HOUSE FILE 2355
BY COMMITTEE ON LABOR

(SUCCESSOR TO HSB 596)

(As Amended and Passed by the House March 23, 2022)

[= New Language by the House

* = Language Stricken by the House

A BILL FOR

An Act relating to employment security benefits.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 96.2, Code 2022, is amended to read as follows:

96.2 Guide for interpretation.

As a guide to the interpretation and application of this chapter, the public policy of this state is declared to be as follows: Economic insecurity due to unemployment ~~is a serious menace to~~ negatively impacts the health, morals, and welfare of the people of ~~this state~~ Iowa. ~~Involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the legislature to prevent its spread and to lighten its burden which now so often falls with crushing force upon the unemployed worker and the worker's family. The achievement of social security requires protection against this greatest hazard of our economic life. This can be provided~~ These undesirable consequences can be reduced by encouraging employers to provide more stable employment and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment~~, thus maintaining purchasing power and limiting the serious social consequences of poor relief assistance. The legislature, therefore, declares that in its considered judgment the public good and the general welfare of the citizens of this state require the enactment of this measure, under the police powers of the state, for the compulsory setting aside of unemployment reserves to be used for the benefit of persons~~. This chapter provides for payment of benefits to workers unemployed through no fault of their own. The policy herein is intended to encourage stabilization in employment, to provide for integrated employment and training services in support of state economic development programs, and to provide meaningful job training and employment opportunities for the unemployed, underemployed, economically disadvantaged, dislocated workers, and others with substantial barriers to employment. To further this public policy, the state, through its department of workforce development, will maintain close

coordination among all federal, state, and local agencies whose missions affect the employment or employability of the unemployed and underemployed.

Sec. 2. Section 96.3, subsection 5, paragraph a, Code 2022, 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~~ sixteen 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~~ twenty-six times the individual's weekly benefit amount, but not to exceed the total of the wage credits accrued to the individual's account.]

Sec. 3. Section 96.3, subsection 7, paragraph b,

subparagraph (1), subparagraph division (a), Code 2022, is amended to read as follows:

(a) If the department determines that an overpayment has been made, the charge for the overpayment against the employer's account shall be removed and the account shall be credited with an amount equal to the overpayment from the unemployment compensation trust fund and this credit shall include both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5. The employer shall not be relieved of charges if benefits are paid because the employer or an agent of the employer failed to respond timely or adequately to the department's request for information relating to the payment of benefits. This prohibition against relief of charges shall apply to both contributory and reimbursable employers. If the department determines that an employer's failure to respond timely or adequately was [due to insufficient notification from the department,] the employer's account shall not be charged for the overpayment.

[Sec. 4. Section 96.5, subsection 2, Code 2022, is amended by adding the following new paragraph:

NEW PARAGRAPH. *d.* For the purposes of this subsection, "*misconduct*" means a deliberate act or omission by an employee that constitutes a material breach of the duties and obligations arising out of the employee's contract of employment. Misconduct is limited to conduct evincing such willful or wanton disregard of an employer's interest as is found in deliberate violation or disregard of standards of behavior which the employer has the right to expect of employees, or in carelessness or negligence of such degree of recurrence as to manifest equal culpability, wrongful intent or evil design, or to show an intentional and substantial disregard of the employer's interests or of the employee's duties and obligations to the employer. Misconduct by an individual includes but is not limited to all of the following:

(1) Material falsification of the individual's employment

application.

(2) Knowing violation of a reasonable and uniformly enforced rule of an employer.

(3) Intentional damage of an employer's property.

(4) Consumption of alcohol, illegal or nonprescribed prescription drugs, or an impairing substance in a manner not directed by the manufacturer, or a combination of such substances, on the employer's premises in violation of the employer's employment policies.

(5) Reporting to work under the influence of alcohol, illegal or nonprescribed prescription drugs, or an impairing substance in an off-label manner, or a combination of such substances, on the employer's premises in violation of the employer's employment policies, unless the individual is compelled to work by the employer outside of scheduled or on-call working hours.

(6) Conduct that substantially and unjustifiably endangers the personal safety of coworkers or the general public.

(7) Incarceration for an act for which one could reasonably expect to be incarcerated that results in missing work.

(8) Incarceration as a result of a misdemeanor or felony conviction by a court of competent jurisdiction.

(9) Excessive unexcused tardiness or absenteeism.

(10) Falsification of any work-related report, task, or job that could expose the employer or coworkers to legal liability or sanction for violation of health or safety laws.

(11) Failure to maintain any license, registration, or certification that is reasonably required by the employer or by law, or that is a functional requirement to perform the individual's regular job duties, unless the failure is not within the control of the individual.

(12) Conduct that is libelous or slanderous toward an employer or an employee of the employer if such conduct is not protected under state or federal law.

(13) Theft of an employer or coworker's funds or property.

(14) Intentional misrepresentation of time worked or work carried out that results in the individual receiving unearned wages or unearned benefits.

Sec. 5. Section 96.5, subsection 3, paragraph a, subparagraph (1), subparagraph divisions (a), (b), (c), and (d), Code 2022, are amended to read as follows:

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

(b) ~~Seventy-five~~ Ninety percent, if the work is offered during the ~~sixth~~ second through the ~~twelfth~~ third week of unemployment.

(c) ~~Seventy~~ Eighty percent, if the work is offered during the ~~thirteenth~~ fourth through the ~~eighteenth~~ fifth week of unemployment.

(d) ~~Sixty-five~~ Seventy percent, if the work is offered ~~after~~ during the ~~eighteenth~~ sixth through the eighth week of unemployment.

Sec. 6. Section 96.5, subsection 3, paragraph a, subparagraph (1), Code 2022, is amended by adding the following new subparagraph division:

NEW SUBPARAGRAPH DIVISION. (e) Sixty percent, if the work is offered after the eighth week of unemployment.

Sec. 7. Section 96.6, subsection 3, paragraph b, Code 2022, is amended to read as follows:

b. Appeals from the initial determination shall be heard by an administrative law judge employed by the department. An administrative law judge's decision may be appealed by any party to the employment appeal board created in section 10A.601~~. The decision of the appeal board is final agency action and an appeal of the decision shall be made~~ or directly to the district court.

Sec. 8. Section 96.40, subsection 2, Code 2022, is amended by adding the following new paragraph:

NEW PARAGRAPH. *l.* The reduction in work hours for employees was not based on a work week exceeding forty hours.

Sec. 9. Section 96.40, Code 2022, is amended by adding the following new subsections:

NEW SUBSECTION. 4A. Approval of a shared work plan shall be revoked if the employer lays off any employee, whether the employee is employed within an affected unit or not, while participating in the shared work unemployment compensation program.

NEW SUBSECTION. 12. A part-time employee shall be eligible for shared work unemployment compensation program benefits, provided that the employee meets all other requirements in this section.