

CHAPTER 54  
UNEMPLOYMENT COMPENSATION

H. F. 595

AN ACT relating to unemployment compensation law changes providing for amendments to the Iowa law to maintain the approval of the state law by the secretary of labor to assure an employer tax credit of two point seven percent for required unemployment compensation contributions, to the compilation of certain data, and to assure federal funding of the administration of the Iowa unemployment compensation program.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Chapter ninety-six (96), Code 1977, is amended by adding the following new section:

**NEW SECTION.** INCLUSION OF WAGES PAID PRIOR TO JANUARY 1, 1978, FOR NEWLY COVERED EMPLOYERS.

1. With respect to weeks of unemployment beginning on or after January 1, 1978, wages for insured work shall include wages paid prior to January 1, 1978, for services which prior to January 1, 1978 were not defined as employment or covered pursuant to an election by a person to become an employer under this chapter at any time during the one-year period ending December 31, 1975. Such services include agricultural labor defined as employment after January 1, 1978, domestic service defined as employment after January 1, 1978 or are services performed by an employee of this state or a political subdivision or an instrumentality of a state or political subdivision or by an employee of a nonprofit educational institution which is not an institution of higher education except to the extent that assistance under Title two (II) of the Emergency Jobs and Unemployment Assistance Act of 1974 was paid on the basis of such service.

2. Any nonprofit organization which elects to make payments in lieu of contributions into the unemployment compensation fund as provided in this paragraph shall not be liable to make such payments with respect to the benefits paid to any individual whose base-period wages include wages for previously uncovered services as defined in this section to the extent that the unemployment compensation fund is reimbursed for such benefits pursuant to section one hundred twenty-one (121) of public law ninety-four dash five hundred sixty-six (94-566), 1976.

Sec. 2. Section ninety-six point four (96.4), subsection

five (5), Code 1977, is amended by striking the subsection and inserting in lieu thereof the following:

5. Benefits based on service in employment in a nonprofit organization or government entity, defined in section ninety-six point nineteen (96.19), subsection seven (7) of the Code, shall be payable in the same amount, on the same terms and subject to the same conditions as compensation payable on the same basis of other service subject to this chapter, except that:

a. Benefits based on service in an instructional, research, or principal administrative capacity in an institution of higher education shall not be paid to an individual for any week of unemployment which begins during the period between two successive academic years or during a similar period between two regular terms, whether or not successive, or during a period of paid sabbatical leave, provided for in the individual's contract if the individual has a contract or contracts to perform services in any such capacity for any institution or institutions of higher education for both such academic years or both such terms.

b. Benefits based on service in employment, defined in section ninety-six point nineteen (96.19), subsection seven (7) of the Code, and based on service after December 31, 1977 in an instructional, research, or principal administrative capacity for an educational institution operated by a government entity or a nonprofit organization, shall not be paid to an individual for any week of unemployment which begins during the period between two successive academic years or terms, (or, when an agreement provides instead for a similar period between two regular but not successive terms, during such period) to any individual if such individual performs such services in the first of such academic years or terms and if there is a contract or reasonable assurance that such individual will perform services in any such capacity for any educational institution the second of such academic years or terms, and

c. With respect to services in any other capacity for an educational institution (other than an institution of higher education) after December 31, 1977, benefits shall not be paid to an individual for any week of unemployment which begins during the period between two successive academic years, or terms if such individual performs such services in the first of such academic years or terms and there is

a reasonable assurance that such individual will perform such services in the second of such academic years or terms.

d. With respect to any services performed after July 1, 1977, in any capacity for an educational institution other than an institution of higher education, compensation payable on the basis of such services shall not be paid to any individual for any week which commences during an established and customary vacation period or holiday recess if such individual performs such service in the period immediately before such vacation period or holiday recess, and there is a reasonable assurance that such individual will perform such service in the period immediately following such vacation period or holiday recess.

e. With respect to services performed after December 31, 1977, in an instructional, research, or principal administrative capacity in an institution of higher education, compensation payable on the basis of such services shall be denied to any individual for any week which commences during an established and customary vacation period or holiday recess if such individual performs such services in the period immediately before such vacation period or holiday recess, and there is a reasonable assurance that such individual will perform such services in the period immediately following such vacation period or holiday recess.

