

**IOWA DEPARTMENT OF INSPECTIONS AND APPEALS
ADMINISTRATIVE HEARINGS DIVISION, UI APPEALS BUREAU**

TYLER B DANIELS

Claimant

HOUSTON ASTROS LLC

Employer

APPEAL 22A-UI-17799-DZ-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

OC: 03/15/20

Claimant: Appellant (1)

Iowa Code § 96.3(7) – Recovery of Benefit Overpayment

STATEMENT OF THE CASE:

Tyler B. Daniels, the claimant/appellant, filed an appeal from the September 27, 2022 (reference 01) unemployment insurance (UI) decision. The decision found Mr. Daniels was overpaid REGULAR (state) UI benefits in the gross amount of \$1,675.05 for 12 weeks from March 29, 2020 through June 20, 2020 because IWD concluded that he did not report wages earned with the employer. The parties were properly notified of the hearing. A telephone hearing was held on November 1, 2022. Appeals 22A-UI-17799-DZ-T, 22A-UI-17800-DZ-T, 22A-UI-17801-DZ-T, 22A-UI-17802-DZ-T, and 22A-UI-17803-DZ-T were heard together and formed one hearing record. Mr. Daniels participated personally. The employer did not participate in the hearing. The administrative law judge took official notice of the administrative record and admitted Claimant's Exhibits A and B, and Department's Exhibits 1-7 as evidence.

ISSUES:

Did Mr. Daniels correctly report wages earned?
Has Mr. Daniels been overpaid REGULAR (state) UI benefits?

FINDINGS OF FACT:

Having reviewed the evidence in the record, the administrative law judge finds: Mr. Daniels began working for the employer on June 29, 2018 as a full-time minor league baseball pitcher. The employer paid him \$290.00 per weeks. Mr. Daniels filed his UI claim because the Commissioner of Major League Baseball (MLB) suspended play in the Minor Leagues, and suspended Mr. Daniels' contract due to the COVID-19 pandemic.

On March 20, 2020, the employer first notified Mr. Daniels that as of that date the employer would begin to send him a \$400.00 per week "**allowance**."¹ (Emphasis added.) On March 31, 2020, the Commissioner of MLB wrote a memo to all minor league players officially suspending play and suspending all players' contracts.² The Commissioner stated in the memo that the Commissioner "...recognize[d] the hardship that not receiving a paycheck will have on you and your families," and told the players that all MLB Clubs had agreed to "**continue to pay**

¹ Claimant's Exhibit A.

² Claimant's Exhibit B.

players...the sum of \$400 per week..." and "[p]layers who [were] already receiving financial assistance from the Clubs in some other form (e.g., under a Major League contract, free or subsidized housing, food, etc.) may receive a **reduced allowance** to reflect the benefits already being provided." ³ (Emphasis added.) The Commissioner further stated, "I know that for some of you this **stipend** is less than you would have **earned** if the season were played." ⁴ (Emphasis added.)

Mr. Daniels understood the Commissioner's memo to be saying that the \$400.00 payment was a stipend because the Commissioner had called it a stipend, and the Commissioner had cancelled the season so Mr. Daniels would not be working and earning money. Mr. Daniels also understood the \$400.00 payment to be a stipend because the memo stated that players who were already receiving housing and/or food assistance may have their \$400.00 payment reduced based on the housing and/or food assistance they were receiving. No one from the employer told Mr. Daniels that the \$400.00 payments were wages.

The employer sent Mr. Daniels the \$400.00 weekly payment for 21 weeks from March 29, 2020 through August 22, 2020, and the employer sent Mr. Daniels a \$342.84 payment for the week of August 23-29, 2020.⁵ Mr. Daniels usually worked and earned a weekly wages from March through early September each year. Mr. Daniels used the \$400.00 to help pay for his housing and food.

