

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

MARLENE K SCOTT
Claimant

APPEAL 19A-UCFE-00023-JC

**ADMINISTRATIVE LAW JUDGE
DECISION**

US POSTAL SERVICE
Employer

OC: 01/13/19
Claimant: Appellant (4)

Iowa Code § 96.3(7) – Recovery of Benefit Overpayment
Iowa Code § 96.3(8) – Back Pay

STATEMENT OF THE CASE:

Claimant filed an appeal from an unemployment insurance decision dated August 19, 2019, (reference 02) that concluded she had been overpaid unemployment insurance benefits due to the receipt of back pay from the U.S. Postal Service (employer). The claimant requested an in-person hearing. On September 10, 2019, an in-person hearing was conducted at the local office in Des Moines. Prior to the hearing, the claimant requested to appear by telephone and the request was granted. The employer did not respond to the notice of hearing to furnish a phone number with the Appeals Bureau and did not participate in the hearing.

The administrative law judge took official notice of the administrative records. The claimant was permitted to submit documentation after the hearing and it was admitted as Claimant Exhibit A. Based on the evidence, the arguments presented, and the law, the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

Note: The initial decision dated August 19, 2019 references the overpayment between November 13, 2019 and an April 20, 2019. The correct period of time covering the overpayment is *January 13, 2019* and April 20, 2019.

ISSUES:

Was the claimant overpaid unemployment insurance benefits?
Did the claimant receive back pay?

FINDINGS OF FACT:

The claimant began employment for the US Postal Service in 2002. She was terminated from employment and established a claim for unemployment insurance benefits with an effective date of January 13, 2019 in response to the termination. She received unemployment insurance benefits in the amount of \$3,612.00 between January 13, 2019 and April 20, 2019.

The employer subsequently reinstated the claimant and made a back pay payment which covered that same period of time. The overpayment decision was issued in this case as a result of the back pay payment from the employer. However, the employer also withheld an amount equal to \$3,070.20 (in excess of the benefits received) from the back pay payment and forwarded that amount to the Agency (See Administrative File/Claimant Exhibit A).

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes the claimant was overpaid unemployment insurance benefits for the period of time for which she later received back pay, but that benefit overpayment has been repaid, and the overpayment balance is now zero.

The unemployment insurance law provides that benefits must be recovered from a claimant who receives benefits and is later determined to be ineligible for benefits, even though the claimant acted in good faith and was not otherwise at fault. Iowa Code § 96.3-7.

Iowa Code section 96.3(8) provides:

Back pay. If an individual receives benefits for a period of unemployment and subsequently receives a payment for the same period from the individual's employer in the form of or in lieu of back pay, the benefits shall be recovered. The department, in its discretion, may reach an agreement with the individual and the employer to allow the employer to deduct the amount of the benefits from the back pay and remit a sum equal to that amount to the unemployment compensation fund and the balance to the individual, or may recover the amount of the benefits either by having a sum equal to that amount deducted from any future benefits payable to the individual or by having the individual pay to the department a sum equal to that amount. If an agreement is reached to allow the employer to deduct the amount of benefits from the back pay and remit that amount to the fund, the department shall not charge that amount to the employer's account under section 96.7.

In this case, the claimant received benefits for which she subsequently was deemed ineligible because of receiving back pay from the employer for the same period. Therefore, the administrative law judge concludes that the claimant was overpaid benefits. However, the overpayment has already been satisfied by the employer's withholding of that amount and forwarding of that amount to the Agency. As a result, the current balance of the overpayment is zero.

DECISION:

The August 19, 2019 (reference 02) initial decision is modified in favor of the claimant. The claimant was overpaid \$3,612.00 in unemployment insurance benefits for the period of time for which she later received back pay, but that benefit overpayment has been repaid, and the overpayment balance is now zero.

Jennifer L. Beckman
Administrative Law Judge

Decision Dated and Mailed

jlb/rvs