

# Paving the High Road

Opportunities and Threats Shaping the Future of Iowa's Construction Industry

## **Appendix A. Policy Recommendations for the Iowa Department of Inspections, Appeals & Licensing (DIAL)**

Since the responsibility for enforcing the Iowa Wage Payment Collection Law transferred from Iowa Workforce Development (IWD) to DIAL, notable improvements have been made to the visibility and accessibility of wage claim information for employees. We presume that, at the time of this report, DIAL is still operating under IWD's Administrative Rules for wage payment collection and civil penalties, which have not yet been moved or amended in the biweekly Iowa Administrative Code updates.

### **Remove barriers for victims**

- Remove the \$6,500 cap on wage claims. Many Iowa workers who face large wage losses cannot afford a lawyer's services to recover them.
- Reform and greatly reduce the "unenforceability" reasons to commit greater effort on behalf of affected workers (35.4(7)).<sup>1</sup>
- Create resources for victims who experience retaliation from employers.
- Define "low gravity," "medium gravity," and "high gravity" violations more clearly (currently, only examples are provided).<sup>2</sup>

### **Reverse the incentive for employers to cheat**

- In cases of enforceable claims and settlement actions, seek damages equal to 200% of the enforceable claim amount.
- For settlement opportunities, set a minimum penalty reduction of 50% of the determined penalty amount.<sup>2</sup>
- Require that settlement of a claim equal no less than 100% of the enforceable amount claimed.<sup>1</sup>
- Assess civil penalties in all applicable circumstances.<sup>2</sup>
- Remove statement requiring authorization of settlement from the wage claim form. Instead, request consent for settlement after determining enforceability of the claim, and ensure claimant can approve settlement details.<sup>1</sup>
- Disallow a "good faith" penalty reduction for repeat violators.<sup>2</sup>

### **Collaborate with lawmakers and locals**

- Work with legislators to efficiently reform and implement the law.
- Work with state and local organizations to educate workers about wage payment rights.

### **Increase capacity to address wage theft**

- Collect data on wage payment violations and regularly report data, estimated total violations, and prevention and recovery efforts publicly to the state.
- Hire more wage claim investigators, with an initial goal of one investigator per 100,000 employees in the state.
- Hire outreach staff to educate workers and employers about wage payment rights, misclassification.

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<sup>1</sup> See IWD Administrative Rules Chapter 35. <https://www.legis.iowa.gov/docs/ACO/chapter/875.35.pdf>

<sup>2</sup> See IWD Administrative Rules Chapter 34. <https://www.legis.iowa.gov/docs/ACO/chapter/875.34.pdf>