

19 Sec. 5. NEW SECTION. **96A.3 Benefit eligibility.**

20 An employee is eligible for family leave and medical leave as
21 provided in this chapter after working for a covered employer for
22 both a minimum of twelve consecutive months immediately preceding
23 the employee's request for leave and a minimum of one thousand
24 two hundred fifty hours during that twelve-consecutive-month
25 period.

26 Sec. 6. NEW SECTION. **96A.4 Leave entitlement for a defined**
27 **twelve-month period.**

28 1. An employee is entitled to a maximum of twelve weeks
29 of family leave during a defined period of twelve consecutive
30 months.

31 2. An employee is entitled to a maximum of twelve weeks
32 of medical leave during a defined period of twelve consecutive
33 months unless the employee experiences a serious health
34 condition, which is pregnancy-related, that results in a longer
35 period of incapacity in which case any extended medical leave

1 beyond twelve weeks shall conform with section 216.6.

2 3. An employee is entitled to a maximum combined total of
3 paid family leave and medical leave of sixteen weeks during a
4 defined period of twelve consecutive months.

5 4. An employee is not entitled to family leave or medical
6 leave of less than eight consecutive hours.

7 Sec. 7. NEW SECTION. **96A.5 Calculating the defined**
8 **twelve-month period.**

9 The defined period of twelve consecutive months for
10 calculation of an eligible employee's family leave or medical
11 leave entitlement begins on any of the following:

12 1. The date of birth of the employee's child, or the date
13 of placement of a child for adoption or foster care with the
14 employee.

15 2. The first day of family leave that the employee takes for
16 a family member's serious health condition or a family member's
17 qualifying exigency.

18 3. The first day of the employee's medical leave.

19 Sec. 8. NEW SECTION. **96A.6 Disqualification from leave**
20 **entitlement.**

21 An eligible employee is disqualified for family leave or
22 medical leave benefits under this chapter for any of the
23 following reasons:

24 1. An absence due to the employee's willful intention to
25 injure or cause a sickness to the employee or to the employee's
26 family member.

27 2. An injury or sickness caused by the employee engaging in
28 an illegal act.

29 3. The employee's absence due to an employer taking any
30 disciplinary action against the employee.

31 Sec. 9. NEW SECTION. **96A.7 Employee notice to employer of**
32 **intent to take leave.**

33 1. If leave for the birth of a child or placement of a child
34 for adoption or foster care with an employee is foreseeable, the
35 employee shall provide written notice to the employer not less

1 than thirty calendar days before the date the leave is to begin.

2 2. If the birth of a child or placement of a child for
3 adoption or foster care with an employee requires leave to
4 begin in less than thirty calendar days, the employee shall
5 provide written notice to the employer as far in advance as is
6 practicable.

7 3. If leave for a family member's serious health condition
8 or an employee's serious health condition is foreseeable based
9 on planned medical treatment, the employee shall do all of the
10 following:

11 a. Make a reasonable effort to schedule such medical
12 treatment, subject to the recommendation of the employee's or
13 family member's health care provider as appropriate, to not
14 unduly disrupt the operations of the employer.

15 b. Provide the employer with not less than thirty calendar
16 days prior written notice of the employee's intention to take
17 leave for a family member's serious health condition or the
18 employee's serious health condition.

19 4. If leave for a family member's serious health condition
20 or an employee's serious health condition is not foreseeable, the
21 employee shall provide written notice to the employer as far in
22 advance as is practicable.

23 **Sec. 10. NEW SECTION. 96A.8 Weekly claim, certification,**
24 **and verification.**

25 Beginning January 1, 2030, family leave or medical leave
26 insurance benefits are payable to an employee during a period in
27 which the employee is unable to perform the employee's regular or
28 customary work because the employee is on family leave or medical
29 leave if the employee meets all of the following requirements:

30 1. The employee files a weekly claim for benefits with the
31 department as required per rules adopted by the director.

32 2. The employee meets the eligibility requirements pursuant
33 to section 96A.3 or the elective coverage requirements pursuant
34 to section 96A.14.

