

CHAPTER 55
UNEMPLOYMENT COMPENSATION

S. F. 337

AN ACT to provide a funding system for unemployment compensation benefits.

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

Section 1. Section ninety-six point seven (96.7), subsection three (3), paragraph a, subparagraph seven (7), Code 1977, is amended to read as follows:

(7) Any employer may at any time make voluntary payments to his or her account in excess of the other requirements of this chapter, and all such payments shall be considered on any computation date as contributions required under the provisions of this chapter if they are paid by the employer not later than the next ~~March-45~~ December fifteenth after such computation date. Voluntary contributions shall not exceed the maximum voluntary contribution. For the purposes of this subparagraph "maximum voluntary contribution" shall equal an amount sufficient to lower the rate of contribution of an employer to the lower rate of contribution assigned in the next lower percentage of excess rank. Provided that an employer shall not contribute an amount sufficient to reduce the rate of contribution of the employer to a zero contribution rate.

Sec. 2. Section ninety-six point seven (96.7), subsection three (3), paragraph c, Code 1977, is amended to read as follows:

c. Each contributing employer's rate of contribution shall be two and seven-tenths percent except as otherwise provided in this chapter. No reduced rate of contribution shall be granted to a contributing employer until there shall have been twelve consecutive calendar quarters immediately preceding the first computation date throughout which his or her account has been chargeable with benefit payments. Provided, that with respect to the calendar year commencing January 1, 1972, and each calendar year thereafter, except as provided in ~~paragraphs~~ paragraph "d" and "e" of this subsection, a contributing employer who has not been subject to this chapter for a sufficient period of time to meet the twelve-quarter requirement shall qualify for a computed rate of contribution if there shall have been a lesser period

throughout which his or her account has been chargeable, but in no event less than eight consecutive calendar quarters immediately preceding the computation date; provided further, that with respect to the calendar year years commencing January 1, 1972, and each-calendar-year-thereafter ending December 31, 1977, except as provided in paragraphs paragraph "d" and "e" of this subsection, each contributing employer newly subject to this chapter shall pay contributions at the rate of one and five-tenths percent and beginning January 1, 1978 at the rate specified in the ninth percentage of excess rank but not less than one point eight percent until the end of the calendar year in which the employer shall have had eight consecutive calendar quarters immediately preceding the computation date throughout which his or her account has been chargeable with benefit payments, thereafter his or her contribution rate shall be determined in accordance with paragraphs paragraph "d" and "e" of this subsection.

Sec. 3. Section ninety-six point seven (96.7), subsection three (3), paragraph d, Code 1977, is amended by striking the paragraph and inserting in lieu thereof the following:

d. The department shall determine the rate table to be in effect for the rate year following the rate computation date, by determining the ratio of the current reserve fund ratio to the highest benefit cost rate on the rate computation date.

(1) The current reserve fund ratio shall be computed by dividing the total trust funds available for payment of benefits, on the rate computation date, by the total wages paid in covered employment excluding reimbursable employment wages during the first four calendar quarters of the five calendar quarters immediately preceding the rate computation date.

(2) The highest benefit cost rate shall be the highest of the resulting ratios computed by dividing the total benefit payments, excluding reimbursable benefit payments, during each consecutive twelve-month period, during the ten-year period ending on the rate computation date, by the total wages, excluding reimbursable employment wages, paid in the four calendar quarters ending nearest and prior to the last day of such twelve-month period.

If the current reserve fund ratio, divided by the highest benefit cost rate:

<u>Equals or exceeds</u>	<u>But is less than</u>	<u>The contribution rate table in effect shall be</u>
0.0	0.5	1
0.5	0.75	2
0.75	1.0	3
1.0	1.5	4
1.5	1.9	5
1.9	2.3	6
2.3	2.7	7
2.7	3.0	8
3.0	---	9

The term "percentage of excess" means a number computed to six decimal places on July first of each year obtained by dividing the excess of all contributions attributable to an employer over the sum of all benefits charged to an employer by the employer's average annual payroll. An employer's percentage of excess is a positive number when the total of all contributions paid to an employer's account for all past periods to and including those for the quarter immediately preceding the rate computation date exceeds the total benefits charged to such account for the same period. An employer's percentage of excess is a negative number when the total of all contributions paid to an employer's account for all past periods to and including those for the quarter immediately preceding the rate computation date is less than the total benefits charged to such account for the same period.

