Iowa Workforce Development

Unemployment Insurance Employer Handbook

2026

Employer Handbook: Introduction

Release of Information

Information that Iowa Workforce Development's (IWD's) Unemployment Insurance Division obtains from any employer (or third-party agent on behalf of an employer) is strictly confidential. It is not published or open for public inspection. Information in the possession of IWD that may affect a change in an employer's account is made available to the affected employer and the employer's designated legal representatives.

Confidentiality laws prevent IWD from discussing employer account specifics over the phone without verifying the caller's identity. Callers will need to be able to answer questions about detailed information contained within an employer's account before information is provided by the agency.

Individual information collected from employers by IWD's UI Division will be released to employers and their designated legal representatives upon request. It may also be provided to various federal and state agencies as required or permitted by federal and state law.

It should be noted that the case file and decision resulting from any appeal before the Department of Inspections, Appeals and Licensing administrative law judge becomes public record.

Iowa's Unemployment Insurance (UI) Program at Work

The Iowa Employment Security Law, governing legislation for the state's UI Program, benefits both the state and its citizens. It provides benefit payments to qualified individuals who are temporarily unemployed to help them meet expenses that cannot be delayed. Maintaining the purchasing power of jobless individuals also has a stabilizing influence on Iowa's economy.

The law restricts payment of UI benefits to only those who are unemployed or working reduced hours through no fault of their own. They must be able to work, available for work, and actively searching for work.

Employers do not make any deductions from the employee's paycheck to fund UI benefits. Benefits are paid from a fund exclusively supported by a payroll tax levied on Iowa employers. The tax varies for employers and is primarily dependent on two factors:

1. How the employer's employment history compares to that of all other employers who are participating in the UI program

2. The overall fiscal condition of the UI Trust Fund

As part of IWD, the UI Division administers the state and federal unemployment insurance programs. The division is responsible for the maintenance of the UI Trust Fund and managing the UI contribution payments collected from employers.

Employing Units

The Iowa Employment Security Law (Iowa Code 96.1A.14 “Definitions / Employer”) defines an employing unit as an individual (sole proprietor) or type of organization that currently has or previously had in its employ one or more individuals performing service within Iowa. Legal entities based in Iowa, such as a corporation, limited liability company and limited liability partnership must be registered as such with Iowa Secretary of State (SOS). The legal business name registered with IWD must exactly match SOS records. IWD uses the term “Employer” rather than “employing unit” to set a distinction between Employing Unit and Reporting Unit when describing responsibility and procedures related to myIowaUI and the Employer’s SUTA account. Employing unit and Reporting Unit are not interchangeable terms nor are they considered synonymous terms.

An Employer includes any:

- Corporation (domestic or foreign) or insurance company
- Limited liability company
- Sole proprietor
- Partnership
- State or local government
- Trust/estate
- Receiver or trustee in bankruptcy
- Association

Employer Responsibilities

Within 30 days after the first date wages are paid to employees working in Iowa or an existing business is acquired, all employers must register a UI tax account with Iowa Workforce Development (IWD) at **myIowaUI.org**. Based on the information provided, you will find out if you are a liable employer and are required to pay Unemployment Insurance (UI) contributions. Out-of-state employers must register for a UI tax account as soon as wages have been paid to an employee working in Iowa.

myIowaUI – Iowa's Unemployment Insurance (UI) Online Tax System

myIowaUI.org is IWD's secure online tax system for employers to manage their UI tax accounts. The system allows an employer or the employer's authorized third-party agent (TPA) to:

- Register a new business electronically
- Submit quarterly reports electronically
- Calculate taxable wages and contributions due
- Schedule payments
- Submit wage adjustments
- View historic account information
- View and update account information
- Receive and view electronic correspondence
- Assign agent and roles (employer user access only)
- A TPA **must** use the registered Agent Account to access and manage their client's (employer) myIowaUI account.

Note: At no time is an agent to fraudulently represent themselves as the employer or access myIowaUI through an employer's user login credentials. This is considered unauthorized access (ID Theft) and misrepresentation to a government agency. When discovered, the employer login credentials and assigned agent access will be revoked without notice. Access will not be restored until IWD confirms directly with the employer and receives written confirmation that the third party is authorized to access the employer's account.

myIowaUI – Employer Account Information

To protect your rights and to avoid any possible penalties and interest for late filing, it is the employer's responsibility to ensure that all business contact information is accurate and up to date. An employer user or an authorized TPA is able to update account information at **myIowaUI.org**.

Payroll Records

If you hire individuals in Iowa, it is your responsibility as the employer to maintain accurate payroll records. The records must include the total number of employees as well as the following information for each:

- Name
- Social Security Number
- Days and calendar weeks worked
- Earnings for each period employed

Employers are required to keep records for a minimum of five years after the calendar year in which the wages were paid. If an Employer has more than one physical location, the records must be maintained by location.