In relevant part, Mr. Daniels filed weekly UI claims for 12 weeks from March 29, 2020 through June 20, 2020. To figure out if he should report the \$400.00 payments on his weekly UI claims, Mr. Daniels read online baseball advocacy forums. Mr. Daniels concluded, based on the information from the online forums, that he did not need to report the \$400.00 on his UI claim because it was a stipend for housing and food and not wages. Mr. Daniels did not contact IWD about this issued because he had already concluded that he did not need to report the money on his UI claim based on the information from the online forums. Mr. Daniels reported gross wages of \$0.00 each week for those 12 weeks. IWD had set Mr. Daniels' weekly UI benefit amount at \$140.00. Based on the wages he reported, IWD paid Mr. Daniels REGULAR (state) UI benefits in the total gross amounts of \$1,675.05, or \$140.00 each week for the 11 weeks from March 29, 2020 through June 13, 2020, and \$135.05 for the week of June 14-20, 2020.

IWD conducted an audit of Mr. Daniels' wages in October 2020. On October 14, 2020, IWD asked the employer to report Mr. Daniels weekly gross wages for the 14 weeks from March 29, 2020 through July 4, 2020. On October 26, 2020, the employer reported to IWD that Mr. Daniels had earned gross wages of \$400.00 each week for those 14 weeks. On August 3, 2022, IWD asked the employer to report Mr. Daniels weekly gross wages for the 11 weeks from July 5, 2020 through September 19, 2020. On August 8, 2020, the employer reported to IWD that Mr. Daniels had received a \$400.00 "**COVID-19 stipend**" each week for 7 weeks from July 5, 2020 through August 22, 2020, a \$342.84 "**COVID-19 stipend**" for the week of August 23-29, 2020, and \$0.00 each week for the 3 weeks from August 30, 2020 through September 19, 2020.⁶ (Emphasis added.)

On September 7, 2022, IWD sent Mr. Daniels a notice of audit, which stated that he may have been overpaid UI benefits in the total gross amount of \$14,775.05 between March 29, 2020 and August 29, 2020, because he did not report and/or incorrectly reported her earnings from

³ *Id.*

⁴ *Id.*

⁵ Department's Exhibit 1.

⁶ *Id.*

employer Houston Astros LLC.⁷ The notice also scheduled an interview for September 13, 2022, and informed Mr. Daniels that an overpayment may result in consequences, including a 15 percent penalty.⁸ The interview was rescheduled to September 15, 2022 and Mr. Daniels participated in the interview.⁹ Mr. Daniels explained that he did not report the \$400.00 on his UI claim because he believed, based on the Commissioner's memo, that the \$400.00 was a stipend for housing and food and not wages.¹⁰

IWD concluded that \$400.00 was not a stipend but wages because the employer had "indicated" to IWD that the employer had withheld taxes on the \$400.00, and "it sounds like t[he] employer...reported [the \$400.00] as wages."¹¹ The employer did not participate in the hearing and provided no further details about weekly \$400.00 payment. IWD did not participate in the hearing and provided no further detail about its conclusion that the \$400.00 were wages and not a stipend. Based on its conclusion that the \$400.00 were wages, and since Mr. Daniels did not report the \$400.00 on his UI claim, IWD concluded that Mr. Daniels was entitled to \$0.00 in REGULAR (state) UI benefits from March 29, 2020 through June 20, 2020.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes: Mr. Daniels has been overpaid REGULAR (state) UI benefits.

Iowa Code section 96.3(7) provides, in pertinent part:

7. Recovery of overpayment of benefits.

a. 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.

b. (1) (a) 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.

Iowa Code section 96.5(5) provides:

Causes for disqualification. An individual shall be disqualified for benefits, regardless of the source of the individual's wage credits:

5. Other compensation.

⁷ *Id.*

⁸ *Id.*

⁹ Department's Exhibit 3

¹⁰ *Id.*

¹¹ Department's Exhibit 1.

a. For any week with respect to which the individual is receiving or has received payment in the form of any of the following:

(1) Wages in lieu of notice, separation allowance, severance pay, or dismissal pay.

(2) Compensation for temporary disability under the workers' compensation law of any state or under a similar law of the United States.

