

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**DONNA L SCHOTT**  
Claimant

**APPEAL NO. 07A-UI-06788-AT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**CARE INITIATIVES**  
Employer

**OC: 05/27/07 R: 01**  
**Claimant: Appellant (1)**

Section 96.5-5 – Severance Pay  
Section 96.5-7 – Vacation Pay

**STATEMENT OF THE CASE:**

Donna L. Schott filed a timely appeal from an unemployment insurance decision dated July 3, 2007, reference 02, that denied benefits to her for the two weeks ending June 9, 2007 upon a finding that she had received vacation pay equaling or exceeding her weekly benefit amount for the weeks in question. After due notice was issued, a telephone hearing was held July 23, 2007 with Ms. Schott participating. Lynn Corbeil, Attorney at Law, appeared on behalf of the employer, Care Initiatives. Human Resources Director Ann Tippins testified. Cassandra Nielson was also available but was not called to testify.

**ISSUE:**

Has the delay in the commencement of the claimant's unemployment insurance benefits due to her receipt of severance and vacation pay been computed accurately?

**FINDINGS OF FACT:**

Having heard the testimony of the witnesses and having examined all of the evidence in the record, the administrative law judge finds: Donna L. Schott's employment with Care Initiatives ended on May 24, 2007. In connection with her separation from employment she received 80 hours of vacation pay in the gross amount of \$2,968.00 and 176 hours of severance pay in the gross amount of \$6,529.60. Ms. Schott's final rate of pay was \$37.10 per hour. She worked a five-day week. Her weekly benefit amount for unemployment insurance purposes is \$347.00.

**REASONING AND CONCLUSIONS OF LAW:**

The question is whether the commencement of Ms. Schott's unemployment insurance benefits must be delayed because of her receipt of severance and vacation pay. The administrative law judge concludes that there must be a delay.

Iowa Code section 96.5-5 and 96.5-7 deal with the unemployment insurance treatment of severance pay and vacation pay. Each of these forms of payment is deductible from an individual's unemployment insurance benefits dollar for dollar for the week or weeks to which

the payments are attributed. The evidence establishes that Ms. Schott received payments covering a total of 256 hours at her regular hourly rate of \$37.10 per hour. The first eight hours must be attributed to Friday, May 25, 2007. Ms. Schott filed her claim for unemployment insurance benefits effective the week of May 27, 2007. The remaining 248 hours of severance and vacation pay offset entirely her unemployment insurance benefits for the six weeks beginning May 27, 2007 and ending July 7, 2007. The last eight hours of payments, rounded to the nearest dollar at \$297.00, shall be subtracted from her weekly benefit amount for the week ending July 14, 2007. She is entitled to receive unemployment insurance benefits without reduction thereafter, provided she maintains eligibility.

**DECISION:**

The unemployment insurance decision dated July 3, 2007, reference 02, is affirmed. The claimant is ineligible for unemployment insurance benefits for the two weeks ending June 9, 2007.

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Dan Anderson  
Administrative Law Judge

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Decision Dated and Mailed

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