

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

MARY J MENTZER
Claimant

APPEAL 20A-DUA-00007-CL-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

**IOWA WORKFORCE
DEVELOPMENT DEPARTMENT**

OC: 04/12/20
Claimant: Appellant (1R)

PL 116-136, Sec. 2012 – Federal Pandemic Unemployment Assistance

STATEMENT OF THE CASE:

On July 18, 2020, the claimant filed a timely appeal from the Iowa Workforce Development decision dated May 12, 2020, and mailed on July 14, 2020, that determined claimant was eligible for federal Pandemic Unemployment Assistance (PUA).

A telephone hearing was held on August 28, 2020. The claimant was properly notified of the hearing. The claimant participated personally.

Official notice was taken of the administrative record.

ISSUE:

Is the monetary determination and weekly benefit amount for Pandemic Unemployment Assistance correct?

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds:

Claimant filed a claim for unemployment insurance benefits with an original claim date of April 12, 2020. Claimant is self-employed and therefore not eligible for state unemployment insurance benefits. On April 18, 2020, claimant submitted an application for Pandemic Unemployment Assistance (PUA) benefits.

At the time of the application, claimant did not have her 2019 tax returns completed. Therefore, she submitted other documentation that did not reflect her net profits for 2019.

On May 12, 2020, Iowa Workforce Development issued a decision allowing the minimum weekly benefit payment of \$203.00. Claimant's monetary record was listed as follows:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
\$0.00	\$0.00	\$0.00	\$0.00

The decision was not mailed until July 14, 2020. The decision gives claimant until December 26, 2020, to submit documentation of additional wages.

On July 18, 2020, claimant filed an appeal, which included Schedule C from her 2019 tax returns. The document has been entered into the record as Exhibit A. It reflects that claimant's business made a profit in 2019.

REASONING AND CONCLUSIONS OF LAW:

Public Law 116-136, Sec. 2102 provides for unemployment benefit assistance to any covered individual for any weeks beginning on or after January 27, 2020 and ending on or before December 31, 2020, during which the individual is unemployed, partially unemployed, or unable to work due to COVID-19.

Public Law 116-136, Sec. 2102(d)(2) provides:

(d) AMOUNT OF ASSISTANCE.—

(2) CALCULATIONS OF AMOUNTS FOR CERTAIN COVERED INDIVIDUALS.—In the case of a covered individual who is self-employed, who lives in a territory described in subsection (c) or (d) of section 625.6 of title 20, Code of Federal Regulations, or who would not otherwise qualify for unemployment compensation under State law, the assistance authorized under subsection (b) for a week of unemployment shall be calculated in accordance with section 625.6 of title 20, Code of Federal Regulations, or any successor thereto, and shall be increased by the amount of Federal Pandemic Unemployment Compensation under section 2104.

Title 20 of the Code of Federal Regulations, section 626.6(a) and (b) provide, in relevant part:

(a) In all States, except as provided in paragraphs (c) and (d) of this section, the amount of DUA payable to an unemployed worker or unemployed self-employed individual for a week of total unemployment shall be the weekly amount of compensation the individual would have been paid as regular compensation, as computed under the provisions of the applicable State law for a week of total unemployment. In no event shall such amount be in excess of the maximum amount of regular compensation authorized under the applicable State law for that week.

(1) Except as provided in paragraph (a)(2) or (b) of this section, in computing an individual's weekly amount of DUA, qualifying employment and wage requirements and benefit formula of the applicable State law shall be applied; and for purposes of this section, employment, wages, and self-employment which are not covered by the applicable State law shall be treated in the same manner and with the same effect as covered employment and wages, but shall not include employment or self-employment, or wages earned or paid for employment or self-employment, which is contrary to or prohibited by any Federal law, such as, but not limited to, section 3304(a)(14)(A) of the Federal Unemployment Tax Act ([26 U.S.C. 3304\(a\)\(14\)\(A\)](#)).

(2) For purposes of paragraph (a)(1) of this section, the base period to be utilized in computing the DUA weekly amount shall be the most recent tax year that has ended for the individual (whether an employee or self-employed) prior to the individual's unemployment that was a direct result of the major disaster. The self-employment income to be treated as wages for purposes of computing the weekly amount under this paragraph (a) shall be the net income reported on the tax return of the individual as income from all self-employment that was dependent upon the performance of services by the individual. If an individual has not filed a tax return for the most recent tax year

that has ended at the time of such individual's initial application for DUA, such individual shall have a weekly amount determined in accordance with paragraph (e)(3) of this section.

...

(b) If the weekly amount computed under paragraph (a) of this section is less than 50 percent of the average weekly payment of regular compensation in the State, as provided quarterly by the Department, or, if the individual has insufficient wages from employment or insufficient or no net income from self-employment (which includes individuals falling within [paragraphs \(a\)\(3\) and \(b\)\(3\) of § 625.5](#)) in the applicable base period to compute a weekly amount under paragraph (a) of this section, the individual shall be determined entitled to a weekly amount equal to 50 percent of the average weekly payment of regular compensation in the State.

In this case, Iowa Workforce Development initially calculated claimant's weekly benefit amount based on a finding of no net income. After receiving her completed 2019 tax returns, claimant submitted the documentation to the Iowa Workforce Development Appeals Bureau within the prescribed deadline. The tax returns reflect net income from 2019 that was not included in the original determination.

Therefore, this matter will be remanded to the Benefits Bureau of Iowa Workforce Development for a redetermination of the benefit award.

During the hearing, claimant also disclosed that she received a loan under the Paycheck Protection Program that she used to pay her employees (not herself) and utility bills. Because that issue is not currently before me, the administrative law judge does not have authority to determine whether receipt of the PPP loan affects claimant's PUA benefits.

DECISION:

The Iowa Workforce Development decision dated May 12, 2020 that determined claimant was eligible for the minimum PUA weekly benefit amount is affirmed, pending a redetermination of the benefit award by the Benefits Bureau of Iowa Workforce Development.

REMAND:

The issue of whether claimant's weekly benefit amount should be redetermined based on claimant's net profits for 2019 as reflected in Exhibit A (which is included in the electronic file) is remanded to the Benefits Bureau of Iowa Workforce Development.



Christine A. Louis
Administrative Law Judge
Unemployment Insurance Appeals Bureau
1000 East Grand Avenue
Des Moines, Iowa 50319-0209
Fax (515)478-3528

August 31, 2020
Decision Dated and Mailed

cal/scn