

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

RAUH KARIM
Claimant

APPEAL 18A-UI-10875-DB-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

**IOWA WORKFORCE DEVELOPMENT
DEPARTMENT**

**OC: 06/17/18
Claimant: Appellant (1)**

42 USC § 503(g)(1) - Recovery of Unemployment Benefit Payments
20 CFR 616.8(e) – Recovery of Prior Overpayments

STATEMENT OF THE CASE:

The claimant filed an appeal from the October 24, 2018 (reference 03) unemployment insurance decision that notified him that \$1,470.61 in Iowa unemployment insurance benefits were going to be withheld to apply to an overpayment of unemployment insurance benefits, which the claimant owed to the State of Michigan Unemployment Insurance Agency. After due notice was issued, a hearing was scheduled and held by telephone conference call on November 19, 2018. Claimant participated personally. The administrative law judge took administrative notice of the claimant's unemployment insurance benefits records including the fact-finding documents.

ISSUE:

Is the withholding of the Iowa unemployment insurance benefits to recover the Michigan benefit overpayment valid?

FINDINGS OF FACT:

Having heard the testimony and having reviewed the evidence in the record, the administrative law judge finds:

Claimant received unemployment insurance benefits from the State of Michigan for a benefit year beginning June 7, 2015. The determination of overpayment by the State of Michigan was made on June 16, 2016 in case number 0-007-228-359. The decision found the claimant was not eligible for benefits while working full-time at Securitas Security SVC USA Inc. beginning March 22, 2018. A corresponding overpayment of benefits decision was issued on June 16, 2016 for an overpayment amount of \$1,715.00. Claimant did not appeal the overpayment determination. Claimant did not receive the decision in the mail from the State of Michigan. According to the claimant's administrative records, Iowa Workforce Development is withholding up to \$1,470.61 in gross unemployment insurance benefits to offset the Michigan overpayment of benefits.

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 shall 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:

Responsibilities of the paying State.

(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.

The Michigan remaining overpayment amount is \$1,470.61 and there is no indication that the precipitating decision has been modified or reversed. Claimant has not appealed the overpayment decision. As such, Iowa Workforce Development is authorized to offset up to

\$1,470.61 in gross unemployment insurance benefits to apply to the Michigan unemployment insurance overpayment.

DECISION:

The unemployment insurance decision dated October 24, 2018 (reference 03) is affirmed. Iowa Workforce Development does have legal authority to withhold \$1,470.61 in Iowa unemployment insurance benefits to offset the established Michigan overpayment.

Dawn Boucher
Administrative Law Judge

Decision Dated and Mailed

db/scn