35 3. The employee consents to the disclosure of information or

1 records that may be deemed private or confidential under state
2 or federal law. Disclosure of such information and records
3 by another state agency or an employer to the department shall
4 be solely for purposes related to the administration of this
5 chapter. Information and records disclosed by an employee under
6 this chapter shall not be public records as defined in section
7 22.1.

8 4. The employee authorizes the health care provider of the
9 employee's family member or of the employee, as applicable, to
10 complete a certification of a serious health condition in a form
11 as required by the director.

12 5. The employee attests that written notice has been provided
13 to the employee's employer per section 96A.7.

14 6. The employee provides documentation of a family member's
15 qualifying exigency if requested by the employee's employer.

16 Sec. 11. NEW SECTION. **96A.9 Waiting period for leave**
17 **benefits.**

18 Family leave or medical leave insurance benefits shall be
19 payable to an eligible employee following a waiting period
20 consisting of the first seven calendar days of the employee's
21 leave. However, no such waiting period applies to a leave for
22 the birth or placement of a child with an eligible employee.

23 Sec. 12. NEW SECTION. **96A.10 Weekly leave benefit amount.**

24 1. The basis for the calculation of a leave benefit amount
25 shall be the weekly earnings of an eligible employee on the day
26 the leave is granted. "Weekly earnings" means the gross earnings
27 of an employee to which the employee would have been entitled had
28 the employee worked the employee's customary hours for the full
29 pay period in which the employee is on family leave or medical
30 leave. Weekly earnings shall be computed as follows, rounded to
31 the nearest dollar, for an employee who is paid on the following
32 basis:

33 a. On a weekly pay period basis, the weekly earnings are the
34 weekly gross earnings.

35 b. On a biweekly pay period basis, the weekly earnings are

1 one-half of the biweekly gross earnings.

2 c. On a semimonthly pay period basis, the weekly earnings are
3 the semimonthly gross earnings multiplied by twenty-four and then
4 divided by fifty-two.

5 d. On a monthly pay period basis, the weekly earnings are the
6 monthly gross earnings multiplied by twelve and then divided by
7 fifty-two.

8 e. On a yearly pay period basis, the weekly earnings shall be
9 the yearly earnings divided by fifty-two.

10 f. On a daily or hourly basis, or by the output of an
11 employee, the weekly earnings shall be computed by dividing
12 by thirteen the earnings, including shift differential pay but
13 not including overtime or premium pay, of the employee earned
14 in the last completed period of thirteen consecutive calendar
15 weeks immediately preceding the start day of the leave. If the
16 employee was absent from employment for personal reasons during
17 part of the thirteen calendar weeks preceding the leave, the
18 employee's weekly earnings shall be the amount the employee would
19 have earned had the employee worked when work was available to
20 other employees of the employer in a similar occupation. A week
21 that does not fairly reflect the employee's customary earnings
22 shall be replaced by the closest previous week with earnings that
23 fairly represent the employee's customary earnings.

24 2. If on the date that an employee's leave begins the
25 employee's hourly earnings cannot be ascertained, the earnings
26 for the purpose of calculating the benefit amount shall be the
27 usual earnings for similar services where such services are
28 rendered by paid employees.

29 3. If an employee earns either no wages, or less than the
30 usual weekly earnings of a regular full-time adult laborer in the
31 line of work in which the employee is working in that locality,
32 the weekly earnings shall be one-fiftieth of the total earnings
33 that the employee has earned from all employment during the
34 twelve consecutive calendar months immediately preceding the date
35 that the employee's leave begins.

1 4. The weekly leave benefit amount payable to an employee
2 for any one week shall be eighty percent of the employee's
3 spendable weekly earnings, but shall not exceed an amount equal
4 to two hundred percent of the statewide average weekly wage as
5 calculated by the department pursuant to section 96.1A and in
6 effect on the date that the employee's leave commences. However,
7 the weekly leave benefit amount shall be a minimum equal to the
8 lesser of the weekly leave benefit amount of a person whose gross
9 weekly earnings are thirty-five percent of the statewide average
10 weekly wage, or to the spendable weekly earnings of the employee.

