

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

**KADY L LITTY**  
Claimant

**R & D OPERATIONS LIMITED**  
Employer

**APPEAL 22A-UI-13117-DH-T**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**OC: 03/15/20**  
**Claimant: Appellant (4)**

Iowa Code § 96.3(7) - Recovery of Benefit Overpayment  
Iowa Code § 96.19(38) - Total, Partial and Temporary Unemployment  
Iowa Code § 96.5(5) - Payment - Other Compensation  
Iowa Admin. Code r. 871-24.18 - Wage-Earnings Limitation

**STATEMENT OF THE CASE:**

Ms. Kady Litty, claimant/appellant, appealed the May 17, 2022, (reference 06) unemployment insurance decision finding claimant was overpaid \$1,554.00 in regular unemployment benefits for 15 weeks between 03/15/20 and 07/18/20, due to incorrectly or failing to report wages earned with employer, R&D Operations, Limited. Notices of hearing were mailed to the parties last known addresses of record for a telephone hearing scheduled for July 13, 2022, at 11:00AM. Claimant personally participated. Employer, R&D Operations, Limited, participated through Mary Kisner, co-owner. The following hearings were held together as part of a consolidated hearing, Appeals: 22A-UI-13117-DH-T; 22A-UI-13119-DH-T; 22A-UI-13120-DH-T; and 22A-UI-13121-DH-T. Judicial notice was taken of the administrative record (including the Fact-Finding documents with the employer's wage reports on claimant and the IWD Representative's worksheets), DBIN, and KPYX.

**ISSUES:**

Was claimant overpaid benefits?  
Was claimant totally, partially, or temporarily unemployed?  
Did claimant correctly report wages earned?  
Is the claimant eligible for benefits based upon wages earned?

**FINDINGS OF FACT:**

Having heard the testimony and reviewed the evidence in the record, the undersigned finds:

The below table shows the benefit week ending for the wages reported by claimant and by employer that was addressed by the Iowa Workforce Development (IWD) representative and the IWD representative's findings for wages reported and overpayments.

Benefit Week Ending	Wages Reported		Unemployment Benefits		Underpaid	Overpaid
	By Claimant	As found by IWD Rep. as to ER	Paid	Entitled per IWD Rep.	Per IWD Rep.	Per IWD Rep.
03/21//20	\$150.00	\$432.00	\$85.00	\$0.00		\$85.00
03/28/20	\$0.00	\$53.00	\$188.00	\$182.00		\$6.00
04/04/20	\$0.00	\$53.00	\$188.00	\$182.00		\$6.00
04/11/20	\$0.00	\$86.00	\$188.00	\$149.00		\$39.00
04/18/20	\$0.00	\$86.00	\$188.00	\$149.00		\$39.00
04/25/20	\$0.00	\$493.00	\$188.00	\$0.00		\$188.00
05/02/20	\$68.00	\$493.00	\$167.00	\$0.00		\$167.00
05/09/20	\$90.00	\$464.00	\$145.00	\$0.00		\$145.00
05/16/20	\$275.00	\$464.00	\$0.00	\$0.00		
05/23/20	\$150.00	\$293.00	\$85.00	\$0.00		\$85.00
05/30/20	\$275.00	\$293.00	\$0.00	\$0.00		
06/06/20	\$275.00	\$254.00	\$0.00	\$0.00		
06/13/20	\$0.00	\$154.00	\$188.00	\$81.00		\$107.00
06/20/20	\$120.00	\$187.00	\$115.00	\$48.00		\$67.00
06/27/20	\$0.00	\$187.00	\$188.00	\$48.00		\$140.00
07/04/20	\$0.00	\$354.00	\$188.00	\$0.00		\$188.00
07/11/20	\$100.00	\$354.00	\$135.00	\$0.00		\$135.00
07/18/20	\$78.00	\$488.00	\$157.00	\$0.00		\$157.00
07/25/20	\$225.00	\$488.00	\$0.00	\$0.00		
08/01/20	\$500.00	\$460.00	\$0.00	\$0.00		
08/08/20	\$400.00	\$460.00	\$0.00	\$0.00		
				Sub Total		\$1554.00
				Net Total		\$1554.00

During the hearing, the wage reports were gone over with the parties. Ms. Kisner agrees that the wage report that was provided by the employer is accurate, as it was provided by the employer's accountant, Mr. Ellefritz. Claimant disagreed with the wages as reported by employer but had no evidence other than her testimony.

