

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

AMANDA A CSANADY
Claimant

MEDIREVV INC
Employer

APPEAL 18A-UI-11854-CL-T
**ADMINISTRATIVE LAW JUDGE
DECISION**

OC: 09/02/18
Claimant: Appellant (1)

Iowa Code § 96.5(7) – Receipt of Vacation Pay/PTO

STATEMENT OF THE CASE:

The claimant filed an appeal from the December 6, 2018, (reference 08) unemployment insurance decision that deducted vacation pay/PTO from benefits for the one week ending October 27, 2018. The parties were properly notified about the hearing. A telephone hearing was held on December 31, 2018. Claimant participated personally and through witness Teresa Csanady. Employer participated through human resource manager Matthew Russell. Employer's Exhibits 1 and 2 were received. Department's Exhibit D-1 was received.

ISSUES:

Was vacation pay correctly deducted from claimant's unemployment insurance benefits?

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds: The claimant was separated on October 24, 2018. The last day of work was October 24, 2018. The employer paid her \$338.00 in gross wages for work performed. She received pay for accumulated but unused vacation pay/paid time off (PTO) in the amount of \$64.00, equivalent to 4.39 hours, based upon a rate of pay at \$14.50 per hour. Claimant's weekly benefit amount (WBA) is \$322.00.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes the vacation pay/PTO was deducted for the correct period.

Effective July 1, 2018, Iowa Code section 96.5(7) provides:

An individual shall be disqualified for benefits, regardless of the source of the individual's wage credits:

7. Vacation pay.

- a. When an employer makes a payment or becomes obligated to make a payment to an individual for vacation pay, or for vacation pay allowance, or as pay in lieu of vacation, such payment or amount shall be deemed "wages" as defined in section 96.19, subsection 41, and shall be applied as provided in paragraph "c" hereof.
- b. When, in connection with a separation or layoff of an individual, the individual's employer makes a payment or payments to the individual, or becomes obligated to make a payment to the individual as, or in the nature of, vacation pay, or vacation pay allowance, or as pay in lieu of vacation. The amount of a payment or obligation to make payment, is deemed "wages" as defined in section 96.19, subsection 41, and shall be applied as provided in paragraph "c" of this subsection 7.
- c. Of the wages described in paragraph "a" or paragraph "b", a sum equal to the wages of such individual for a normal workday shall be attributed to, or deemed to be payable to the individual with respect to, the first and each subsequent workday in such period until such amount so paid or owing is exhausted, not to exceed five workdays. Any individual receiving or entitled to receive wages as provided herein shall be ineligible for benefits for any week in which the sums equal or exceed the individual's weekly benefit amount. If the amount is less than the weekly benefit amount of such individual, the individual's benefits shall be reduced by such amount.
- d. Notwithstanding contrary provisions in paragraphs "a", "b", and "c", if an individual is separated from employment and is scheduled to receive vacation payments during the period of unemployment attributable to the employer, then payments made by the employer to the individual or an obligation to make a payment by the employer to the individual for vacation pay, vacation pay allowance or pay in lieu of vacation shall not be deemed wages as defined in section 96.19, subsection 41, for any period in excess of five workdays and such payments or the value of such obligations shall not be deducted for any period in excess of one week from the unemployment benefits the individual is otherwise entitled to receive under this chapter.
- e. If an employer pays or is obligated to pay a bonus to an individual at the same time the employer pays or is obligated to pay vacation pay, a vacation pay allowance, or pay in lieu of vacation, the bonus shall not be deemed wages for purposes of determining benefit eligibility and amount, and the bonus shall not be deducted from unemployment benefits the individual is otherwise entitled to receive under this chapter.

Effective July 1, 2018, vacation pay is not deductible for any period in excess of one week from unemployment insurance benefits the claimant is otherwise entitled to leave. In this case, the entire amount was correctly deducted from the first week of benefits following the separation.

DECISION:

The December 6, 2018, (reference 08) unemployment insurance decision is affirmed. The vacation pay/PTO was deducted for the correct period.

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

Decision Dated and Mailed

cal/scn