11 Sec. 13. NEW SECTION. **96A.11 Payment of benefits to an**
12 **eligible employee.**

13 1. The department shall send the first benefit payment to
14 an employee within ten calendar days after the first properly
15 completed weekly claim from the employee is received by the
16 department. Subsequent payments shall be sent at least biweekly
17 to an eligible employee if a properly completed weekly claim from
18 the employee is received by the department.

19 2. If an employer contests an employee's initial claim for
20 family leave or medical leave benefits, the employer must notify
21 the employee and the department in the manner prescribed by the
22 director within ten calendar days of the employer's receipt of
23 notice from the department of the employee's filing of a claim
24 for benefits pursuant to section 96A.21, subsection 3. Failure
25 to timely contest an initial application shall constitute a
26 waiver of objection to the family leave or medical leave claim.

27 3. If the department or the employee's employer contests an
28 employee's eligibility for benefits after the employee begins
29 receiving benefits, the employee shall continue to be paid
30 benefits conditionally for any weeks for which the employee
31 files a claim for benefits. The employee's right to retain
32 such benefit payments shall be conditioned upon the department's
33 finding that the employee is eligible for such benefit payments.

34 a. At an employee's request, the department shall hold
35 conditional benefit payments until the department resolves the

1 employee's eligibility status.

2 b. Payment shall be issued promptly for any withheld benefit
3 payments if the department determines that an employee is
4 eligible for benefits.

5 c. If the department determines that an employee is
6 ineligible for the conditionally paid benefits, the employee
7 shall repay the overpayment per rules adopted by the director.

8 Sec. 14. NEW SECTION. **96A.12 Funding the family leave and**
9 **medical leave insurance program.**

10 1. Beginning on January 1, 2029, and ending December 31,
11 2030, the department shall assess for each employee in employment
12 with a covered employer a premium rate of four-tenths of one
13 percent of the employee's wages based on the amount of the wages,
14 subject to subsection 6.

15 a. The premium rate for family leave benefits shall be equal
16 to one-third of the total premium rate.

17 b. The premium rate for medical leave benefits shall be equal
18 to two-thirds of the total premium rate.

19 2. For calendar year 2031 and subsequent calendar years the
20 director shall determine the percentage of paid claims related to
21 family leave benefits and the percentage of paid claims related
22 to medical leave benefits and adjust the premium rates set in
23 subsection 1 by the proportional share of claims paid for both
24 types of leave.

25 3. For family leave premiums a covered employer may deduct up
26 to forty-five percent of the full amount of the required premiums
27 from the wages of each employee. The remaining fifty-five
28 percent of the required premiums shall be paid by the covered
29 employer.

30 4. For medical leave premiums a covered employer may deduct
31 up to forty-five percent of the full amount of the required
32 premiums from the wages of each employee. The remaining
33 fifty-five percent of the required premiums shall be paid by the
34 covered employer.

35 5. A covered employer may elect to pay all or any portion of

1 its employees' share of the premiums for family leave benefits or
2 medical leave benefits or both.

3 6. The director shall annually set a maximum limit on the
4 amount of an employee's wages that are subject to a premium
5 assessment under this section that is equal to the contribution
6 and benefit base for the calendar year as determined by the
7 United States social security administration for purposes of 26
8 U.S.C. §3121(a).

9 7. For calendar year 2031 and subsequent calendar years, the
10 total premium rate shall be based on the family leave and medical
11 leave insurance account balance ratio as of September 30 of the
12 previous year. The director shall calculate the account balance
13 ratio by dividing the balance of the family leave and medical
14 leave insurance account by the total wages paid by covered
15 employers. The division shall be carried to the fourth decimal
16 place with the remaining fraction disregarded unless it amounts
17 to five hundred thousandths or more in which case the fourth
18 decimal place shall be rounded to the next higher digit. If the
19 family leave and medical leave insurance account balance ratio
20 is any of the following percentages, the premium shall be the
21 following percentage of an employee's wages subject to a premium
22 assessment:

23 a. If the ratio is zero to nine hundredths of one percent,
24 the premium shall be six-tenths of one percent.

