

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

68-0157 (9-06) - 3091078 - EI

**SAMELLA BAILEY**  
Claimant

**APPEAL NO: 12A-UI-05133-BT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**TWINN CITY TANNING WATERLOO LLC**  
Employer

**OC: 01/22/12**  
**Claimant: Appellant (1)**

871 IAC 24.13(3) - Fully Deductible Payments From Benefits

**STATEMENT OF THE CASE:**

Samella Bailey (claimant) appealed an unemployment insurance decision dated March 16, 2012, reference 04, which held that her short-term disability payments from Twinn City Tanning Waterloo, LLC (employer) are deductible from her unemployment insurance benefits. After hearing notices were mailed to the parties' last-known addresses of record, a telephone hearing was held on May 23, 2012. The claimant participated in the hearing. The employer participated through Merle Wilson, plant manager, and Pat Langan, human resources consultant. Based on the evidence, the arguments of the parties, and the law, the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

**ISSUE:**

The issue is whether the claimant's short-term disability benefits are deductible from her unemployment insurance benefits.

**FINDINGS OF FACT:**

The administrative law judge, having heard the testimony and having considered all of the evidence in the record, finds that: The claimant was hired as a full-time collagen trimmer on August 1, 2011. Her physician placed her on medical restrictions due to her pregnancy as of January 10, 2012, and the employer could not initially accommodate those restrictions.

The claimant received short-term disability from January 13, 2012 through February 5, 2012. Sun Life Financial Group issued her a short-term disability check in the amount of \$646.97 on February 10, 2012. The claimant filed for and received unemployment benefits but failed to report this payment.

The employer subsequently accommodated the claimant's non-work-related restrictions and she returned to work temporarily from March 12, 2012 through April 4, 2012, when she was taken off work by her physician. The issue of whether the claimant is able and available to work was addressed in a separate hearing under Appeal No. 12A-UI-02916-VST.

**REASONING AND CONCLUSIONS OF LAW:**

The issue to be determined is whether the claimant's short-term disability payments are deductible from her unemployment insurance benefits.

Iowa Code § 96.5(7) deems vacation pay fully deductible for purposes of determining a claimant's eligibility for unemployment insurance benefits. Likewise, the employer-sponsored short-term disability benefits the claimant received were a type of wage interruption insurance payment and were, therefore, fully deductible from her unemployment insurance benefits. See 871 IAC 24.13(3)(a).

**DECISION:**

The unemployment insurance decision dated March 16, 2012, reference 04, is affirmed. The claimant's short-term disability benefits are fully deductible from her unemployment insurance benefits.

---

Susan D. Ackerman  
Administrative Law Judge

---

Decision Dated and Mailed

sda/kjw