

EMPLOYER AWARENESS GUIDE

This guide is intended to briefly cover various compliance areas a business employing a workforce in Iowa should know. These areas are complex in nature and require more explanation than is practical to cover here.

Please note: Consulting a qualified professional may also be necessary to determine if people working for you are employees or independent contractors. Employers sometimes treat employees as independent contractors which may result in non-compliance with the provisions discussed below. Simply labeling a worker as an independent contractor or a subcontractor, even on a document signed by the worker does not make the worker an independent contractor or subcontractor. Reporting payments on a 1099 instead of withholding taxes also does not necessarily mean the worker is an independent contractor or subcontractor.

The agencies listed below may evaluate details of the relationship between you and the worker to determine which of you has control of the work environment. If it is determined that you control the work environment, you will be considered the employer and therefore responsible for compliance.

Required Postings in the Workplace

Employers are required by both federal and state law to prominently display certain posters in the workplace. These postings cover various areas of employee rights and employer responsibilities. Click through this link to see [required and recommended postings](#).

Workers' Compensation Insurance

Most employers are required to purchase workers' compensation liability insurance. Insurance is mandatory if you have eligible employees, unless you apply to the Iowa Insurance Commissioner to become self-insured.

Workers' compensation liability insurance can be purchased through most insurance agents who write property and casualty insurance. Premium rates are regulated but vary among different insurance companies. Shopping for the best rate and service is often beneficial.

Most employees who are injured in Iowa, working under contract of hire made in Iowa, or whose employment is principally located in Iowa, are eligible for benefits if they have a job-related injury. A few groups of employees are exempt from the law and not eligible for benefits. The criteria for exemption are far too detailed to describe in this reference.

For information on workers' compensation visit the [Division of Workers' Compensation at Iowa Workforce Development \(IWD\) website](#). Questions can be directed to a Compliance Administrator by phoning 515.281.5387 or 1.800.562.4692.

Unemployment Insurance

Unemployment insurance replaces part of the income workers lose when they become unemployed through no fault of their own. Employers pay the money for unemployment benefits. The Unemployment Insurance Services Division at IWD maintains the Iowa Unemployment Compensation Trust Fund, and makes payments to eligible persons. For information, visit the [myIowaUI website](#) email IWDuitax@iwd.iowa.gov or call 515.281.5387 or 1.800.562.4692.

Anyone who is no longer working, or is working substantially fewer hours, and has worked and earned wages in work covered by unemployment insurance as determined by IWD in the last 15 to 18 months may file an application for unemployment insurance benefits.

A liable employer is an employing unit that is required to report wages and pay unemployment insurance taxes to the Unemployment Insurance Division. Employers fall into at least one of the following classifications and become a liable employer if one of the following conditions is met, retroactive to January 1 (of any year in which the conditions occur):

1. One or more employees performing covered services for any portion of a day in at least twenty different calendar weeks.
2. Having a total payroll of \$1,500 or more in any calendar quarter for covered services.
3. Paying cash wages of \$20,000 or more to agricultural laborers in any quarter of the current or previous calendar year, or employing 10 or more workers in some portion of a day in 20 separate weeks in the current calendar year or the preceding calendar year.
4. Paying cash wages of \$1,000 or more to domestic workers during any calendar quarter in the current calendar year or the preceding calendar year.
5. Having one or more employees performing covered services in some portion of a day in at least 20 different calendar weeks or having a total payroll of \$1,500 or more in any calendar quarter for covered services.

Successorship

Be aware that acquiring a trade or business, part of an organization, or substantially all the assets of another business makes the new owner liable for unemployment insurance responsibilities. This acquisition can occur through purchase, rental, lease, inheritance, merger or mortgage foreclosure. Details on successorship responsibilities are too detailed for this reference. [Contact the Unemployment Insurance Division at IWD.](#)

Additionally, any employer liable for taxes under the Federal Unemployment Tax Act is also a liable employer under Iowa law if the business has 1) one or more workers performing services in Iowa; and 2) its services are subject to federal tax.

An employer that is not liable may elect to become liable to cover its workers under Iowa Employment Security Law, so that they may receive unemployment insurance benefits. Choosing to provide elective coverage carries responsibility for taxes. Necessary forms can be obtained from IWD's Tax Bureau at 515.281.5339 and coverage is subject to approval by IWD.

For more information on unemployment insurance please email IWDuitax@iwd.iowa.gov, visit the [Iowa WorkForce Development myIowaUI website](#) or call 515.281.5387.

