

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

**STEVEN TIAH**  
Claimant

**APPEAL NO. 22A-UI-04607-JT-T**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**IOWA WORKFORCE DEVELOPMENT  
DEPARTMENT**

**OC: 04/19/20**  
**Claimant: Appellant (1)**

Iowa Code § 8A.504 – Set-off Procedures  
Iowa Code § 96.11(16) – Off-set Administrative Fee  
Iowa Admin. Code r. 871-25.16 - Income Tax Offset

**STATEMENT OF THE CASE:**

On February 14, 2022, Steven Tiah (claimant) filed a timely appeal from the February 10, 2022 (reference 07) decision that held a prior overpayment of unemployment insurance benefits and administrative fee would be withheld from the claimant's Iowa income tax refund and applied to an outstanding overpayment balance. After due notice was issued, a hearing was held on March 25, 2022. The claimant participated. The administrative law judge took official notice of relevant Agency administrative records, including: NMRO, DBRO, the reference 04 through 07 decisions and associated supplemental documents, the current outstanding overpayment amount, the absence of an application for PUA, and the absence of a decision allowing PUA benefits.

**ISSUE:**

Whether Iowa Workforce Development has authority to withhold the claimant's Iowa income tax refund to off-set or recover a prior overpayment of unemployment insurance benefits plus and administrative fee.

**FINDINGS OF FACT:**

Having reviewed all of the evidence in the record, the administrative law judge finds: The claimant has a \$19,419.00 outstanding overpayment of unemployment insurance benefits that consists of a combination of regular benefits, PEUC benefits, FPUC benefits and LWAP benefits. The reference 04, 05 and 06 overpayment decisions were mailed to the claimant's address of record on October 13, 2020. The claimant did not appeal the overpayment decisions. The combined original overpayment amount is \$19,419.00. The claimant has not repaid any of overpaid benefits. While the claimant denies knowledge of the overpayment decisions and cites a trip to Africa from April 2021 to October 2021 as the basis for his lack of knowledge, the overpayment decisions were mailed to the claimant months before his trip to Africa. The claimant filed a 2021 Iowa income tax return and was expecting a substantial refund. The claimant estimates the refund amount at \$4,000.00. The amount of the outstanding overpayment exceeds the amount of the Iowa income tax refund. On February 10,

2022, Iowa Workforce Development mailed the reference 07 decision to the claimant to notify the claimant Iowa Workforce Development intended to have the Iowa income tax refund withheld and applied to the outstanding overpayment of unemployment insurance benefits and a \$7.00 administrative fee.

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

Iowa Code section 8A.504 provides a procedure for state agencies “to set off against any claim owed to a person by a state agency any liability of that person owed to a state agency.” Iowa Code section 96.11(16) directs Iowa Workforce Development to assess “an additional amount for the reimbursement of setoff costs incurred by the department of administrative services.”

Iowa Administrative Code rule 871-25.16 provides:

State payment offset. An individual who is owed a payment from the state of at least \$50 and owes an overpayment of benefits of at least \$50 is subject to an offset against the individual's payment from the state to recover all or a part of the individual's overpayment of benefits and to reimburse the department of revenue for administrative costs to execute the offset. All overpayments, whether fraud or nonfraud, are included in this process.

(1) The individual's name and social security number are given to the department of revenue.

(2) The department of revenue notifies the department that an overpaid individual is owed a payment from the state. The department then notifies the overpaid individual of the potential offset against the individual's payment from the state.

(3) In the case of a joint or combined income tax filing, the individual has ten days from the postmark date on the decision to request a split of the refund to ensure the other party's portion of the refund is not offset. When a request is made, the department notifies the department of revenue to make the split. The department then notifies the overpaid individual of the amount of the offset. If the request for split of the refund is not made timely, the entire income tax refund becomes subject to offset.

(4) Any appeal by the individual is limited to the validity of the department's authority to recoup the overpayment through offset.

(5) In the event that the amount of the offset exceeds the remaining overpayment, the department shall issue to the individual a special check equal to the amount of the excess.

This rule is intended to implement Iowa Code section 96.11 and 421.17(26,29).

The claimant is owed a payment from the state of at least \$50.00 and owes an overpayment of benefits of at least \$50.00. Iowa Workforce Development has complied with the off-set procedure set forth at Iowa Code section 8A.504. Iowa Workforce Development has authority to offset the claimant's Iowa income tax refund against the outstanding overpayment balance.

**DECISION:**

The February 10, 2022 (reference 07) decision is affirmed. Iowa Workforce Development has authority to withhold the claimant's Iowa income tax refund to apply the refund to the outstanding overpayment and a \$7.00 transfer fee.

Note to Benefits Bureau: The reference 04 overpayment decision does not distinguish between regular benefits and PEUC benefits and combines the two types of benefits into the one overpayment amount and decision.

Note to Mr. Tiah: You may want to request a waiver of repayment of the federal benefits, including the PEUC, FPUC and LWAP benefits. Instructions for requesting a waiver of repayment of the overpaid federal benefits can be found at <https://www.iowaworkforcedevelopment.gov/unemployment-insurance-overpayment>.



---

James E. Timberland  
Administrative Law Judge

\_\_\_\_ April, 1 2022 \_\_\_\_  
Decision Dated and Mailed

jet/jh