Sec. 3. Section ninety-six point five (96.5), Code 1977, is amended by adding the following new subsections:

NEW SUBSECTION. ATHLETES--DISQUALIFIED. Services performed by an individual, substantially all of which consist of participating in sports or athletic events or training or preparing to so participate, for any week which commences during the period between two successive sport seasons or similar periods, if such individual performs such services in the first of such seasons or similar periods and there is a reasonable assurance that such individual will perform such services in the later of such season or similar periods.

NEW SUBSECTION. ALIENS--DISQUALIFIED. For services performed by an alien unless such alien is an individual who was lawfully admitted for permanent residence at the time such services were performed, was lawfully present for purpose of performing such services or was permanently residing in the United States under color of law, including an alien who is lawfully present in the United States as a result of the application of the provisions of section two hundred three

(a) seven (203 (a) (7)) or section two hundred twelve (d) five (212 (d) (5)) of the Immigration and Nationality Act. Any data or information required of individuals applying for benefits to determine whether benefits are not payable to them because of their alien status shall be uniformly required from all applicants for benefits. In the case of an individual whose application for benefits would otherwise be approved, no determination that benefits to such individual are not payable because of his or her alien status shall be made except upon a preponderance of the evidence.

Sec. 4. Section ninety-six point seven (96.7), subsection eight (8), Code 1977, is amended by striking the subsection and inserting in lieu thereof the following:

8. Financing benefits paid to employees of the state or political subdivisions of the state and their instrumentalities.

a. A government entity which is an employer under the provisions of this chapter shall make benefit payments in a manner provided for a government reimbursable employer unless the employer elects to pay unemployment compensation benefits as a contributing employer. Government entities may establish a group account as provided in this section. Any election under this subsection to be a government contributing employer shall be effective for a minimum of two calendar years and may be changed if an election is made to be a government reimbursable employer prior to December first for a minimum of the two following calendar years.

b. For the purposes of this subsection "government contributing employer" means a government entity electing to contribute for a minimum period of two calendar years at a contribution rate determined by the department in the following manner:

(1) For the calendar year beginning January 1, 1978, the contribution rate shall be one percent.

(2) For the calendar year beginning January 1, 1979, the contribution rate shall be one percent, provided that the department may reduce the contribution rate by fifteen hundredths of one percent or increase the contribution rate by not more than one percent. A rate adjustment shall be made only in an amount necessary to raise sufficient funds from contributing employers to finance an amount equal to the benefits for the previous calendar year and the amount by which the benefits of the preceding calendar year exceeded

the employers' contributions.

A government entity electing to contribute at a fixed contribution rate in lieu to making payments as a government reimbursable employer may elect to finance benefits as a government reimbursable employer however the government entity shall be obligated to pay within a time period determined by the department to the fund the amount by which benefit payments for the government entity exceed contributions by the government entity on the effective date of the election.

c. For the purposes of this subsection "government reimbursable employer" means an employer paying to the department for the unemployment fund an amount equal to the sum of the regular benefits attributable to service in the employ of the employer and prior to January 1, 1979, plus one-half of the extended benefits paid for service in the employ of the employer, and beginning January 1, 1979, plus all of the extended benefits paid for service in the employ of the employer. Payments shall be made in accordance with the provisions of subsection nine (9), paragraph b of this section of the Code.

