

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

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**FLOYD H KARNIS**  
Claimant

**IOWA WORKFORCE  
DEVELOPMENT DEPARTMENT**

**APPEAL 17A-UI-12369-JCT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**OC: 07/02/17**  
**Claimant: Appellant (2R)**

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

**STATEMENT OF THE CASE:**

The claimant appealed an unemployment insurance decision dated November 30, 2017, (reference 02) that concluded he was overpaid \$116.00 in unemployment insurance benefits for a failure to report all wages for the week ending November 18, 2017. A telephone hearing was held on December 22, 2017. Proper notice of the hearing was given to the claimant. The claimant participated in the hearing. Claimant Exhibit A and B were admitted into evidence. The administrative law judge took official notice of the administrative records including the fact-finding documents. Based on the evidence, the arguments presented, and the law, the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

**ISSUE:**

Has the claimant been overpaid any unemployment insurance benefits?

**FINDINGS OF FACT:**

The claimant filed a new claim for unemployment insurance benefits with an effective date of July 2, 2017. He established an additional claim effective November 12, 2017, in response to working reduced hours at Polaris Industries. Since November 26, 2017, the claimant has been temporarily laid off from work and making weekly continued claims. The claimant has a weekly benefit amount (WBA) of \$397.00.

When the claim was filed, the claimant was given the option of reading the Unemployment Insurance Handbook online or have the handbook mailed. The claimant has a hard copy of the handbook but has not read it entirely. The Unemployment Insurance Handbook includes instructions for properly filing claims and informs claimants that failure to follow the instructions in the handbook may lead to an improper payment of benefits that must be paid back. The handbook also informs claimants that they should call IWD customer service for help if they don't understand the information in the handbook

With respect to "Reporting Earnings," the handbook states:

Gross earnings/wages (before tax and payroll deductions) must be reported on the weekly claim during the week the wages are earned, not when the wages are paid. Earnings must be reported even if the payment has not been received yet. To calculate the amount to report, the individual should multiply the number of hours worked by the hourly wage. Individuals should report the full gross amount of earnings and IWD will calculate any deductions. If an individual earns \$15.00 over their WBA, they will not receive a benefit payment.

When the claimant filed his weekly continued claim for the week ending November 18, 2017, he reported earning \$380.00 in wages from Polaris Industries. As a result, he was paid \$116.00 in unemployment insurance benefits for the week ending November 18, 2017.

The claimant utilizes the Spencer, Iowa IWD location each week to make his claim. Upon realizing he had calculated his wages incorrectly based on a prior rate of pay, the claimant voluntarily went to the Spencer office to correct his wages. At that time, he reported he had worked 23 hours at a rate of pay of \$18.25 for \$419.75. (See administrative file/overpayment worksheet). As a result of the amount he reported, he exceeded the wages permissible to collect benefits and an overpayment of \$116.00 was established.

The claimant appealed the unemployment insurance decision dated November 30, 2017, (reference 02) which identified the overpayment amount. At the hearing, the claimant provided a pay stub from Polaris Industries for the week ending November 18, 2017 which reflected he actually earned \$406.07 at a rate of pay for 22.25 (not 23) hours of work at a rate of pay of \$18.25 per hour (Claimant Exhibit B). As a result, the overpayment amount of \$116.00 was determined based upon the incorrect reporting of wages.

The administrative law judge would note the claimant also reported wages for the week ending November 25, 2017. It is unclear from the administrative record if the wages were calculated based upon the correct \$18.25 per hour rate of pay.

#### **REASONING AND CONCLUSIONS OF LAW:**

The issue in this case is whether the claimant was overpaid unemployment insurance benefits.

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

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 division of job service 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 division a sum equal to the overpayment.

In this case, the claimant initially reported the incorrect wages earned at Polaris Industries for the week ending November 18, 2017, and was paid \$116.00 in unemployment benefits. The claimant then attempted to self-report the error when he visited the Spencer IWD office, and reported a second amount of wages for the week ending November 18, 2017. Without verifying the amount through pay stubs or through a wage check with the employer, an overpayment of \$116.00 was calculated based upon the claimant's report of \$419.75 in wages. However, the claimant actually earned \$406.07 for the week ending November 18, 2017 (Claimant Exhibit B) based upon his paystub.

Based on the evidence presented, the administrative law judge cannot affirm the overpayment amount since it was based upon the incorrect wages earned for the week ending November 18, 2017. Further, the administrative law judge concludes an additional investigation and initial decision is warranted so that any overpayment established is based upon the actual wages earned (and reported at the hearing).

**REMAND:** The following issues are remanded to the Benefits Bureau of Iowa Workforce Development for an initial investigation: Whether the claimant's wages were properly reported (Iowa Code section 96.19(41)) November 12 through 25, 2017, whether the claimant would then be eligible for partial benefits based upon the correct wages (Iowa Code section 96.3(3)), and whether the claimant was overpaid any benefits (Iowa Code section 96.3(7)).

**DECISION:**

The unemployment insurance decision dated November 30, 2017, (reference 02), is reversed. The evidence presented does not support the overpayment was properly calculated on the claimant's actual wages, and therefore the claimant was not overpaid \$116.00 in benefits.

**REMAND:** The following issues are remanded to the Benefits Bureau of Iowa Workforce Development for an initial investigation: Whether the claimant's wages were properly reported (Iowa Code section 96.19(41)) November 12 through 25, 2017, whether the claimant would then be eligible for partial benefits based upon the correct wages (Iowa Code section 96.3(3)), and whether the claimant was overpaid any benefits (Iowa Code section 96.3(7)).

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Jennifer L. Beckman  
Administrative Law Judge

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Decision Dated and Mailed

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