

NEWS RELEASE

For Statewide Distribution



Iowa Workforce
Development

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Iowans' Unemployment Benefits to Increase Starting July 6

DES MOINES, IOWA – Iowa Workforce Development, as part of its required annual review of unemployment insurance (UI) wages, announced that the maximum weekly benefit for unemployed Iowans will increase effective the benefit week of July 6, 2025.

Per Iowa law, IWD uses a formula each year to determine the maximum and minimum benefit amounts, taking into account the number of Iowans covered by unemployment insurance and their gross wages.

This year's review has determined that the maximum weekly benefit for unemployed Iowans will increase **to \$763 in Fiscal Year 2026, up from \$739 in FY 2025**. The full table of benefit rates for FY 2026 is below.

Number of Dependents	Maximum Percentage of Statewide Average Weekly Wage	Maximum Weekly Benefit Amount Effective 7-6-2025	Minimum Weekly Benefit Amount Effective 7-6-2025	Current Maximum Weekly Benefit Effective 7-7-2024
0	53	\$ 622.00	\$ 93.00	\$ 602.00
1	55	\$ 646.00	\$ 97.00	\$ 625.00
2	57	\$ 669.00	\$ 101.00	\$ 648.00
3	60	\$ 704.00	\$ 107.00	\$ 682.00
4 or more	65	\$ 763.00	\$ 112.00	\$ 739.00

Important note: The increases highlighted above raising the maximum possible benefits for unemployment recipients will take effect with the benefit week of July 6, 2025. Other changes because of recent legislation that lowered the taxes paid by Iowa employers – changes that will have *no impact* on benefits for claimants – will take effect at the beginning of 2026.

On June 6, 2025, Iowa Governor Kim Reynolds [signed Senate File 607 into law](#), simplifying the state's unemployment insurance tax tables and decreasing the maximum tax rate for employers from 9 percent to 5.4 percent. Iowa employers pay unemployment insurance taxes for each employee based on a rate assigned to the employer (per that employer's history in the unemployment system) multiplied by the "taxable wage base," which is defined in state law as a fraction of the average annual wage in Iowa during the previous year. SF607 lowered that fraction from two-thirds to one-third of the average annual wage.

Iowa's average annual wage is recalculated by Iowa Workforce Development every year at this time as part of the same previously described process to determine the maximum and minimum unemployment benefit. The average annual wage in 2024 was \$61,098.90.

Factoring in the new law, the taxable wage base for Calendar Year 2026 will decrease to \$20,400 from \$39,500 in CY 2025.

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