

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

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

LUKE A SCHMITT
Claimant

APPEAL NO: 13A-UI-05152-S2T

**ADMINISTRATIVE LAW JUDGE
DECISION**

**IOWA WORKFORCE
DEVELOPMENT DEPARTMENT**

OC: 05/25/03
Claimant: Appellant (1)

Section 96.3-7 - Recovery of Benefit Overpayment
871IAC25.16 - Offset of State Income Tax Refund

STATEMENT OF THE CASE:

The claimant filed an appeal from a April 26, 2013, reference 01, decision which notified the claimant his 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. After due notice was issued, a hearing was scheduled to be held by telephone conference call on May 28, 2013. The claimant did participate personally.

ISSUE:

The issue is whether the withholding of the Iowa income tax refund to recover the prior overpayment is valid.

FINDINGS OF FACT:

The administrative law judge, having heard the testimony and considered all of the evidence in the record, finds that: The claimant was notified by a representative's decision that he was overpaid unemployment insurance benefits. The overpayment amount was \$282.00. The state treasurer has notified the Iowa Workforce Development Department that the claimant has an Iowa income tax refund of at least \$50.00.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow the administrative law judge concludes the withholding of the Iowa income tax refund to recover the prior overpayment is valid.

Iowa Code Section 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 that the 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 \$282.00 in benefits he received 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 that the claimant owes to the Iowa Workforce Development Department.

DECISION:

The representative's April 26, 2013 decision (reference 01) is affirmed. The Iowa Workforce Development Department has legal authority to withhold the Iowa income tax refund owed to the claimant to apply to the overpayment of benefits that the claimant owes to the Iowa Workforce Development Department.

Beth A. Scheetz
Administrative Law Judge

Decision Dated and Mailed

bas/pjs