(3) A governmental or other pension, retirement or retired pay, annuity, or any other similar periodic payment made under a plan maintained or contributed to by a base period or chargeable employer where, except for benefits under the federal Social Security Act or the federal Railroad Retirement Act of 1974 or the corresponding provisions of prior law, the plan's eligibility requirements or benefit payments are affected by the base period employment or the remuneration for the base period employment. However, this subparagraph shall only be applicable if the base period employer has made one hundred percent of the contribution to the plan.

b. Provided, that if the remuneration is less than the benefits which would otherwise be due under this chapter, the individual is entitled to receive for the week, if otherwise eligible, benefits reduced by the amount of the remuneration. Provided further, if benefits were paid for any week under this chapter for a period when benefits, remuneration or compensation under paragraph "a", subparagraph (1), (2), or (3), were paid on a retroactive basis for the same period, or any part thereof, the department shall recover the excess amount of benefits paid by the department for the period, and no employer's account shall be charged with benefits so paid. However, compensation for service-connected disabilities or compensation for accrued leave based on military service by the beneficiary with the armed forces of the United States, irrespective of the amount of the benefit, does not disqualify any individual otherwise qualified from any of the benefits contemplated herein. A deduction shall not be made from the amount of benefits payable for a week for individuals receiving federal social security pensions to take into account the individuals' contributions to the pension program.

Iowa Admin. Code r. 871-24.13(3)c provides, in pertinent part:

(3) Fully deductible payments from benefits. The following payments are considered as wages; however, such payments are fully deductible from benefits on a dollar-for-dollar basis:

c. Wages in lieu of notice, separation allowance, severance pay and dismissal pay.

In this case, the employer used different words to describe the \$400.00 weekly payments – "allowance," "continue to pay players," "stipend," "COVID-19 stipend." Mr. Daniels focuses on the word "stipend" and on the Commissioner's statement that the \$400.00 payments may be reduced for players who were already receiving housing and/or food assistance. However, Mr. Daniels ignores the other words the employer used to describe the payment, like "continue to pay players" because of the hardship of not receiving a paycheck, and he ignores the fact the Commissioner also stated that the \$400.00 may be reduced for reasons other than receiving housing and/or food assistance. In the end, the employer's description of the payment and/or Mr. Daniels' understanding of the employer's description does not determine whether the payments are wages or not. The law does. Here, the evidence establishes that the employer paid Mr. Daniels wages as if he had worked for the rest of the season. In fact, the employer paid Mr. Daniels more than his usual \$290.00 weekly wage. So, when Mr. Daniels applied for

UI benefits, the employer was paying him more money than if he had worked a regular season and he reported \$0.00 of his higher-than-usual weekly pay on his UI claim.

Mr. Daniels incorrectly reported his wages for 12 weeks from March 29, 2020 through June 20, 2020. Based on his correct wages, Mr. Daniels was entitled to REGULAR (state) UI benefits in the gross amount of \$0.00. For those 12 weeks, Mr. Daniels received REGULAR (state) UI benefits in the total gross amount of \$1,675.05. Since Mr. Daniels incorrectly reported his wages for those 12 weeks and received REGULAR (state) UI benefits in the total gross amount of \$1,675.05, but he was entitled to \$0.00, he has been overpaid REGULAR (state) benefits in the gross amount of \$1,675.05.

DECISION:

The September 27, 2022 (reference 01) UI decision is AFFIRMED. Mr. Daniels has been overpaid REGULAR (state) UI benefits in the gross amount of \$1,675.05, which must be repaid.



Daniel Zeno
Administrative Law Judge

November 10, 2022
Decision Dated and Mailed

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NOTE TO MR. DANIELS:

- If you were unemployed for reasons related to COVID-19, you may qualify for Pandemic Unemployment Assistance (PUA) benefits. **You must apply for PUA benefits to determine your eligibility under the program.** To apply for PUA benefits,
 - First go to <https://www.iowaworkforcedevelopment.gov/unemployment-insurance-appeals>
 - Go to the "WHAT TO EXPECT FROM THE HEARING" section.
 - Go to the last two sentences in that section.
 - The PUA application link is at the end of the second-to-last sentence of the section.
 - The reference number/authorization number is the pin number you used for the appeal hearing: 117799.
- **If IWD finds you eligible for federal PUA benefits, you can use the PUA benefits to pay off the REGULAR (state) UI overpayment.**
- **If you do not apply for and are not approved for PUA, you may be required to repay the benefits you've received so far.**
- Governor Reynolds ended Iowa's participation in federal pandemic-related unemployment benefit programs, including the PUA program, effective June 12, 2021. **But you can still apply for PUA benefits at the link above if you were unemployed for reasons related to COVID-19 between February 2, 2020, and June 12, 2021.**
- To check on your PUA application contact IWD online, via email, or by phone.
 - Online: Go to www.iowaworkforce.gov, click on "Contact Us" then click on "Unemployment Help Request" and complete the form.
 - Email: uicclaimshelp@iwd.iowa.gov
 - Phone: 1-866-239-0843