Each employer qualified for an experience rating shall be assigned a contribution rate for each rate year that corresponds to the employer's percentage of excess rank in the rate table effective for the rate year from the following rate tables. Each employer's percentage of excess rank shall be computed by listing all the employers by decreasing percentages of excess, from the highest positive percentage of excess to the highest negative percentage of excess and grouping the employers so listed into twenty-one separate ranks containing as nearly as possible four point seventy-six percent of the total taxable wages, excluding reimbursable employment wages, paid in covered employment during the first four completed calendar quarters immediately preceding the rate computation date. If an employer's taxable wages qualify the employer for two separate percentage of excess ranks the employer shall be afforded the percentage of excess rank assigned the lower contribution rate. Employers with identical

percentages of excess shall be assigned to the same percentage of excess rank.

Percent- age of Excess Rank	Approximate Cumulative Taxable Pay- roll Limit	Contribution Rate Tables								
		1	2	3	4	5	6	7	8	9
1	4.8%	.8	.6	0	0	0	0	0	0	0
2	9.5%	1.0	.7	.5	.3	0	0	0	0	0
3	14.3%	1.2	.8	.6	.5	.4	0	0	0	0
4	19.0%	1.4	1.0	.7	.6	.5	.3	0	0	0
5	23.8%	1.6	1.2	.8	.8	.6	.4	.2	0	0
6	28.6%	1.8	1.4	1.0	.9	.7	.5	.2	.1	0
7	33.3%	2.0	1.6	1.2	1.0	.8	.6	.3	.2	.1
8	38.1%	2.3	1.8	1.4	1.1	.9	.7	.4	.2	.1
9	42.8%	2.6	2.0	1.6	1.2	1.0	.8	.5	.3	.2
10	47.6%	2.9	2.3	1.8	1.3	1.1	.9	.6	.4	.2
11	52.4%	3.2	2.6	2.1	1.5	1.2	1.0	.7	.5	.2
12	57.1%	3.5	2.9	2.5	1.7	1.3	1.1	.8	.6	.2
13	61.9%	3.8	3.3	2.8	2.0	1.5	1.3	.9	.7	.3
14	66.6%	4.2	3.7	3.1	2.4	1.7	1.5	1.1	.9	.5
15	71.4%	4.6	4.1	3.5	2.9	1.9	1.7	1.3	1.0	.5
16	76.2%	5.0	4.5	3.9	3.4	2.3	1.9	1.7	1.0	.7
17	80.9%	5.5	5.0	4.4	4.0	3.0	2.5	2.0	1.5	.8
18	85.7%	6.0	5.5	5.0	4.5	3.7	3.1	2.5	2.0	1.0
19	90.4%	6.0	6.0	5.5	5.0	4.4	3.8	3.2	2.5	1.8
20	95.2%	6.0	6.0	6.0	5.5	5.0	4.5	4.0	3.0	2.5
21	100.0%	6.0	6.0	6.0	6.0	5.5	5.0	4.5	4.0	4.0

Provided, however, that notwithstanding any other provision of this chapter, any employer which employs individuals for construction as defined by the department pursuant to rules, that has not qualified for an experience rating shall pay four point zero percent in the calendar year 1968 through the calendar year 1977 and be assigned to the rate specified in the twenty-first percentage of excess rank for the rate year beginning January 1, 1978 and every year thereafter until such time as the employer has qualified for an experience rating. However, such employer shall not qualify for an experience rating until there shall have been twelve consecutive calendar quarters immediately preceding the rate computation date throughout which his account has been chargeable with benefit payments.

On or before the fifth day of September immediately preceding the next following rate period the department shall

make available to employers the table which will apply to the contribution rates in the following rate year.

Provided, however, that notwithstanding any other provisions of this chapter, the applicable contribution rate table for the calendar years 1978 and 1979 will be table two if the ratio of the current reserve fund ratio to the highest benefit cost rate on the rate computation date is less than 0.75. Provided further that during any rate year in which a rate table in rate tables four through nine is effective an employer assigned a contribution rate under the provisions of this paragraph shall not be required to contribute to the unemployment compensation trust fund if the employer's percentage of excess is seven point five percent or greater for the rate year and the employer has not been charged with benefit payments for any time within the forty calendar quarters immediately preceding the rate computation date for the rate year.

