

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**CARRIE SIMATOVICH**  
Claimant

**APPEAL NO. 07A-UI-08442-BT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**PRIMARY HEALTH CARE INC**  
Employer

**OC: 01/14/07 R: 02  
Claimant: Appellant (2)**

Section 96.3-7 - Recovery of Benefit Overpayment

**STATEMENT OF THE CASE:**

Carrie Simatovich (claimant) appealed an unemployment insurance decision dated August 24, 2007, reference 04, which held that she was overpaid unemployment insurance benefits in the amount of \$198.00 due to her failure to report or incorrect reporting of vacation pay. After a hearing notice was mailed to the party's last-known address of record, a telephone hearing was held on October 3, 2007. The claimant participated in the hearing. The employer participated through Amanda Bieghler. Based on the evidence, the arguments of the parties and the law, the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

**ISSUE:**

The issue is whether the claimant was overpaid \$198.00 in unemployment insurance benefits for the one-week period ending January 20, 2007.

**FINDINGS OF FACT:**

The administrative law judge, having heard and considered all of the evidence in the record, finds that: The claimant separated from her employer on January 10, 2007. She was paid a check on January 19, 2007 in the amount of \$565.05 covering wages and vacation pay for the dates of January 2, 3, 4, 5, and 9, 2007. The claimant did not receive any vacation pay for the week ending January 20, 2007.

**REASONING AND CONCLUSIONS OF LAW:**

The issue to be determined is whether the claimant is overpaid as a result of vacation pay that was improperly reported.

Iowa Code section 96.5-7 provides:

An individual shall be disqualified for benefits: ...

7. Vacation pay.

a. When an employer makes a payment or becomes obligated to make a payment to an individual for vacation pay, or for vacation pay allowance, or as pay in lieu of vacation, such payment or amount shall be deemed "wages" as defined in section 96.19, subsection 41, and shall be applied as provided in paragraph "c" hereof.

b. When, in connection with a separation or layoff of an individual, the individual's employer makes a payment or payments to the individual, or becomes obligated to make a payment to the individual as, or in the nature of, vacation pay, or vacation pay allowance, or as pay in lieu of vacation, and within ten calendar days after notification of the filing of the individual's claim, designates by notice in writing to the department the period to which the payment shall be allocated; provided, that if such designated period is extended by the employer, the individual may again similarly designate an extended period, by giving notice in writing to the department not later than the beginning of the extension of the period, with the same effect as if the period of extension were included in the original designation. The amount of a payment or obligation to make payment, is deemed "wages" as defined in section 96.19, subsection 41, and shall be applied as provided in paragraph "c" of this subsection 7.

c. Of the wages described in paragraph "a" (whether or not the employer has designated the period therein described), or of the wages described in paragraph "b", if the period therein described has been designated by the employer as therein provided, a sum equal to the wages of such individual for a normal workday shall be attributed to, or deemed to be payable to the individual with respect to, the first and each subsequent workday in such period until such amount so paid or owing is exhausted. Any individual receiving or entitled to receive wages as provided herein shall be ineligible for benefits for any week in which the sums, so designated or attributed to such normal workdays, equal or exceed the individual's weekly benefit amount. If the amount so designated or attributed as wages is less than the weekly benefit amount of such individual, the individual's benefits shall be reduced by such amount.

d. Notwithstanding contrary provisions in paragraphs "a", "b", and "c", if an individual is separated from employment and is scheduled to receive vacation payments during the period of unemployment attributable to the employer and if the employer does not designate the vacation period pursuant to paragraph "b", then payments made by the employer to the individual or an obligation to make a payment by the employer to the individual for vacation pay, vacation pay allowance or pay in lieu of vacation shall not be deemed wages as defined in section 96.19, subsection 41, for any period in excess of one week and such payments or the value of such obligations shall not be deducted for any period in excess of one week from the unemployment benefits the individual is otherwise entitled to receive under this chapter. However, if the employer designates more than one week as the vacation period pursuant to paragraph "b", the vacation pay, vacation pay allowance, or pay in lieu of vacation shall be considered wages and shall be deducted from benefits.

e. If an employer pays or is obligated to pay a bonus to an individual at the same time the employer pays or is obligated to pay vacation pay, a vacation pay allowance, or pay

in lieu of vacation, the bonus shall not be deemed wages for purposes of determining benefit eligibility and amount, and the bonus shall not be deducted from unemployment benefits the individual is otherwise entitled to receive under this chapter.

The claimant received \$565.05 in wages and vacation pay for the two-week period ending January 13, 2007. She did not receive any vacation pay for the week ending January 20, 2007.

Iowa Code section 96.3-7 provides:

7. Recovery of overpayment of benefits. If an individual receives benefits for which the individual is subsequently determined to be ineligible, even though the individual acts in good faith and is not otherwise at fault, the benefits shall be recovered. The department in its discretion may recover the overpayment of benefits either by having a sum equal to the overpayment deducted from any future benefits payable to the individual or by having the individual pay to the department a sum equal to the overpayment.

If the department determines that an overpayment has been made, the charge for the overpayment against the employer's account shall be removed and the account shall be credited with an amount equal to the overpayment from the unemployment compensation trust fund and this credit shall include both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5.

The administrative law judge concludes that the claimant has not been overpaid unemployment insurance benefits in the amount of \$198.00 pursuant to Iowa Code section 96.3-7 as her vacation pay was properly deducted.

**DECISION:**

The unemployment insurance decision dated August 24, 2007, reference 04, is reversed. The claimant was not overpaid unemployment insurance benefits in the amount of \$198.00 for the week ending January 20, 2007.

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Susan D. Ackerman  
Administrative Law Judge

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Decision Dated and Mailed

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