The undersigned finds that the above findings of the IWD Representative for wages as reported by claimant are correct. Furthermore, the wages found by IWD Representative as reported by the employer are found to be correct with the exception of the following benefit week ending, with the corrected amount reported as following: 06/06/20, \$154.00 and not \$254.00.

Claimant was a part-time cook with employer. Her start date was in February 2018. She last worked approximately 12-14 months prior to the hearing date. When COVID-19 (a world-wide pandemic) struck, employer had to close for a period of time and then the hours they could offer their employees were reduced. Claimant's hours were less than before. Employer was able to do things, such as deep cleaning while closed, take out orders and food at a remote location to provide some hours to claimant when the business was otherwise closed, or business was slow.

Claimant filed a claim for unemployment insurance benefits with an original claim date of 03/15/20 due to reduced work hours. Her weekly benefit amount (WBA) was \$188.00. Claimant submitted weekly claims for benefits for 15 weeks between 03/15/20 and 07/18/20. Claimant does not

dispute receiving the benefits the record shows she was paid. Claimant, by failing to or not correctly reporting her wages, was overpaid in regular unemployment benefits.

### **REASONING AND CONCLUSIONS OF LAW:**

An issue in this case is whether the claimant failed to report wages. It is found that claimant failed to accurately report wages as addressed in the findings of fact.

Iowa Code section 96.5(5) provides:

An individual shall be disqualified for benefits, regardless of the source of the individual's wage credits:

5. Other compensation.

a. For any week with respect to which the individual is receiving or has received payment in the form of any of the following:

(1) Wages in lieu of notice, separation allowance, severance pay, or dismissal pay.

(2) Compensation for temporary disability under the workers' compensation law of any state or under a similar law of the United States.

(3) A governmental or other pension, retirement or retired pay, annuity, or any other similar periodic payment made under a plan maintained or contributed to by a base period or chargeable employer where, except for benefits under the federal Social Security Act or the federal Railroad Retirement Act of 1974 or the corresponding provisions of prior law, the plan's eligibility requirements or benefit payments are affected by the base period employment or the remuneration for the base period employment. However, this subparagraph shall only be applicable if the base period employer has made one hundred percent of the contribution to the plan.

b. Provided, that if the remuneration is less than the benefits which would otherwise be due under this chapter, the individual is entitled to receive for the week, if otherwise eligible, benefits reduced by the amount of the remuneration. Provided further, if benefits were paid for any week under this chapter for a period when benefits, remuneration or compensation under paragraph "a", subparagraph (1), (2), or (3), were paid on a retroactive basis for the same period, or any part thereof, the department shall recover the excess amount of benefits paid by the department for the period, and no employer's account shall be charged with benefits so paid. However, compensation for service-connected disabilities or compensation for accrued leave based on military service by the beneficiary with the armed forces of the United States, irrespective of the amount of the benefit, does not disqualify any individual otherwise qualified from any of the benefits contemplated herein. A deduction shall not be made from the amount of benefits payable for a week for individuals receiving federal social security pensions to take into account the individuals' contributions to the pension program.

The above table shows claimant incorrectly reported her wages.

The next issues in this case are whether the claimant is totally, partially, or temporarily unemployed and whether claimant was eligible for benefits/overpaid benefits which are to be

repaid. For the reasons set forth below, it is found claimant was overpaid a net total amount of \$1,473.00.00 in regular unemployment benefits that are to be repaid.

Iowa Code section 96.19(38) provides:

“Total and partial unemployment”.

a. An individual shall be deemed “totally unemployed” in any week with respect to which no wages are payable to the individual and during which the individual performs no services.

b. An individual shall be deemed “partially unemployed” in any week in which either of the following apply:

(1) While employed at the individual’s then regular job, the individual works less than the regular full-time week and in which the individual earns less than the individual’s weekly benefit amount plus fifteen dollars.

(2) The individual, having been separated from the individual’s regular job, earns at odd jobs less than the individual’s weekly benefit amount plus fifteen dollars.

c. An individual shall be deemed “temporarily unemployed” if for a period, verified by the department, not to exceed four consecutive weeks, the individual is unemployed due to a plant shutdown, vacation, inventory, lack of work, or emergency from the individual’s regular job or trade in which the individual worked full-time and will again work full-time, if the individual’s employment, although temporarily suspended, has not been terminated

Iowa Code § 96.3(7) provides, in pertinent part:

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.

