

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**JUNE L VAUGHN**

Claimant

**APPEAL NO: 13A-UI-06015-DT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**IOWA WORKFORCE  
DEVELOPMENT DEPARTMENT**

**OC: 01/06/13**

**Claimant: Appellant (1)**

20 CFR 616.8(e) – Overpayment Offset

**STATEMENT OF THE CASE:**

June L. Vaughn (claimant) appealed a representative's May 8, 2013 decision (reference 02) that concluded that her Iowa unemployment insurance benefits could be withheld to recover a prior overpayment of benefits in another state. A hearing notice was mailed to the claimant's last-known address of record for a telephone hearing to be held on at 9:30 a.m. on June 28, 2013. The claimant failed to respond to the hearing notice and provide a telephone number at which she could be reached for the hearing and did not participate in the hearing. Based on a review of the information in the administrative file and the law, the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

**ISSUE:**

May the claimant's Iowa unemployment insurance benefits be withheld to recover an overpayment of benefits in another state?

**FINDINGS OF FACT:**

The claimant established an Iowa unemployment insurance benefit year effective January 6, 2013. The claim was a combined-wage claim, including wage credits transferred to Iowa from one or more other states. On April 30, 2013 the State of Alabama Department of Labor Unemployment Compensation Agency certified to the Iowa Agency that the claimant had outstanding overpayments of unemployment insurance benefits totaling \$1,881.00 based on overpayment determinations issued in the state of Alabama on December 17, 2010 and April 24, 2013, and requested that Iowa Workforce Development withhold \$1,881.00 in benefits to apply to the outstanding overpayment of benefits. After the offsets began, as of the scheduled date of the hearing in this matter, the claimant's remaining overpayment amount is \$254.29.

**REASONING AND CONCLUSIONS OF LAW:**

The issue in this case is whether the Agency has the authority to withhold \$1,881.00 in benefits to apply to the outstanding overpayment of benefits in Alabama.

20 C.F.R. 616.8(e) provides as follows:

616.8 - Responsibilities of the paying State

(e) Recovery of prior overpayments. If there is an overpayment outstanding in a transferring State and such transferring State so requests, the overpayment shall be deducted from any benefits the paying State would otherwise pay to the claimant on his Combined-Wage Claim except to the extent prohibited by the law of the paying State. The paying State shall transmit the amount deducted to the transferring State or credit the deduction against the transferring State's required reimbursement under this arrangement. This paragraph shall apply to overpayments only if the transferring State certifies to the paying State that the determination of overpayment was made within 3 years before the Combined-Wage Claim was filed and that repayment by the claimant is legally required and enforceable against him under the law of the transferring State.

Based on this rule and the statute cited, the Agency has the authority to withhold \$1,881.00 in benefits to apply to the outstanding overpayment of benefits in Alabama. The overpayment determinations were made within three years prior to the Iowa claim and the Iowa Agency is obligated under the law assist with recovering the overpayment.

**DECISION:**

The representative's May 8, 2013 decision (reference 02) is affirmed. The State of Iowa is obligated to withhold benefits to offset the prior \$1,881.00 overpayments in Alabama, and did so in accordance with the law.

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Lynette A. F. Donner  
Administrative Law Judge

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Decision Dated and Mailed

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