

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

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

SEMIRA BAJRAMOVIC
Claimant

APPEAL NO: 07A-UI-01371-DWT

**ADMINISTRATIVE LAW JUDGE
DECISION**

**IOWA WORKFORCE
DEVELOPMENT DEPARTMENT**

OC: 11/04/01 R: 03
Claimant: Appellant (1)

871 IAC 25.16 - Offset of Overpayment by State Income Tax Refund

STATEMENT OF THE CASE:

Semira Bajramovic (claimant) filed an appeal from a representative's February 1, 2007 decision (reference 01) informing her that her Iowa state income tax refund was going to be withheld to apply to a previously established overpayment of unemployment insurance benefits. After a hearing notice was mailed to the claimant's last-known address of record, a telephone hearing was held on February 22, 2007. The claimant and her husband, Ramiz, participated in the hearing. Zijo Sucasca interpreted the hearing. Based on the evidence, the arguments of the claimant, and the law, the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

ISSUE:

Does the Department have the legal authority to withhold the claimant's Iowa state income tax refund to offset a previously established unemployment insurance overpayment?

FINDINGS OF FACT:

In October 2002, an administrative law judge entered a decision that the claimant's employment separation from Iowa Beef Processors, Inc. was for disqualifying reasons, and the claimant had been overpaid over \$7,800.00 in unemployment insurance benefits. Even though the claimant and her husband did not agree with the decision, they did not appeal to the Employment Appeal Board. In 2003 or 2004, the Department used the claimant's state income refund check to offset some of this overpayment.

The claimant has received bills from the Department informing her that she owes the Department money because she received unemployment insurance benefits she was not legally entitled to receive. The claimant has not paid back any of this overpayment because she does not believe she was at fault in receiving the overpayment.

The state treasurer has notified the Iowa Workforce Development Department that the claimant has an Iowa income tax refund for 2006 of at least \$50.00.

REASONING AND CONCLUSIONS OF LAW:

Iowa Code section 421.17(29) sets forth a procedure where one state agency may obtain funds owed by a second state agency to an individual and those funds can be applied 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 a state income tax refund owed to the claimant and apply the refund to a previously established overpayment as long as both amounts are at least \$50.00.

The claimant owes the Iowa Workforce Development Department over \$7,000.00 in benefits she received in 2001 and 2002 to which she was not entitled. The claimant has an Iowa income tax refund for 2006 of at least \$50.00. Based on the above information, the Iowa Workforce Development Department is legally authorized to withhold the 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 February 1, 2007 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, which she owes to the Iowa Workforce Development Department.

Debra L. Wise
Administrative Law Judge

Decision Dated and Mailed

dlw/pjs