Employer's Contribution & Payroll

- If the business is found liable, Employers must submit a quarterly wage detail report and make a payment electronically each quarter. Payment must be made by the due date to avoid a late filing penalty and/or interest.
- The quarterly filing is still required even when you have no employment in a specific reporting quarter.
- The quarterly report has several functions:
    - Provides a record of wages the Employer has paid each individual worker.
    - Wages paid are essential to determine the individual employee's eligibility for UI and to calculate his/her UI weekly benefit amount.
    - Calculates the total wages and taxable wages paid during the quarter.
    - Taxable wages paid are a prime factor in determining the Employer's annual UI tax rate.
    - Electronically submits your Multiple Worksite Report if you file wages by reporting unit.
- Employers can make corrections and/or adjust individual wage lines at **myIowaUI.org**. If a zero wage or no wage report is filed and later requested to be replaced with a quarterly report which has wage records, the original filing will be considered an insufficient report and a penalty will be assessed for late filing.

- **Failure to file a quarterly report by the due date will result in a penalty assessed for late filing.** This applies to all employers, regardless of current tax rate or account type. (Iowa Code 96.14 (2))

Reporting Your Employees

- Generally, wages for UI purposes are reported to the state in which work is performed.
- If an employee works exclusively in one state, that is the state to which unemployment tax is reported.
- If an employee is a multi-state worker, working in two or more states during a calendar quarter, the employee is reported to the state where their base of operations is. Where an employee starts and finishes their work on a regular basis is their base of operations.
- If an employee moves from job site to job site and there is no base of operations, the employee should be reported to the state where they receive their direction and control.
- If the employee has no base of operations or the place where services are directed and controlled is not applicable, the employee should be reported to the state where they live, provided that they perform some service in that state.
- If your employee has been permanently transferred to the state of Iowa from another state, you should report the employee to the other state for wages paid before the transfer and report the employee to Iowa for wages paid after the transfer. If the transfer occurs during the middle of the year, you may use the taxable wages reported to the other state before the transfer to determine the Iowa taxable wages after the transfer.

Note: Out of state wage credits are not allowed beginning with the first quarter 2026. Out of state wage credits will only be allowed through fourth quarter 2025.

Actions to Take When Selling, Transferring, or Discontinuing Your Business

In these situations, employers must:

- Update their account information at **mylowaUI.org** under My Quick Links / Change Status (preferred method).
- Or, file an **Employer's Notice of Change** form at the time of the status change.

Employers Covered Under the Law

Determining Your Liability

A liable employer is required to report wages and pay unemployment insurance (UI) contributions to Iowa Workforce Development's (IWD's) UI Division. There are three classification of liable employers:

1. Wages paid and business type
2. Successorship
3. Elective coverage

Information regarding these classifications is provided in more detail below. Part-time, seasonal, or temporary employees are counted the same as full-time employees.

Note: Officers of a corporation are included as employees if they perform services.

Wages Paid and Business Type

The employer becomes liable if it meets any of the following criteria. Liability is retroactive to the first quarter wages were paid.

Wages Paid

- Paid wages in any calendar quarter, in either the current or preceding calendar year for service in employment.

Non-Profit Organizations - 501(C)(3)

- Religious, charitable, scientific, literary, educational, or organizations working for the prevention of cruelty to children or animals.
- Paid wages in any calendar quarter in either the current or preceding calendar year for service in employment.
- These organizations may request a reimbursable status to reimburse the Iowa UI Trust Fund for any UI benefits paid rather than paying a contribution into the Fund (this status remains in effect a minimum of two years). **A 501(c)(3) Internal Revenue Service tax exempt letter is required to request a reimbursable status.**

Refer to section 96.7.8 of the Iowa Code for additional information about reimbursable status.

Agricultural Laborers

- Paid gross wages of $20,000.00 or more to agricultural laborers in any quarter of the current or previous calendar year.
- Employed 10 or more employees in some portion of a day in 20 separate weeks in the current or previous calendar year.

Domestic Employees

- Paid wages of $1,000.00 or more to domestic employees during any calendar quarter in the current or previous calendar year.

Government Entities

- Cities, counties, school districts, townships and community college districts are required to reimburse IWD for any UI benefits paid.
- These entities can elect to pay contributions if the election is made within the time specified by law.

Successorship

- Employer becomes liable for UI contributions on the date you acquire all or part of another existing employer's business (if the business is liable prior to the acquisition).
- It is the buyer's responsibility to obtain information regarding the UI contribution rate, debt and future benefit charges, as all or part of the account experience may be transferred to the acquiring employer's UI account.
- After acquiring a business, you should make a formal and specific offer of work to each employee of the former owner who you wish to retain.
- The offer should outline duties, pay rate, work days, and work shift.
- Please report any refusals by logging into your employer portal on **iowaworks.gov** and filling out the *Separation Notice Alleging Disqualificatio*n form located under the Unemployment Services for Employers section. Sellers who fail to disclose information to the purchasing employer about UI benefits charged to their account are liable for actual damages and attorney fees to the acquiring employer.

Elective Coverage

- An employer who does not meet UI liability may elect to become liable.

- This allows your employees to be covered under the Iowa Employment Security Law and receive UI benefits, if eligible.
- The employer becomes liable for contributions based on the effective date in the application. **The election is valid for a minimum of two years**.
- You may cancel your election to become liable by submitting a written request by February 15th following the year in which you wish to end your election.
- Please complete and file the **Voluntary Election to Become an Employer** form for elective coverage.
- If you don't have employees, you may also complete and file the **Voluntary Election to Constitute Services** form. IWD's UI Division will review the form and determine if you qualify.

