

# Iowa Workforce Monthly

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- Disability Navigator Jade Hunt sent us this success story.....pg. 2
- Frank Nucaro attended Re-Employment Services (RES) training in December and the Skills Development lab in January.....pg. 2

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**WORKFORCE**  
DEVELOPMENT



## Misclassification of Workers

Misclassification of workers as "independent contractors," rather than "employees," is a growing problem in Iowa and across the nation. In September 2009, Iowa launched a misclassification unit tasked with educating the business community on the issues of employee misclassification and to properly investigate those suspected of improperly classifying their workers. To date, efforts related to misclassification have uncovered:

- 116 employers misclassified 887 workers,
- Total unreported wages are \$15,520,738,
- Total unemployment taxes due are \$555,647, and
- Total unemployment penalties and interest due are \$156,248.

Collaborative efforts between unemployment insurance,

contractor registration and workers' compensation have aided the investigative efforts of Iowa's misclassification activities.

"Employers that improperly classify their workers as independent contractors create an unfair playing field by lowering their cost of doing business in comparison to employers who follow the law in Iowa," stated Iowa Workforce Development Director Elisabeth Buck. "Additionally, misclassified workers are denied access to workers' compensation coverage and unemployment benefits if needed, creating the potential for a greater economic burden to communities."

Information on Iowa's misclassification program is available at [www.iowaworkforce.org/misclassification](http://www.iowaworkforce.org/misclassification).

## Iowa's First Lady Visits Mason City Workforce Center

Iowa's First Lady, Mari Culver, visited the Mason City Workforce Center on February 10<sup>th</sup>. The visit was part of the First Lady's effort to raise awareness of the Earned Income Tax Credits. The Mason City Workforce Center is one of Iowa's many free tax preparation sites. A list of free tax

preparation sites as well as free electronic filing for eligible Iowans can be found at the Iowa Department of Revenue website: [www.iowa.gov/tax](http://www.iowa.gov/tax).



# One On One



with Elisabeth Buck, IWD Director

The legislative session is in full swing and things have been pretty busy around here. We hope that you will enjoy the information we provided for you.

Misclassification of workers is a growing issue in Iowa. Over the last year, IWD has been working to educate employers on the importance of appropriately classifying employees. We are pleased with the results that our

Misclassification Unit has reported.

We always like sharing success stories from our various programs to help you see how our services have a positive impact on Iowans. We hope you enjoy reading the two success stories that we have included in this issue.

Finally, we have also included more information about the upcoming changes

to the unemployment tax filing system. Several presentations have been scheduled around Iowa. We hope that you will take advantage of these opportunities to learn how these changes improve the way you file quarterly taxes.

## Employment & Ticket to Work Success Story

Disability Navigator Jade Hunt sent us this success story. Terry Anderson had been working with Jade and the Ticket to Work program. Here is little of the letter she sent:

I absolutely love my job! It is such a pleasure to wake up in the morning and can't wait to get to work. This is so cool – my daytime job is quiet just dealing with computer stuff. Then at night I get to see real live people. It's the best of both worlds, although I don't really like leaving the house at 6 am and getting home at 11 pm. But you do what you gotta do. At least the lights and water stay on, food is on the table and my home will not be foreclosed on. I thank God every single day for you and your program.

## My Iowa UI: A New Online UI Tax Filing System

Iowa's Unemployment Insurance Tax Bureau is getting a new online filing system, called My Iowa UI. My Iowa UI gives employers, accountants and other 3<sup>rd</sup> party filers the power to manage their tax account securely and conveniently. The development of My Iowa UI was based in part on feedback we have received from staff, employers, and other 3<sup>rd</sup> party filers. This new system will improve on the functionality of the Unemployment Insurance Tax System and replace a system that is approaching 40 years of age.

A series of two-hour presentations will be held to help explain the differences in My Iowa UI. The seminars will provide the opportunity to see actual screen shots of the system prior to its roll out. It will also show the important

functions available to users and allow time for a question and answer session.

