

**BEFORE THE
EMPLOYMENT APPEAL BOARD
Lucas State Office Building, 4TH Floor
Des Moines, Iowa 50319
eab.iowa.gov**

MORLEY B ROGERS

Claimant

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HEARING NUMBER: 22B-UI-06743

**EMPLOYMENT APPEAL BOARD
DECISION**

NOTICE

THIS DECISION BECOMES FINAL unless (1) a **request for a REHEARING** is filed with the Employment Appeal Board within **20 days** of the date of the Board's decision or, (2) a **PETITION TO DISTRICT COURT IS FILED WITHIN 30 days** of the date of the Board's decision.

A **REHEARING REQUEST** shall state the specific grounds and relief sought. If the rehearing request is denied, a petition may be filed in **DISTRICT COURT** within **30 days** of the date of the denial.

SECTION: 96.6-2, 116-136

DECISION

The Claimant appealed this case to the Employment Appeal Board. The members of the Employment Appeal Board reviewed the entire record. The Appeal Board, one member dissenting, finds it cannot affirm the administrative law judge's decision. The Employment Appeal Board **REVERSES** as set forth below.

FINDINGS OF FACT:

The Claimant, Morley Rogers, filed an original claim for regular unemployment insurance benefits funded by the State of Iowa effective February 26, 2020. The Claimant was paid \$7,800 in FPUC benefits for weeks ending May 2, 2020 and July 28, 2020, as a supplement to Claimant's eligibility for regular unemployment insurance benefits.

On October 16, 2020, the administrative law judge issued a decision, Ref. 03, finding the Claimant ineligible for regular unemployment insurance benefits effective February 26, 2020. (20A-UI-10493) In a subsequent unemployment insurance decision dated June 16, 2022, Ref. 07, the Claimant was determined to be overpaid FPUC benefits in the amount of \$7,800 for weeks ending May 2, 2020 and July 28, 2020. The Claimant then filed an application for waiver of the overpayment of benefits, which the administrative law judge denied. (21A-UI-06743).

REASONING AND CONCLUSIONS OF LAW:

The Administrative Law Judge's discussion of the recovery of overpaid FPUC benefits is reversed.

The CARES Act, as amended, provides:

In the case of individuals who have received amounts of Federal Pandemic Unemployment Compensation to which they were not entitled, the State shall require such individuals to repay the amounts of such Federal Pandemic Unemployment Compensation to the State agency, **except** that the State agency may waive such repayment if it determines that—

(A) the payment of such Federal Pandemic Unemployment Compensation was without fault on the part of any such individual; and

(B) such repayment would be contrary to equity and good conscience

PL116-136, Sec. 2104(f)(2). In this case the Claimant was paid FPUC in addition to regular state benefits. We now consider whether the FPUC overpayment can be waived.

In deciding the question of fault, we will consider factors such as whether a material statement or representation was made by the Claimant in connection with the application for benefits, whether the Claimant knew or should have known that a fact was material and failed to disclose it, whether the Claimant should have known the Claimant was not eligible for benefits, and whether the overpayment was otherwise directly caused by the knowing actions of the Claimant. *Cf.* 871 IAC 24.50(7) (setting out factors for similar issue under TEUC from 2002). In deciding equity and good conscience we utilize the federal directives by considering the following:

- It would cause financial hardship to the person for whom it is sought; or
- The recipient of the overpayment can show (regardless of their financial circumstances) that due to the notice that such payment would be made or because of the incorrect payment either they have relinquished a valuable right or changed positions for the worse; or
- Recovery would be unconscionable under the circumstances.

UIPL 20-21 p. 6-7 (DOL ETA 5/5/2021).

Applying these factors to the totality of the circumstances in this case including that there is no evidence of material misrepresentation, we find on this individualized basis that the **FPUC overpayment** should be waived on the ground that the Claimant's knowing actions were not directly at fault for the overpayment, and recovery would be unconscionable.

The Employer should note that the Employer will not be charged for any waived FPUC.

If after today the Claimant should receive an overpayment decision concerning the overpayment(s) we have waived then the Claimant should appeal that decision. The Claimant should retain our decision to present to IWD in response to any such decision. The Claimant likewise should present this order to IWD if the Claimant should receive a bill for a waived overpayment.

DECISION:

The decision of the Administrative Law Judge dated June 16, 2022 is **REVERSED**. **The overpayment of \$7,800 in FPUC benefits is hereby waived, and the Claimant has no obligation to pay back those benefits. This waiver is effective only if the Claimant does not receive additional payments of FPUC covering the same weeks.** If the Claimant does receive such additional payments covering the same period of time as this case, then Claimant will not be allowed to retain the double payment.

James M. Strohman

Ashley R. Koopmans

DISSENTING OPINION OF MYRON R. LINN:

I respectfully dissent from the majority decision of the Employment Appeal Board. After careful review of the record, I would affirm the decision of the administrative law judge in its entirety.

Myron R. Linn

AMG/fnv