APPEAL RIGHTS. If you disagree with this decision, you or any interested party may:

1. Appeal to the Employment Appeal Board within fifteen (15) days of the date under the judge's signature by submitting a written appeal via mail, fax, or online to:

**Employment Appeal Board
4th Floor – Lucas Building
Des Moines, Iowa 50319
Fax: (515)281-7191
Online: eab.iowa.gov**

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.

AN APPEAL TO THE BOARD SHALL 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.

An Employment Appeal Board decision is final agency action. If a party disagrees with the Employment Appeal Board decision, they may then file a petition for judicial review in district court.

2. If no one files an appeal of the judge's decision with the Employment Appeal Board within fifteen (15) days, the decision becomes final agency action, and you have the option to **file a petition for judicial review in District Court** within thirty (30) days after the decision becomes final. Additional information on how to file a petition can be found at Iowa Code §17A.19, which is online at <https://www.legis.iowa.gov/docs/code/17A.19.pdf> or by contacting the District Court Clerk of Court <https://www.iowacourts.gov/iowa-courts/court-directory/>.

Note to Parties: YOU MAY REPRESENT yourself in the appeal or 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.

Note to Claimant: It is important that you file your weekly claim as directed, while this appeal is pending, to protect your continuing right to benefits.

SERVICE INFORMATION:

A true and correct copy of this decision was mailed to each of the parties listed.

DERECHOS DE APELACIÓN. Si no está de acuerdo con la decisión, usted o cualquier parte interesada puede:

1. Apelar a la Junta de Apelaciones de Empleo dentro de los quince (15) días de la fecha bajo la firma del juez presentando una apelación por escrito por correo, fax o en línea a:

**Employment Appeal Board
4th Floor – Lucas Building
Des Moines, Iowa 50319
Fax: (515)281-7191
En línea: eab.iowa.gov**

El período de apelación se extenderá hasta el siguiente día hábil si el último día para apelar cae en fin de semana o día feriado legal.

UNA APELACIÓN A LA JUNTA DEBE ESTABLECER CLARAMENTE:

- 1) El nombre, dirección y número de seguro social del reclamante.
- 2) Una referencia a la decisión de la que se toma la apelación.
- 3) Que se interponga recurso de apelación contra tal decisión y se firme dicho recurso.
- 4) Los fundamentos en que se funda dicho recurso.

Una decisión de la Junta de Apelaciones de Empleo es una acción final de la agencia. Si una de las partes no está de acuerdo con la decisión de la Junta de Apelación de Empleo, puede presentar una petición de revisión judicial en el tribunal de distrito.

2. Si nadie presenta una apelación de la decisión del juez ante la Junta de Apelaciones Laborales dentro de los quince (15) días, la decisión se convierte en acción final de la agencia y usted tiene la opción de **presentar una petición de revisión judicial en el Tribunal de Distrito** dentro de los treinta (30) días después de que la decisión adquiera firmeza. Puede encontrar información adicional sobre cómo presentar una petición en el Código de Iowa §17A.19, que se encuentra en línea en <https://www.legis.iowa.gov/docs/code/17A.19.pdf> o comunicándose con el Tribunal de Distrito Secretario del tribunal <https://www.iowacourts.gov/iowa-courts/court-directory/>.

Nota para las partes: USTED PUEDE REPRESENTARSE en la apelación u obtener un abogado u otra parte interesada para que lo haga, siempre que no haya gastos para Workforce Development. Si desea ser representado por un abogado, puede obtener los servicios de un abogado privado o uno cuyos servicios se paguen con fondos públicos.

Nota para el reclamante: es importante que presente su reclamo semanal según las instrucciones, mientras esta apelación está pendiente, para proteger su derecho continuo a los beneficios.

SERVICIO DE INFORMACIÓN:

Se envió por correo una copia fiel y correcta de esta decisión a cada una de las partes enumeradas.