Excluded Services and Wages

Common exclusions when counting employees and determining if the wages are reportable include:

- Individual owner of a business (sole proprietor)
- Partners of a partnership
- Limited liability members are excluded if paid in proportion to ownership interest
- Family employment
    - Father or mother working for a son or daughter.
    - Husband or wife working for his or her spouse.
    - Children under 18 years of age employed by a father or mother.
    - The exclusions can apply to a partnership if an exempt family relationship exists between the employee and each of the partners.

Note: Family employment exclusions apply to an individually owned business and not to a corporation or a limited liability company.

- Sick or disability pay if payments are made under an employer plan that applies to its employees generally or to a class of employees.
- Services when employed by a school, college, or university by a student who is enrolled and regularly attending classes, and/or services performed by the student's spouse hired under a program to provide financial assistance (the spouse is advised of the fact at the time of hire).

- Services performed by a student for an employer as a formal and accredited part of the curriculum of the school.
- Services when employed by a church, convention or association of churches, or organization which is operated, supervised, controlled, or principally supported by a church, convention or association of churches, which is operated primarily for religious purposes (example: the service of a janitor in a church is excluded, but the service of a janitor for a separately incorporated college which is not operated primarily for religious purposes, although it may be church related, is covered employment).
    - Services performed by ministers and by members of religious orders (in the exercise of their ministry) in performing the duties required by their orders.

Employer Audits

The United States Department of Labor requires Iowa Workforce Development (IWD) to perform an Unemployment Insurance (UI) tax account audit on a percentage of Iowa employers each year. The audits are conducted to ensure compliance with the provisions of Iowa Code, Section 96.11.6(a) and Iowa Administrative Code 871, Chapter 22.17(4). This requirement results in several thousand Iowa employers being selected for a UI tax account audit each year.

Businesses with or without an active UI account may be selected for an audit to determine if they are a liable employer. Under Iowa law employers are required to provide records for examination as defined in Iowa Administrative Code 871 Chapter 22.17(2).

Employer field auditors are assigned to specific territories throughout Iowa. Territories are assigned based on mailing address ZIP code on the employers' account. Employers can contact the field auditor assigned to their account for any questions.

Misclassification of Workers

It is critical that business owners correctly designate whether the individuals providing services are employees or independent contractors.

Generally, an employer must withhold income taxes, withhold and pay Social Security and Medicare taxes, and pay unemployment tax on wages paid to an employee. An employer does not generally have to withhold or pay any taxes on payments to independent contractors.

Intentional misclassification constitutes tax and insurance evasion. Employers misclassifying their workers may face the following consequences:

- Penalties and fines
- Interest on back taxes
- Criminal charges under various laws

For more information or to report suspected misclassification of workers, visit: **Employer Audits and Misclassification of Workers**.

Appealing Your Unemployment Tax Decision

Employers who do not agree with a UI tax decision may file an appeal and present testimony and documents to an administrative law judge. The appeal must be submitted in writing and filed within 30 days of the decision date. The decision will be final if you do not file an appeal. Your appeal must be in writing and mailed, emailed or faxed to:

Iowa Workforce Development
Unemployment Insurance Tax Bureau
1000 East Grand Ave.
Des Moines IA 50319-0209

Email: **iwduitax@iwd.iowa.gov**

Fax: 515-242-5247

The appeal must include:

- Company name, address and Iowa UI account number
- Decision date
- A statement that you are asking for an appeal
- Your reason for appealing

Employer's must report employees' wages on a quarterly basis. If your appeal is on time, payment of the computed contribution is not an agreement to the amount owed.

Once the appeal is scheduled, you will receive further communication from the Iowa Department of Inspections, Appeals, and Licensing, Administrative Hearings Division that includes an appeal packet, date and time of appeal and instructions for participation.

For more information, visit: **Unemployment Insurance Appeals**

Unemployment Insurance Taxes

Employer's Account

- The unemployment insurance (UI) tax payments are deposited into the UI Trust Fund.
- The employer's account is credited with the tax payment.
- The employer's account is also charged for all regular UI benefit payments and 50 percent of extended benefit payments to former employees who are qualified .
- The benefit charges to the employer's account are used to determine your future UI tax rate.

North American Industry Classification System (NAICS)

- Each UI account is assigned a NAICS classification based upon the activities in which they are primarily engaged.
- NAICS is a comprehensive system covering the entire spectrum of economic activities, both producing and non-producing.
- NAICS uses a six-digit numerical coding system to identify particular industries and their placement in the classification system compared to all other North America industries.
- State Unemployment Tax (SUTA) uses this classification process to determine if an employer is considered a construction industry or non-construction industry.
- The myIowaUI account homepage lists your NAICS classification.
- Complete NAICS information can be found at **www.census.gov/naics.**

Tax Rate Tables

UI contributions may be collected from employers under four different tax rate tables. Each tax table has 9 ranks. Tax rates vary from 0.000% to 5.400%.

The tax tables were established to help maintain the solvency of the UI Trust Fund. As such, a formula in the law mandates movement to a table that collects more revenue when the balance in the UI Trust Fund is low, and movement to a table collecting less revenue when the balance is high.