25 b. If the ratio is one-tenth of one percent to nineteen
26 hundredths of one percent, the premium shall be five-tenths of
27 one percent.

28 c. If the ratio is two-tenths of one percent to twenty-nine
29 hundredths of one percent, the premium shall be four-tenths of
30 one percent.

31 d. If the ratio is three-tenths of one percent to thirty-nine
32 hundredths of one percent, the premium shall be three-tenths of
33 one percent.

34 e. If the ratio is four-tenths of one percent to forty-nine
35 hundredths of one percent, the premium shall be two-tenths of one

1 percent.

2 *f.* If the ratio is five-tenths of one percent or greater, the
3 premium shall be one-tenth of one percent.

4 8. Beginning January 1, 2031, if the account balance ratio
5 calculated in subsection 7 is below five hundredths of one
6 percent, the director shall assess a solvency surcharge at
7 the lowest rate necessary to provide revenue to pay for the
8 administrative and benefit costs of family leave and medical
9 leave insurance for the calendar year. The solvency surcharge
10 shall be at least one-tenth of one percent and no more than
11 six-tenths of one percent and shall be added to the total premium
12 rate assessed to each employee of a covered employer for family
13 leave and medical leave benefits.

14 9. A covered employer shall collect all required premiums
15 and surcharges from the employer's employees through payroll
16 deductions and shall remit the amount collected and the amount
17 to be paid by the employer to the department as required by rules
18 adopted by the director.

19 10. On September 30 of each year the department shall average
20 the number of employees reported by an employer over the last
21 four completed calendar quarters to determine the number of
22 employees employed by the employer for the purpose of determining
23 if an employer shall be considered a covered employer for the
24 next calendar year.

25 Sec. 15. NEW SECTION. **96A.13 Conditional waiver of premium**
26 **for out-of-state employee.**

27 1. An employer may file an application with the department
28 for a conditional waiver of the payment of family leave and
29 medical leave premiums assessed under section 96A.12 for an
30 employee who meets all of the following requirements:

31 a. The employee is physically based outside of the state.

32 b. The employee physically works in the state on a limited or
33 temporary work schedule.

34 c. The employee is not expected to physically work in the
35 state for one thousand two hundred fifty hours or more during any

1 consecutive twelve-month period.

2 2. The department shall approve an application that is signed
3 by both the employee and the employee's employer attesting to
4 compliance with the requirements of subsection 1.

5 3. If the employee physically works in the state for one
6 thousand two hundred fifty hours or more in any consecutive
7 twelve-month period, the conditional waiver shall expire and
8 the employer and employee shall be responsible for all premiums
9 pursuant to section 96A.12 for the consecutive twelve-month
10 period in which the employee worked one thousand two hundred
11 fifty hours or more. Upon submission of the premiums by the
12 employer to the department, the employee shall be credited for
13 the hours worked during that consecutive twelve-month period and
14 shall be eligible for benefits under this chapter.

15 Sec. 16. NEW SECTION. **96A.14 Self-employed persons elective**
16 **participation in the family leave and medical leave insurance**
17 **program.**

18 1. A self-employed person electing to participate in the
19 family leave and medical leave insurance program shall be
20 considered either an employer or employee under this chapter as
21 the context dictates.

22 2. For benefits payable beginning January 1, 2031, a
23 self-employed person may elect to participate in the family leave
24 and medical leave insurance program under this chapter if the
25 self-employed person meets all of the following requirements:

26 a. The initial participation period for the self-employed
27 person must be a minimum of three years.

28 b. Any subsequent participation period by the self-employed
29 person must be for a minimum of one year.

30 c. The self-employed person must participate in both family
31 leave and medical leave.

32 d. One hundred percent of all premiums assessed by
33 the department under section 96A.12 shall be paid by the
34 self-employed person.