Sec. 5. Section ninety-six point seven (96.7), subsection nine (9), paragraph b, subparagraph one (1), Code 1977, is amended to read as follows:

(1) At the end of each calendar quarter, or at the end of any other period as determined by the department, the department shall bill each nonprofit organization which has elected to make payments in lieu of contributions for an amount equal to the full amount of regular benefits plus one-half of the amount of extended benefits paid during such quarter or other prescribed period that is attributable to service in the employ of such organization. Unless federal funds are otherwise provided, at the end of each calendar quarter or other period determined by the department, the department shall also bill each governmental entity the amount of regular plus extended benefits owed as a governmental reimbursable employer for benefits paid during the quarter or period for such organization electing governmental reimbursable status including any benefits paid for a government entity for claims filed while the government entity was a contributing employer prior to an election to become a government reimbursable employer which were paid during the quarter or period.

Sec. 6. Section ninety-six point seven (96.7), subsec-

tion twelve (12), Code 1977, is amended to read as follows:

12. ALLOCATION OF BENEFIT COST. Each employer that is liable for payment in lieu of contributions shall pay to the department for the fund the amount of regular benefits and unless a government entity plus the amount of one-half of extended benefits paid during each quarter that are attributable to service in the employ of such employer. A government entity shall make benefit payments in the amounts provided for a government reimbursable employer. If benefits paid to an individual are based on wages paid by more than one employer and one or more of such employers are liable for payments in lieu of contributions, the amount payable to the fund by each employer that is liable for such payment shall be payable each quarter by the base period employers in inverse chronological order in which the employment of such individual occurred. Provided, that the amount of any such employer's liability in any calendar quarter shall not exceed the amount of such individual's wage credits and unless a government entity plus one-half the amount of extended benefits based on employment with such employer during such quarter of the base period. A government entity's liability in any calendar quarter shall not exceed the amount of the individual's wage credits plus that amount of extended benefits a government entity is required to pay as a government reimbursable employer.

Sec. 7. Section ninety-six point seven (96.7), subsection thirteen (13), Code 1977, is amended to read as follows:

13. GROUP ACCOUNTS. Two or more employers that have become liable for payments in lieu of contributions, in accordance with the provisions of subsection eight (8) and subsection 9, paragraph "a", of this section of the Code may file a joint application to the department for the establishment of a group account for the purpose of sharing the cost of benefits paid that are attributable to service in the employ of such employers. Each such application shall identify and authorize a group representative to act as the group's agent for the purposes of this subsection. Upon its approval of the application, the department shall establish a group account for such employers effective as of the beginning of the calendar quarter in which it receives the application and shall notify the group's representative of the effective date of the account. Such account shall remain in effect for not less than one year and thereafter until

terminated at the discretion of the department or upon application by the group. Upon establishment of the account, each member of the group shall be liable for payments in lieu of contributions with respect to each calendar quarter in the amount that bears the same ratio to the total benefits paid in such quarter that are attributable to service performed in the employ of all members of the group as the total wages paid for service in employment by such member in such quarter bear to the total wages paid during such quarter for service performed in the employ of all members of the group. The department shall prescribe such regulations as it deems necessary with respect to applications for establishment, maintenance and termination of group accounts that are authorized by this subsection, for addition of new members to, and withdrawal of active members from, such accounts, and for the determination of the amounts that are payable under this subsection by members of the group and the time and manner of such payments.

Sec. 8. Section ninety-six point seven (96.7), subsection fourteen (14), Code 1977, is amended to read as follows:

14. NONPROFIT ORGANIZATION ELECTION.

a. Notwithstanding any provisions in subsection 9 of this section, any nonprofit organization that prior to January 1, 1969, paid contributions required by this section and, pursuant to subsection 9 of this section, elects, ~~within thirty days after the effective date of this Act~~ before April 1, 1972, to make payments in lieu of contributions, shall not be required to make any such payment on account of any regular or extended benefits paid, on the basis of wages paid by such organization to individuals for weeks of unemployment which begin on or after the effective date of such election until the total amount of such benefits equals the amount of the positive balance in the experience rating account of such organization.

b. A nonprofit organization or group not required to be covered employment prior to January 1, 1978, that paid contributions as an employer prior to October 20, 1976, and which elects within thirty days after the effective date of this Act to make payments in lieu of contributions shall not be required to make any such payment for regular or extended benefits paid after its election until the total amount of benefits equal the amount of the positive balance in the experience rating account of such organization.