Iowa Admin. Code r. 871-24.18 provides:

Wage-earnings limitation. An individual who is partially unemployed may earn weekly a sum equal to the individual’s weekly benefit amount plus \$15 before being disqualified for excessive earnings. If such individual earns less than the individual’s weekly benefit amount plus \$15, the formula for wage deductions shall be a sum equal to the individual’s weekly benefit amount less that part of wages, payable to the individual with respect to that week and rounded to the lower multiple of one dollar, in excess of one-fourth of the individual’s weekly benefit amount.

This rule is intended to implement Iowa Code § 96.3, 96.4 and 96.19(38).

By definition, claimant was not totally, partially, or temporarily unemployed and therefore disqualified from benefits for the weeks ending where the wages employer reported were \$203 or greater. This is due to her earning more than her WBA plus \$15.00. For the remaining weeks, she was partially unemployed as she was still employed but with less than her normal hours.

Benefit Week Ending	Wages Reported		Unemployment Benefits		Underpaid	Overpaid
	By Claimant	By Employer	Paid	Entitled per ALJ	Per ALJ	Per ALJ
03/21/20	\$150.00	\$432.00	\$85.00	\$0.00		\$85.00
03/28/20	\$0.00	\$53.00	\$188.00	\$182.00		\$6.00
04/04/20	\$0.00	\$53.00	\$188.00	\$182.00		\$6.00
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04/18/20	\$0.00	\$86.00	\$188.00	\$149.00		\$39.00
04/25/20	\$0.00	\$493.00	\$188.00	\$0.00		\$188.00
05/02/20	\$68.00	\$493.00	\$167.00	\$0.00		\$167.00
05/09/20	\$90.00	\$464.00	\$145.00	\$0.00		\$145.00
05/16/20	\$275.00	\$464.00	\$0.00	\$0.00		
05/23/20	\$150.00	\$293.00	\$85.00	\$0.00		\$85.00
05/30/20	\$275.00	\$293.00	\$0.00	\$0.00		
06/06/20	\$275.00	\$154.00	\$0.00	\$81.00	\$81.00	
06/13/20	\$0.00	\$154.00	\$188.00	\$81.00		\$107.00
06/20/20	\$120.00	\$187.00	\$115.00	\$48.00		\$67.00
06/27/20	\$0.00	\$187.00	\$188.00	\$48.00		\$140.00
07/04/20	\$0.00	\$354.00	\$188.00	\$0.00		\$188.00
07/11/20	\$100.00	\$354.00	\$135.00	\$0.00		\$135.00
07/18/20	\$78.00	\$488.00	\$157.00	\$0.00		\$157.00
07/25/20	\$225.00	\$488.00	\$0.00	\$0.00		
08/01/20	\$500.00	\$460.00	\$0.00	\$0.00		
08/08/20	\$400.00	\$460.00	\$0.00	\$0.00		
				Sub Total	\$81.00	\$1554.00
				Net Total		\$1473.00

With the correction for employer's reported wages for 06/06/20, it is found that claimant was underpaid \$81.00 in regular unemployment benefits and was overpaid \$1,554.00 in regular unemployment benefits, resulting in a net overpayment of \$1,473.00 in regular unemployment benefits that has to be repaid.

**DECISION:**

The May 17, 2022, (reference 06) unemployment insurance decision finding claimant was overpaid \$1,554.00 in regular unemployment benefits for 15 weeks between 03/15/20 and 07/18/20, due to incorrectly or failing to report wages earned with employer is **MODIFIED** in favor of appellant, finding the net overpayment amount is \$1,473.00. Claimant was overpaid a net amount of \$1,743.00 regular unemployment benefits which is to be repaid.



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Darrin T. Hamilton  
Administrative Law Judge

November 10, 2022  
Decision Dated and Mailed

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**APPEAL RIGHTS.** If you disagree with the decision, you or any interested party may:

1. Appeal to the Employment Appeal Board within fifteen (15) days of the date under the judge's signature by submitting a written appeal via mail, fax, or online to:

**Employment Appeal Board  
4<sup>th</sup> Floor – Lucas Building  
Des Moines, Iowa 50319  
Fax: (515)281-7191  
Online: [eab.iowa.gov](http://eab.iowa.gov)**

The appeal period will be extended to the next business day if the last day to appeal falls on a weekend or a legal holiday.

