

**WORKFORCE DEVELOPMENT DEPARTMENT[871]**

**Notice of Intended Action**

**Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”**

**Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.**

Pursuant to the authority of Iowa Code section 96.11, the Director of the Department of Workforce Development hereby gives Notice of Intended Action to amend Chapter 22, “Employer Records and Reports,” Chapter 23, “Employer’s Contribution and Charges,” Chapter 24, “Claims and Benefits,” and Chapter 25, “Benefit Payment Control,” Iowa Administrative Code.

These proposed amendments update, clarify and simplify the procedures by which claimants and employers interact with Iowa Workforce Development. The amendments also bring the rules up to date by reflecting changes in technology and efficiencies developed within the agency since the affected rules were adopted. The agency needs to have administrative rules that address these changes.

Any interested person may make written or oral suggestions or comments on the proposed amendments on or before July 25, 2017, by sending them to David J. Steen, Attorney, Iowa Workforce Development, 1000 East Grand Avenue, Des Moines, Iowa 50319-0209. Comments may be sent electronically to [david.steen@iwd.iowa.gov](mailto:david.steen@iwd.iowa.gov).

These amendments do not have any fiscal impact on the State of Iowa.

Waiver provisions do not apply to this rule making.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapter 96.

The following amendments are proposed.

ITEM 1. Amend subrule 22.8(2), introductory paragraph, as follows:

**22.8(2)** Notification of status. The department shall maintain a separate account for each employer and shall notify the employer by ~~mailing a Form 65-5308, Notice of Employer Status and Liability, to the last known address of any status change.~~ This notice will advise the employer of:

ITEM 2. Amend subrule 22.9(1) as follows:

**22.9(1)** Each employing unit engaged in doing business in the state of Iowa January 1, 1936, or after, shall ~~file a report to determine liability~~ complete a registration with the department ~~on a form supplied by the department, Form 60-0126, Report to Determine Liability,~~ setting forth the names and addresses of the owners of the business, or if a corporation, association, or joint stock company or limited liability company, the names and addresses of its officers or members. Each employing unit must show its principal place of business, the nature of its business, the number of individuals whom it customarily hires to perform services for it, the place or places where such services are performed, the time when such business was begun, the number of weeks in the year for which it is customary to operate such business and such other information as may be required ~~by such form.~~

ITEM 3. Amend subrule 22.10(2) as follows:

**22.10(2)** *Reporting requirement.* If, after the change in partners, the partnership is required to obtain a new federal identification number by the Internal Revenue Service, or if there has been a change of ownership as described in Iowa Code section 96.19(18) “b” or a change of ownership as described in rule 871—23.28(96), then the old partnership shall notify the department by filing Form 60-0111, Employer’s Notice of Change, within ten days from the date the change occurred. The new partnership shall ~~notify the department by filing Form 60-0126, Report to Determine Liability,~~ complete a registration within ten days from the date the change occurred.

ITEM 4. Amend subrule 871—22.12(96) as follows:

**871—22.12(96) Reporting units.** Any employer having two or more separate establishments will file those establishments as separate reporting units. Additionally at the employer's discretion, the employer may establish reporting units to report according to function within the business. When filing a ~~Form 65-5300, Employer's Contribution & Payroll Report, by paper,~~ employer's contribution and payroll, all reporting units will be listed on a separate page and will all be submitted together. ~~When filing a Form 65-5300, Employer's Contribution & Payroll Report, by electronic means,~~ The individual reporting units may be filed separately by the reporting units when authorized, but the complete account report is not submitted until all reporting units are completed. Maintaining current status for the reporting units will be the employer's responsibility. If any reporting units are deleted or added, the department shall be notified within ten working days from the date of change.

This rule is intended to implement Iowa Code sections 96.7(2) "a" and 96.19(6).

ITEM 5. Amend subrule 22.13(2) as follows:

**22.13(2)** It will be permissible to accept this information over the telephone by qualified personnel of the ~~field audit section~~ providing tax bureau provided that the employer makes known all of the above requested information and the person receiving this information notes the date it was received, the time it was received, who telephoned the information to the department, and the name and telephone number of a responsible party that can be contacted if further verification is needed with respect to the location coding procedure. ~~Field audit section~~ Tax bureau personnel receiving this classified information by telephone will accordingly note this and make it a matter of permanent record.