Sec. 9. Section ninety-six point eight (96.8), subsection two (2), Code 1977, is amended to read as follows:

2. VOLUNTARY TERMINATION. Except as otherwise provided in subsection 3 of this section, an employing unit shall cease to be an employer subject to this chapter, as of the first day of January of any calendar year, if it files with the department, prior to the fifteenth day of February of such year, a written application for termination of coverage, and the department finds that such employing unit did not meet any of the qualifying liability requirements as provided under section 96.19, subsection 6, paragraphs "a," "b," "c," "d," "e," "f," or "g," and the new paragraphs added to section ninety-six point nineteen (96.19), subsection six (6) by this Act and section 96.19, subsection 6, paragraphs "h" or "i" in the preceding calendar year.

Sec. 10. Section ninety-six point fourteen (96.14), subsection three (3), Code 1977, is amended by adding the following new paragraph:

NEW PARAGRAPH. If a political subdivision or a political subdivision instrumentality becomes delinquent in the payment of contributions, any payments owed as a government employer, penalty, interest and costs for more than two calendar quarters, the amount of such delinquency shall be deducted from any further moneys due the employer by the state. Such deduction shall be made by the state comptroller upon certification of the amount due. A copy of the certification will be mailed to the employer.

Sec. 11. Section ninety-six point nineteen (96.19), subsection six (6), Code 1977, is amended by adding the following new lettered paragraphs:

NEW LETTERED PARAGRAPH. 1. An employing unit employing agricultural labor after December 31, 1977, if the employing unit:

(1) Paid during any calendar quarter in the calendar year or the preceding calendar year wages of twenty thousand dollars or more for agricultural labor, or

(2) Employed on each of some twenty days during the calendar year or during the preceding calendar year, each day being in a different calendar week, at least ten individuals in employment in agricultural labor for some portion of the day.

NEW LETTERED PARAGRAPH. m. An employing unit employing after December 31, 1977, domestic service in a private home,



local college club, or local chapter of a college fraternity or sorority, and with respect to any calendar year, any employing unit who during any calendar quarter in the calendar year or the preceding calendar year paid wages in cash of one thousand dollars or more for such service.

Sec. 12. Section ninety-six point nineteen (96.19), subsection six (6), paragraph a, Code 1977, is amended to read as follows:

a. For purposes of this chapter ~~the term "employer" means~~ with respect to any calendar year after December 31, 1971, any employing unit which in any calendar quarter in either the current or preceding calendar year paid for service in employment wages ~~as defined in subsection 43~~ of one thousand five hundred dollars or more excluding wages paid for domestic service, or for some portion of a day in each of twenty different calendar weeks, whether or not such weeks were consecutive, in either the current or the preceding calendar year, had in employment at least one individual ~~(irrespective of whether the same individual was in employment in each such day)~~. An employing unit treated as a domestic service employer shall not be treated as an employer with respect to wages paid for service other than domestic service unless such employing unit is treated as an employer under this paragraph or as an agricultural labor employer.

Sec. 13. Section ninety-six point nineteen (96.19), subsection six (6), paragraph h, Code 1977, is amended by striking the paragraph and inserting in lieu thereof the following:

h. After December 31, 1971, this state or a state instrumentality and after December 31, 1977, a government entity unless specifically excluded from the definition of employment.

Sec. 14. Section ninety-six point nineteen (96.19), subsection seven (7), lettered paragraph a, the first unlettered paragraph, Code 1977, is amended to read as follows:

Except as otherwise provided in this ~~section~~ subsection "employment" means service, including service in interstate commerce, performed for wages or under any contract of hire, written or oral, expressed or implied. Employment also means any service performed prior to January 1, ~~1973~~ 1978, which was employment as defined in this subsection prior to such date and, subject to the other provisions of this subsection, service performed after December 31, ~~1974~~ 1977, by:

Sec. 15. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph a, subparagraph one (1), Code 1977, is amended to read as follows:

