

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

FERUZI D IKANGA
Claimant

APPEAL 17A-UI-06915-CL-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

**IOWA WORKFORCE DEVELOPMENT
DEPARTMENT**

**OC: 04/23/17
Claimant: Appellant (1)**

42 USC § 503(g)(1) - Recovery of Unemployment Benefit Payments

STATEMENT OF THE CASE:

The claimant filed an appeal from the June 28, 2017, (reference 01) unemployment insurance decision that notified him 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 scheduled to be held by telephone conference call on July 25, 2017. Claimant participated.

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: Claimant was paid \$8,164.00 in UI benefits on a 2013 Illinois claim. The Illinois Department of Employment Security later determined claimant was not entitled to the benefits. Claimant filed a claim for unemployment benefits with the Iowa Workforce Development effective April 17, 2016. Iowa Workforce Development withheld \$1,054.00 of the benefits to offset the Illinois overpayment. Therefore, the remaining balance is \$7,110.00.

Claimant contends he was informed by IDES that the overpayment has been cancelled. However, the Iowa Workforce Development does not have any documentation stating that the overpayment in the State of Illinois has been cancelled or otherwise resolved in claimant's favor.

REASONING AND CONCLUSIONS OF LAW:

The administrative law judge concludes that Iowa is authorized to withhold funds for the offset.

42 USC § 503(g)(1) provides in pertinent part:

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.

Because the Illinois overpayment balance of \$7,110.00 remains outstanding, IWD is authorized to offset \$7,110.00 in gross UI benefits to apply to the Illinois UI overpayment.

DECISION:

The representative’s decision dated June 28, 2017 (reference 01) is affirmed. IWD does have legal authority to withhold \$7,110.00 in Iowa UI benefits to offset the IDES overpayment.

Christine A. Louis
Administrative Law Judge
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Decision Dated and Mailed

cal/scn