

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**MICHAEL D ZUGMAIER**  
Claimant

**APPEAL NO. 07A-UI-00825-S2T**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**CARLETON LIFE SUPPORT SYSTEMS INC**  
Employer

**OC: 12/17/06 R: 04  
Claimant: Appellant (5)**

Section 96.5-5 – Severance Pay

**STATEMENT OF THE CASE:**

Michael Zugmaier (claimant) appealed a representative's January 18, 2007 decision (reference 01) which disqualified him from receiving unemployment insurance benefits for the two-week period ending December 30, 2006, due to the receipt of severance pay from Carleton Life Support Systems (employer). After hearing notices were mailed to the parties' last-known addresses of record, a telephone hearing was held on February 7, 2007. The claimant participated personally. The employer did not provide a telephone number where it could be reached and, therefore, did not participate.

**ISSUE:**

The issue is whether the claimant received severance pay and, therefore, is not eligible to receive unemployment insurance benefits for the two-week period ending December 30, 2006.

**FINDINGS OF FACT:**

The administrative law judge, having heard the testimony and considered all of the evidence in the record, finds that: The claimant worked for the employer from November 1997, until September 22, 2006, as a full-time manager of business development. When the claimant's employment ended the employer gave the claimant \$22,949.00 or 14 weeks of severance pay. In addition the employer gave the claimant vacation pay.

The claimant filed his claim for unemployment insurance benefits with an effective date of December 17, 2006. A notice of claim was sent to the employer with instructions to return the completed form by January 2, 2007. The employer returned the form on January 3, 2007.

**REASONING AND CONCLUSIONS OF LAW:**

For the following reasons the administrative law judge concludes the claimant received severance pay and is not eligible to receive unemployment insurance benefits for the fourteen-week period ending January 6, 2007.

Iowa Code section 96.5-5 provides:

An individual shall be disqualified for benefits:

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

a. Wages in lieu of notice, separation allowance, severance pay, or dismissal pay.

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

c. 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, if an individual's benefits are reduced due to the receipt of a payment under this paragraph, the reduction shall be decreased by the same percentage as the percentage contribution of the individual to the plan under which the payment is made.

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 paragraphs "a", "b", or "c", 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.

The vacation pay should apply to the week ending September 30, prior to the effective date of the claimant's claim for unemployment insurance benefits. The claimant received severance pay for the fourteen-week period ending January 6, 2007. Under the provisions of the above Code section the claimant is disqualified from receiving unemployment insurance benefits for the 14-week period ending January 6, 2007, due to the receipt of the severance pay.

**DECISION:**

The representative's January 18, 2007 decision (reference 01) is modified with no effect. The claimant is disqualified from receiving unemployment insurance benefits for the fourteen-week period ending January 6, 2007, due to the receipt of severance pay.

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Beth A. Scheetz  
Administrative Law Judge

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Decision Dated and Mailed

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