

**IN THE IOWA ADMINISTRATIVE HEARINGS DIVISION
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

JEFFREY DAVIS
Claimant

APPEAL NO. 24A-UI-00492-JT-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

**IOWA WORKFORCE DEVELOPMENT
DEPARTMENT**

**OC: 10/08/23
Claimant: Appellant (2)**

42 USC 503(g)(1) - Interstate Reciprocal Overpayment Recovery Arrangement
20 CFR 616.8(e) – Responsibilities of Paying State

STATEMENT OF THE CASE:

On January 12, 2024, Jeffrey Davis (claimant) filed a timely appeal from the January 8, 2024 (reference 02) decision that held \$3,445.72 would be withheld from the claimant's Iowa unemployment insurance benefits to recover outstanding Minnesota overpayments. After due notice was issued, a hearing was held on January 30, 2024. Claimant participated. Exhibit A was received into evidence. The administrative law judge took official notice of the following Iowa Workforce Development administrative records: The reference 02 decision, the reference 02 supplemental documents, DBRO, NMRO, the Minnesota Response to IWD's request for wage information, the October 13, 2023 monetary record, the October 17, October 20, the October 31, and November 3, 2023 corrected monetary records, and the November 2, 2023 addition of Indiana wages to the Iowa combined wage claim.

ISSUE:

Whether benefits may be withheld from the claimant's Iowa combined wage claim to recover outstanding Minnesota overpayments.

FINDINGS OF FACT:

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

Jeffrey Davis (claimant) established an Iowa combined wage claim that was effective October 8, 2023. Iowa Workforce Development set the weekly benefit amount at \$582.00. IWD records reflect that only Iowa and Indiana wages are included in the combined wage claim.

The State of Minnesota responded to an Iowa Workforce Development request for Minnesota base period wage information. The State of Minnesota reported base period wages to Iowa Workforce Development, but indicated the claimant was indefinitely disqualified for benefits in Minnesota and had outstanding Minnesota overpayments. The Minnesota wages were not added to the claimant's Iowa combined wage claim.

On January 4, 2024, pursuant to the Interstate Reciprocal Overpayment Recovery Arrangement (IRORA), the State of Minnesota requested that Iowa Workforce Development recover

overpayment principal amounts totaling \$3,445.72. The State of Minnesota provided records to establish a June 10, 2019 initial determination of a \$2,188.00 overpayment amount and a July 1, 2019 initial determination of a separate \$1,641.00 overpayment amount. The IRORA request for recovery reflected a reduction of the \$2,188.00 amount to an \$1,804.72 outstanding overpayment amount. Neither of the Minnesota initial overpayment determination dates was within 3 years of the October 8, 2023 effective date of the Iowa combined wage claim.

The claimant concedes he owes to the State of Minnesota the overpayment amounts indicated in the Minnesota documentation submitted to IWD.

REASONING AND CONCLUSIONS OF LAW:

42 USC 503(g)(1) provides as follows:

(g) 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, Federal additional compensation, and other unemployment assistance.

20 CFR 616.8(e), Responsibilities of the Paying State, provides as follows:

(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 Interstate Reciprocal Overpayment Recovery Arrangement (IRORA) was signed by 31 states, including Iowa and Minnesota. Iowa's reciprocal agreement with the U.S. Department of Labor requires that Iowa Workforce Development take appropriate steps to recover an overpayment of unemployment insurance benefits from another state if that state has transferred wages to be included in an Iowa combined wage claim, has supplied appropriate documentation of the overpayment, and has made an appropriate request for assistance in recovering the overpayment. The requesting state's determination of overpayment must have been made within 3 years before the effective date of the Iowa Combined–Wage Claim.

The outstanding Minnesota overpayments may not be withheld from the claimant's October 8, 2023 Iowa combined wage claim. The State of Minnesota reported Minnesota base period wages to Iowa Workforce Development. However, IWD records reflect that the Minnesota wages were not transferred to Iowa Workforce Development for inclusion in the Iowa combined wage claim and were in fact not included in the Iowa combined wage claim. Neither the June 10, 2019 initial overpayment determination nor the July 1, 2019 initial overpayment determination was within three years prior to the October 8, 2023 Iowa combined wage claim. For these reasons, the Interstate Reciprocal Overpayment Recovery Arrangement (IRORA) may not be used to recover the Minnesota overpayments through withholding of Iowa benefits. IWD is neither authorized nor required to withhold benefits to recover the Minnesota overpayments.

DECISION:

The January 8, 2024 (reference 02) decision is REVERSED. The \$3,445.72 in outstanding Minnesota overpayments may not be withheld from the claimant's October 8, 2023 Iowa combined wage claim. IWD is neither authorized by nor required by the IRORA to withhold benefits to recover the Minnesota overpayments.



James E. Timberland
Administrative Law Judge

January 31, 2024
Decision Dated and Mailed

rvs

APPEAL RIGHTS. If you disagree with the 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
6200 Park Ave Suite 100
Des Moines, Iowa 50321
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>.

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
6200 Park Ave Suite 100
Des Moines, Iowa 50321
Fax: (515)281-7191
Online: 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 está en línea en <https://www.legis.iowa.gov/docs/code/17A.19.pdf>.

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.