

Reported Recommending .....  
 Ind. Postponed .....  
 Passed Senate .....  
 Failed to Pass Senate .....  
 Passed House .....  
 Failed to Pass House .....

Senate File 195

February 4, 1947.  
 Passed on File.

By SOCIAL SECURITY COMMITTEE.

## A BILL FOR

An Act to amend the law as it appears in chapter ninety-six (96), Code, 1946, relating to the Iowa Employment Security Act; and section ninety-six point seven (96.7) of said chapter, relating to the payment of contributions by employers, the manner of keeping accounts with employers and charging to such accounts benefits paid to eligible individuals, and the determination of the employer's rate of contribution; also section ninety-six point eight (96.8), relating to the termination of coverage of said employers; also section ninety-six point nineteen (96.19), relating to the definition of the terms "annual payroll", "benefit year" and "taxable wages", and providing for the coverage under the Iowa Employment Security Act of any employer who is an employer under the Federal Act; and for the repeal of all acts, or parts of acts, inconsistent with the provisions of this act.

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

1 Section 1. That the law as it appears in section ninety-six  
 2 point seven (96.7), Code, 1946, be amended by striking therefrom  
 3 all of said subsection one (1), and inserting in lieu thereof the  
 4 following:

5 "1. Payment. A. On and after July 1, 1936, contributions  
 6 shall accrue on all taxable wages paid by an employer for insured  
 7 work.

8 "b. Such contributions shall become due and be paid to the  
 9 commission for the fund at such times and in such manner as the

10 commission by regulation prescribes.

11 “c. In the payment of any contribution the fractional part  
12 of a cent shall be disregarded unless it amounts to one-half  
13 cent or more in which case it shall be increased to one (1) cent.

14 “d. Contributions required from an employer shall not be  
15 deducted in whole or in part from the wages paid to individuals  
16 in his employ.”.

1 Sec. 2. Amend the law as it appears in section ninety-six  
2 point seven (96.7), subsection three (3), Code, 1946, by striking  
3 all of paragraph (a), and inserting in lieu thereof the following:

4 “a. 1. The commission shall maintain a separate account for  
5 each employer and shall credit his account with all contributions  
6 which he has paid or which have been paid on his behalf.

7 “2. Benefits paid to an eligible individual shall be charged  
8 against the account of the employers in the base period in the  
9 inverse chronological order in which the employment of such indivi-  
10 dual occurred.

11 “3. The amount of benefits so charged against the account of  
12 any employer shall not exceed one-third of the wages paid to such  
13 individual for insured work during his base period, or one hundred  
14 thirty dollars (\$130.00) per calendar quarter, whichever is the  
15 lesser.

16 “4. The commission shall by general rule prescribe the manner  
17 in which benefits shall be charged against the accounts of several  
18 employers for whom an individual performed employment during the  
19 same calendar quarter.

20 "5. Nothing in this chapter shall be construed to grant  
21 any employer or the individuals in his service prior claims or  
22 rights to the amounts paid by him into the fund either on his own  
23 behalf or on behalf of such individuals.

24 "6. As soon as practicable after the close of each  
25 calendar quarter, and in any event within twenty days after the  
26 close of such quarter, the commission shall notify each employer  
27 of the amount that has been charged to his account for benefits  
28 paid during such quarter. This statement to the employer shall  
29 show the name of each claimant to whom such benefit payments were  
30 made, the claimant's social security number, and the amount of  
31 benefits paid to such claimant. Any employer who has not been  
32 notified as provided in section ninety-six point six, subsection  
33 two (96.6-2), of this allowance of benefits to such claimants  
34 may within thirty days after the receipt of such statement appeal  
35 to the commission for a hearing to determine the eligibility of  
36 the claimant to receive such benefits. The commission may hear  
37 the case or may refer the same to an appeal tribunal for hearing.  
38 In either case both the employer and the claimant shall receive  
39 notice of the time and place of such hearing.

