

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

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

CARLA M SAGERS
Claimant

APPEAL NO: 19A-UI-04454-JE-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

**IOWA WORKFORCE
DEVELOPMENT DEPARTMENT**

OC: 07/06/14
Claimant: Appellant (1)

Section 96.3-7 - Recovery of Benefit Overpayment
871 IAC 25.16 - Offset of State Income Tax Refund
Section 96.6-2 – Timeliness of Appeal

STATEMENT OF THE CASE:

The claimant filed an appeal from a May 2, 2019, reference 04, decision which notified her that her 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 by telephone conference call on June 26, 2019.

ISSUE: The issue is whether the claimant's state income tax refund may be withheld to offset an established overpayment of unemployment benefits.

FINDINGS OF FACT:

Having reviewed the administrative record, the administrative law judge finds: A disqualification decision was mailed to the claimant's last known address of record on May 2, 2019. The claimant received the decision. The decision contained a warning that an appeal must be postmarked or received by the Appeals Section by May 12, 2019. That date fell on a Sunday so the appeal was due May 13, 2019. The appeal was not filed until May 30, 2019, which is after the date noticed on the disqualification decision. The appeal was late because the claimant faxed it to the Payment Control Section rather than the Appeals Bureau. She initially faxed it May 10, 2019. Because it was faxed to the wrong fax number but within the time allowed for the appeal, the administrative law judge finds the claimant's appeal is timely.

The claimant was notified by a representative's decision she was overpaid unemployment insurance benefits. The overpayment amount was \$2,082.00. The claimant did not appeal the decision and the decision of the representative has become final. The state treasurer has notified the Iowa Workforce Development Department that the claimant has an Iowa income tax refund for 2018 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 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 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 \$2,082.00 in benefits she received in 2014 to which she was not entitled and she 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 May 2, 2019, reference 04, is affirmed. The claimant's appeal is timely. 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 which that individual owes to the Iowa Workforce Development Department.

Julie Elder
Administrative Law Judge

Decision Dated and Mailed

je/scn