Misclassification

Be sure to properly classify your workers as employees or independent contractors and provide unemployment insurance and workers compensation coverage for employees as required. Misclassifying workers can lead to significant penalties and interest. In general, a worker is an employee if the business/employer has the right to direct and control the work performed. To learn more visit the page about [properly classifying workers as employees rather than independent contractors.](#)

Contractor Registration

The law requires that all individual contractors and businesses performing "construction" work within Iowa be registered with the Division of Labor if they earn at least \$2,000 a year from that work. Individuals or businesses making less than \$2,000 a year on "construction" work, or who work only on their own real estate or property, are not required to register. Even if construction work is only incidental to your business, you still must be registered so long as you make at least \$2,000 a year from the "construction" activities. For more information on who is required to register contact Iowa Workforce Development, Division of Labor at 1.800.562.4692 or visit the webpage [contractor registration.](#)

Minimum Wage Laws

Employees in Iowa who are covered by the federal and state minimum wage law must be paid at least \$7.25 per hour. Allowable deductions from wages include taxes, garnishments, and benefits accruing to the employee such as insurance, 401k, pensions, and savings programs. For more information on Iowa's wage laws, please visit the webpage [Wage Payment Collection and Minimum Wage](#) or call 515.281.3606. Questions concerning federal wage laws should be directed to the U.S. Department of Labor, Federal Wage and Hour Office at 515.284.4625.

Youth Employment (under age sixteen)

Employers that hire people under 16 must receive and keep a work permit on file that is accessible to any official charged with enforcing child labor laws. A complete list of all persons age 16 or less who are employed must be maintained.

A local school official designated as an issuing officer or an IWD Center can issue a work permit. Acceptable proof of age include: certified birth certificate copy, current passport, or certified baptism record. Written certification from a physician (appointed by the local board of education) may also suffice.

The employer is responsible for completing the work permit (child labor form) and listing all work the youth will be performing, equipment used, and hours to be worked. A parent must complete and sign the form, and return it to the issuing officer for approval.

Both state law and federal child labor laws limit the number of hours that youth are allowed to work. Youth under 18 are also prohibited from working in certain occupations, performing certain duties and using certain equipment. Specific limits on youth employment are too detailed for this reference. Please see the [webpage about child labor](#), or call 515.281.3606 for assistance on state laws.

For more information on federal child labor laws, contact the U.S. Department of Labor, Wage and Hour Division, in Des Moines at 515.284.4625.

Occupational Safety and Health Administration (OSHA)

Employers must provide a work place that is free from recognized hazards. Compliance with occupational safety and health standards promulgated under federal and Iowa law is required. For information on OSHA standards please visit [Iowa OSHA](#).

Iowa's Occupational Safety and Health Act (IOSHA) requires reporting work-related incidents resulting in the death of an employee or in-patient hospitalization of three or more employees. The employer must orally report such incidents in person or by phone within eight hours of the incident. Employers can call 1.877.242.6742. The line is available 24 hours a day, including weekends and holidays.

Employers can learn about potential hazards at their worksites and improve their occupational safety and health management systems by using the free and confidential consultation services available from IWD Occupational Safety and Health Administration Consultation Services. Please see [Iowa OSHA on-site consultation](#) or contact an OSHA Consultant at 515.281.7629.

Tax Information

You will need to register to be a withholding agent on the Iowa Business Tax Registration Form. You will need to apply for a federal identification number (FEIN) with the Internal Revenue Service. You can apply for an FEIN online or you can use form SS-4; this will become your state number for withholding tax purposes.

For more information on tax issues for employers, visit the [Iowa Department of Revenue Starting a Business](#) webpage or call 515.281.3114.

Purpose of I-9 Form

All U.S. employers are responsible for completion and retention of Form I-9 for each individual they hire for employment in the United States. This includes citizens and noncitizens. On the form, the employer must verify the employment eligibility and identify documents presented by the employee and record the document information on the I-9 Form. Acceptable documents are listed on the back of the form, and detailed under "Special Instructions."

Visit the following webpage to [access the I-9 Form](#)

Child Support-New Hire Reporting, Income Withholding, and Medical Support

Employers Partnering in Child Support (EPICS) is a part of the Iowa Department of Human Services' Child Support Recovery Unit (CSRU). The Child Support Recovery Unit also includes the Specialized Customer Service Unit (SCSU), the Collection Services Center (CSC), and the Centralized Employee Registry (CER).

EPICS links the employer community to Iowa's CSRU. EPICS serves as a single point of contact for employers to obtain answers to their questions about child support. The EPICS unit provides specialized functions that include the enforcement of both income withholding and court ordered medical support. Employment and health insurance questionnaires are also handled through the EPICS unit. For more information, please visit [Iowa Department of Human Services Child Support Recovery Unit](http://iowa.gov/Child-Support-Recovery-Unit) webpage.

Employers go online to iowachildsupport.gov to complete most of their child support business, including making payments, reporting newly hired, or rehired employees or contractors, and reporting employee terminations or absences. For more information email csrue@dhs.state.ia.us or call toll-free 1.877.274.2580.

New Hire Reporting

Federal and state laws require employers to report newly hired and rehired employees to a central registry. "New hire reporting" and the CER were created to help (1) locate parents who owe support, and (2) speed up the payment of support through income withholding.

An employer doing business in Iowa who hires or rehires an employee must remit the CER reporting form (top half of Iowa Dept of Revenue's W-4 form) within 15 days of the hire or rehire date of the employee. There are also requirements for reporting contractors to the CER.