The rate table in effect for any given year is applicable to all participating employers. The rate table in effect for all private employers for **2026** is Contribution Rate **Table D**, the lowest rate allowed by law.

Benefit Ration Rank	Approximate Cumulative Taxable	Contribution Rates Table A	Contribution Rates Table B	Contribution Rates Table C	Contribution Rates Table D
1	14.29%	0.000%	0.000%	0.000%	0.000%
2	28.58%	0.400%	0.300%	0.100%	0.100%
3	42.87%	1.200%	0.800%	0.400%	0.200%
4	57.16%	2.100%	1.400%	0.600%	0.300%
5	71.45%	3.600%	2.400%	1.100%	0.500%
6	85.74%	5.400%	4.100%	1.900%	0.900%
7	90.50%	5.400%	5.400%	4.200%	2.000%
8	95.26%	5.400%	5.400%	5.400%	2.800%
9	100.00%	5.400%	5.400%	5.400%	5.400%

New Employers

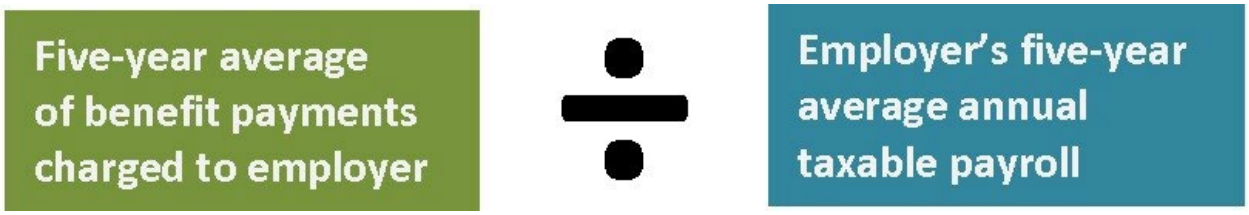
- New **non-construction** employers are assigned the rate from Rank 4 of the table in effect but not less than 1.000%, whichever is higher.
    - For **2026**, the rate is **1.000%**.
- New **construction** employers are assigned the rate from Rank 9 of the table in effect.
    - For **2026**, the rate is **5.400%**.
- Once you are an eligible employer, you will receive a computed UI Tax Rate.

Determining Each Employer's Benefit Ratio

In addition to mandating the tax table in effect, Iowa's UI law provides a formula for determining the tax rates of individual employers.

Two factors are calculated in the benefit ratio system. An employer's five-year average annual benefit payment is divided by the employer's five-year average annual taxable payroll. The result is benefits expressed as a percent of taxable payroll, or a benefit

ratio. Each employer's benefit ratio is then compared to every other employer's benefit ratio in a ranking or array system. Those employers with the lowest benefit ratio receive the lowest tax rates.



Ranking Employers by Benefit Ratio

Your rank as an employer is determined by how your benefit ratio compares to the benefit ratios of other employers.

- Employers are listed by increasing benefit ratios, from lowest to highest.
- Employers are grouped on the list into 9 ranks using the total taxable wages, excluding reimbursable employment wages, reported by the same employers for the four calendar quarters immediately before the computation date (July1).
    - Ranks one through six contain 14.29% of the total taxable wages reported by the same employers.
    - Ranks seven, eight and nine contain 4.76% of the total taxable wages reported by the same employers.

Note:

- All employers with the same benefit ratio are assigned the same rank.
- Employers with taxable wages that overlap ranks are assigned the lower of the two ranks.

- For **2026**, the taxable wage base is **$20,400.00**.

Applying the Rate Table to the Rankings

- Notice of Tax Rate is sent in November of each year for the following tax year.
- Employers whose benefit ratios place them in Rank 1 are assigned the corresponding Rank 1 rate from the rate table.
- Therefore, employers in Rank 2 are assigned the corresponding Rank 2 rate, etc. until all employers have been assigned rates.
- Refer to the Notice of Tax Rate for a breakdown of the quarterly taxable wages and benefit charges applied to the account.

- For Federal 940 Certification purposes, the State Experience Rate indicated on the Notice of Tax Rate is the State Experience Rate as defined on the federal form 940.

Appealing Your Notice of Tax Rate

If you do not agree with your Notice of Tax Rate, an appeal may be filed An appeal must:

1. Be in **writing**
2. Be filed within **30 days** of the rate notice date
3. State that it is an **appeal**
4. Include your Iowa **Employer Account Number**
5. Provide the **grounds** for appeal. Grounds include:
    - An error in the rate
    - A favorable claims decision issued since the rate computation date or that you expect to receive one on an appeal in progress.

Note: Grounds **do not include** fairness or financial hardship. We can not reduce rates that are correctly calculated.

