

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

**PATRICA L JONES**  
Claimant

**APPEAL 18A-UI-07030-SC-T**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**IOWA WORKFORCE DEVELOPMENT  
DEPARTMENT**

**OC: 04/08/18**  
**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:**

Patrica L. Jones (claimant) filed an appeal from the June 20, 2018, reference 02, unemployment insurance decision that notified her \$6,460.00 in Iowa unemployment insurance (UI) benefits were going to be withheld to apply to an overpayment of UI benefits which the claimant owed to Illinois Department of Employment Security (IDES). After due notice was issued, a hearing was held by telephone conference call on July 18, 2018. The claimant participated. The claimant's Exhibit A was admitted. The administrative law judge took official notice of the administrative record, specifically the fact-finding documents.

**ISSUE:**

Is the withholding of the Iowa UI benefits to recover the Illinois UI benefit overpayment valid?

**FINDINGS OF FACT:**

Having heard the testimony and having reviewed the evidence in the record, the administrative law judge finds: The claimant acknowledged she received unemployment insurance benefits in the state of Illinois prior to 2014. On September 12, 2014, IDES sent the claimant an overpayment decision stating she owed \$7,436.00 in benefits for a period she was disqualified. The claimant denied having notice of the overpayment until 2016. The claimant appealed the overpayment and the IDES administrative law judge dismissed the appeal as untimely. The state of Illinois has submitted documentation supporting its claim that the claimant has an outstanding overpayment in the amount of \$6,460.00 which does not include any fees or penalties.

**REASONING AND CONCLUSIONS OF LAW:**

For the reasons that follow, the administrative law judge concludes that Iowa is authorized to withhold funds for the offset.

42 USC § 503(g) provides:

State Laws

g. Recovery of unemployment benefit payments

(1) A State may 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.

The claimant has an outstanding overpayment owed to IDES for unemployment insurance benefits. The balance has not been paid and the decision that created the overpayment has not been reversed. IWD has authority to withhold \$6,460.00 in Iowa UI benefits to offset the IDES overpayment.

**DECISION:**

The unemployment insurance decision dated June 20, 2018, reference 02, is affirmed. IWD has legal authority to withhold \$6,460.00 in Iowa UI benefits to offset the IDES overpayment of \$6,460.00.

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Stephanie R. Callahan  
Administrative Law Judge

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Decision Dated and Mailed

src/scn