Income Withholding

Federal and state laws also require that if a parent owes child support, part of that parent's wages, periodic income or other income must be withheld to pay support. As an Iowa employer, you may receive an income withholding order or notice that tells you how much to withhold from your employee for support. The notice tells you where and how to send payments and explains your rights and responsibilities.

Income must be withheld from the employee no later than the first pay period, 10 days from the day you received the order or notice of the income withholding. Payments should be sent to the Collection Services Center (CSC) no later than seven business days from the date you pay your employee. If the employee quits, is terminated or is rehired you must notify the CSRU. If an employee is rehired, begin withholding child support payments after you receive a new notice to withhold.

Medical Support

Most orders for child support require the non-custodial parent to provide medical insurance coverage for the children. The non-custodial parent usually meets this responsibility by enrolling the children in the employer's insurance program. When the non-custodial parent fails to enroll the children, CSRU can do so by sending the National Medical Support Notice directly to the employer. Contact EPICS for detailed information on employer responsibility for ensuring medical coverage for an employee's children.

Under the Uniform Interstate Family Support Act, all states require employers to honor medical enrollment notices from other states. If you receive another state's notice to enroll the children in the employee's health plan, treat it as if it were based on an Iowa order and was issued by CSRU. Under Iowa law, you must allow enrollment of the employee's children at any time. For more information email the Iowa Child Support Recovery Unit at csrue@dhs.state.ia.us or call toll-free 1.877.274.2580.

Equal Employment Opportunity (EEO) and Affirmative Action (AA)

State requirements: The Iowa Civil Rights Commission's is a neutral, fact-finding, administrative agency that enforces the Iowa Civil Rights Act of 1965. This law prohibits discrimination in the areas of employment, housing, credit, public accommodations (public services and buildings), and education. Discrimination and harassment are illegal if based on actual or perceived race, skin color, national origin, religion, creed, sex, pregnancy, sexual orientation, gender identity, physical disability, mental disability, age (in employment and credit), familial status (in housing and credit), or marital status (in credit). To learn more, call 800.457.4416 or visit icrc.iowa.gov/

Federal Requirements: The U.S. Equal Employment Opportunity Commission enforces federal laws prohibiting employment discrimination. These laws protect employees against employment discrimination when it involves: unfair treatment because of race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information; harassment by managers, co-workers, or in others in the workplace, because of race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information. These laws also protect against denial of a reasonable workplace accommodation that is needed because of religious beliefs or disability and against retaliation because of a complaint about job discrimination, or assistance with a job discrimination investigation or lawsuit. For more information, visit www.eeoc.gov or call 800.669.4000.

Family Medical Leave Act (FMLA)

The FMLA entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee hadn't taken leave. Eligible employees are entitled to twelve workweeks of leave in a 12-month period for: birth of a child and to care for the newborn child within one year of birth; placement with the employee of a child for adoption or foster care and to care for the newly placed child within one year of placement; to care for the employee's spouse, child or parent who has a serious health condition; and a serious health condition that makes the employee unable to perform the essential functions of his or her job.

In addition, leave is provided under any qualifying exigency arising out of the fact that the employee's spouse, son, daughter or parent is a covered military member on "covered active duty or twenty-six workweeks of leave during a single 12-month period to care for a covered service member with a serious injury or illness if the eligible employee is the service member's spouse, son, daughter, parent or next of kin (military caregiver leave). For more information, visit dol.gov/whd/fmla/index.htm#Forms.

Access for Persons with Disabilities

Both the Iowa Civil Rights Act and the Americans with Disability Act (ADA) require businesses to make their businesses and services accessible to persons with disabilities. Under the ADA, businesses that provide goods or services to the public are called "public accommodations". The ADA establishes requirements for 12 categories of public accommodations, which include stores, restaurants, bars, service establishments, theaters, hotels, recreational facilities, private museums and schools, doctors' and dentists' offices, shopping malls and other businesses. Nearly all types of businesses that serve the public are included in the 12 categories, regardless of the size of the business or the age of their buildings.

Businesses covered by the ADA are required to modify their business policies and procedures when necessary to serve customers with disabilities and take steps to communicate effectively with customers with disabilities. The ADA also requires businesses to remove architectural barriers in existing buildings and make sure that newly built or altered facilities are constructed to be accessible to individuals with disabilities. "Grandfather provisions" often found in local building codes do not exempt businesses from their obligations under the ADA. For additional information, visit ada.gov

Accessibility Requirements

The Iowa Building Code Commissioner adopts requirements for accessibility to persons with disabilities of buildings and facilities available to the public. These requirements, included in the State Building Code, are based upon the federal Americans with Disabilities Act Standards for Accessible Design (ADASAG) and the federal Fair Housing Act. Additional requirements may be established by local jurisdictions. Please visit www.dps.state.ia.us/regassist/accessibility for more information on the requirements for accessibility of buildings and facilities available to the public and accessible parking available to the public.