35 3. A self-employed person shall file a written notice of

1 election of elective coverage with the department in the manner
2 required by the director.

3 4. A self-employed person shall be eligible for family leave
4 and medical leave benefits after working one thousand two hundred
5 fifty hours in the state during the twelve-consecutive-month
6 period immediately following the date of the written notice the
7 self-employed person filed pursuant to subsection 3.

8 5. A self-employed person who has elected coverage may
9 withdraw from coverage within thirty calendar days after the end
10 of each participation period pursuant to subsection 2, paragraph
11 "a" or "b", by filing a written notice of withdrawal as required
12 pursuant to the rules adopted by the director. The withdrawal
13 shall take effect no sooner than thirty calendar days after the
14 self-employed person files the notice of withdrawal.

15 6. If a self-employed person fails to submit the required
16 premium payments, the department may cancel the person's elective
17 coverage. The cancellation shall be effective no sooner than
18 thirty days from the date of a written notice from the department
19 to the self-employed person advising the self-employed person
20 of the impending cancellation of the self-employed person's
21 elective coverage. The department shall collect all due and
22 unpaid premiums from the self-employed person for the remainder
23 of the applicable participation period pursuant to subsection 2,
24 paragraph "a" or "b".

25 Sec. 17. NEW SECTION. **96A.15 Employment protection.**

26 1. An eligible employee who takes family leave or medical
27 leave under this chapter is entitled to either of the following
28 on the employee's return from leave:

29 a. To be restored to the same position held by the employee
30 when the employee's leave commenced.

31 b. To be restored to an equivalent position with equivalent
32 employment benefits, pay, and other terms and conditions of
33 employment.

34 2. As a condition of restoration under subsection 1 for an
35 employee who has taken medical leave, the employer may apply

1 a uniform policy to the employee that requires an employee to
2 provide certification from the employee's health care provider
3 that the employee is able to resume work.

4 3. Taking leave under this chapter shall not result in the
5 loss of any employment benefits accrued by an employee prior to
6 the date on which the employee's leave commenced.

7 4. This section shall not be construed to entitle a restored
8 employee to any of the following:

9 a. The accrual of any seniority or employment benefits during
10 any period of leave.

11 b. Any right, benefit, or position of employment other than
12 any right, benefit, or position of employment to which the
13 employee would have been entitled had the employee not taken
14 leave.

15 5. This section shall not be construed to prohibit an
16 employer from requiring an employee on leave to report
17 periodically to the employer on the status and intention of the
18 employee to return to work.

19 6. An employer may deny restoration under this section to
20 a salaried employee who is among the ten percent highest-paid
21 employees employed by the employer within seventy-five miles of
22 the facility at which the employee is employed if all of the
23 following apply:

24 a. Denial of restoration is necessary to prevent substantial
25 and grievous economic injury to the operations of the employer.

26 b. The employer notifies the employee of the intent of the
27 employer to deny restoration on such basis at the time the
28 employer determines such basis exists.

29 c. The employee is on leave and elects not to return
30 to employment after receiving the employer's notice of the
31 employer's intent not to restore the employee.

32 7. This section shall not be construed as providing an
33 employee greater restoration rights than those required under the
34 federal Family and Medical Leave Act of 1993, as amended.

35 Sec. 18. NEW SECTION. **96A.16 Maintenance of existing health**

1 **benefits.**

2 If required by the federal Family and Medical Leave Act of
3 1993, as amended, an employer shall maintain any existing health
4 benefits of an employee for the duration of an employee's leave
5 under this chapter. If the employer and the employee normally
6 share the cost of such existing health benefits, the employee
7 shall remain responsible for the employee's share of the cost of
8 such.

9 Sec. 19. NEW SECTION. **96A.17 Employer submission of reports**
10 **and maintenance of records.**

11 1. Pursuant to rules adopted by the director, an employer
12 shall submit reports and furnish information related to the
13 family leave and medical leave insurance program to the director.

