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**JOB
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OF IOWA**

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Job Insurance Information For Employing Units

This pamphlet is intended to assist individuals and organizations which employ workers in Iowa to comply with the Iowa Employment Security Law. Statements in this pamphlet are intended for general information purposes and do not have the effect of law or rule.

I. Who Must Register?

The Iowa Department of Job Service rules require most employing units to file the Report to Determine Liability (Form IESC-111) or other appropriate Job Service report, not later than the month following the one in which workers were first hired in Iowa.

II. What Are Employing Units?

Under the Iowa Employment Security Law, employing unit means: Any individual (sole proprietor) or type of organization, including any partnership, association, trust, estate,

joint stock company, insurance company or corporation (domestic or foreign), a receiver or trustee in bankruptcy, a trustee or successor thereof, or the legal representative of a deceased person (executor-executrix), state and local governments.

II. Who Are Employers?

Any *employing unit* which falls into one or more of the following classifications is an *employer*, and as such, is required to make payments into the Unemployment Compensation Fund.

1. Number of Workers or Wages

An *employing unit* qualifies as an *employer* retroactively to January 1 of any year in which it has:

- (1) A total payroll of \$1,500 or more in any calendar quarter for covered services, or
- (2) One or more employees performing covered services in *20 different calendar weeks*.
- (3) Employers of *agricultural* laborers who (a) employed 10 workers in some portion of a day in 20 separate weeks in the calendar year or the preceding calendar year, *or* (b) paid during any calendar quarter in the calendar year or the preceding calendar year gross wages of 20 thousand dollars or more.
- (4) Employers of domestic workers who paid *cash* wages of 1,000 dollars during any calendar quarter in the calendar year or the preceding calendar year.

The 20 calendar weeks in which worker(s) are employed need not be consecutive and the same individuals need not be employed in each such week. Workers in all establishments operated by the same *employing unit* must be included in the count. Part-time workers count the same as full-time workers.

Beginning January 1, 1972 non-profit religious, charitable, scientific, literary, educational, or for the prevention of cruelty to children or animals organiza-

tions became subject to the above provisions (1) and (2). They may, however, elect to reimburse the Unemployment Compensation Fund for any unemployment benefits paid that are attributable to service in their employment instead of making payments into the Fund. Any of these organizations requesting consideration for reimbursable status must possess a 501-c-3 I.R.S. tax exemption letter.

Effective January 1, 1978 political subdivisions, school districts, and community college districts became subject to the Act. Such entities are required to reimburse the Iowa Department of Job Service for any unemployment benefits paid that are attributable to service in their employment. A political subdivision, school district, or community college district, however, may elect to pay contributions if the election is made within the time specified in the Act. Further details concerning special provisions relating to these entities may be obtained by calling or writing the Iowa Department of Job Service.

2. Successorship

Any employing unit becomes an employer and liable for the tax by acquiring either the organization, the trade or business, or substantially all of the assets thereof, of another liable employer. The acquisition need not be by purchase, but can be by rental, lease, inheritance, merger, mortgage foreclosure, etc. Further, the number of workers employed when the ownership is changed is immaterial. The predecessor's Iowa unemployment insurance account, including tax rate, *indebtedness*, and future claims is transferred to the acquiring employer. Liability starts with the date of acquisition or the date workers were first hired within that year, whichever is earlier.

3. Elective Coverage

An employing unit which is not a liable employer may elect to become an employer, thereby covering its workers under the employment security law so that they may receive unemployment benefits, if otherwise qualified and eligible.

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Employers liable through elective coverage become liable for taxes as of the effective date stated in the application.

If an employing unit wishes to elect coverage under the Iowa Employment Security Act, the necessary forms may be obtained upon request from the Iowa Department of Job Service. Election is subject to approval by the Department.

4. Any employing unit which is liable for taxes under the Federal Unemployment Tax Act is also an employer under the Iowa law if it has one or more workers performing services in Iowa and such services are subject to the federal tax. For complete information regarding the Federal Act, consult the Director of Internal Revenue in Des Moines, Iowa.

IV. Workers And Wages Not To Be Counted (Excluded Services and Wages), Also see "Note" at end of this section.

Certain types of workers are not included in making an employee count to establish whether an employing unit is an employer and is liable for the tax or in determining the wages on which an employer is required to pay contributions. The following is a listing of the more common exclusions.

1. An individual owner of a business (sole proprietor).
2. The partners of a partnership.
3. A father or mother working for a son or a daughter.
4. Children under 18 years of age in the employ of a father or mother, or a partnership consisting of their parents.
5. A husband or wife working for his or her spouse.

(The exclusions listed in items 3, 4, and 5 apply to an individually owned business. They do not apply to a partnership unless a family relationship exists between the

employee and each of the partners; for example, if a father is working for a partnership consisting of his two sons. These exclusions have no application where the employing unit is a corporation.)

6. Service performed in the employ of a school, college, or university if the service is performed by a student who is enrolled and regularly attending classes, and by such student's spouse if such spouse was hired under a program to provide financial assistance and if such spouse is advised of the fact at the time of hire.
7. Service performed by a student under 22 years of age for an employer as a formal and accredited part of the curriculum of the school.

NOTE: In addition to the above, there are other services and workers who may be excluded. Where any doubt exists as to whether an individual is an employee or whether certain services are excluded, the facts should be presented in writing to the Iowa Department of Job Service with a request for a ruling.

V. Notifying Iowa Department Of Job Service Of Liability

It is the responsibility of each employing unit to notify the Iowa Department of Job Service when it qualifies as an employer as defined in this pamphlet.

VI. Employer Account Number

Each employing unit is assigned an employer account number at the time a determination is made establishing its employer status. This number should appear on all correspondence and forms submitted by the employer to the Iowa Department of Job Service.

VII. Records

While all employing units are not required to pay taxes, the Iowa Department of Job

Service may legally require them to file certain reports and permit designated Job Service auditors to review or copy any of their books and records. Every individual or organization employing workers in Iowa must maintain adequate payroll records to show:

1. The names and social security numbers of its workers.
2. Number of persons employed.
3. The days and calendar weeks during which they worked.
4. Their earnings for periods during which they worked.

VIII. New Employers Not Eligible For Computed Rates

The beginning rate for newly covered employers in 1982 is indicated below:

Construction business	6.0%
Non construction	1.8%
Political subdivisions which have elected contributory status	0.10%

IX. Taxable Wage Base

The taxable wage base for all Iowa employers in 1982 is \$8,700.00

X. Timely Reporting Requirements

- (1) Employers are required to submit quarterly reports (Form IESC-21) within 30 days after the end of each quarter to avoid interest and penalty.
- (2) Those newly liable employers under III, (1), (2), (3), (4), of this pamphlet must submit quarterly reports retroactive to the first day of employment in the calendar year within 30 days after the end of the quarter in which they became liable.