(1) Any officer of a corporation. Provided that the term "employment" shall not include such officer if the officer is a majority stockholder and the officer shall not be considered an employee of the corporation unless such services are subject to a tax to be paid under any federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund or such services are required to be covered under this chapter of the Code, as a condition to receipt of a full tax credit against the tax imposed by the federal Unemployment Tax Act (26 U.S.C. 3301-3309), or

Sec. 16. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph a, subparagraph four (4), Code 1977, is amended to read as follows:

(4) Service performed after December 31, 1971, by an individual in the employ of this state or any of its wholly owned instrumentalities and after December 31, 1977, service performed by an individual in the employ of a government entity unless specifically excluded from the definition of employment for a government entity.

Sec. 17. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph a, subparagraph five (5), Code 1977, is amended to read as follows:

(5) Service performed after December 31, 1971, by an individual in the employ of a religious, charitable, educational or other organization, but only if the service is excluded from "employment" as defined in the federal Unemployment Tax Act (26 U.S.C. ~~3304-3308~~ 3301-3309) solely by reason of section 3306 (c) (8) of that Act.

Sec. 18. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph a, subparagraph six (6), subdivision (c), Code 1977, is amended to read as follows:

(c) In the employ of a nonpublic school which is not an institution of higher education prior to January 1, 1978.

Sec. 19. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph a, subparagraph six (6), subdivision (f), Code 1977, is amended to read as follows:

(f) For Prior to January 1, 1978 for a hospital in a state prison or other state correctional institution by an inmate  
the prison or correctional institution and after December

31, 1977, by an inmate of a custodial or penal institution.

Sec. 20. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph a, subparagraph six (6), Code 1977, is amended by adding the following new lettered subdivision:

NEW LETTERED SUBDIVISION. (g) In the employ of a governmental entity, if such service is performed by an individual in the exercise of his or her duties as an elected official; as a member of a legislative body, or a member of the judiciary, of a state or political subdivision; as a member of the state national guard or air national guard; as an employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency; or in a position which, pursuant to the state law, is designated as a major nontenured policymaking or advisory position, or a policymaking or advisory position which ordinarily does not require duties of more than eight hours per week.

Sec. 21. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph a, subparagraph seven (7), Code 1977, is amended by striking the subparagraph.

Sec. 22. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph a, Code 1977, is amended by adding the following new subparagraph:

(7) (a) A person in agricultural labor when such labor is performed for an employing unit which during any calendar quarter in the calendar year or the preceding calendar year paid remuneration in cash of twenty thousand dollars or more to individuals employed in agricultural labor excluding labor performed before January 1, 1980, by an alien referred to in this subparagraph; or on each of some twenty days during the calendar year or the preceding calendar year, each day being in a different calendar week, employed in agricultural labor for some portion of the day ten or more individuals, excluding labor performed before January 1, 1980, by an alien referred to in this subparagraph; and such labor is not agricultural labor performed before January 1, 1980, by an individual who is an alien admitted to the United States to perform agricultural labor pursuant to sections two hundred fourteen (c) (214 (c)) and one hundred one (a) fifteen (II) (101 (a) (15) (II)) of the Immigration and Nationality Act.

(b) For purposes of this subparagraph, any individual who is a member of a crew furnished by a crew leader to perform agricultural labor for any other employing unit shall be

treated as an employee of such crew leader if such crew leader holds a valid certificate of registration under the Farm Labor Contractor Registration Act of 1963; or substantially all the members of such crew operate or maintain tractors, mechanized harvesting or cropdusting equipment, or any other mechanized equipment, which is provided by such crew leader; and if such individual is not otherwise in employment as defined in this subsection.

For purposes of this subparagraph, in the case of any individual who is furnished by a crew leader to perform agricultural labor for any other employing unit and who is not treated as an employee of such crew leader as described above, such other employing unit and not the crew leader shall be treated as the employer of such individual; and such other employing unit shall be treated as having paid cash remuneration to such individual in an amount equal to the amount of cash remuneration paid to such individual by the crew leader either on his or her behalf or on behalf of such other employing unit for the agricultural labor performed for such other employing unit.

