

**IOWA WORKFORCE DEVELOPMENT
Unemployment Insurance Appeals Section
1000 East Grand—Des Moines, Iowa 50319
DECISION OF THE ADMINISTRATIVE LAW JUDGE
68-0157 (7-97) – 3091078 - EI**

**MATT E SCHRADER
PO BOX 75
OXFORD JUNCTION IA 52323**

**IOWA WORKFORCE
DEVELOPMENT DEPARTMENT**

**Appeal Number: 04A-UI-03582-AT
OC: 07-20-03 R: 03
Claimant: Appellant (1)**

This Decision Shall Become Final, unless within fifteen (15) days from the date below, you or any interested party appeal to the Employment Appeal Board by submitting either a signed letter or a signed written Notice of Appeal, directly to the **Employment Appeal Board, 4th Floor—Lucas Building, Des Moines, Iowa 50319**.

The appeal period will be extended to the next business day if the last day to appeal falls on a weekend or a legal holiday.

STATE CLEARLY

1. The name, address and social security number of the claimant.
2. A reference to the decision from which the appeal is taken.
3. That an appeal from such decision is being made and such appeal is signed.
4. The grounds upon which such appeal is based.

YOU MAY REPRESENT yourself in this appeal or you may obtain a lawyer or other interested party to do so provided there is no expense to Workforce Development. If you wish to be represented by a lawyer, you may obtain the services of either a private attorney or one whose services are paid for with public funds. It is important that you file your claim as directed, while this appeal is pending, to protect your continuing right to benefits.

(Administrative Law Judge)

(Decision Dated & Mailed)

Section 96.3-7 – Recovery of Overpayments
871 IAC 25.16 – Tax Refund Offset

STATEMENT OF THE CASE:

Matt E. Schrader filed a timely appeal from an unemployment insurance decision dated March 25, 2004, reference 05, which advised him of the Agency's intention to withhold his Iowa income tax refund for 2003 to apply to a prior overpayment of unemployment insurance benefits. After due notice was issued, a telephone hearing was held April 20, 2004 with Mr. Schrader participating. The administrative law judge takes official notice of Agency benefit payment records and overpayment records.

FINDINGS OF FACT:

Having heard the testimony of the witness and having examined all of the evidence in the record, the administrative law judge finds: When Matt E. Schrader filed a claim for unemployment insurance benefits in July 2003, the state of Missouri asked for assistance in recovering \$858.00 in overpaid unemployment insurance benefits in that state. Iowa Workforce Development advised Mr. Schrader of this circumstance. Mr. Schrader was disqualified from receiving unemployment insurance benefits from Iowa. He filed an Iowa income tax return for 2003 and is entitled to a refund of at least \$50.00. He has made no payment either to Iowa or to Missouri on the Missouri overpayment in the last six months.

REASONING AND CONCLUSIONS OF LAW:

The question is whether it is appropriate for Iowa Workforce Development to withhold Mr. Schrader's income tax refund to apply to his prior overpayment of unemployment insurance benefits in Missouri. It is. Public Law 99-272 allows state unemployment insurance agencies to aid one another in collecting money owed by claimants or employers. Missouri and Iowa have signed a reciprocal agreement pursuant to that law. The law and the agreement require that Iowa Workforce Development utilize procedures appropriate under local state law to collect amounts owed to sister agencies.

871 IAC 25.16 allows Iowa Workforce Development to withhold an individual's Iowa income tax refund if the individual is owed at least \$50.00 by the Iowa taxing authority and owes Iowa Workforce Development at least \$50.00. Pursuant to the rule, the income tax refund may be withheld if the individual has made no payment on the amount owed to Iowa Workforce Development in the previous six months. The evidence establishes that Mr. Schrader has made no payment in the last six months either to Iowa or to Missouri, owes more than \$50.00 in overpaid unemployment insurance benefits and is entitled to receive an Iowa income tax refund of at least \$50.00. Under these circumstances, it is appropriate for Iowa to withhold Mr. Schrader's Iowa income tax refund to apply to his prior overpayment of unemployment insurance benefits in Missouri.

DECISION:

The unemployment insurance decision dated March 25, 2004, reference 05, is affirmed. The Agency may withhold the claimant's Iowa income tax refund for 2003 to apply to its prior overpayment of unemployment insurance benefits.

tjc/b