

**IOWA WORKFORCE DEVELOPMENT
Unemployment Insurance Appeals Section
1000 East Grand—Des Moines, Iowa 50319
DECISION OF THE ADMINISTRATIVE LAW JUDGE
68-0157 (7-97) – 3091078 - EI**

**LYLOU M CHEA
719 ONTARIO ST
STORM LAKE IA 50588**

**IOWA WORKFORCE
DEVELOPMENT DEPARTMENT**

**Appeal Number: 06A-UI-03851-LT
OC: 12-18-05 R: 01
Claimant: Appellant (1)**

This Decision Shall Become Final, unless within fifteen (15) days from the date below, you or any interested party appeal to the Employment Appeal Board by submitting either a signed letter or a signed written Notice of Appeal, directly to the **Employment Appeal Board, 4th Floor—Lucas Building, Des Moines, Iowa 50319**.

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.

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.

YOU MAY REPRESENT yourself in this appeal or you may 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. It is important that you file your claim as directed, while this appeal is pending, to protect your continuing right to benefits.

(Administrative Law Judge)

(Decision Dated & Mailed)

Iowa Code § 96.3(7) - Recovery of Benefit Overpayment
Iowa Code § 421.17(29) - Offset of State Income Tax Refund
871 IAC 25.16 - Offset of State Income Tax Refund

STATEMENT OF THE CASE:

The claimant filed an appeal from the March 6, 2006, reference 02, decision that gave notice that claimant's 2005 Iowa income tax refund was going to be withheld to apply to an overpayment of unemployment insurance benefits, which the claimant owed to Iowa Workforce Development, formerly known as Job Service. After due notice was issued, a hearing was scheduled to be held by telephone conference call on April 26, 2006. The claimant did participate.

FINDINGS OF FACT:

Having reviewed the administrative record, the administrative law judge finds: A representative's decision dated March 6, 2006, reference 02, notified claimant of an overpayment related to the June 17, 2001 claim year. The overpayment amount was \$1,553.00, which has become final. The state treasurer has notified the Iowa Workforce Development Department that the claimant has an Iowa income tax refund for 2005 of at least \$50.00.

REASONING AND CONCLUSIONS OF LAW:

The issue is whether the withholding of the Iowa income tax refund to recover the prior overpayment is valid. The administrative law judge concludes that it is.

Iowa Code § 421.17(29) sets forth a procedure whereby one state agency may obtain funds owed by a second state agency to an individual to apply to a debt, which that same individual owes to the first state agency. 871 IAC 25.16 specifically authorizes the Iowa Workforce Development Department to withhold the state income tax refund owing to the claimant to apply to an overpayment of benefits which that same claimant owes to the Iowa Workforce Development Department so long as both amounts are at least \$50.00. The claimant owes the Iowa Workforce Development Department \$1,553.00 in benefits he received in 2001 to which he was not entitled and he has an Iowa income tax refund of at least \$50.00. Therefore, the Iowa Workforce Development Department is legally authorized to withhold that Iowa income tax refund up to the amount of the overpayment of benefits, which the claimant owes to the Iowa Workforce Development Department.

DECISION:

The representative's decision dated March 6, 2006, reference 02, is affirmed. The Iowa Workforce Development Department has legal authority to withhold the 2005 Iowa income tax refund owed to the claimant to apply to the overpayment of benefits, which that individual owes to the Iowa Workforce Development Department. If claimant wishes to avoid future income tax offsets he must make some payment arrangements during the 2006 tax year.

dml/tjc