For purposes of this subsection, the term "crew leader" means an employing unit which furnishes individuals to perform agricultural labor for any other employing unit; pays, either on the crew leader's behalf or on behalf of such other employing unit, the individuals so furnished by the crew leader for the agricultural labor performed by them; and has not entered into a written agreement with such other employing unit under which such individual is designated as an employee of such other employing unit.

Sec. 23. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph a, Code 1977, is amended by adding the following new numbered subparagraph:

NEW NUMBERED SUBPARAGRAPH. (8) A person performing after December 31, 1977 domestic service in a private home, local college club, or local chapter of a college fraternity or sorority if performed for an employing unit who paid cash remuneration of one thousand dollars or more to individuals employed in such domestic service in any calendar quarter in the calendar year or the preceding calendar year.

Sec. 24. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph b, subparagraph three (3), Code 1977, is amended to read as follows:

(3) The service is performed outside the United States,

~~(except in Canada or the Virgin Islands)~~, after December 31, 1971, by a citizen of the United States in the employ of an American employer, ~~(other than service which is deemed "employment" under the provisions of subparagraphs (1) and (2) or the parallel provisions of another state law)~~, or service performed after December thirty-first of the year in which the United States secretary of labor approved the first time the unemployment compensation law submitted by the Virgin Islands, if:

Sec. 25. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph g, subparagraph one (1), Code 1977, is amended by striking the subparagraph.

Sec. 26. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph g, subparagraph four (4), the first unnumbered paragraph, Code 1977, is amended to read as follows:

AGRICULTURAL LABOR. For purposes of this chapter, the term "agricultural labor" means any service performed prior to January 1, 1972, which was agricultural labor as defined in this subparagraph prior to such date, and provided that after December 31, 1977, this subparagraph shall not exclude from employment agricultural labor specifically included as agricultural labor under the definition of employment in this subsection, but shall otherwise include remunerated service performed after December 31, 1971:

Sec. 27. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph g, subparagraph four (4), lettered subdivision (e), Code 1977, is amended to read as follows:

(e) On a farm operated for profit if such service is not in the course of the employer's trade or business ~~or is domestic service in a private home of the employer.~~

Sec. 28. Section ninety-six point nineteen (96.19), subsection seven (7), paragraph g, subparagraph five (5), Code 1977, is amended to read as follows:

(5) Domestic service in a private home prior to January 1, 1978, and after December 31, 1977, domestic service in a private home not covered as domestic service under the definition of employment.

Sec. 29. Section ninety-six point nineteen (96.19), subsection thirteen (13), Code 1977, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. d. Remuneration for agricultural

labor paid in any medium other than cash.

Sec. 30. Section ninety-six point nineteen (96.19), subsection twenty-five (25), Code 1977, is amended to read as follows:

25. "United States" for the purposes of this section includes the states, the District of Columbia, ~~and the Commonwealth of Puerto Rico~~ and the Virgin Islands.

Sec. 31. Section ninety-six point nineteen (96.19), subsection twenty-seven (27), Code 1977, is amended by striking the subsection and inserting in lieu thereof the following:

27. There is a national "on" indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of seasonally adjusted insured unemployment for all states equaled or exceeded four point five percent. The rate of insured unemployment, for the purposes of this subsection, shall be determined by the secretary of labor by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the close of such period.

Sec. 32. Section ninety-six point nineteen (96.19), subsection twenty-eight (28), Code 1977, is amended by striking the section and inserting in lieu thereof the following:

28. There is a national "off" indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of seasonally adjusted insured unemployment for all states was less than four point five percent. The rate of insured unemployment, for the purposes of this subsection, shall be determined by the secretary of labor by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the close of such period.