6. Be **mailed** to:

Iowa Workforce Development
Unemployment Insurance Tax Bureau
1000 East Grand Ave.
Des Moines IA 50319-0209

Taxable Wage Base

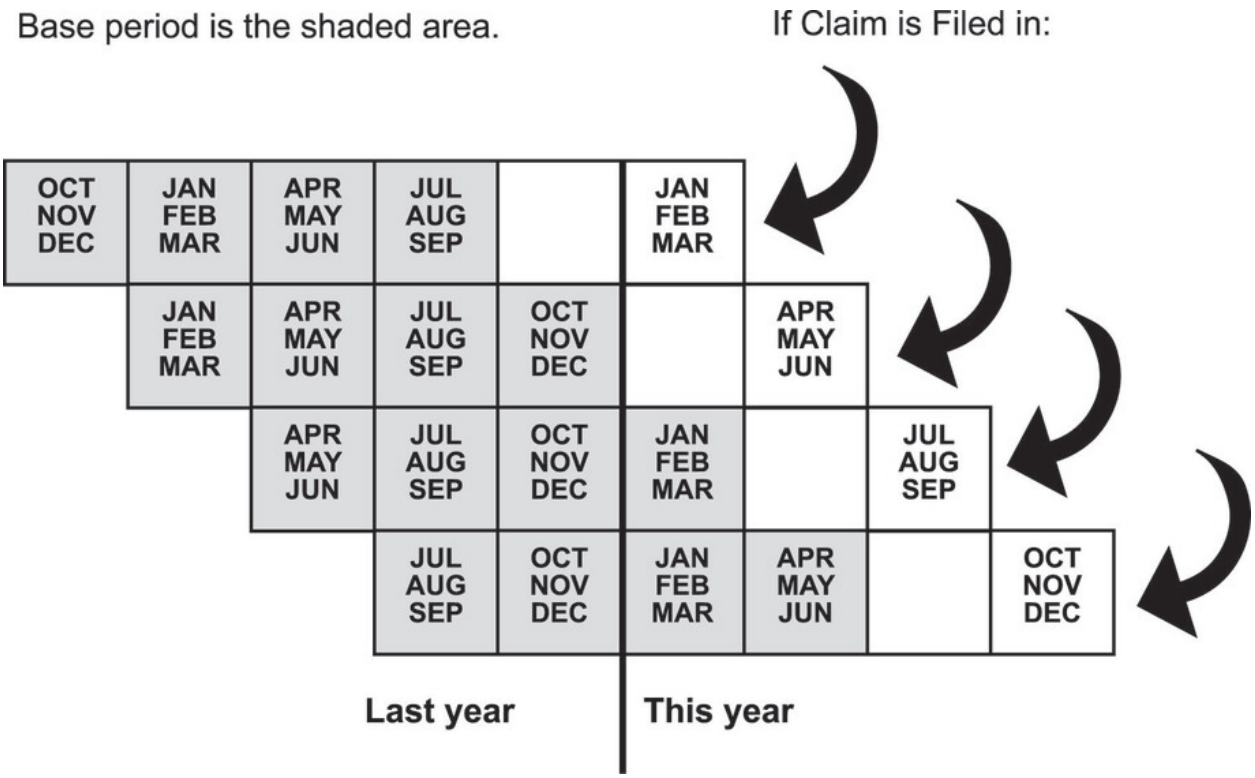
- The taxable wage base is the part of an employee's wage upon which the employer must pay UI taxes.
- The taxable wage base in Iowa is the greater of these two formulas:
    - Thirty-three and one-third of the statewide average weekly wage multiplied by 52.;
    - Or, the taxable wage base for the Federal Unemployment Tax Act (FUTA).
- The employer pays UI taxes on each employee's wages up to the taxable wage base (you do not pay tax on wages exceeding the taxable wage base).

- The taxable wage base in 2025 is $39,500.00
- The taxable wage base in **2026** is **$20,400.00**

Charging Employer Accounts for Benefits Paid

Benefits paid on a UI claim are generally charged to the accounts of the claimant's base-period employers. The most recent base-period employer is charged first with benefits paid until the wage credits are exhausted. Once wage credits are exhausted from the most recent base-period employer, charges go the next most recent employer and so on.

The base-period is a four quarter (one year) time frame using the first four of the last five completed calendar quarters at the time an initial UI claim is filed. The diagram below identifies how to determine the base period. For additional information, please refer to the **Unemployment Insurance Benefits Handbook**.



Notification of Benefits Paid and Charged to Employer's Account

Statement of Charges

Within 40 days after the close of each calendar quarter, IWD sends each contributory employer a Statement of Charges listing the UI benefits paid to former employees and charged to the employer's UI tax account.

This statement is sent for informational purposes and is not a bill. In order to compare this statement to your annual Notice of Tax Rate, you should retain it for five years. You are given **30 days** from the date the Statement of Charges was sent to file an appeal of any charges that are shown on the statement. Instructions for appealing are on the back of the statement.

Statement of Amount Due

If your account carries an outstanding balance, you will receive a monthly Statement of Amount Due. Interest will continue to accrue **daily** on contributions due until the amount is paid in full. Failure to pay may result in further collection action such as: Jeopardy Assessments, Liens, Distress Warrants, Garnishments, Injunctions and/or taking an offset from payment due to you from the State of Iowa or the Internal Revenue Service. If you are unable to make payment in full, contact UI Tax Collections to see if you qualify for a payment plan.

Notice of Reimbursable Benefit Charges

Within 30 days after the close of each calendar quarter, IWD sends each reimbursable employer a Notice of Reimbursable Benefit Charges listing the UI benefits paid to former employees and charged to the employer's UI tax account.

This notice is sent for collection purposes. Payment in full is due within 30 days of the date the notice is sent to avoid interest. If the amount due is not paid within 30 days, interest will accrue at the rate of 1 percent per month on the remaining balance until paid in full (1/30 of 1 percent per day).