14 2. An employer shall maintain at the employer's primary place
15 of business a record of employment for each employee from which
16 any information needed by the department for purposes of this
17 chapter may be obtained. Such record shall be maintained for
18 ten years from the date on which an eligible employee applies
19 for family leave or medical leave under this chapter. The
20 record shall be open for inspection by the director at all
21 times. All personnel records and employee medical records shall
22 be maintained by the employer in compliance with all applicable
23 federal and state laws.

24 Sec. 20. NEW SECTION. **96A.18 Coordination of family leave**
25 **and medical leave with other laws and with employer policies.**

26 1. Family leave or medical leave taken by an employee under
27 this chapter shall be in addition to any leave available to
28 an employee as required by applicable state or federal law
29 for sickness or temporary disability because of pregnancy or
30 childbirth.

31 2. Family leave or medical leave taken by an employee under
32 this chapter shall be taken concurrently with any leave taken
33 under the federal Family and Medical Leave Act of 1993, as
34 amended.

35 3. An employer may allow an employee who has accrued

1 vacation, sick, or other paid time off to choose to use either
2 such accrued time or to receive paid family leave or medical
3 leave insurance benefits under this chapter.

4 Sec. 21. NEW SECTION. **96A.19 Relationship to other state**
5 **and federal benefits.**

6 In any week an employee is eligible to receive benefits under
7 chapter 85, 85A, 85B, or 96, or any other applicable state
8 or federal unemployment compensation, workers' compensation, or
9 disability insurance laws, the employee is disqualified from
10 receiving family leave or medical leave insurance benefits under
11 this chapter.

12 Sec. 22. NEW SECTION. **96A.20 Discrimination prohibited.**

13 This chapter shall not be construed to modify or affect
14 any federal, state, or local law prohibiting discrimination on
15 the basis of age, race, creed, color, sex, sexual orientation,
16 gender identity, national origin, religion, disability, or other
17 protected category.

18 Sec. 23. NEW SECTION. **96A.21 Department to administer**
19 **family leave and medical leave insurance program and conduct**
20 **outreach.**

21 1. The director shall establish and administer the family
22 leave and medical leave insurance program and disburse family
23 leave and medical leave benefits to an eligible employee as
24 specified in this chapter.

25 2. The director shall establish procedures and forms for an
26 employee to file an application for benefits under this chapter.

27 3. The department shall notify an employer within five
28 business days of an employee filing a claim for family leave or
29 medical leave insurance benefits.

30 4. Information and records pertaining to an employee under
31 this chapter that are maintained by the department shall be
32 confidential and shall only be available to department personnel
33 in the performance of official duties.

34 5. The director shall develop and implement an outreach
35 program to ensure that employers and employees are aware of the

1 family leave and medical leave insurance program and are aware
2 of the leave benefits available to eligible employees. Outreach
3 information shall explain in an easy-to-understand format all of
4 the following:

- 5 a. Eligibility requirements.
- 6 b. The application process.
- 7 c. How weekly benefits are calculated and the minimum and
8 maximum weekly benefit amount.
- 9 d. Restoration rights.
- 10 e. Nondiscrimination rights.
- 11 f. Confidentiality.
- 12 g. The relationship between employment protection, leave from
13 employment, wage replacement benefits under this chapter and
14 other laws, and employer policies.

15 6. The department shall be authorized to inspect and audit
16 an employer's files and records relating to the family leave and
17 medical leave insurance program under this chapter.

18 Sec. 24. NEW SECTION. **96A.22 Family leave and medical leave**
19 **insurance account.**

20 1. The family leave and medical leave insurance account is
21 created as a separate account in the state treasury in the
22 custody of the treasurer of state.

23 2. The director shall deposit all receipts from premiums
24 imposed pursuant to sections 96A.12, 96A.13, and 96A.14 into the
25 account. Expenditures from the account shall be used only for
26 the purposes of the family leave and medical leave insurance
27 program and only as authorized by the director.

28 3. All premiums deposited in the account shall remain in
29 the account until expended pursuant to the requirements of this
30 chapter.