Sec. 33. Section ninety-six point nineteen (96.19), subsection twenty-nine (29), Code 1977, is amended by striking the subsection and inserting in lieu thereof the following:

29. There is a state "on" indicator for a week if the rate of insured unemployment under the state law for the period consisting of such week and the immediately preceding twelve weeks:

- a. Equaled or exceeded five percent; or
- b. Equaled or exceeded four percent and equaled or exceeded one hundred twenty percent of the average of those rates for the corresponding thirteen-week period ending in each of the two preceding two calendar years.

Sec. 34. Section ninety-six point nineteen (96.19), subsection thirty (30), Code 1977, is amended by striking the subsection and inserting in lieu thereof the following:

30. There is a state "off" indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment under the state law was:

- a. Less than four percent; or
- b. Less than five percent and less than one hundred twenty percent of the average of those rates for thirteen weeks ending in each of the two preceding calendar years, except that, notwithstanding any such provision of this subsection, any week for which there would otherwise be a state "on" indicator shall continue to be such a week and shall not be determined to be a week for which there is a state "off" indicator.

Sec. 35. Section ninety-six point nineteen (96.19), subsection thirty-five (35), paragraph b, Code 1977, is amended to read as follows:

b. He or she has no right to unemployment benefits or allowances under the Railroad Unemployment Insurance Act, the Trade Expansion Act of 1962, the Automotive Products Trade Act of 1965, and such other federal laws as are specified in regulations issued by the United States secretary of labor, and he or she has not received and is not seeking unemployment benefits under the unemployment compensation law ~~of the Virgin Islands-or~~ of Canada, but if he or she is seeking such benefits and the appropriate agency finally determines that he or she is not entitled to benefits under such law he or she is considered an exhaustee.

Sec. 36. Section ninety-six point nineteen (96.19), Code 1977, is amended by adding the following new subsections:

NEW SUBSECTION. "Domestic service" includes service for an employing unit in the operation and maintenance of a private household, local college club or local chapter of a college fraternity or sorority as distinguished from service as an employee in the pursuit of an employer's trade, occupation, profession, enterprise, or vocation.

NEW SUBSECTION. "Educational institution" means one in which participants, trainees, or students are offered an organized course of study or training designed to transfer to them knowledge, skills, information, doctrines, attitudes or abilities from, by or under the guidance of an instructor

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or teacher. It is approved, licensed or issued a permit to operate as a school by the state department of public instruction or other government agency that is authorized within the state to approve, license or issue a permit for the operation of a school. The course of study or training which it offers may be academic, technical, trade, or preparation for gainful employment in a recognized occupation.

NEW SUBSECTION. "Government entity", means a state, a state instrumentality, a political subdivision or a political subdivision instrumentality, or a combination of one or more of the preceding.

Sec. 37. Political subdivisions may levy a tax outside their general fund to pay the cost of unemployment benefits.

Sec. 38. It is the declared intent of the general assembly of the state of Iowa that the department of job service shall employ employees as full-time claims specialists in the fraud and overpayment unit of the job insurance division of the department of job service to the extent that federal funds are available to the department of job service for the employment of such full-time personnel.

Sec. 39. The department of job service is directed to study and compile data to evaluate the unemployment experience of political subdivisions and instrumentalities of political subdivisions. The department of job service shall submit to the Sixty-eighth General Assembly, 1979 Session, prior to February 1, 1979, a summary report of the unemployment experience of political subdivisions and political subdivision instrumentalities. The department of job service shall prepare contribution tables for government entities similar to the contribution tables for other employers which will rank government entity employers and assign the government entity employers into rate classes designed to raise sufficient revenue from government contributing employers to meet the costs of unemployment compensation benefit payments for government contributing employers.

Sec. 40. Government entities, originally classified as government reimbursable employers under the provisions of this Act may elect to become government contributing employers for a minimum of two calendar years, however such election shall be communicated to the department of job service, upon forms provided by the department of job service, prior to November 1, 1977.

Sec. 41. The provisions of this Act, except sections two (2) and thirty-nine (39) are effective January 1, 1978.  
Approved June 29, 1977