You are given **15 days** from the date the **Notice of Reimbursable Benefit Charges** was sent to file an appeal of any charges that are on the notice. Instructions for appealing are on the back of the notice.

Federal Unemployment Tax Act

- Most private employers covered by the Iowa UI Program are subject to the Federal Unemployment Tax Act (FUTA).
- You can receive a maximum credit equal to 5.4 percent against this tax if you are participating in a state UI program that meets federal requirements.
- The FUTA tax for 2025 is scheduled to be 6.0 percent on the first $7,000.00 of wages paid to employees.
- Due to the ongoing solvency of the UI Trust Fund, the 5.4 percent credit is applied to all accounts, making the tax rate 0.6 percent on the first $7,000.00 of wages paid to employees.

- The federal tax is allocated back to the states to pay costs for administering the law and provide funding for 50 percent of extended benefits (EB).
- Any remaining funds are put in a federal loan account for states to use on a loan basis in the event their state benefit funds become depleted.
- The State Experience Rate indicated on the Notice of UI Contribution Rate is the State Experience rate for federal form 940 certification purposes.

Unemployment Insurance Benefits

Employer Notification to Employees of the Availability of Unemployment Compensation

Employers are required to inform employees about Unemployment Insurance (UI) benefits in order to ensure workers are aware of the benefits they may be eligible for if they become unemployed or experience a reduction in hours. Workers who become unemployed may be eligible for UI benefits if they meet the requirements of state UI eligibility laws. Workers may file a UI claim in the first week that employment stops or work hours are reduced.

Form: **Employer Notification to Employees of the Availability of Unemployment Compensation**

Notice of Claim to Employers

Any employer for whom an individual worked for in the last 18 months may be charged for the individual's UI benefits. Therefore, any employer in the look-back period will receive a Notice of Claim and is able to protest the claim seeking relief from the benefit charges. The protest must be filed within **10 days** after the Notice of Separation and Wage Request is sent to the employer. Failure to return a notice of claim to report the reason a claimant separated from the employer may result in charges to the Employer's account.

Fact-Finding Interview

If a claim is protested, IWD may schedule a fact-finding interview which will be conducted by telephone.

The individual and the employer will receive a Notice of Unemployment Insurance Fact-Finding Interview letter containing the scheduled date, time and the telephone number where the individual will be called for the interview. The notice contains complete instructions including what to do if the telephone number listed is incorrect.

Note: Employers who fail to participate in a fact-finding interview that results in an overpayment of claimant benefits will remain responsible for the benefit charges.

After the fact-finding interview, an eligibility decision will be sent to the individual and employer. Either party can appeal the decision if they disagree. Appeal rights and instructions are included on the back of the decision notice.

You can find additional information on the appeal process at: **Unemployment Insurance Appeals**

Tips For Appeal Hearings

- Be prepared and familiarize yourself with the facts.
- Stick to the pertinent facts. Avoid irrelevant information.
- Do not interrupt the person testifying.
- Present any documents that are pertinent to the separation issue, such as time cards, payroll records, personnel records, prior warnings, etc.
- Do not totally depend on affidavits because the person who signed the affidavit is not available to be questioned or challenged.
- Present first-hand information for evidence, not hearsay (hearsay may be admitted but its reliability can readily be challenged).
- If you do not understand the questions, acronyms or legal jargon when questioned by the IWD representative or the administrative law judge, request clarification.
- If you do not know something, simply say so (grasping for answers could affect your credibility).
- Once a claim is appealed, a formal hearing will be scheduled with an ALJ. A notice for a telephone hearing requires the parties to call in to the toll-free number listed on the notice of hearing. You may call in no more than 5 minutes before your hearing. You are not the organizer of the hearing - do not press 2. Once on the line, wait for the ALJ to begin the hearing.
- Your last chance to get evidence into the record is at the administrative law judge level.
    - Do not withhold evidence to use later because new evidence cannot be admitted after the appeal hearing.

- If you want to present new exhibits or summary statements from the fact-finding interview to be included in the record of an appeal hearing, make the request early enough to allow the Appeals Section to mail copies to both parties.

Supplemental Unemployment Benefit (Sub) Plans

If you would like to supplement unemployment benefits for your employees, a SUB plan may be an option for your business. You must pay into a separately established trust fund, or similar account, an amount per hour (or amount equivalent) for the employees covered by the plan. Your employees should provide proof of their eligibility for unemployment insurance (UI) benefits to receive SUB payments.

If you are considering the installation of a SUB plan, a copy of the plan should be submitted to Iowa Workforce Development (IWD) UI Division for approval prior to the effective date of the plan.

Extended Benefits

Extended benefits (EB) become effective in Iowa when the insured unemployment rate equals or exceeds an average of 5 percent for 13 consecutive weeks. Unemployed individuals who have exhausted all their regular UI benefits may be eligible to receive up to 13 weeks of additional payments through the EB program. In cases involving individuals of private contributory employers, EB is funded on a shared basis from the Iowa UI Trust Fund and from monies collected under the employer-financed Federal Unemployment Tax Act (FUTA). Governmental contributory employers are charged 100 percent of EB.

Due to our low unemployment rate, Iowa currently does not fall under a plan to pay EB.

