

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

RONDA JASPER
Claimant

APPEAL 22A-UI-06006-ED-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

**IOWA WORKFORCE
DEVELOPMENT DEPARTMENT**

OC: 04/12/20
Claimant: Appellant (1R)

Iowa Code § 8A.504 – Setoff Procedures (IDAS)
Iowa Code § 96.11(16) – Reimbursement of Setoff Costs
Iowa Admin. Code r. 871-25.16 – State Income Tax Refund Offset
Iowa Code § 96.3(7) – Recovery of Benefit Overpayment

STATEMENT OF THE CASE:

The claimant/appellant filed an appeal from the March 3, 2022 (reference 04) unemployment insurance decision that found claimant's overpayment of unemployment insurance benefits is being withheld from his Iowa income tax refund. The claimant was properly notified of the hearing. A telephone hearing was held on April 18, 2022. The claimant, Ronda Jasper, participated personally. The administrative law judge took administrative notice of the claimant's unemployment insurance benefits records.

ISSUE:

Is the withholding of the claimant's state income tax refund to offset a prior overpayment of benefits authorized?

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds: A representative's decision (reference 02) notified claimant of an overpayment related to an ineligibility decision. The overpayment amount was \$8,529.00. The decision is final. The claimant has also received notice dated December 9, 2020 that she is eligible for Pandemic Unemployment Benefits (PUA) in the amount of \$545.00 per week for 39 weeks. Claimant has not physically received the PUA Benefits yet. The state treasurer has notified Iowa Workforce Development that the claimant has an Iowa income tax refund for 2021, of at least \$50.00. The claimant has received her income tax refund.

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(27) via the Iowa Department of Revenue 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. Iowa Admin. Code r. 871-25.16 specifically authorizes Iowa Workforce Development to withhold the state income tax refund owing to the claimant to apply to an overpayment of benefits which that same claimant owes to Iowa Workforce Development so long as both amounts are at least \$50.00. Iowa Code § 96.11(16) allows reimbursement of setoff costs. The claimant owes Iowa Workforce Development \$8,529.00 in benefits she received in 2021, to which she was not entitled and she has an Iowa income tax refund of at least \$50.00. Therefore, Iowa Workforce Development is legally authorized to withhold that Iowa income tax refund up to the amount of the overpayment of benefits, plus a \$7.00 transfer fee, which the claimant owes to Iowa Workforce Development. Because the claimant has been awarded Pandemic Unemployment Benefits and has not received those benefits yet, the matter will be remanded to determine if the UI benefits can be offset with PUA benefits that claimant is entitled to but has not received yet and also remanded to IWD to consider whether the tax offset should be removed given claimant's net overpayment.

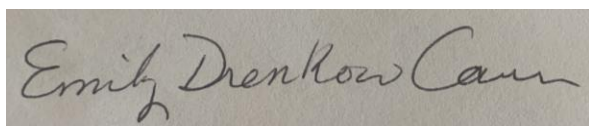
DECISION:

The unemployment insurance decision dated March 3, 2022 (reference 04) is affirmed. Iowa Workforce Development does have 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 Iowa Workforce Development.

REMAND:

The following issue is remanded to the Benefits Bureau for determination: The UI benefits to be offset with PUA benefits that claimant is entitled to but has not received and the total amount of repayment based on the offset. Also, a remand for the release of PUA benefits for the weeks that claimant has not already received UI.

Remand for IWD to consider whether the tax offset should be removed given claimant's net overpayment.



Emily Drenkow Carr
Administrative Law Judge

April 21, 2022
Decision Dated and Mailed

ed/jh