ITEM 6. Rescind and reserve rule **871—23.17(96)**.

ITEM 7. Amend subrule 23.29(1) as follows:

**23.29(1) Notice of acquisition.**

*a.* Whenever any employing unit in any manner succeeds to or acquires from an employer either the organization, trade or business or substantially all the assets thereof, and continues such organization, trade or business, such employing unit shall notify the department for the purpose of accomplishing the transfer of the reserve account of the predecessor employer to the successor employing unit. Such notification must be ~~in writing on Form 60-0126, Report to Determine Liability,~~ and include the name and address of the predecessor, the date of acquisition, and the name and address of the successor. When such notice has been received or in the absence of the notice when necessary information establishing that the acquisition occurred has been received by the department, the actual contribution and benefit experience and taxable payrolls of the predecessor shall be transferred to the successor employing unit for determining its rate of contribution. Thereafter, benefits chargeable because of employment for such transferred organization, trade, or business shall be charged to the account of the successor. The predecessor must ~~submit in writing a completed Form 60-0111, Employer Notice of Change~~ notify the department of the status change.

*b.* Where one or more employing units have been reorganized, merged or consolidated into a single employing unit and the successor employing unit continues to operate such merged or consolidated enterprise, the employing units involved shall ~~file change of ownership Forms 60-0111, Employer Notice of Change, and 60-0126, Report to Determine Liability,~~ with the workforce development notify the department within 30 days from the date of the transaction. In addition to Forms 60-0111 and 60-0126, all ~~All~~ entities involved in the merger shall ~~file with the workforce development department~~ provide the articles of merger, or if there are no articles of merger, a statement advising that the merger has transpired.

(1) The predecessor business or businesses involved in the merger shall each file a final quarterly payroll report form as soon as possible after the merger has occurred but in no case later than 30 days after the close of the quarter in which the merger occurred.

(2) The successor entity shall indicate ~~on Form 60-0126, Report to Determine Liability,~~ whether or not the experience rates of all accounts are to be combined and the rate recomputed for the balance of the calendar year in which the merger took place.

ITEM 8. Amend subrule 23.37(1) as follows:

**23.37(1)** Whenever any employer discovers that the contribution report submitted is incorrect resulting in overpayment of contributions due and owing, such employer may file an application for credit allowance or refund. If the department discovers that the contribution ~~report~~ submitted by any employer is incorrect resulting in overpayment of contribution, it may on its own initiative refund or make a credit allowance. No refund or credit allowance will be made after three years from the date on which the overpayment was made. The ~~Form 68-0061, Employer's Wage Adjustment Report,~~ employer's wage adjustment report shall be filed ~~by paper or~~ electronically to show corrections to the individual wage amounts, corrections of grand totals (total wages, taxable wages and contributions), and a full explanation for the adjustment. Adjustment shall be made by the department in the form of credit allowance or refund as provided in subrule 23.37(3) equal to that portion of contributions erroneously paid which exceeds the benefits paid to claimants as a direct result of the employer's erroneous report.

ITEM 9. Amend subrule 23.52(4) as follows:

**23.52(4)** Unless otherwise required, all determinations by the tax bureau will be sent by regular mail ~~to the last known address of the employer~~ or e-mail, depending on how the employer elected to receive correspondence. The determination will be dated, and the employer or other interested party shall have 30 days from the mailing date printed on the notice to appeal the determination. The employer has 15 days to appeal a Notice of Reimbursable Benefit Charges, Form 65-5324.

ITEM 10. Amend subrule 23.70(3) as follows:

**23.70(3)** All requests by nonprofit organizations wishing to be considered for reimbursable status shall be filed on Form 68-0463 and that form, along with the organization's 501(c)(3) Internal Revenue Service letter of exemption, except as otherwise provided in subrule 23.70(2), shall be directed to the attention of the ~~field audit unit tax bureau~~. The request for reimbursable status will be examined by a ~~field auditor or other~~ an authorized representative.

