

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

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**MARY P CARROLL**

Claimant

**CREDIT BUREAU OF MUSCATINE INC**

Employer

**APPEAL 19A-UI-09877-AD-T**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**OC: 10/21/18**

**Claimant: Appellant (2)**

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Iowa Code § 96.3(7) – Payment – Overpayment  
Iowa Code § 96.19(38) – Total, partial unemployment  
Iowa Admin. Code r. 871-24.18 – Wage earnings

**STATEMENT OF THE CASE:**

On December 13, 2019, Mary Carroll (claimant/appellant) filed a timely appeal from the December 5, 2019 (reference 01) unemployment insurance decision that determined claimant was overpaid benefits in the amount of \$5,239.00 for 34 weeks between October 21, 2018 and October 19, 2019 because claimant incorrectly reported wages earned.

The parties were properly notified of the hearing. A telephone hearing was held on January 10, 2020 at 11:00 a.m. Claimant participated personally. Credit Bureau of Muscatine Inc. (employer/respondent) did not register for the hearing and did not participate.

Official notice was taken of claimant's payment and wage history on the department's information database and the Iowa Workforce Development Decision Overpayment Worksheet. Claimant's Exhibits 1-5 were admitted.

**ISSUE(S):**

- I. Was the claimant overpaid benefits?
- II. Is the claimant totally, partially, or temporarily unemployed?
- III. Did the claimant correctly report wages earned? Is the claimant eligible for benefits based on the wages earned?

**FINDINGS OF FACT:**

Having reviewed all of the evidence in the record, the administrative law judge finds:

Claimant has worked for employer since May 1999. Employer provided claimant with health insurance as a benefit of employment until early 2017. At that time, claimant's insurance became expensive and employer recommended claimant apply for coverage through Medicare instead. Employer offered to reimburse claimant for the cost she would incur by going on Medicare so that

it would essentially continue to provide her health insurance as a benefit of employment. Claimant agreed to do so, and employer began reimbursing claimant in the amount of \$139.69 per week beginning June 2017. This was reflected on claimant's paystubs under her gross pay as "Ins Reimbursement – M Carroll." Employer determined this amount, after taxes, would be sufficient to cover the cost of claimant's insurance, which was approximately \$400.00 per month. See Exhibits 1, 3, 4, 5.

In July 2018, there was a downturn in the business. As a result, claimant moved from being a full-time, salaried employee to an hourly position which offered significantly fewer hours. Claimant began filing claims for unemployment benefits a few months later. From the benefit week ending October 27, 2018 through the benefit week ending October 19, 2019, claimant reported wages and was awarded benefits in varying amounts. She received \$8,695.00 in benefits during that time.

When claimant filed for benefits and reported wages, she did not believe the approximately \$140.00 per week which was reimbursement for her medical coverage constituted wages, and so did not report those as such. She was contacted by an IWD investigator in November 2019 regarding a suspected discrepancy in her actual and reported wages. The investigator determined the \$140.00 weekly insurance reimbursement should have been reported as wages, and as such claimant had been overpaid benefits in the amount of \$5,239.00.

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

For the reasons that follow, the December 5 2019 (reference 01) unemployment insurance decision is REVERSED. Claimant correctly reported her wages earned and as such has not been overpaid benefits.

Iowa Code section 96.19(41) provides:

a. "Wages" means all remuneration for personal services, including commissions and bonuses and the cash value of all remuneration in any medium other than cash. The reasonable cash value of remuneration in any medium other than cash shall be estimated and determined in accordance with rules prescribed by the department.

b. The term "wages" shall not include:

(1) The amount of any payment, including any amount paid by an employer for insurance or annuities or into a fund to provide for such payment, made to or on behalf of an employee or any of the employee's dependents under a plan or system established by an employer which makes provisions for the employer's employees generally, or for the employer's employees generally and their dependents, or for a class, or classes of the employer's employees, or for a class or classes of the employer's employees and their dependents, on account of retirement, sickness, accident disability, medical, or hospitalization expense in connection with sickness or accident disability, or death.

(2) Any payment paid to an employee, including any amount paid by any employer for insurance or annuities or into a fund to provide for any such payment, on account of retirement.

(3) Any payment on account of sickness or accident disability, or medical or hospitalization expense in connection with sickness or accident disability made by an employer to, or on

behalf of, an employee after the expiration of six calendar months following the last calendar month in which the employee worked for such employer.

(4) Remuneration for agricultural labor paid in any medium other than cash.

(5) Any portion of the remuneration to a member of a limited liability company based on a membership interest in the company provided that the remuneration is allocated among members, and among classes of members, in proportion to their respective investments in the company. If the amount of remuneration attributable to a membership interest cannot be determined, the entire amount of remuneration shall be deemed to be based on services performed.

The administrative law judge finds the approximately \$140.00 per week which employer paid claimant as reimbursement for the expense of her medical insurance does not constitute "wages" under applicable law. It is a "payment...paid by an employer for insurance...made to or on behalf of an employee..." The evidence clearly demonstrates this payment was not a remuneration for services but was a benefit of claimant's employment. Because this reimbursement does not constitute "wages," claimant was under no obligation to report it and has not been overpaid benefits.

**DECISION:**

The December 5, 2019 (reference 01) unemployment insurance decision is REVERSED. Claimant correctly reported her wages earned and as such has not been overpaid benefits.

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Andrew B. Duffelmeyer  
Administrative Law Judge

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Decision Dated and Mailed

abd/scn