40 "7. Any employer may at any time make payments to an account  
41 in excess of the other requirements of this section; and all such  
42 payments shall be considered as contributions required under the  
43 provisions of this chapter. Any such payment made not later than  
44 the last payment date for the last quarter of any calendar year  
45 shall be considered as a contribution payable and paid upon the

46 employer's payroll for that calendar year.”.

1     Sec. 3. Amend the law as it appears in section ninety-six  
2 point seven, subsection three (96.7-3), Code, 1946, by striking  
3 from said subsection all of paragraph (c), and inserting in lieu  
4 thereof the following:

5     “c. Each employer's rate shall be two and seven-tenths (2.7)  
6 percent except as otherwise provided in the preceding and further  
7 provisions of this section. No reduced rate shall be granted to  
8 any employer, until there shall have been three (3) consecutive  
9 calendar years of coverage after such employer and the prede-  
10 cessor owner of such enterprise if any first became liable  
11 for contributions and immediately preceding the computation  
12 date.”.

1     Sec. 4. Amend the law as it appears in section ninety-six  
2 point eight (96.8), Code 1946, by adding thereto another sub-  
3 section to read as follows:

4     “In any case in which the enterprise or business of a  
5 subject employer has been sold or otherwise transferred to a  
6 subsequent employing unit, or reorganized or merged into a single  
7 employing unit under the provisions of section ninety-six point  
8 seven, subsection three b (96.7-3-b), Code, 1946, the transferr-  
9 ing employer's account shall terminate at the close of the calen-  
10 dar quarter in which such transfer, reorganization or merger was  
11 completed.”.

1     Sec. 5. Amend the law as it appears in section ninety-six  
2 point nineteen (96.19), Code, 1946, by striking paragraph (a)

3 of subsection one (1), and inserting in lieu thereof the follow-  
4 ing:

5 “a. The term ‘annual payroll’ means the total amount of  
6 taxable wages paid by an employer during a calendar year for  
7 insured work regardless of the time when such wages were earned.”.

1 Sec. 6. Amend the law as it appears in section ninety-six  
2 point nineteen, subsection six (96.19-6), Code, 1946, by strik-  
3 ing from subsection six (6) all of paragraph (g), and inserting  
4 in lieu thereof the following:

5 “g. Any employing unit which is an employer under the pro-  
6 visions of Subchapter (C) (Federal Unemployment Tax Act) of the  
7 Internal Revenue Code.”.

1 Sec. 7. Amend the law as it appears in section ninety-six  
2 point nineteen (96.19), Code, 1946, by striking subsection six-  
3 teen (16), and inserting in lieu thereof the following:

4 “16. Benefit year. The term ‘benefit year’ means a period  
5 of one year beginning with the day with respect to which an in-  
6 dividual filed a valid claim for benefits. Any claim for bene-  
7 fits made in accordance with section ninety-six point six, sub-  
8 section one (96.6-1), Code, 1946, shall be deemed to be a valid  
9 claim for the purposes of this subsection if the individual has  
10 been paid wages for insured work required under the provisions  
11 of this chapter.”.

1 Sec. 8. Amend the law as it appears in section ninety-six  
2 point nineteen (96.19), Code, 1946, by adding thereto the follow-  
3 ing:

4     “Taxable wages. The term ‘taxable wages’ shall include  
5 all wages paid to an individual by an employer in any calendar  
6 year for insured work equal to the sum of three thousand dollars  
7 (\$3,000.00). Wages paid to such individual in any calendar  
8 year by an employer in excess of three thousand dollars (\$3,000.00)  
9 are not taxable. Contributions on such taxable wages are to be  
10 credited to the calendar quarter in which such wages are paid.”.

1     Sec. 9. All acts, or parts of acts, in conflict herewith  
2 are hereby repealed insofar as they are inconsistent with any of  
3 the provisions of this act.