Sec. 4. Section ninety-six point nineteen (96.19), subsection one (1), Code 1977, is amended to read as follows:

1. "ANNUAL PAYROLL." The term "annual payroll" as used in subsection 3 "d" of section 96.7 means the total amount of taxable wages paid by an employer for insured work during the period of four consecutive calendar quarters ending on ~~September-30~~ June thirtieth of each year, and the term "average annual payroll" as used in said subsection means the average of the "annual payrolls" of an employer for the last three periods of four consecutive calendar quarters immediately preceding the computation date. Except that for an employer who qualifies on any computation date for a computed rate on the basis of less than twelve consecutive calendar quarters of chargeability immediately preceding the computation date, the term average annual payroll shall be the average of the annual payrolls for the last two periods of four consecutive calendar quarters immediately preceding the computation date.

Sec. 5. Section ninety-six point nineteen (96.19), subsection twenty-one (21), Code 1977, is amended to read as follows:

21. "TAXABLE WAGES". For the purposes of section 96.7, subsections 1 and 2 and ~~subsequent-to-December-31, 1974~~ for the period beginning January 1, 1972 and ending December 31, 1977, taxable wages shall not include that part of remuneration which, after remuneration equal to four thousand two hundred dollars has been paid in a calendar year to an indivi-

dual by an employer or his predecessor with respect to employment during any calendar year, is paid to such individual by such employer during such calendar year unless that part of the remuneration is subject to a tax under a federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund, except that for the calendar years 1976 and 1977 the remuneration figure shall be six thousand dollars.

For the purposes of this subsection, the term "employment" includes service constituting employment under any unemployment compensation law of another state provided such other state will consider service performed in Iowa in determining the contribution base.

For the calendar year beginning January 1, 1978, and each subsequent calendar year, taxable wages upon which an employer shall be required to contribute based upon remuneration which has been paid in a calendar year to an individual by an employer or his predecessor with respect to employment during any calendar year shall be equal to the greater of:

a. Sixty-six and two-thirds percent of the statewide average annual wage paid to employees in insured work rounded to the next highest multiple of one hundred dollars based upon the calculation made during the previous calendar year used to determine the maximum weekly benefit amount, or

b. That portion of remuneration subject to a tax under a federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund.

Sec. 6. Section ninety-six point seven (96.7), subsection three (3), paragraph e, Code 1977, is amended by striking the paragraph.

Sec. 7. Section ninety-six point nineteen (96.19), subsection twenty-two (22), Code 1977, is amended to read as follows:

22. "COMPUTATION DATE". The computation date for contribution rates shall be ~~October 4~~ July first of that calendar year preceding the calendar year with respect to which such rates are to be effective.

Sec. 8. If the total trust funds available for payment of unemployment compensation benefits through April 1, 1978, is projected to fall below twenty million dollars, the director of the Iowa department of job service shall prepare and adopt such procedures for advance payment of a portion of the employer's unemployment contributions projected due for the

first quarter of the calendar year beginning January 1, 1978.

This section shall be effective July 1, 1977.

Sec. 9. NEW SECTION. The Iowa department of job service shall annually submit a status report on the unemployment compensation trust fund to the general assembly.

Sec. 10. The provisions of this Act unless otherwise provided shall become effective January 1, 1978.

Approved July 10, 1977

CHAPTER 56

I.P.E.R.S. MEMBERSHIP

H. F. 582

AN ACT to permit optional membership in the Iowa public employees' retirement system for part-time judicial magistrates and employees of community action programs and members of the general assembly, and making certain sections retro-active.

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

Section 1. Section ninety-seven B point forty-one (97B.41), subsection one (1), paragraph a, Code 1977, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Wages for a member of the general assembly means the total compensation received by a member of the general assembly, whether paid in the form of per diem or annual salary, exclusive of expense and travel allowances paid to a member of the general assembly. Wages includes per diem payments paid to members of the general assembly during interim periods between sessions of the general assembly.

Sec. 2. Section ninety-seven B point forty-one (97B.41), subsection three (3), paragraph b, subparagraphs one (1) and two (2), Code 1977, are amended to read as follows:

(1) ~~Members of the general assembly, elective~~ Elective officials in positions for which the compensation is on a fee basis, elective officials of school districts, elective officials of townships, and elective officials of other political subdivisions who are in part-time positions, graduate medical students while serving as interns or resident doctors in training at any hospital, or county medical examiners and deputy county medical examiners under chapter 339.