A few presentations include:  
Urbandale  
Mon, Feb. 22 1-3 pm  
Urbandale Public Library,  
Room A-B, 3520 86th Street

Altoona  
Fri, Feb. 26 1-3 pm  
Altoona Public Library,  
700 8<sup>th</sup> St. SW

Cedar Rapids/Iowa City  
Wed, Mar. 3 10 am - Noon  
Coralville Public Library,  
Rooms A & B, 1401 5th St.

See next page for a complete list of all the My Iowa UI presentations.

Register to attend a presentation by emailing: Joann.Goode@iwd.iowa.gov. You must include the following information in your registration email:

- Location & Date of presentation you wish to attend
- Name of person attending
- Name of business or organization
- Contact phone# and email address

NOTE - Those interested must register at least 2 weeks prior to the scheduled presentation. A minimum of 12 attendees will be required for each presentation.

For questions regarding the My Iowa UI seminars, contact Andrew Harrison at Andrew.Harrison@iwd.iowa.gov, or by calling (515) 281-7126. For general unemployment tax questions, call (515) 281-5339 or (800) 972-2024.

## RES Success Story

Frank Nucaro attended Re-Employment Services (RES) training in December and the Skills Development lab in January for critique and assistance with his résumé. With his new résumé in hand, he was introduced to our Recruitment & Placement team, who recommended Frank for a job. That company hired him and Frank called to personally thank everyone involved. He is excited about this new opportunity.



# Misclassification of Workers: Frequently Asked Questions

## 1. Why is it important to correctly classify workers?

An employer has different legal, tax and financial obligations depending on how a worker is classified.

## 2. Who is an employee under Iowa law?

An employee is anyone performing services for an employer. The employer controls the work to be done and how it will be done.

## 3. Who is an “independent contractor”?

“Independent contractors” are in business for themselves. They are not employees. They have an independent trade, business or profession they offer to

the public. They are generally hired to accomplish a task(s) determined by the employer. Independent contractors retain the right to control how they will do the work.

## 4. What if I have a contract that says I am an independent contractor?

A written contract that creates an independent contract relationship is worthless if the employer retains the right to control what will be done and how it will be done.

## 5. What does it mean if I get a 1099 form at the end of the year?

A 1099 form reports an

independent contractor’s income. This usually means that the employer did not withhold federal or state income taxes or FICA (Social Security) or Medicare taxes from the worker’s pay during the year.

The 1099 form is the right form to use if the worker really is an independent contractor. It is the wrong form to use if the worker is really an employee.

Employees should get a W-2 form at the end of the year. The W-2 form includes total wages and the amount of federal and state income taxes withheld. If you get a 1099 when you should

have a W-2, you might owe federal taxes.

## 5. Who determines if a worker is an employee or an independent contractor?

IWD and the Iowa Department of Revenue have investigators and auditors who determine worker classification. If you have questions, you may contact the IWD Misclassification Unit at (515) 281-3191. You also may contact the Department of Revenue Taxpayer Services at (515) 281-3114.

## My UI Iowa Presentation Schedule

### Urbandale

Mon, Feb. 22 1-3 pm  
Urbandale Public Library, Room A-B, 3520 86th Street

### Altoona

Fri, Feb. 26 1-3 pm  
Altoona Public Library,  
700 8<sup>th</sup> St. SW

### Denison

Wed, Feb. 24 9-11 am  
The Boulders Conference Center,  
1215 Donna Reed Road,

### Sioux City

Wed, Feb. 24 2-4 pm  
Western Iowa Tech,  
4647 Stone Ave

### Cedar Rapids/Iowa City

Wed, Mar. 3 10 am - Noon  
Coralville Public Library,  
Rooms A & B, 1401 5th St.

### Council Bluffs

Thurs, Mar. 4 10 am - Noon  
Public Library, Meeting Rooms A&B, 400 Willow Ave

### Davenport

Tues, Mar. 9 1:30-3:30 pm  
Business and Industry Center,  
Room 10, Auditorium, 1951  
Manufacturing Dr.