ITEM 11. Rescind paragraph **24.2(1)"c"** and adopt the following **new** paragraph in lieu thereof:

c. All claimants on an initial claim shall state that they are registered for work and shall list their principal occupation. A group code will be assigned to the claimant to control the type of registration that is made. Code assignments will be based on all facts obtained at the time of the claim filing. A group code change can be made at any time during the benefit year if additional information is obtained by the agency. The group codes are:

(1) Group "1" claimants are workers who (1) are employed on a reduced workweek or temporarily unemployed for a period, verified by the department, of four consecutive weeks or less, due to a plant shutdown, vacation, inventory, lack of work or emergency from the individual's regular "employer." This group pertains only to those individuals who worked full-time and will again work full-time if the individuals' employment, although temporarily suspended, has not been terminated. After a period of temporary unemployment, claimants in this group are reviewed for placement in group "2," "3," "4," or "5."

(2) Group "2" claimants are those individuals who have left employment in lieu of exercising their right to bump or oust a fellow employee with less seniority or priority from the fellow employee's job. Group "2" claimants shall have only the search for work provision of Iowa Code section 96.4(3) and the disqualification provision for failure to apply for or to accept suitable work of Iowa Code section 96.5(3) waived. The group "2" code shall not apply to weeks claimed under the extended benefit or federal supplemental compensation programs.

(3) Group "3" claimants are those individuals who are members of unions, trades, or professionals having their own placement facilities. Claimants assigned to this group will be registered for work. A paid-up membership must be maintained. Contact must be made weekly to check for available work. Loss of membership shall result in an assignment to group "3."

(4) Group "4" claimants are those individuals who do not otherwise meet the qualification group code "1," "2," or "3." This group must complete and document work searches made either in-person, online or by submitting a resumé.

(5) Group “5” claimants are workers who are employed on a reduced workweek with an employer who is under voluntary shared work contract approved by the department. This group pertains only to those individuals who worked full-time and will again work full-time if the individuals’ employment, although temporarily suspended, has not been terminated. Once the contract expires, claimants in this group are reviewed for placement in groups “1,” “2,” “3,” or “4.”

(6) Group “6” claimants are workers who are part of a federally declared emergency. Once the emergency period expires, claimants in this group are reviewed for placement in groups “1,” “2,” “3,” “4,” or “5.”

(7) Nothing in this rule shall be construed as prohibiting an authorized representative of the department from requiring claimants for unemployment insurance benefits to avail themselves of workforce development center referral and counseling services if deemed beneficial and necessary to obtain prompt reemployment, nor shall anything in this rule be construed to deny referral or counseling service to claimants for unemployment insurance benefits.

ITEM 12. Rescind rule 871—24.3(96) and adopt the following new rule in lieu thereof:

**871—24.3(96) Social security number needed for filing.** The correct social security number must be provided by the claimant. The correct social security number is essential in the processing of the claim. Therefore, if the claimant has a social security card, the number must be taken from that card or be provided by the claimant. If the claimant has two or more social security numbers, the claim shall be held until the claimant ascertains which number is correct.

ITEM 13. Adopt the following new paragraph **24.13(4)“o”**:

*o.* Payments conditional upon the release of any rights.

ITEM 14. Adopt the following new paragraph **24.13(4)“p”**:

*p.* Payments requiring the individual to work through a specific day to be eligible.

ITEM 15. Amend subrule 24.50(6) as follows:

**24.50(6)** Overpayments will be offset up to and including ~~50~~ 100 percent of the federal temporary extended unemployment compensation benefit payment.

ITEM 16. Amend subrule 25.8(3) as follows:

**25.8(3)** *Purging uncollectible overpayments.* On the last working day of each calendar month, the department reviews all outstanding overpayments; which are ten years or older from the date of the overpayment decision; and determines as uncollectible and purges from its records the unpaid balances of overpayments which are ten years or older ~~from the date of the most recent recovery of a part of the outstanding overpayment.~~