31 Sec. 25. NEW SECTION. **96A.23 Rules.**

32 The director shall adopt rules pursuant to chapter 17A to
33 implement and administer this chapter.

34 Sec. 26. NEW SECTION. **96A.24 Enforcement.**

35 The director may take any action under the director's

1 authority to enforce compliance with this chapter.

2 Sec. 27. DIRECTOR ANALYSIS OF FUNDING THE FAMILY LEAVE AND
3 MEDICAL LEAVE INSURANCE PROGRAM AND REPORT TO THE GENERAL
4 ASSEMBLY.

5 1. The director of the department of workforce development
6 shall conduct an analysis of the family leave and medical leave
7 insurance program as funded pursuant to section 96A.12, as
8 enacted in this Act, and of the benefits paid pursuant to section
9 96A.10, as enacted in this Act. The director shall determine
10 if the premium rates and benefit levels are appropriate to fully
11 fund and maintain the solvency of the family leave and medical
12 leave insurance account.

13 2. The director shall submit the director's findings to the
14 general assembly pursuant to section 7A.11 no later than January
15 12, 2026.

16 EXPLANATION

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

19 This bill relates to a family leave and medical leave
20 insurance program (program), administered by the director of
21 the department of workforce development, that provides for paid,
22 job-protected leave for certain family leave and medical leave
23 reasons for eligible employees of specified employers.

24 An employee is eligible for family leave and medical leave
25 after working for a covered employer, as defined in the bill, for
26 a minimum of 12 consecutive months and a minimum of 1,250 hours
27 during the 12 consecutive-month period immediately preceding the
28 employee's request for leave. "Family leave" and "medical leave"
29 are defined in the bill. Family leave includes leave to care
30 for an immediate family member with a serious health condition,
31 to bond with a newborn child or adopted or foster child, or for
32 a qualifying exigency for a family member as permitted under
33 the federal Family and Medical Leave Act of 1993, as amended
34 (FMLA). Medical leave includes leave due to the employee's own
35 serious health condition. "Serious health condition" is defined

1 in the bill.

2 The bill provides that an eligible employee may not receive
3 more than 12 weeks of family leave, 12 weeks of medical leave,
4 or 16 weeks of combined family and medical leave in a defined
5 consecutive 12-month period. The defined consecutive 12-month
6 period begins on the date of the birth of a child or placement of
7 a child for adoption or foster care with an eligible employee,
8 or on the first date that an eligible employee takes either
9 family leave or medical leave. The minimum duration of leave an
10 eligible employee may take is eight consecutive hours.

11 The bill disqualifies an employee from family leave and
12 medical leave benefits under circumstances detailed in the bill.

13 An employee must provide a minimum of 30 days' notice
14 to an employer of the employee's intent to take leave. If
15 circumstances require an employee's leave to begin in less than
16 30 days, the employee must give as much notice as is practicable.
17 If an eligible employee requests medical leave or family leave,
18 the employee must make a reasonable effort to schedule their own,
19 or their family member's, medical treatment to not unduly disrupt
20 the employer's operations.

21 The bill requires an eligible employee to file a claim
22 for benefits as required by the director. The employee must
23 consent to the disclosure of private or confidential information
24 to and from the department, and the employee's employer, for
25 administration of the leave. The bill specifies that such
26 information is not a public record pursuant to Code section 22.1.
27 The employee must attest that the employee has provided notice of
28 intent to take leave to the employee's employer. The employee
29 must also authorize the employee's, or the employee's family
30 member's health care provider, to complete a certification of a
31 serious health condition.

32 The bill provides for a seven-day waiting period before
33 benefits are payable. There is no waiting period for benefits
34 for leave for the birth of a child or placement of a child for
35 adoption or foster care.

1 The basis for the calculation of the amount of a family
2 leave or medical leave benefit is an eligible employee's weekly
3 earnings as defined in the bill. The weekly leave benefit amount
4 payable to an employee is detailed in the bill.