Short Term Compensation Program- Alternative to Layoffs

The Short Term Compensation Program (STC) offers an alternative to layoffs of five or more workers and is an effective tool for Iowa businesses experiencing a decline in regular business activity. Under the STC program, work reductions are shared by reducing employees' work hours and allowing employees to receive a fraction of regular UI benefits which is equal to the percent of their work hour reduction. By avoiding layoffs, employees stay connected to their jobs and employers maintain their skilled workforce.

To learn more about this program, visit: **Short-Term Compensation Program**

Unemployment Insurance Program Integrity

Everyone is responsible for upholding unemployment insurance (UI) integrity. Individuals, employers and Iowa Workforce Development (IWD) staff are expected to act honestly and in good faith. Integrity helps IWD prevent errors, fraud and abuse by those who do not follow the UI rules.

Unemployment Insurance Fraud

Fraud is knowingly providing false information or withholding information to receive UI benefits. Fraudulently collecting UI benefits is a serious offense. It can lead to severe penalties, including:

- Criminal prosecution, fines and imprisonment.
- Denial of future benefits by administrative penalty.
- Repayment of fraudulently collected UI benefits, plus a 15 percent penalty and daily interest.
- Wage garnishments and liens.
- Interception of state and federal tax refunds.

IWD uses automatic wage cross-match programs, claim audits and additional investigative tools to detect fraud. IWD also compares state and federal new hire reports to UI claims to ensure that individuals who have returned to work full-time are no longer collecting benefits and individuals who are working part-time are reporting correct earnings. Claim audits are also conducted to confirm work searches were completed for each employer listed on the work search record.

In addition, IWD has partnered with the Social Security Administration (SSA) in a program that verifies the identity of an individual who has applied for UI benefits. The claimant's full legal name, Social Security Number, date of birth, and gender are cross-matched against the records of the SSA prior to any benefits being paid.

As of July 1, 2018, Individuals who have received UI benefits fraudulently, and have outstanding fraud debt including penalty, interest and lien fees, are ineligible to receive UI benefits until the full amount of the debt is paid. Refer to the claimant handbook section regarding Overpayment for further information.

If an individual thinks they may have mistakenly reported incorrect information, they should contact IWD to correct the situation before an investigation begins.

Quality Control Reviews

In addition to Employer Audits by the Tax Bureau Field Audit team, to ensure your UI account is being charged correctly, IWD randomly selects claimants via UI claims and benefit decisions each week for review to determine if benefits were accurately paid or denied. The audits are conducted by IWD Integrity's Benefit Accuracy Measurement (BAM) team. Selected claimants are required to participate in the review as a condition of continuing eligibility of their UI benefits.

As part of the BAM audit process, Employers are contacted to provide wage records for the selected claimant and separation information. Information is reviewed independently of what may have been supplied to IWD previously during the normal course of procedures to determine accuracy. If the BAM Auditor determines wages were incorrectly reported, a wage investigation or adjustment will be remitted to the Tax Bureau for review and possible corrections. This may result in additional contribution being owed to IWD or a credit created if corrections are required. Refer to the BAM audit instructions for any questions regarding the process. Refer to the **IWD claimant handbook** for specific information that is required of the claimant.

Employer Resources

Key Points

- Register with Iowa Workforce Development (IWD) online at **myIowaUI.org** within 30 days of the first date wages are paid to employees for the first time in Iowa or when an existing business is acquired.
- Keep contact information current on your on-line UI account for tax and benefit correspondence.
- If a third party is used, the agent must be assigned as a Power of Attorney or Authorized Representative with specific roles they are authorized to perform. An employer user on the MyIowaUI account may assign the agent roles (preferred) or send in a signed POA form.
- Avoid penalties by filing your contribution and payroll reports on time.
- Make timely payments to avoid interest charges.
- Report all newly hired and rehired employees to the central registry at **https://secureapp.dhs.state.ia.us/epay** (Refer to the Central registry for required reporting dates)
- Report suspected misclassification or UI fraud at: **Reporting Fraud**

- Provide any information that can help in the investigation to determine if UI benefits have been fraudulently claimed.
- Review quarterly charge statements or billing notices for inaccuracies or suspicious activity.
- Promptly notify IWD when an individual is separated from your employment by filling out the Separation Notice Alleging Disqualification form located under the Unemployment Services for Employers section.
- Complete the Notice of Separation and Wage Request form and respond to IWD within 10 days from the date of mailing as indicated on the form if you wish to protest a UI claim.
- Promptly respond and provide accurate information to IWD when requested.

Additional IWD Services

Recruitment

IWD offers a variety of services to benefit employers, including recruitment assistance, tax credits to hire new employees and outreach to targeted groups. Whether you are developing, expanding, or consolidating your business, IWD's business engagement division staff has the tools and resources to facilitate your needs.

Additional information is available at **IWD's landing page for employers**.

Screening And Assessment Tools

Our Iowa*WORKS* centers provide employers with assessment tools to help identify a good match between employers' job requirements and available applicants. These include:

- Proficiency testing in typing, 10-key, and data entry to help identify applicants' skills.
- National Career Readiness Certificate (NCRC) to measure a job seeker's proficiency in reading for information, locating information, and basic mathematics.
- Office Proficiency and Assessment Certification (OPAC) to test applicants on their skills and abilities in all of the MS Office word processing, spreadsheet, and database applications, including Microsoft Word, Excel, PowerPoint and Access.