### Dubuque

Wed, Mar. 10 9:30-11:30 am  
Iowa Workforce Development  
Building, 380 Main St, 2nd floor,

### Spencer

Tues, Mar. 16 10:30 am - 1:30 pm  
Hy-Vee Meeting Room,  
819 Grand Ave Food & Beverage  
provided

### Fort Dodge

Wednesday, Mar. 17 9-11 am  
Fort Dodge Public Library,  
424 Central Avenue

### Burlington

Tues, Mar. 23 2-4pm  
Burlington Public Library,  
Meeting Rooms A&B  
210 Court St

### Ottumwa

Wed, Mar 24 1-3 pm  
Bennett Student Services Center,  
Indian Hills Community College  
623 Indian Hills Drive, Building 12

### Mason City

Tues, Mar 30 9 - 11 am  
North Iowa Area Community  
College, 500 College Drive,

### Waterloo

Tues, Mar 30 2-4 pm  
Tama Hall Conference Center,  
Hawkeye Community College,  
1501 E. Orange Road



# Noteworthy Employee Acknowledgements and Accomplishments

We appreciate the feedback we get from our customers. Here are a few noteworthy comments we've received:

– Lori Adams sent a note to thank **Rita Kapsch (Des Moines)** and **Jean Foshier**

**(Des Moines)**. They both helped ensure a smooth transition to a new system. "This has been a long ordeal. Thanks again for the great customer service from Jean and Rita. I couldn't have done this without them." Good job Rita and Jean.

– John Kuhle sent a note to recognize **Andrea Muntz (Dubuque)** for her exceptional work and dedication to customer service.

"Every visit with Andrea, I was treated with respect, dignity and she demonstrated a sincere interest in me and my job search," said Kuhle. Keep up the good work Andrea!

– Congratulations to **Sandra Dostal (Des Moines)** who was recently awarded the Administrative Assistant Certificate Program.

– Congratulations to **Sandra Taylor (Des Moines)**, **Vicki Clarkson (Des Moines)**, **Ronee Slagle (Marshalltown)**, **Jeff Griffin (Waterloo)**, and **Tom**

**Vanderlinden (Des Moines)** who all earned their Applied Management Series Certificate.

– Congratulations to **Terra Levell (Des Moines)** and **Tyler Hauf (Des Moines)** who were both recently awarded the Applied Business Series Certificate.

If you would like to send us your noteworthy comment, send it to:  
kathryn.hommer@iwd.iowa.gov  
or 515-281-5407.

## Iowa Workforce Monthly

1000 E. Grand Ave.  
Des Moines, IA 50319  
(800) 562-4692

For Deaf or Hard of Hearing, call Relay 711

*Iowa Workforce Monthly* is intended to help keep Iowa employers, job seekers and IWD employees informed about critical employment issues affecting Iowa. For more information, contact Kathryn Hommer via e-mail at [kathryn.hommer@iwd.iowa.gov](mailto:kathryn.hommer@iwd.iowa.gov) or 515-281-5407.

**Chet Culver**  
Governor

**Elisabeth Buck**  
Director

**Kerry Koonce**  
Communications Director

**Mark French**  
Web Master

**Kathryn Hommer**  
Marketing/Communications Coordinator

Equal Opportunity Employer/Program

Auxiliary aids and services are available to individuals with disabilities upon request.

## Employee News

### Promotions/Transfers

Kelly Fredericks	Oscar Rosales
Jill Jacobson	Mark Brady
Marla Loecke	Carla Dennis
Linda Lilly	Sherry Tate
Gloria Nichol	Raun Taylor
Janice O'Meara	Michael Witt

### New Hires

Kimberly Arnold  
Nancy Bristow  
Daniel Cahalan  
Inger Hall  
Michael Hosier  
Susan Kinkennon  
Kimberly Whitmer

### Anniversaries

#### 5 Years

Linda Gray

#### 10 Years

Catherine Huntebrinker  
Jon Nelson  
Kathleen O'Leary

Tisha Scovel  
Rose Fischer

#### 20 Years

Marvin Whitlock

#### 25 Years

David Gannon  
Barbara Stanek

#### 30 Years

Leona Kreamer  
Linda Benson  
Carol Roland

### Retirements

Steven Beasley  
Anthony Double

