

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

JERAMIAH J RATLIFF
Claimant

APPEAL 20A-UI-01006-B2-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

**IOWA WORKFORCE DEVELOPMENT
DEPARTMENT**

OC: 11/17/19
Claimant: Appellant (1)

42 USC § 503(g)(1) - Recovery of Unemployment Benefit Payments

STATEMENT OF THE CASE:

The claimant filed an appeal from the January 31, 2020, (reference 01) unemployment insurance decision that notified him Iowa unemployment insurance (UI) benefits were going to be withheld to apply to an overpayment of UI benefits which the claimant owed to Illinois Department of Employment Security (IDES). After due notice was issued, a hearing was scheduled to be held by telephone conference call on February 19, 2020. Claimant participated.

ISSUE:

Is the withholding of the Iowa UI benefits to recover the Illinois UI benefit overpayment valid?

FINDINGS OF FACT:

Having heard the testimony and having reviewed the evidence in the record, the administrative law judge finds: Claimant was paid \$3,248.00 in UI benefits on a 2016 Illinois claim. The Illinois Department of Employment Security later determined claimant was not entitled to the benefits. Claimant filed a claim for unemployment benefits with the Iowa Workforce Development effective November 17, 2019. Iowa Workforce Development is withholding \$3,248.00 of the benefits to offset the Illinois overpayment.

Claimant contends that he doesn't know of any overpayment from Illinois.

REASONING AND CONCLUSIONS OF LAW:

The administrative law judge concludes that Iowa is authorized to withhold funds for the offset.

42 USC § 503(g)(1) provides in pertinent part:

Recovery of unemployment benefit payments

(1) A State may deduct from unemployment benefits otherwise payable to an individual an amount equal to any overpayment made to such individual under an unemployment benefit program of the United States or of any other State, and not previously recovered. The amount so deducted shall be paid to the jurisdiction under whose program such

overpayment was made. Any such deduction shall be made only in accordance with the same procedures relating to notice and opportunity for a hearing as apply to the recovery of overpayments of regular unemployment compensation paid by such State.

(2) Any State may enter into an agreement with the Secretary of Labor under which—

(A) the State agrees to recover from unemployment benefits otherwise payable to an individual by such State any overpayments made under an unemployment benefit program of the United States to such individual and not previously recovered, in accordance with paragraph (1), and to pay such amounts recovered to the United States for credit to the appropriate account, and

(B) the United States agrees to allow the State to recover from unemployment benefits otherwise payable to an individual under an unemployment benefit program of the United States any overpayments made by such State to such individual under a State unemployment benefit program and not previously recovered, in accordance with the same procedures as apply under paragraph (1).

(3) For purposes of this subsection, “unemployment benefits” means unemployment compensation, trade adjustment allowances, and other unemployment assistance.

20 CFR 616.8 (e) provides in pertinent part:

(e) Recovery of prior overpayments. If there is an overpayment outstanding in a transferring State and such transferring State so requests, the overpayment shall be deducted from any benefits the paying State would otherwise pay to the claimant on his/her Combined-Wage Claim except to the extent prohibited by the law of the paying State. The paying State shall transmit the amount deducted to the transferring State or credit the deduction against the transferring State's required reimbursement under this arrangement. This paragraph shall apply to overpayments only if the transferring State certifies to the paying State that the determination of overpayment was made within 3 years before the Combined-Wage Claim was filed and that repayment by the claimant is legally required and enforceable against him/her under the law of the transferring State.

Claimant has not shown that he has no overpayment owing to Illinois. Because the Illinois overpayment balance of \$3,248.00 remains outstanding, IWD is authorized to offset \$3,248.00 in gross UI benefits to apply to the Illinois UI overpayment.

DECISION:

The representative's decision dated January 31, 2020 (reference 01) is affirmed. IWD does have legal authority to withhold \$3,248.00 in Iowa UI benefits to offset the Illinois overpayment.

Blair A. Bennett
Administrative Law Judge

Decision Dated and Mailed

bab/scn