5 The department must send the first benefit payment to an
6 eligible employee within 10 days after a properly completed
7 weekly claim for benefits is received by the department. If the
8 employee continues to submit a properly completed weekly claim,
9 subsequent payments are to be made at least biweekly. If an
10 employer, or the department, contests an employee's eligibility,
11 benefit payments may be made on a conditional basis. The
12 employee is required to pay the benefits back if the department
13 later rules that the employee is ineligible for the benefits.

14 The bill provides that the program shall be funded via
15 employee and employer contributions. Beginning on January 1,
16 2029, and ending on December 31, 2030, the department must
17 assess a covered employer a premium rate of four-tenths of one
18 percent of an employee's weekly wages, subject to a maximum as
19 determined by the director based on the maximum wages subject to
20 taxation for social security. One-third of the premium is to
21 be used to fund family leave insurance benefits and two-thirds
22 of the premium is to be used to fund medical leave benefits.
23 A covered employer may deduct up to 45 percent of the medical
24 leave premium and 45 percent of the family leave premium from an
25 employee's wage. The employer must pay the remaining 55 percent
26 of both the medical leave and family leave premiums, and may
27 elect to pay all or any portion of its employees' share of such
28 premiums. Beginning January 1, 2031, the premium rate shall be
29 calculated by the director based on the family leave and medical
30 leave insurance account balance ratio as of September 30 of the
31 previous calendar year. The premium rate is adjusted based on
32 the balance ratio as detailed in the bill.

33 On September 30 of each year, the bill requires the department
34 to average the number of employees reported by an employer over
35 the last four completed calendar quarters to determine if the

1 employer is a covered employer for the next calendar year.

2 The bill requires a covered employer to collect all assessed
3 premiums and surcharges from the employer's employees through
4 payroll deduction and to remit all premiums to the department as
5 required by the director.

6 An employer may apply for, and the director must grant, a
7 waiver of premiums for an employee who is located physically
8 outside of the state and not expected to work in the state for
9 1,250 or more hours in any consecutive 12-month period. If the
10 employee subsequently works 1,250 or more hours within the state,
11 the employer and employee are responsible for all premiums that
12 should have been collected.

13 Self-employed persons may elect to participate in the program
14 as detailed in the bill.

15 An eligible employee who takes family leave or medical leave
16 is entitled to restoration of employment equal to but not
17 greater than that provided by FMLA. The bill provides that if
18 required under FMLA, an employer must maintain any existing
19 health benefits during an employee's leave. If the employer
20 and employee normally share the cost of such, the employee is
21 responsible for paying the employee's share of the costs.

22 A covered employer must submit reports as required by the
23 director and maintain employment records for each employee
24 from which the director may obtain information related to an
25 employee's leave. Such records must be maintained for 10 years.

26 The bill provides that family leave or medical leave shall
27 be in addition to leave required under state or federal law for
28 sickness or temporary disability due to pregnancy or childbirth.
29 The bill requires family leave or medical leave taken under this
30 program to be taken concurrently with leave taken under FMLA. A
31 covered employer may allow an employee to choose to use either
32 accrued sick or vacation benefits, or family leave and medical
33 leave benefits. An employee cannot receive family or medical
34 leave benefits at the same time the employee is receiving state
35 or federal unemployment, workers' compensation, or disability

1 benefits. The bill prohibits discrimination on the basis of any
2 state or federally protected category.

3 The bill requires the director to administer the program and
4 to provide outreach to ensure that employers and employees are
5 aware of the program and the benefits available under such.

6 The bill provides that a family leave and medical leave
7 insurance account shall be created in the custody of the
8 treasurer of state. The director shall deposit all premiums
9 collected from employers into such account and the account can
10 only be used for the program as authorized by the director.

11 The bill requires the director to adopt rules to implement and
12 administer the provisions of the bill. The director may take any
13 action under the director's authority to enforce compliance with
14 the bill.

15 The director is required to analyze the funding of the program
16 and the benefits payable from the program's account. The
17 director shall determine if the premium rates and the benefit
18 levels are appropriate to fully fund and maintain the solvency
19 of the program. The director must submit the findings to the
20 general assembly no later than January 12, 2026.