

January 29, 1951.  
Social Security.

## House File 265

By LISLE, McFARLANE, BUCK, GOODE,  
BROOKINGS, HENDRIX, PATRICK,  
PALMER, BUTLER, KLEMESRUD,  
(Lord, Colburn, et al.)

Passed House, Date .....

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

Passed Senate, Date .....

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

Approved .....

# A BILL FOR

An Act to amend sections ninety-six point three (96.3) and ninety-six point seven (96.7), Code 1950, relating to unemployment compensation, so as to increase weekly benefit amounts, and to reduce certain contribution rates to be paid by employers.

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

1 Section 1. Section ninety-six point three (96.3), Code  
2 1950, is hereby amended by striking from lines seven (7) and  
3 eight (8) of subsection four (4), the words "twenty-two dollars  
4 and fifty cents" and inserting in lieu thereof the words "twenty-  
5 five dollars".

1 Sec. 2. Section ninety-six point seven (96.7), Code 1950,  
2 is hereby amended by striking from paragraph d of subsection  
3 three (3), all of subparagraphs one (1), two (2), three (3) and  
4 four (4) and five (5) thereof and inserting in lieu thereof the  
5 following:

6 "(1) One and eight-tenths percent, if such excess equals  
7 or exceeds two and one-half percent but is less than five percent  
8 of his average annual payroll.

9 (2) Nine-tenths of one percent, if such excess equals or  
10 exceeds five percent but is less than seven and one-half percent  
11 of his average annual payroll.

12 (3) Forty-five hundredths of one percent, if such excess  
13 equals or exceeds seven and one-half percent but is less than ten  
14 percent of his average annual payroll.

15 (4) If such excess equals or exceeds ten percent of his  
16 average annual payroll, then no contributions shall be required.

17 (5) Whenever the unemployment trust fund account of the  
18 state equals or exceeds one hundred ten million dollars the  
19 contribution rates in subparagraphs one (1), two (2) and three  
20 (3) hereof shall be reduced to and shall remain at fifty percent  
21 thereof until said unemployment trust fund account of the state  
22 shall have been reduced to seventy million dollars, in which  
23 event the said contribution rates shall revert to the rates  
24 stated in subparagraphs one (1), two (2) and three (3) hereof."

1 Sec. 3. Interest paid upon the trust fund deposited with  
2 the Secretary of the Treasury of the United States under the  
3 provisions of paragraph 2 of section ninety-six point nine (96.9)  
4 of this chapter for any calendar year shall be allocated and  
5 credited to and become a part of each employer's reserve account,  
6 said allocation to be made in the following manner: for the calendar  
7 year 1950 and each calendar year thereafter, the commission shall  
8 add and credit to each employer's reserve account, the percentage  
9 of the total interest paid upon the aggregate of the reserve  
10 accounts of all of the employers in the state in said year that

11 each such employer's individual reserve account bears to said  
 12 aggregate reserve account. Said interest shall be credited and  
 13 applied in the same manner as a voluntary contribution made by  
 14 each such employer.

1 Sec. 4. The contribution rate of every employer commencing  
 2 with January 1, 1951 shall be determined on the basis of the  
 3 schedule of rates stated in section two (2) hereof. If any  
 4 employer has paid his contribution before such determination of  
 5 his rate for the year 1951 has been made by the commission, said  
 6 contribution shall be credited to his account and his future  
 7 contributions shall be adjusted accordingly, or said contribution  
 8 shall be refunded if it is determined that no contribution is  
 9 required.

1 Sec. 5. This Act being deemed of immediate importance  
 2 shall be in full force and effect upon its publication in the  
 3 ....., a newspaper published at.....  
 4 ....., Iowa, and in the .....,  
 5 a newspaper published at ....., Iowa.

EXPLANATION OF H. F. 265

The maximum weekly benefit amount is increased from \$22.50 to \$25. This is substantially comparable to that in other states similarly situated. Employers pay all of the cost of unemployment compensation. The rates of contribution by employers has likewise been too high and this bill reduces the rate of payment by employers. It also provides an automatic adjustment of rates depending upon the size of the state funds. The increase in benefit amount is sufficient for all practical purposes and the reduction in contribution rate by employers is fair taking into consideration all of the facts and circumstances.