

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

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

JAY P ATKINSON
Claimant

APPEAL NO. 08A-UI-07309-H2T

**ADMINISTRATIVE LAW JUDGE
DECISION**

**IOWA WORKFORCE
DEVELOPMENT DEPARTMENT**

**OC: 06-17-07 R: 04
Claimant: Appellant (1)**

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 August 6, 2008, reference 07, decision that gave notice that claimant's 2007 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 August 27, 2008. The claimant did participate.

ISSUE:

The issue is whether the claimant's Iowa Tax refund can be withheld to repay an overpayment?

FINDINGS OF FACT:

Having reviewed the administrative record, the administrative law judge finds: An administrative law judge's decision dated April 29, 1996, reference 10, notified the claimant of an overpayment related to his receipt of unemployment insurance benefits for the four week period ending February 24, 1996. The overpayment amount was \$636.00. The claimant did not appeal the April 29, 1996 decision, which has become final. The state treasurer has notified the Iowa Workforce Development Department that the claimant has an Iowa income tax refund for 2007 of at least \$50.00. The claimant had repaid some of the overpaid benefits but currently has an overpayment due of \$487.00.

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 \$487.00 in benefits he received in 1996 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 August 6, 2008 reference 07, 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 that individual owes to the Iowa Workforce Development Department.

Teresa K. Hillary
Administrative Law Judge

Decision Dated and Mailed

tkh/kjw