For more information, **contact your local Iowa*WORKS* center**.

Home Base Iowa (HBI)

The HBI program connects Iowa employers with veterans and transitioning service members who have highly desirable skills – leadership, critical thinking, time management and problem solving.

Additional information is available at **www.homebaseiowa.gov**.

Skilled Iowa - Now On IowaWORKS

Skilled Iowa is a public-private initiative designed to address the middle-skills gap in Iowa. Veterans, PROMISE JOBS recipients, UI claimants and others are given the chance to learn more about Iowa employers through unpaid internships, and to potentially provide you with skilled workers.

Additional information is available at **iowaworks.gov**.

Rapid Response To Plant Closing And Layoffs

We assist employers and employees involved in workforce adjustment with a rapid response team for mass layoffs or plant closings by offering job search workshops, identifying new training opportunities, skills and interest assessments, and registration for UI benefits.

For more information about employer requirements for both the Federal Worker Adjustment and Retraining Notification (WARN) Act, and the Iowa Layoff Notification Law, the **Rapid Response webpage**.

Labor Market Information (LMI)

LMI collects, analyzes and prepares a wide array of labor market data including: employment, industry and occupational statistics, wages, projections, trends and other workforce characteristics.

Additional information is available on **LMI's website**.

Work Opportunity Tax Credit (WOTC)

WOTC is a federal tax credit available to employers who hire eligible individuals from target groups with significant barriers to employment. WOTC reduces an employer's cost of doing business by decreasing their federal income tax liability depending on the target group identified and hours worked during the first year of employment. Employers can claim the WOTC on an unlimited number of qualified employees each year.

Additional information is available by reading **IWD's WOTC information page**.

Employers Council Of Iowa (ECI)

The ECI is an advisory group, located in each IWD region and offers no-cost membership open to all businesses in the community. Its purpose is to guide IWD's business focus, address topics of concern to employers, sponsor training initiatives, and assist IWD in meeting critical human resource needs.

Additional information is available on **IWD's ECI webpage**.

Federal Bonding

IWD administers the Federal Bonding Program, sponsored by the US Department of Labor. The program's fidelity bonds benefit the employer by offering bond coverage provided at no cost. The bond coverage is in effect the day the new employee begins working and lasts for six months. The employer profits from the worker's skills and abilities without taking the risk of potential theft or dishonesty. There are no documents to sign or paperwork to complete. The bond has no deductible and reimburses the employer for any loss due to employee theft within the specified six-month period.

Additional information is available on **IWD's federal bonding webpage**.

Registered Apprenticeship

The Registered Apprenticeship system provides opportunity for workers seeking high-skilled, high-paying jobs and for employers seeking to build a qualified workforce. Registered Apprenticeship is an employer-driven model, combining on-the-job learning with related classroom instruction and allows the Registered Apprentice to earn a paycheck from day one. Registered Apprenticeship Programs are a proven solution for recruiting, training and retaining world-class talent in Iowa. This program has the ability to attract a new and more diverse talent pool, close the gap in workers' skills, and awards an industry credential issued by the Department of Labor upon completion of the program.

Additional information is available at the **Iowa Office of Apprenticeship website.**

Additional Resources

Iowa Secretary of State

Corporations and Limited Liability Companies (LLC) are common business entities that must be registered with the Iowa Secretary of State (SOS) in order to conduct business within the state. Out of state businesses also have registration requirements in Iowa.

Additional information is available at **https://sos.iowa.gov**.

Iowa Department of Revenue

Employers are responsible for paying other Iowa taxes such as income, sales and use, and withholding to Iowa Department of Revenue.

Information and electronic filing instructions for these taxes are available at **https://tax.iowa.gov**.

U.S. Wage And Hour Division (WHD)

WHD enforces many important programs for employers including but not limited to Federal minimum wage, overtime pay, child labor requirements, misclassification of workers, Fair Labor Standards Act (FSLA) and Family Medical Leave Act (FMLA).

Additional information is available at **https://www.dol.gov/whd/foremployers.htm**.

The Wage and Child Labor Unit (WCLU)

The Wage and Child Labor Unit (WCLU) of the Iowa Department of Inspections, Appeals, and Licensing (DIAL) protects Iowa's children from hazards and overwork, with protections varying by age. The WCLU also enforces Iowa wage law. The unit investigates issues like illegal deductions, unpaid expenses, and wage reductions.

Additional information is available at **https://dial.iowa.gov/hearings/wage-and-child-labor**

Contact Information: Iowa Unemployment Insurance Tax Bureau

Please refer to the **MyIowaUI Frequently Asked Questions page** before contacting the UI Tax Bureau.

- Phone: 888-848-7442
- Email: **iwduitax@iwd.iowa.gov**
- Hours: 8:30 a.m. to noon and 1:00 p.m. to 4:00 p.m., Monday - Friday *(excluding state holidays)*

Additional UI contact information is on the **IWD Unemployment Insurance Help page**.

Equal opportunity employer/program. Accommodations are available upon request: workforce.iowa.gov/accessibility