

April 4, 1963.
Place on Calendar.

House File 576
By COMMITTEE ON SOCIAL SECURITY.

Passed House, Date..... Passed Senate, Date.....
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....
Approved.....

A BILL FOR

An Act to amend section ninety-six point eleven (96.11), Code 1962, to provide for a contributory retirement system for the employees of the employment security commission to be paid for from the money received from Title III of the Federal Social Security Act, contributions by the employees, and from moneys appropriated by the state.

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

1 Section 1. Section ninety-six point eleven (96.11), Code
2 1962, is amended by adding the following subsection at the
3 end thereof:
4 "The commission may provide for a contributory retirement
5 system for the employees of the commission, or enter into a
6 contract for such purpose with an insurance company licensed
7 to engage in business in Iowa, and pay the commission's share
8 of the cost thereof from the Employment Security Administration
9 Fund received under Title III of the Federal Social Security
10 Act or from other federal sources, and in the case of employees
11 of the commission for whom the state does not receive federal
12 payments for salary costs, such employer's share may be paid
13 from any appropriations made available for the purpose of
14 paying such salaries. Payments may be made for prior service
15 of employees in accordance with the terms of the retirement
16 program contract, and in accordance with the availability of
17 said funds. The employee's contribution to any such plan shall
18 be deducted from his compensation or salary."

EXPLANATION OF HOUSE FILE 576

This bill will provide a contributory retirement system for employees of the employment security commission to be paid for out of moneys to be requisitioned and received from the Federal Department of Labor together with a small amount from the Iowa Public Employees' Retirement System trust fund for the relatively few employees of the commission engaged in the administration of that law.

Iowa employers pay eight-tenths of one percent of their taxable payroll to the federal government to be used for administrative expenses in administering unemployment compensation laws. The federal department re-allocates back to the state employment security commission money necessary to maintain and operate that department out of the fund contributed by the employers of the state. Iowa has not been receiving back nearly what it pays in. Therefore, this plan will not cost the taxpayers anything and will merely recoup from the federal government moneys which are not now being repaid.