

January 19, 1951.
Social Security.

House File 127
By HEINZ.

Passed House, Date

Vote: Ayes..... Nays.....

Passed Senate, Date

Vote: Ayes..... Nays.....

Approved

A BILL FOR

An Act to amend sections ninety-seven point seven (97.7),
and ninety-seven point forty-five (97.45), Code 1950,
relating to old age and survivors insurance.

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

1 Section 1. Section ninety-seven point seven (97.7),
2 Code 1950, is hereby amended by adding thereto the following:
3 "In any case in which the employment has been permanently
4 terminated by either the employer or employee prior to the
5 employee becoming fully insured, as defined in this chapter,
6 the tax collected from the employee shall be refunded to
7 the employee by the commission on its own initiative. Such
8 refund shall be made to any employee, who failed to become
9 fully insured, as defined in this chapter, who performed
10 services in the employ of any employer, as defined in this
11 chapter, after the effective date of the provisions of this
12 chapter."

1 Sec. 2. Paragraph b, subsection (6), section ninety-
2 seven point forty-five (97.45), Code 1950, is hereby amended
3 by striking the word "forty", and inserting in lieu thereof
4 the word "twenty."

EXPLANATION OF H. F. 127

A number of employees will be employed to perform services in the employ of employers covered under the provisions of this chapter. However, due many times to circumstances over which the employees have no control, their employment is terminated before they will have served the number of quarters required to become fully insured and as a result thereof the tax collected from such employee will go into the fund, and such employee will never have a chance to benefit therefrom.

It is felt that such taxation is unjust and inequitable. This bill is proposed to rectify the situation.