

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

<b>JOHN F HOWELL</b> Claimant  <b>IOWA WORKFORCE DEVELOPMENT DEPARTMENT</b>	<div>68-0157 (9-06) - 3091078 - EI</div> <div><b>APPEAL NO. 09A-UI-08502-S2T</b></div> <div><b>ADMINISTRATIVE LAW JUDGE DECISION</b></div> <div><b>OC: 01/25/09</b> <b>Claimant: Appellant (2)</b></div>
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Section 96.3(7) - Recovery of Benefit Overpayment

**STATEMENT OF THE CASE:**

The claimant appealed from the June 12, 2009, reference 02, decision that concluded the claimant was overpaid unemployment insurance benefits as a result of a failure to report or incorrectly reporting vacation/severance pay from Sauer-Danfoss (employer). A telephone hearing was scheduled and held on June 30, 2009, pursuant to due notice. The claimant did participate. David Howell observed the hearing.

**ISSUE:**

The issue is whether the claimant was overpaid unemployment insurance benefits.

**FINDINGS OF FACT:**

The administrative law judge, having heard the testimony and considered all of the evidence in the record, finds that: The claimant worked for the employer from March 2007, until January 14, 2009, as a full-time production machine technician. The claimant earned \$15.00 per hour and worked 40 hours per week or \$600.00 per week.

When the claimant's employment ended the employer gave the claimant severance pay in an amount of \$3,632.00. The severance pay represented six weeks of wages and began the week ending January 24, 2009, after the claimant's vacation pay was applied. The claimant filed his claim for unemployment insurance benefits with an effective date of January 25, 2009. He did not start receiving unemployment insurance benefits until the week ending March 7, 2009, after the severance pay had expired.

**REASONING AND CONCLUSIONS OF LAW:**

Iowa Code section 96.3-7, as amended in 2008, provides:

7. Recovery of overpayment of benefits.
  - a. If an individual receives benefits for which the individual is subsequently determined to be ineligible, even though the individual acts in good faith and is not otherwise at fault,

the benefits shall be recovered. The department in its discretion may recover the overpayment of benefits either by having a sum equal to the overpayment deducted from any future benefits payable to the individual or by having the individual pay to the department a sum equal to the overpayment.

b. (1) If the department determines that an overpayment has been made, the charge for the overpayment against the employer's account shall be removed and the account shall be credited with an amount equal to the overpayment from the unemployment compensation trust fund and this credit shall include both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5. However, provided the benefits were not received as the result of fraud or willful misrepresentation by the individual, benefits shall not be recovered from an individual if the employer did not participate in the initial determination to award benefits pursuant to section 96.6, subsection 2, and an overpayment occurred because of a subsequent reversal on appeal regarding the issue of the individual's separation from employment. The employer shall not be charged with the benefits.

(2) An accounting firm, agent, unemployment insurance accounting firm, or other entity that represents an employer in unemployment claim matters and demonstrates a continuous pattern of failing to participate in the initial determinations to award benefits, as determined and defined by rule by the department, shall be denied permission by the department to represent any employers in unemployment insurance matters. This subparagraph does not apply to attorneys or counselors admitted to practice in the courts of this state pursuant to section 602.10101.

The administrative law judge concludes that the claimant has not been overpaid unemployment insurance benefits pursuant to Iowa Code section 96.3(7). The claimant began receiving unemployment insurance benefits starting the week ending March 7, 2009.

**DECISION:**

The June 12, 2009 reference 02, decision, is reversed. The claimant was not overpaid unemployment insurance benefits.

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Beth A. Scheetz  
Administrative Law Judge

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Decision Dated and Mailed

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