**AN APPEAL TO THE BOARD SHALL STATE CLEARLY:**

- 1) The name, address, and social security number of the claimant.
- 2) A reference to the decision from which the appeal is taken.
- 3) That an appeal from such decision is being made and such appeal is signed.
- 4) The grounds upon which such appeal is based.

An Employment Appeal Board decision is final agency action. If a party disagrees with the Employment Appeal Board decision, they may then file a petition for judicial review in district court.

2. If no one files an appeal of the judge's decision with the Employment Appeal Board within fifteen (15) days, the decision becomes final agency action, and you have the option to file a petition for judicial review in District Court within thirty (30) days after the decision becomes final. Additional information on how to file a petition can be found at Iowa Code §17A.19, which is online at <https://www.legis.iowa.gov/docs/code/17A.19.pdf> or by contacting the District Court Clerk of Court <https://www.iowacourts.gov/iowa-courts/court-directory/>.

**Note to Parties:** YOU MAY REPRESENT yourself in the appeal or obtain a lawyer or other interested party to do so provided there is no expense to Workforce Development. If you wish to be represented by a lawyer, you may obtain the services of either a private attorney or one whose services are paid for with public funds.

**Note to Claimant:** It is important that you file your weekly claim as directed, while this appeal is pending, to protect your continuing right to benefits.

**SERVICE INFORMATION:**

A true and correct copy of this decision was mailed to each of the parties listed.

**DERECHOS DE APELACIÓN.** Si no está de acuerdo con la decisión, usted o cualquier parte interesada puede:

1. Apelar a la Junta de Apelaciones de Empleo dentro de los quince (15) días de la fecha bajo la firma del juez presentando una apelación por escrito por correo, fax o en línea a:

**Employment Appeal Board  
4th Floor – Lucas Building  
Des Moines, Iowa 50319  
Fax: (515)281-7191  
En línea: [eab.iowa.gov](http://eab.iowa.gov)**

El período de apelación se extenderá hasta el siguiente día hábil si el último día para apelar cae en fin de semana o día feriado legal.

**UNA APELACIÓN A LA JUNTA DEBE ESTABLECER CLARAMENTE:**

- 1) El nombre, dirección y número de seguro social del reclamante.
- 2) Una referencia a la decisión de la que se toma la apelación.
- 3) Que se interponga recurso de apelación contra tal decisión y se firme dicho recurso.
- 4) Los fundamentos en que se funda dicho recurso.

Una decisión de la Junta de Apelaciones de Empleo es una acción final de la agencia. Si una de las partes no está de acuerdo con la decisión de la Junta de Apelación de Empleo, puede presentar una petición de revisión judicial en el tribunal de distrito.

2. Si nadie presenta una apelación de la decisión del juez ante la Junta de Apelaciones Laborales dentro de los quince (15) días, la decisión se convierte en acción final de la agencia y usted tiene la opción de presentar una petición de revisión judicial en el Tribunal de Distrito dentro de los treinta (30) días después de que la decisión adquiera firmeza. Puede encontrar información adicional sobre cómo presentar una petición en el Código de Iowa §17A.19, que se encuentra en línea en <https://www.legis.iowa.gov/docs/code/17A.19.pdf> o comunicándose con el Tribunal de Distrito Secretario del tribunal <https://www.iowacourts.gov/iowa-courts/court-directory/>.

**Nota para las partes:** USTED PUEDE REPRESENTARSE en la apelación u obtener un abogado u otra parte interesada para que lo haga, siempre que no haya gastos para Workforce Development. Si desea ser representado por un abogado, puede obtener los servicios de un abogado privado o uno cuyos servicios se paguen con fondos públicos.

**Nota para el reclamante:** es importante que presente su reclamo semanal según las instrucciones, mientras esta apelación está pendiente, para proteger su derecho continuo a los beneficios.

**SERVICIO DE INFORMACIÓN:**

Se envió por correo una copia fiel y correcta de esta decisión a cada una de las partes enumeradas.